

	AGENDA ANNUAL GENERAL MEETING Wednesday, June 24, 2020 Zoom Videoconference 5:00 pm			
	Directors:	Marg Dragan, Treasurer Anthony Iafrate Bill Gillam Jenny Greensmith	Louis Guimond Brian Knott, Vice-Chair Katherine Mantha	Rachael Simon Fred Vanderheide Paul Wiersma, Chair Kirk Wilson
	Ex-Officio Directors:	Mike Lapaine Dr. Michel Haddad	Shannon Landry Dr. Andre Rudovics	Dr. Lincoln Lam
	Invited Participants:	Samer Abou-Sweid Julia Oosterman BDO Dunwoody LLP	Laurie Zimmer Kathy Alexander	Paula Reaume-Zimmer Dr. Dhiraj Dhanjani
	Invited Guests:	Pat Davis Beverly Hand Lorri Kerrigan Bob McKinley	Art Mamouhdi Jason McMichael Marcie Myers Media	Tom Salmoni John Sottosanti Jennifer Wilson
Recorder:	Melissa Rondinelli			

*attached

NO.	TOPIC	ACTION	TIME	PRESENTER
1.0	Call To Order: Welcome and Opening Remarks		5:00	Paul Wiersma
1.1	Traditional Territory Acknowledgement			
1.2	Patient Story – Video			
1.3	Approval of Agenda	Decision		
1.4	Declaration of Conflict of Interest	Discussion		
1.5	<u>Approval of Minutes</u> February 26, 2020* June 26, 2019*	Decision		
2.0	BWH Foundation and Children’s Auxiliary Reports*	Decision		
3.0	Board Treasurer Report*	Information	5:05	Marg Dragan
4.0	Auditor’s Report*	Decision		Randy Dunn, BDO Canada LLP
5.0	Appointment of Auditors for 2020-21*	Decision		Marg Dragan
6.0	Nominating Committee Report*	Decision	5:20	Paul Wiersma
7.0	President and CEO Report*	Information	5:25	Mike Lapaine
8.0	Chief of Professional Staff Report*	Information		Dr. Michel Haddad

NO.	TOPIC	ACTION	TIME	PRESENTER
9.0	Board Chair Report*	Information		Paul Wiersma
10.0	Adjournment	Decision	5:30	Paul Wiersma



**Annual General Meeting
June 24, 2020
Proposed Motions**

AGENDA ITEM		MOTION
1.3	Agenda	to approve the agenda as presented.
1.5	Minutes	to approve the minutes of February 26, 2020 and June 26, 2019 as presented
2.0	BWH Foundation and Children’s Auxiliary Reports	to receive the reports as presented.
4.0	Auditor’s Report	to accept the audited financial statements prepared by BDO Canada LLP for the year ended March 31, 2020 as presented.
5.0	Appointment of Auditors for 2020-21	to appoint the firm of BDO Canada LLP as Bluewater Health’s auditors for the 2020-21 fiscal year.
6.0	Nominating Committee Report	to approve the Director and Non-Director Committee Member appointments as presented in the Nominating Committee Report.



MINUTES
SPECIAL MEMBERS MEETING

Wednesday, February 26, 2020

Directors:	Marg Dragan Treasurer ✓ Anthony lafrate ✓ Bill Gillam ✓ Jenny Greensmith ✓	Louis Guimond ✓ Brian Knott, Vice-Chair ✓ Katherine Mantha ✓ Bob McKinley - R	Rachael Simon ✓ Fred Vanderheide - R Paul Wiersma, Chair ✓ Kirk Wilson ✓
Ex-Officio Directors:	Mike Lapaine ✓ Dr. Michel Haddad ✓	Shannon Landry ✓ Dr. Andre Rudovics ✓	Dr. Lincoln Lam - R
Participants:	Samer Abou-Sweid ✓ Julia Oosterman ✓	Laurie Zimmer ✓ Dr. Dhiraj Dhanjani - R	Paula Reaume-Zimmer ✓
Recorder:	Melissa Rondinelli		

(*attached in the minute record book)

1.0 CALL TO ORDER - Paul Wiersma called the meeting to order at 5:04 pm and welcomed guests.

2.0 AGENDA APPROVAL

2.1 Agenda Approval*

Motion duly made, seconded and carried: to approve the agenda as presented.

2.2 Declaration of Conflict of Interest

Paul invited Directors to share any conflicts of interest. There we no conflicts declared.

3.0 ITEMS FOR APPROVAL

3.1 Annual By-Law Review*

Anthony lafrate presented a briefing note and documentation supporting the recommended amendments to the Corporate and Professional Staff By-Laws of Bluewater Health. He noted the changes were vetted extensively by legal counsel and Hospital and Board Committees, prior to approval by the Board in November. Since then, the revised documents were posted for feedback and no concerns were shared by the Professional Staff.

Motion duly made, seconded and carried: to confirm the amendments to the Corporate By-Law of Bluewater Health and the Professional Staff By-Laws of Bluewater Health as presented in appendices A and B.

There were no questions, concerns or comments.

4.0 ADJOURNMENT: 5:07 pm

Paul Wiersma
Chair
Board of Bluewater Health

Mike Lapaine
Secretary
Board of Bluewater Health

Melissa Rondinelli
Senior Executive Assistant - Recorder

	MINUTES ANNUAL GENERAL MEETING Wednesday, June 26, 2019		
	Directors:	Marg Dragan v Anthony Iafrate v Bill Gillam v Jenny Greensmith v	Louis Guimond v Brian Knott, Vice-Chair v Katherine Mantha v Bob McKinley v
Ex-Officio Directors:	Mike Lapaine v Dr. Michel Haddad v	Shannon Landry v Dr. Andre Rudovics - R	
Participants:	Samer Abou-Sweid - R Julia Oosterman v	Laurie Zimmer v	Paula Reaume-Zimmer v
Recorder:	Melissa Rondinelli		

(*attached in the minute record book)

1.0 CALL TO ORDER

Paul Wiersma welcomed the Board and guests to the meeting at 5:00 pm. He noted the agenda materials and the hospital's Annual Report were placed on the chairs in the room, and explained the Board would not take questions from the audience regarding the agenda in accordance with policy. Paul indicated guest speaker, Dr. Henderson, would take questions from the public, following her presentation.

1.1 Traditional Territory Acknowledgement

Paul Wiersma read the traditional territory acknowledgement.

2.0 SPECIAL PRESENTATION*

Mike Lapaine introduced guest speaker, Dr. Joanna Henderson and shared an overview of her credentials. Dr. Henderson provided a presentation titled: *Meeting the Needs of Youth with Mental Health and Substance Use Concerns through Integrated Models of Service Delivery*. She indicated the current system is not meeting the needs of youth and provided statistics regarding youth mental health and substances concerns, and how this impacts hospitals.

Dr. Henderson discussed challenges within the system such as: poor access to appropriate services, fragmentation - poor coordination and transitions, heavy reliance on specialist model, high rates of non-completion of service, poor data quality, etc. She suggested the system needs early intervention services, a one stop shop model of care, with a walk in service model, standardization, and outcome based care, etc.

Dr. Henderson explained work to create a service delivery platform is being led by Ontario's Integrated Youth Services with 13 core components. The initiative is being co-developed with youth and families, to reduce transitions between services through integration, and to create co-location and shared services, with common evaluation across sites. Outcomes will include: increased assessment and engagement, reduced distress, decreased symptoms, improved functioning, reduced wait times, and improved perceptions of care. Dr. Henderson also discussed integrated youth services across the country, and noted there is an Access Open Minds site in Chatham-Kent.

Questions about youth mental health trends followed. Dr. Henderson discussed contributing factors such as social media, shifts in educational and social systems, etc., and reported Canadian trends are similar to other first world countries. Discussion followed regarding the importance of continuum of care for youth, and the various supports available such as peer support, social workers, counsellors, and more.

3.0 AGENDA

3.1 Approval of Agenda*

Motion duly made, seconded and carried: to approve the agenda as presented.

3.2 Declaration of Conflict of Interest – None declared.

3.3 Approval of Minutes*

Motion duly made, seconded and carried: to approve the June 27, 2018 minutes as presented.

4.0 REPORTS FROM THE PRESIDENTS OF THE FOUNDATIONS AND AUXILIARIES*

Paul presented the reports. He recognized the work of the Bluewater Health (BWH) and Charlotte Eleanor Englehart Hospital (CEEH) Foundations and Auxiliaries and thanked them for raising funds for capital items for the hospital. There were no questions or concerns raised.

Motion duly made, seconded and carried: to receive the reports as presented.

5.0 PRESIDENT AND CEO REPORT*

Mike presented his report and highlighted accomplishments achieved under each of the hospital's strategic themes. In the area of *Quality Care*, he drew attention to BWH receiving Accreditation with Exemplary Status, new services such as electroconvulsive

therapy and peripherally inserted central catheter lines, and the launch of the No One Waits (NOW) initiative, focused on ensuring patient transitions occur within two hours by October of 2019. For *Outstanding Performance*, Mike reported the hospital began the year projecting a deficit and was pleased to note the hospital ended the year in a balanced position. He also highlighted the new bundled care program for hip and knee surgeries and advised the hospital continues to await direction on important capital projects. Next, Mike reported the hospital is participating in Excellence Canada's framework for mental health in the workplace as it continues to focus on *Inspired People*, and caring for those who care for our patients and families. Mike was also proud to report BWH achieved exceptional employee engagement results. Lastly, Mike brought attention the hospital's continued commitment to *Exceptional Relationships*, especially as it works with partners towards establishment of a local Ontario Health Team.

6.0 CHIEF OF PROFESSIONAL STAFF REPORT*

Dr. Haddad presented his report and highlighted accomplishments of the Medical Leadership team this year including: Choosing Wisely initiatives, improving the patient care experience through transitions, strengthening quality of care reviews and aggressive recruitment strategies. Dr. Haddad noted BWH's Choosing Wisely work was featured nationally. He also brought attention to new services being offered such as on site obstetric services, and psychiatry outpatient visits. Dr. Haddad then shared details about BWH's success this year with recruitments, work to secure medical training positions at BWH, and focus on physician wellness. Lastly, he recognized various physicians for their leadership and those that have retired or relocated.

7.0 SUE DENOMY LEADERSHIP AWARD

Mike invited Sue Denomy, former CEO of BWH, to the podium. He explained the BWH Foundation established the Sue Denomy Award in recognition of her leadership upon her retirement. Mike noted Sue's mantra was "Everyone is a leader if they chose to be" and the recipient of the award must be a front-line staff member that exemplifies the hospital's Mission, Vision and Values. He then introduced this year's recipient, Angela McDonald, charge nurse in ED and highlighted her strengths.

Paul introduced a video titled: *Mikela's Story*. Following the video presentation, Paul called a short recess at 6:18 pm and reconvened the meeting at 6:34 pm.

8.0 BOARD TREASURER REPORT*

Fred Vanderheide presented the Board Treasurer's Report and reported the hospital had a surplus of \$127K compared to last year's surplus of over \$2M. Fred expressed

gratitude to BWH's staff, Professional Staff and volunteers for their commitment to the hospitals' financial health. He also thanked all donors for their gifts to support the hospital.

9.0 AUDITOR'S REPORT*

Paul introduced auditor Peter Thomas of BDO Canada LLP. Peter thanked BWH leadership and staff for their assistance in completing this year's audit and presented the standard unqualified opinion as of March 31, 2019, completed in accordance with Canadian Public Sector Accounting Standards. Peter reviewed the Statement of Financial Position and noted assets and liabilities decreased, revenue increased \$8M from the previous year, bank loans and accounts payable decreased by \$1M, and BWH has a healthy working capital ratio, which shows strong financial stability. He reported an excess of revenue over expenses of \$127K for the year, with an overall deficit of \$1.4M, compared to a surplus the prior year. Peter also reported a new payroll system has eliminated concerns with timecard issues identified last year, and there were no issues to report in the current year. There were no questions, concerns or comments raised.

Motion duly made, seconded and carried: to accept the audited financial statements prepared by BDO Canada LLP for the year ended March 31, 2019 as presented.

10.0 APPOINTMENT OF THE AUDITORS FOR 2019/20

Motion duly made, seconded and carried: to appoint the firm of BDO Canada LLP as Bluewater Health's auditors for the 2019-20 fiscal year.

11.0 NOMINATING COMMITTEE REPORT*

Paul presented the Nominating Committee Report and provided an overview of the Director and Non-Director Committee Members recommended for appointment to the Board. He noted the hospital received 23 applications.

Motion duly made, seconded and carried: to approve the Director and Non-Director Committee Member appointments as presented in the Nominating Committee Report of June 2019.

12.0 BOARD CHAIR REPORT*

Paul presented the Board Chair Report included in the agenda package. Following his report, Wayne Pease shared remarks about his tenure as a Director for the past nine years.

13.0 ADJOURNMENT

Motion duly made, seconded and carried: to adjourn the meeting at 6:55 pm.

Paul Wiersma
Chair
Board of Bluewater Health

Mike Lapaine
Secretary
Board of Bluewater Health

Melissa Rondinelli
Senior Executive Assistant
Recorder



Annual Report

2019-2020

EXECUTIVE DIRECTOR & CHAIR OF THE BOARD REPORT

As we reflect on another successful year at Bluewater Health Foundation, we are honoured to be able to highlight and celebrate those in the Sarnia-Lambton community who continue to come together to support Bluewater Health.

In the 2019-2020 fiscal year, we were proud to disburse \$2.2 million dollars to Bluewater Health. This disbursement included the purchase of new mammography machines as well as several other vital pieces of equipment including; incubators, radiant infant warmers, specialized monitors and patio furnishings for patients and families. These purchases were made possible by the generous support of our donors and sponsors.

Dan Edwards and the Do it for Sarnia campaign achieved its \$150,000 goal with the incredible success of the summer Block Party featuring The Trews. The funds will support the development of a patio space for the inpatient mental health unit. The new space will provide a beautiful outdoor area to patients, who at times are not able to leave the unit. We are so thankful to Dan for all of his efforts to support mental health initiatives at Bluewater Health.

The 25th anniversary of Dream Home Lottery saw us partnering for the first time with CEEH Foundation and moving to an online ticketing platform. We look forward to continuing and growing this relationship with our sister foundation as we both work towards raising funds for Bluewater Health.

Bluewater Health, St. Clair Child and Youth Services and the Canadian Mental Health Association, continue to work together to open an ACCESS Open Minds Centre. Philanthropic support is essential to the success of this very important project. Sarnia's ACCESS Open Minds is the only centre of its kind in Canada without provincial funding to date. The community has begun to step up in a huge way to support this new progressive site. Together with the Mike Weir Foundation, the County of Lambton and additional community support, Bluewater Health Foundation is committed to raising funds that will strengthen and grow mental healthcare and resources for our youth and their families.

At the annual Physician Appreciation Event, we were pleased to honour Dr. Rob Hislop with the Foundation's Culture of Philanthropy award. This award recognizes a physician (s) whose personal generosity and community leadership has inspired others to become involved in supporting Bluewater Health. Dr. Hislop and his wife Julie are wonderful friends of the foundation and we were pleased to recognize them both.

EXECUTIVE DIRECTOR & CHAIR OF THE BOARD REPORT

Towards the end of the fiscal year, the world as we know it changed. On March 11, 2020, the World Health Organization declared the global outbreak of COVID-19 a pandemic. The Foundation office closed to the public, businesses ceased operations and people across the world were required to self-isolate or quarantine. Throughout it all, the entire Bluewater Health team has been working non-stop to provide exceptional care for our community in this unprecedented time. As you all know hospitals and healthcare workers are being surrounded with such kindness and compassion. This is being seen through generous donations, food deliveries, messages of appreciation and PPE donations. It has been a privilege to hear how proud the Sarnia-Lambton community is of Bluewater Health.

In response to many requests of generosity, Bluewater Health Foundation established a greatest need COVID-19 fund. Funds raised will be used to support front-line healthcare professionals, as well as to purchase critical equipment and technology to enhance the ability to diagnose and treat patients during this difficult time and beyond. Additionally, Bluewater Health Foundation was proud to join forces with the "Frontline Fund" a group of hospital foundations across Canada in a national appeal to support our hospitals in the fights against COVID. These initiatives will strengthen our hospital at this time of need through philanthropy and truly speaks to the mantra that "we are all in this together."

As we look ahead, we know that COVID-19 will have an impact on our ability to raise funds for Bluewater Health. Special events have been cancelled and postponed and many individuals and businesses have been impacted. While there are many unknowns at this time, what we do know is that we are fortunate to live in such a kind and caring community. We are grateful to those who have contributed to Bluewater Health. Every gift truly makes an impact on the care that Bluewater Health is able to provide to those in the Sarnia-Lambton community.

Warm regards,



Kathy Alexander
Executive Director



Rob Jenkins
Chair of the Board

HIGHLIGHTS

2019-2020

1,166

Unique Donors

368

Online Donations

642

New Donors

263

Memorial Names

\$371,000

Raised from special events/initiatives

\$408,000

Raised from third party events

CHILDREN'S AUXILIARY REPORT

Once again with the successful efforts of our 14 members in 2020 it was another great year for the Children's Auxiliary.

Through the Bingo and gift card fundraisers and Christmas Cookie Walk, we were able to purchase the following equipment for the Maternal Infant Child Unit:

Two sleeper chairs (\$3,600)
Two activity wall pieces (\$1,250)
Two diaper scales (\$1,002)
Case Fredrick Frog (\$500)
Case Snuggles (\$370)
Measuring mat (\$227)
Woodland jumper (\$65)
Set Paw Patrol stickers (\$45)

In addition to:

\$1,000 Pillow Case Program donation
Four Christmas gift bags
Four New Year's gift bags
100 activity Bags

As always the Auxiliary looks forward to supporting the MIC Unit and children throughout the hospital in 2020-2021.

Lynn Walsh
Auxiliary President

Treasurer's Report
2019/2020 Annual General Meeting

I am pleased to present my report for fiscal year 2019-2020, including the audited financial statements for the fiscal year ended March 31, 2020. For this period Bluewater Health had a surplus from hospital operations of \$885,355 compared to last year's surplus of \$127,721.

The Board and hospital leaders are grateful to staff, Professional Staff and volunteers for their contributions toward Bluewater Health's sound financial position. We are committed to continuing to provide quality, safe healthcare services to our patients and families in the Sarnia-Lambton community, while constantly improving the organization's fiscal outlook.

The onset of the global COVID-19 pandemic resulted in unforeseen expenses in the final weeks of the fiscal year which were mitigated by provincial funding. The Ministry of Health and Long-Term Care's funding model will continue to evolve to respond to the global pandemic and the transition to Ontario Health Teams, and the hospital Board and leadership will adapt accordingly.

The financial and moral support of both Bluewater Health Foundation and CEEH Foundation are critical to the success of this organization, and we are grateful for the extraordinary efforts of the Foundation staff and volunteers who share their time and talent through fundraising. We are grateful for the outpouring of generosity from our community during these challenging times. Since Ministry funding does not cover all medical equipment and technology, we thank all the donors to our community hospitals, without whom we would not be able to fund critical equipment purchases, replacements and upgrades, and provide education and support.

Respectfully submitted,

Margaret Dragan, CPA, CA, BSc
Treasurer

Bluewater Health
Financial Statements
For the year ended March 31, 2020

Bluewater Health
Financial Statements
For the year ended March 31, 2020

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Independent Auditor's Report

To the Directors and Members of Bluewater Health

Opinion

We have audited the financial statements of Bluewater Health, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bluewater Health as at March 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Bluewater Health in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Bluewater Health's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Bluewater Health's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements - continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bluewater Health's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Bluewater Health's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Bluewater Health to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sarnia, Ontario
June 18, 2020

Bluewater Health Statement of Financial Position

March 31	2020	2019
Assets		
Current		
Cash (Note 3)	\$ 8,879,212	\$ 6,198,904
Short-term investments (Note 4)	246,852	549,516
Accounts receivable	5,010,234	6,802,771
Inventories	1,092,751	824,095
Prepaid expenses	2,125,712	2,044,645
	17,354,761	16,419,931
Long-term		
Interest in joint venture (Note 5)	64,063	65,758
Investment in subsidiary company (Note 6)	304,053	346,758
Investments (Note 7)	690,480	745,479
Capital assets (Note 8)	236,298,979	244,550,564
	\$ 254,712,336	\$ 262,128,490

The accompanying notes are an integral part of these financial statements.

Bluewater Health Statement of Financial Position

March 31	2020	2019
Liabilities and Net Assets		
Current		
Bank loans (Note 9)	\$ 1,835,935	\$ 2,969,514
Accounts payable and accrued liabilities	22,981,661	20,891,778
	24,817,596	23,861,292
Other long-term liabilities	652,030	634,045
Post-employment benefits (Note 10)	15,269,400	15,452,900
Deferred contributions related to expenditures of future periods (Note 11(a))	2,801,100	2,016,551
Deferred contributions related to capital assets (Note 11(b))	201,440,663	209,743,198
	244,980,789	251,707,986
Contingent liabilities (Note 15)		
Commitments (Note 16)		
Net assets		
Net assets invested in capital assets (Note 12)	33,022,381	31,837,852
Net assets restricted for endowment purposes	789,639	789,639
Net assets internally restricted (Note 13)	1,142,150	808,725
Unrestricted net assets (deficiency)	(25,222,623)	(23,015,712)
	9,731,547	10,420,504
	\$ 254,712,336	\$ 262,128,490

On behalf of the Board:

_____ Director

_____ Director

**Bluewater Health
Statement of Changes in Net Assets**

For the year ended March 31

	Invested in Capital Assets	Unrestricted	Restricted for Endowment	Restricted for Capital	2020 Total	2019 Total
Balance, beginning of year	\$ 31,837,852	\$ (23,015,712)	\$ 789,639	\$ 808,725	\$ 10,420,504	\$ 11,866,367
Excess (deficiency) of revenue over expense	(4,293,312)	3,604,355	-	-	(688,957)	(1,445,863)
Investment in capital assets	5,477,841	(5,477,841)	-	-	-	-
Transfer to restricted	-	(333,425)	-	333,425	-	-
Balance, end of year	\$ 33,022,381	\$ (25,222,623)	\$ 789,639	\$ 1,142,150	\$ 9,731,547	\$ 10,420,504

The accompanying notes are an integral part of these financial statements.

Bluewater Health Statement of Operations

For the year ended March 31	2020	2019
Revenue		
Ministry of Health base funding	\$ 122,323,672	\$ 122,551,772
Ministry of Health other	30,379,557	28,482,844
Cancer Care Ontario	8,271,027	8,330,522
Paymaster	1,326,405	1,322,005
Patient OHIP	14,119,974	13,116,282
Workplace Safety Insurance Board	283,920	329,586
Other provinces	424,175	348,694
Other self pay	4,420,770	3,800,165
Recoveries and other	10,425,850	8,941,976
Parking revenue	1,004,110	992,733
Donations and interest	99,992	169,666
Deferred contributions - capital contributions	2,526,118	2,407,915
Administered programs	5,346,968	5,339,752
Share of income - joint venture	45,771	46,717
Share of income (loss) - subsidiary company	(42,705)	2,945
	<u>200,955,604</u>	<u>196,183,574</u>
Expense		
Salaries and wages	93,212,014	92,472,562
Medical staff remuneration	22,949,190	20,489,614
Employee benefits	26,491,807	25,326,684
Supplies	25,470,961	26,969,370
Medical and surgical supplies	8,886,404	9,049,710
Drug expense	12,274,126	11,341,276
Interest	270,169	213,601
Amortization - equipment	5,268,616	4,853,284
Administered programs	5,246,962	5,339,752
	<u>200,070,249</u>	<u>196,055,853</u>
Excess of revenue over expense, hospital operations	885,355	127,721
Deferred building grants amortization	9,039,963	8,966,334
Building amortization	(10,555,821)	(10,454,779)
Interest on capital financing	(58,454)	(85,139)
Deficiency of revenue over expense	\$ (688,957)	\$ (1,445,863)

The accompanying notes are an intergral part of these financial statements.

Bluewater Health Statement of Cash Flow

For the year ended March 31	2020	2019
Cash resources provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expense	\$ (688,957)	\$ (1,445,863)
Items not involving cash		
Amortization	15,839,583	15,322,164
Loss on disposal of capital assets	19,810	193,691
Amortization of deferred contributions related to capital assets	(11,566,081)	(11,374,249)
Share of income - joint venture	(45,771)	(46,717)
Share of loss (income) in subsidiary company	42,705	(2,945)
Decrease in post-employment benefits	(183,500)	(211,200)
	3,417,789	2,434,881
Changes in non-cash operating working capital balances		
Short-term investments	302,664	(55,886)
Accounts receivable	1,792,537	(704,217)
Inventories	(268,656)	(39,222)
Prepaid expenses	(81,067)	(392,273)
Accounts payable and accrued liabilities	2,089,883	(1,116,780)
Other long-term liabilities	17,985	(863,340)
	7,271,135	(736,837)
Investing activities		
Decrease in investments	54,999	24,249
Distribution from joint venture	47,466	36,409
	102,465	60,658
Financing activities		
Payments of bank loans	(1,133,579)	(1,106,892)
Increase in deferred contributions related to expenditures of future periods	784,549	81,070
	(349,030)	(1,025,822)
Capital		
Deferred contributions related to capital assets	3,263,546	2,182,328
Purchase of capital assets	(7,607,808)	(4,270,367)
	(4,344,262)	(2,088,039)
Increase (decrease) in cash resources during the year	2,680,308	(3,790,040)
Cash, beginning of year	6,198,904	9,988,944
Cash, end of year	\$ 8,879,212	\$ 6,198,904

The accompanying notes are an intergral part of these financial statements.

Bluewater Health Notes to Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies

Nature of Business

Bluewater Health is an accredited community-based health care facility, offering a full range of acute, mental health, emergency, ambulatory, rehabilitation and continuing care services to the residents of Lambton County. The hospital, incorporated without share capital under the Corporations Act of Ontario, is a charitable organization within the meaning of the Income Tax Act (Canada) and, as such, is exempt from income taxes under the Income Tax Act (Canada).

Basis of Presentation

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAS for Government NPOs"). The Bluewater Health Foundation is a separate entity whose financial information is reported separately from the Hospital.

Management Estimates

The preparation of financial statements in conformity with PSAS for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the period. Actual results could differ from these estimates. Areas of key estimation include determination of allowance for doubtful accounts, quality based procedures revenue earned and actuarial estimation of post-employment benefits liabilities.

Revenue Recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC"), and the Erie St. Clair Local Health Integration Network ("LHIN"). The hospital has entered into a Hospital Service Accountability Agreement (the "H-SAA") for fiscal 2020 with the Ministry and LHIN that sets out the rights and obligations of the parties to the H-SAA in respect of funding provided to the Hospital by the Ministry/LHIN. The H-SAA also sets out the performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance in a number of areas.

Bluewater Health Notes to Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in a subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in net assets.

Revenue from patients is recognized as revenue when the service is provided.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Inventory consists of medical and general supplies that are used in the Hospital's operations and are not for resale.

Interest in Joint Venture

The Hospital's interest in the joint venture, CBI Sarnia Limited Partnership, has been accounted for using the modified equity method. Under this method, the Hospital takes into earnings and reflects in its investment account its share of the income or loss for the latest fiscal period of the partnership prior to the Hospital's year end.

Investment in Subsidiary Company

The investment in 876756 Ontario Limited is accounted for using the modified equity method. The company was incorporated to hold shares in Lambton ProResp Inc., a company primarily engaged in providing home respiratory care services and products.

Investment Income

Investment income on unspent deferred contributions, if restricted for future income use, is deferred as a component of such contributions. All other investment income is recognized as revenue when earned.

Bluewater Health Notes to Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Hospital's ability to provide services or the value of future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value. Construction in progress is not amortized until construction is substantially complete and the assets are ready to use.

Capital assets are stated at cost and amortized on a straight-line basis over their estimated useful lives, at the rates recommended by the Management Information System Guidelines issued by the Ministry of Health and Long-Term Care:

Land improvements	- 10 - 25 years
Buildings	- 20 - 40 years
Equipment	- 3 - 20 years

Post-Employment Benefits

The Hospital provides post-employment benefits to certain employee groups. These benefits include health, dental and life insurance. The hospital has adopted the following policies with respect to accounting for these employee benefits:

- (i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.
- (ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.
- (iii) The discount rate used in the determination of the above mentioned liabilities is equal to the Hospital's internal rate of borrowing.

Bluewater Health Notes to Financial Statements

March 31, 2020

1. Summary of Significant Accounting Policies (continued)

Financial Instruments The Hospital classifies its financial instruments as either fair value or amortized cost. The Hospital's accounting policy for each category is as follows:

Fair value

This category includes cash and equity investments.

They are initially recognized at cost and subsequently carried at fair value. Changes in fair value are recognized in the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Amortized cost

This category includes short-term investments, accounts receivable, investments in GICs, bank loans, accounts payable, and other long-term liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

Donated Materials and Services

Donated services are not recorded in the financial statements. Donated materials which are used in the normal course of the Hospital's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Loan Guarantees

The hospital has guaranteed various loans for physicians and loans and leases for TransForm. When it is determined that a loss is likely, a provision for loss is recorded. The provision is determined using the best estimates available and taking into consideration the principal amount outstanding, any guaranteed accrued and unpaid interest, any amounts recoverable from the borrower and from the sale of assets pledged as security, and all known circumstances. The provision for loan losses is reviewed by management on an annual basis.

Bluewater Health Notes to Financial Statements

March 31, 2020

2. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2020		
	Fair Value	Amortized Cost	Total
Cash	\$ 8,879,212	\$ -	\$ 8,879,212
Short-term investments	-	246,852	246,852
Accounts receivable	-	5,010,234	5,010,234
Investments	690,480	-	690,480
Bank loans	-	1,835,935	1,835,935
Accounts payable and accrued liabilities	-	22,981,661	22,981,661
Other long-term liabilities	-	652,030	652,030

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2020			Total
	Level 1	Level 2	Level 3	
Cash	\$ 8,879,212	\$ -	\$ -	\$ 8,879,212
Investments	-	690,480	-	690,480
Total	\$ 8,879,212	\$ 690,480	\$ -	\$ 9,569,692

There were no transfers between Level 1 and Level 2 for the year ended March 31, 2020. There were also no transfers in or out of Level 3.

Bluewater Health Notes to Financial Statements

March 31, 2020

3. Cash

The Hospital's bank accounts are maintained at one chartered bank. The bank accounts earn interest from 1.25% to 2.00%.

The Hospital has a demand operating credit facility that bears interest at the bank's prime rate minus 1.00%. The amount available under the credit facility was \$12,000,000 at March 31, 2020. The amount utilized under the facility at March 31, 2020 was \$NIL (2019 - \$Nil). Included in cash is \$1,589 (2019 - \$40,139) denominated in U.S. currency.

4. Short-term Investments

Short-term investments are comprised of guaranteed investment certificates of \$246,852 (2019 - \$549,516). These investments are recorded at amortized cost, with an interest rate of 1.6%.

5. Interest in Joint Venture

	2020	2019
CBI Sarnia Limited Partnership		
83 of 443 Class A Limited Partnership units	\$ 64,063	\$ 65,758

The Hospital's proportionate share of the assets, liabilities, revenue and expense of the partnership for the year ended December 31 is as follows:

	2019	2018
Assets	\$ 86,524	\$ 71,557
Liabilities	14,391	12,522
Revenue	298,359	313,612
Expenses	252,588	266,896
Cash distributions	47,466	36,409

Bluewater Health Notes to Financial Statements

March 31, 2020

6. Investment in Subsidiary Company

	2020	2019
876756 Ontario Limited - 1 common share	\$ 304,053	\$ 346,758

A financial summary of 876756 Ontario Limited's 50% share of Lambton ProResp Inc. for the year ended March 31, 2020 is as follows:

	2020	2019
Assets	\$ 535,822	\$ 613,039
Liabilities	227,323	268,068
Shareholder equity	308,499	344,972
Net income	(42,705)	2,945

During the year a management fee of \$314,000 (2019 - \$398,000) was earned from Lambton ProResp Inc., the company whose shares are owned 50% by 876756 Ontario Limited and is recorded in other revenue.

7. Investments

	2020	2019
Fair value	\$ 690,480	\$ 745,479

Fair value investments

	2020			2019	
	Cost	Unrealized Gain	Carrying Value	Cost	Carrying Value
Mutual funds	\$ 727,838	\$ (37,358)	\$ 690,480	\$ 727,838	\$ 745,479

The fair values of the investments are based on quoted market values.

Bluewater Health Notes to Financial Statements

March 31, 2020

8. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 4,813,646	\$ -	\$ 4,813,646	\$ -
Land improvements	2,632,163	2,179,677	2,632,163	2,087,856
Buildings	320,615,053	115,682,413	320,245,924	106,222,136
Equipment	97,929,203	73,351,649	93,014,487	69,265,636
Construction in progress	1,522,653	-	1,419,972	-
	\$ 427,512,718	\$ 191,213,739	\$ 422,126,192	\$ 177,575,628
Net book value		\$ 236,298,979		\$ 244,550,564

9. Bank Loans

	2020	2019
Demand loan, 2.38%, repayable in blended monthly payments of principal and interest of \$53,084, matures March 2022	\$ 1,242,955	\$ 1,842,616
Demand loan, 2.39%, repayable in blended monthly payments of principal and interest of \$46,252, matures April 2021	592,980	1,126,898
	\$ 1,835,935	\$ 2,969,514

10. Post-Employment Benefits

The Hospital provides extended health care, dental and life insurance benefits to substantially all employees. As part of a restructuring plan, post-employment benefits were provided to employees accepting retirement packages. The Hospital also pays the premiums for health and dental benefits of Service Employees International Union (SEIU) members that retired after March 4, 2006, from the date of retirement until the employee reaches the age of 65. ONA members retiring after April 1, 2011 pay 50% of health premiums until the employee reaches the age of 65.

Information about the Hospital's accrued benefit obligation relating to its post-employment benefit plan as at March 31, 2020, is as follows.

	2020	2019
Accrued benefit obligation	\$ 11,606,300	\$ 10,908,700
Unamortized actuarial gain	3,663,100	4,544,200
	\$ 15,269,400	\$ 15,452,900

Bluewater Health Notes to Financial Statements

March 31, 2020

10. Post-Employment Benefits (continued)

Information about the hospitals' health care, dental and life insurance is as follows:

Accrued benefit liability as at March 31, 2019	\$ 15,452,900
Current service cost	574,000
Interest cost	334,400
Amortization of past service costs	-
Amortization of actuarial experience gain	(275,100)
Estimated benefits paid	(816,800)
	<hr/>
Estimated benefit liability as at March 31, 2020	\$ 15,269,400

The significant actuarial assumptions adopted in estimating the Hospital's accrued benefit obligation are as follows:

Discount rate - accrued benefit obligation	3.02%
Discount rate - benefit cost	3.25%
Dental and hospital benefits escalation	4.55%
Medical benefits cost escalation - prescription drugs	4.10%

The most recent actuarial valuation was performed as at March 31, 2020. Included in employee benefits on the statement of operations is an amount of \$451,954 (2019 - \$429,431) regarding employee future benefits.

Bluewater Health Notes to Financial Statements

March 31, 2020

11. Deferred Contributions

(a) Expenditures of future periods

Deferred contributions related to expenditures of future periods represent unspent donations and unspent Ministry of Health and Long-Term Care funding for capital assets.

	2020	2019
Balance, beginning of year	\$ 2,016,551	\$ 1,935,481
Amount received	4,073,618	2,382,084
Capital assets purchased	<u>(3,289,069)</u>	<u>(2,301,014)</u>
Balance, end of year	<u>\$ 2,801,100</u>	<u>\$ 2,016,551</u>

(b) Capital assets

Deferred capital contributions related to capital assets represent the unamortized amount of donations and grants received for capital assets that have been acquired. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2020	2019
Balance, beginning of year	\$ 209,743,198	\$ 218,935,119
Contributions received	3,289,069	2,196,428
Adjustments	(25,523)	(14,100)
Less: amounts amortized to revenue	<u>(11,566,081)</u>	<u>(11,374,249)</u>
Balance, end of year	<u>\$ 201,440,663</u>	<u>\$ 209,743,198</u>

12. Net Assets Invested in Capital Assets

Investment in capital assets is calculated as follows:

	2020	2019
Capital assets	\$ 236,298,979	\$ 244,550,564
Amounts financed by:		
Deferred contributions	(201,440,663)	(209,743,198)
Demand bank loans	<u>(1,835,935)</u>	<u>(2,969,514)</u>
	<u>\$ 33,022,381</u>	<u>\$ 31,837,852</u>

13. Net Assets Internally Restricted

The Board of Directors has restricted the use of \$1,142,150 (2019 - \$808,725) for the purchase of capital assets at the Charlotte Eleanor Englehart Hospital of Bluewater Health.

Bluewater Health Notes to Financial Statements

March 31, 2020

14. Pension Plan

Healthcare of Ontario Pension Plan (HOOPP) provides pension services to more than 381,000 active and retired members and approximately 594 employers. Each year an independent actuary determines the funding status of HOOPP (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan for accounting purposes was completed at December 31, 2019. The audited financial statements of the Plan at December 31, 2019 disclose a net assets value of \$87,181 million with accrued going concern liabilities relating to pension obligations of \$73,547 million, resulting in a going concern surplus of \$13,634 million.

Because HOOPP is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario Hospitals and their employees. As a result, the Hospital does not recognize any share of the HOOPP surplus or deficit. Contributions made by the Hospital and employees to HOOPP during the year amounted to \$8,400,344 (2019 - \$8,138,673) and \$6,666,940 (2019 - \$6,459,264) respectively.

15. Contingent Liabilities

The Hospital is a co-defendant in various legal actions. The ultimate outcomes are indeterminable at March 31, 2020 as litigation is still in progress. The Hospital's management is of the opinion that the Hospital has adequate insurance coverage to offset the amount of the majority of claims and related costs, if any. Consequently, no provision for potential loss, if any, is reflected in these financial statements.

Various physicians of the organization are issued loans directly through the bank whereby the Hospital pays the interest and is the guarantor. The amount of the loans guaranteed is \$3,305,668 (2019 - \$3,416,388).

16. Commitments

The Hospital is proceeding with a redevelopment plan for the Charlotte Eleanor Englehart hospital site. A commitment was made by the Ministry of Health and Long-Term Care in that the Ministry will fund \$7,478,730 of the total estimated project costs of \$8,134,759. Funding will be tied to the Ministry approval at multiple phases of the project as per the Ministry process. As at March 31, 2020, the hospital had received \$1,121,820 (2019 - \$1,121,820) from the Ministry for the project which is included in deferred contributions related to expenditures of future periods. As at March 31, 2020, the hospital had spent \$666,048 (2019 - \$579,364) which is included in construction in progress.

Bluewater Health Notes to Financial Statements

March 31, 2020

17. Economic Interest

The Hospital has an economic interest in the Bluewater Health Foundation (the Foundation). The objectives of the Foundation are the enhancement and improvement of services and patient care provided by Bluewater Health and the funding of the capital commitments of Bluewater Health.

Related party transactions during the year not separately disclosed in the financial statements include the following:

- (i) an amount of \$1,164,055 (2019 - \$1,512,475) was receivable from the Foundation.
- (ii) the Foundation receives the following materials and services from the Hospital at no cost to the Foundation: Office space and cleaning services; computer support; and telephone service.
- (iii) the Hospital received donations of \$2,175,575 (2019 - \$1,116,328) from the Foundation, of which \$2,138,247 (2019 - \$1,091,970) has been recorded in deferred contributions and \$37,328 (2019 - \$24,358) in donation revenue.

The Hospital also has an economic interest in the Charlotte Eleanor Englehart Hospital Foundation. The objectives of the Charlotte Eleanor Englehart Hospital Foundation are the improvement and enhancement of services and patient care provided by Charlotte Eleanor Englehart Hospital of Bluewater Health. An amount of \$Nil (2019 - \$Nil) was receivable from the Charlotte Eleanor Englehart Hospital Foundation at March 31, 2020.

All transactions between the Hospital and the Foundations are recorded at fair value.

18. Shared Service Organizations

TransForm Shared Service Organization

TransForm has an information management/IT division as well as a supply chain management division. TransForm reports to an independent board which is made up of voting members from the five participating hospitals as well as four independent board directors from within the Erie St. Clair Local Health Integration Network ("ESC LHIN") geographic area. Annual operating expenses for the two divisions of TransForm are allocated between the hospitals based on metrics that evaluate the amount of Information management/IT and supply chain management used by each hospital.

Bluewater Health contributes towards approved capital improvements and other costs incurred by TransForm.

TransForm currently carries two operating lines of credit that total \$1,300,000 through a chartered bank. Bluewater Health guarantees a portion of these operating lines of credit. The balance outstanding on these lines of credit as at March 31, 2020 was \$Nil (2019 - \$Nil).

At March 31, 2020 an amount of \$7,989 (2019 - \$15,420) was payable to Transform.

Bluewater Health Notes to Financial Statements

March 31, 2020

18. Shared Service Organizations (continued)

Bluewater Health has also issued lease guarantees. The outstanding balances of the leases was \$2,525,727 as at March 31, 2020 (2019 - \$2,612,857) of which the hospital's portion was \$48,525 (2019 - \$133,451).

(a) Information Management/Information Technology division

TransForm provides information management services to all five hospitals within the ESC LHIN which includes Bluewater Health. This service is provided at rates designed to reflect the costs and expenses incurred by TransForm in the normal course of business. TransForm provides information management services to other organizations, which is based on a fee by project basis.

During the year, Bluewater Health incurred expenses to TransForm relating to information management services for loan/lease costs, infrastructure and project costs and monthly operating expenses. The total costs were \$1,433,711 (2019 - \$1,503,335) and are included in the statement of operations or reflected in the statement of financial position.

(b) Supply Chain Management division

TransForm provides procurement, logistics and contract management services to all five hospitals within the ESC LHIN which includes Bluewater Health. This service is provided at rates designed to reflect the costs and expenses incurred by TransForm in the normal course of business.

During the year, Bluewater Health paid \$915,209 (2019 - \$920,904) to TransForm for supply chain management services that are included in expenses on the statement of operations.

19. Diabetes Program

The hospital receives funding from the Local Health Integration Network ("LHIN") to run a diabetes program. The revenue and expenses related to the program are as follows:

	Adult Diabetes	Pediatric Diabetes	Total
Revenue			
LHIN funding	\$ 281,913	\$ 61,594	\$ 343,507
Expense			
Salaries and benefits	252,047	49,222	301,269
Operating	33,009	12,505	45,514
	285,056	61,727	346,783
Excess of revenue over expense	\$ (3,143)	\$ (133)	\$ (3,276)

Bluewater Health Notes to Financial Statements

March 31, 2020

20. Financial Instrument Risk Management

Credit risk

Credit risk is the risk of financial loss to the Hospital if a debtor fails to make payments of interest and principal when due. The Hospital is exposed to this risk relating to its cash, debt holdings in its investment portfolio and accounts receivable. The Hospital holds its cash accounts with a federally regulated chartered bank.

The Hospital's investment policy operates within the constraints of the investment guidelines issued by MOHLTC in relation to funding agreements and puts limits on the investment portfolio including portfolio composition limits, issuer type limits and bond quality limits.

Accounts receivable are primarily due from OHIP, the Ministry of Health and Long-Term Care and patients. Credit risk is mitigated by the financial solvency of the provincial government and the highly diversified nature of the patient population.

The Hospital measures its exposure to credit risk based on how long the amounts have been outstanding. The amounts outstanding at year end were as follows:

	Total	<i>Past Due</i>			
		Current	31-60 days	61-90days	91-120 days
OHIP	\$ 1,138,811	\$ 1,138,811	\$ -	\$ -	\$ -
MOH/LHIN	-	-	-	-	-
Cancer Care	330,300	330,300	-	-	-
Patient services	900,181	551,727	324,515	23,939	-
Bluewater Health Foundation	1,164,055	81,401	90,000	992,654	-
Other	1,476,887	1,454,680	2,948	-	19,259
Total receivables	\$ 5,010,234	\$ 3,556,919	\$ 417,463	\$ 1,016,593	\$ 19,259

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Bluewater Health Notes to Financial Statements

March 31, 2020

20. Financial Instrument Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that the Hospital will not be able to meet all cash outflow obligations as they come due. The Hospital mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flow of financial liabilities):

	2020			
	within 6 months	6 months to 1 year	1-5 years	> 5 years
Bank loans	\$ 576,998	\$ 583,912	\$ 675,025	\$ -
Accounts payable and accrued liabilities	12,358,298	10,147,806	475,558	-
Other non-current liabilities	-	-	652,030	-
	\$ 12,935,296	\$ 10,731,718	\$ 1,802,613	\$ -

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

21. Subsequent Event

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Hospital, its funding, supply chain, and capital project timelines. Management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, industry, and workforce. As a result, management anticipates hospital occupancy to be reduced to prepare for pandemic response, non-essential surgeries to be deferred, and for there to be continued delays in the supply chain. In addition, if the impacts of COVID-19 continue there could be further impact on the Hospital and its patients, suppliers and other third party business associates that could impact the timing of and amounts realized on the Hospital's financial statements. At this time, the full potential impact of COVID-19 on the Hospital is not known.



Bluewater Health Briefing Note

Name of Committee:	Members of the Corporation		
Date of Meeting:	June 24, 2020		
Submitted by:	Marlene Kerwin		
Subject:	Appointment of the Auditors		
Purpose of Report:	Information <input type="checkbox"/>	Input <input type="checkbox"/>	Approval <input checked="" type="checkbox"/>

Situation

The Resource Utilization and Audit Committee is required to oversee the annual performance of the external auditor and annually recommend to the Board of Directors the appointment of licensed public accountants as the Corporation's external auditor or, any change of external auditor.

Background

Bluewater Health went through a Request for Quote (RFQ) process in the current fiscal year to appoint auditors for 2020-2021 fiscal year. From that RFQ, BDO Canada was the successful firm and provided pricing for a commitment of a three year term with two optional years.

Analysis

Bluewater Health senior management met with the auditors to review the draft Financial Statements and is satisfied with the outcome of the audit. The auditors completed the audit within the timeframe set out in the interim audit plan. There were no concerns to raise. BWH has a good working relationship with BDO and the firm is very knowledgeable about healthcare and healthcare resources.

Recommendation

The Members of the Corporation appoint the firm of BDO Canada LLP as Bluewater Health's auditors for the 2020-21 fiscal year.



Bluewater Health Briefing Note

Name of Committee:	Members of the Corporation		
Date of Meeting:	June 24, 2020		
Submitted by:	Paul Wiersma		
Subject:	Board Succession Planning		
Purpose of Report:	Information <input type="checkbox"/>	Input <input type="checkbox"/>	Approval <input checked="" type="checkbox"/>

Situation

In accordance with Board Policy Nominations Process E-8, the Nominating Committee is required to recommend candidates for Board Director and Non-Director Committee Member positions.

Background

The Nominating Committee canvassed current Directors/Non-Director Committee members to determine their interest in continued membership. All members were interested in reappointment to the Board.

Analysis

The nominees recommended for the Board in 2020/21 (see attached) possess the skills and knowledge required for the positions, and will further diversify the Board's membership. All applicants were advised of the Committee's confidential recommendation to either put forth their names as nominees. The Board of Directors approved the recommendations of the Nominating Committee on May 27, 2020.

Recommendation

The Members of the Corporation approve the Board Director and Non-Director Committee Member appointments as recommended in the Nominating Committee Report.



BLUEWATER HEALTH

NOMINATING COMMITTEE REPORT

Directors - 3 year term to end in 2023

Re-Appointments

- Bill Gillam
- Brian Knott
- Bob McKinley
- Paul Wiersma

Non-Director Committee Members – 1 year renewal term

Re-Appointments

- Bev Hand
- Lorri Kerrigan
- Art Mahmoudi
- Jason McMichael
- Marcie Myers
- Giovanni Sottosanti
- Jennifer Wilson

Paul Wiersma
Chair, Bluewater Health Board
Chair, Nominating Committee

CEO's Report to the 2020 Annual General Meeting

The global COVID-19 pandemic unfolded in the final quarter of the 2019-2020 fiscal year and illustrated how the successful implementation of a number of initiatives in our hospital and community in the preceding months and years helped pave the way for a cohesive, effective response locally. Without historically high employee and physician engagement, a concerted focus on transitions in care, or enhanced collaboration with community partners, the effects of the pandemic would undoubtedly have been more negatively felt here.

Before and during the pandemic, the work of Bluewater Health staff, Professional Staff, volunteers and partners allowed us to continue to deliver on our mission: we *create exemplary healthcare experiences with patients and families every time*, guided by the four priorities in our Strategic Plan, "*Kaleidoscope of Care*."

Inspired People

We measured employee engagement in July 2019, using a limited number of questions from the bi-annual survey last conducted in 2018 and a small number of questions aligned with Excellence Canada's workplace wellness standard. Established measures, including trust in the organization, improved over previous surveys. This may in part be the result of seeking employee input on barriers and solutions through the No One Waits (NOW) initiative and eliminating delays and inefficiencies.

Just prior to the pandemic, our new intranet launched, with enhanced accessibility and performance. An increased focus on employee wellness was supported during the pandemic through a Resilience Strategy Team offering staff supports and dialogue and temporary housing for eligible staff who were self-isolating.

Quality Care

The key priorities of the NOW initiative from 2018 to early 2020 were to match capacity to demand, implement process efficiencies (primarily for admissions and discharges) and shape and decrease demand (largely through admission avoidance). Successes in each of these areas allowed us to be nimble in discharging patients at the onset of the pandemic and establishing new and revised policies for personal protective equipment (PPE), patient transfers and more. We quickly opened a COVID care unit with the majority of its staff having volunteered for the deployment.

Exceptional Relationships

Hospitals are but one setting in the continuum of care, and so much of our success has come from enhanced collaboration with community and healthcare partners. Existing and new partnerships such as Mental Health Engagement and Response Team (MHEART), Access Open Minds, Community Paramedicine and Health Quality Partners of Sarnia Lambton paved the way for our work to define the future of local healthcare. We were able to submit a request for application for the Sarnia Lambton

Ontario Health Team along with 35 partners including two First Nations, primary care, homecare, long-term care homes, mental health and addictions services, a palliative care hospice, and community care organizations.

As we prepared for a possible surge of COVID-19 patients in hospital, these relationships allowed us to safely discharge patients to create capacity, prepare a field hospital at Lambton College, implement assessment centres (Sarnia, Petrolia, and three First Nations) and mobile testing (through the paramedicine program) and share our expertise in congregate settings such as nursing homes. Throughout the pandemic, we have proceeded in constant collaboration with the City of Sarnia, the County of Lambton and Lambton Public Health, along with our dozens of community partners including Home and Community Care and primary care.

Outstanding Performance

In the days leading up to the province's declaration of a State of Emergency, we held a disaster simulation to identify any areas requiring additional support. We embarked on significant staff cross-training to maintain maximum flexibility and we have continued to work with TransForm Shared Service Organization and the local community to ensure adequate PPE supplies.

More details of our accomplishments are available in our 2019-2020 Annual Report.

The lessons learned from the pandemic reinforce the importance of partnerships and technology in continuing to provide safe and quality patient and family-centred care for the Sarnia-Lambton community. Bluewater Health has set its standards higher and higher, supported by having achieved "Accredited with Exemplary Standing" from Accreditation Canada with our highest score ever, and evidenced by our improved ranking among Newsweek and Statista Inc.'s "Top 50 Hospitals in Canada." We look forward to applying our learnings, expertise and innovation to the post-pandemic future of healthcare.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Lapaine".

Mike Lapaine
President and CEO

**Chief of Professional Staff
Report to the Board of Directors
2019/2020 Annual General Meeting**

Members of the Board, it has been my privilege to serve as the Chief of Staff at Bluewater Health for the past four years.

This year, I would like to begin by acknowledging the people that work alongside me in accomplishing our goals and ensuring that we are continually improving the quality of care delivered, enhancing access to care, and working collaboratively to care for the residents of Sarnia-Lambton. The global pandemic that we are currently facing, drives home the importance of working in step with good leaders who guide and support others, while keeping everyone engaged so that we are able to move forward safely.

Under the goal of Engagement – increasing Professional Staff engagement, and working on communication with providers within and outside the hospital, I work with an incredible team of medical leaders, Professional and administrative staff who work with their departments, units and across the hospital to ensure that we are continually improving. As examples, Dr. Winegard is our physician lead on the No One Waits (NOW) initiative and Choosing Wisely, Dr. MacKinlay is working with the team to ensure that we are making efficient use of our Ambulatory Care clinics and offering surgery safely, Dr. Crombeen served as Most Responsible Physician for the patients who came from Vision, Dr. Ramirez chairs our Patient Order Sets Committee as well as co-Chairs the Research and Ethics Committee.

We are very fortunate that Dr. Chris Greensmith, who chairs our Infection Prevention and Control Committee, was also the former Medical Officer of Health for Lambton. He has been supporting us during this pandemic in order to ensure that we are taking all the necessary precautions on a daily basis. Many of our colleagues have stepped up to offer support – Dr. Martin offered tips and a session for his colleagues on using virtual care to see patients. Our Professional Staff are selflessly working to treat our patients, and ensure that we are protecting the safety of all – whether it is volunteering to work on certain units, or ramping down surgeries.

Since the pandemic started, I have been hosting regular teleconferences with Dr. Sudit Ranade, the Medical Officer of Health for the County of Lambton, with all physicians, dentists, nurse practitioners, and midwives. The calls give all the opportunity to be informed and ask questions, so that we all have the same information and are moving forward together.

I believe that our work during this pandemic, has strengthened Bluewater Health's relationship with our community based health providers. Our Medical Affairs team has kept all Lambton providers abreast of developments at the hospital and community regardless of their hospital privileges status. We have organized teleconferences to discuss the creation of the COVID-19 specific unit and the re-establishment

of services with our Professional Staff to propose strategies and seek their guidance. Working with our palliative care physicians, we have engaged with health providers at our Long Term Care Homes to discuss goals of care for residents, and ensuring that residents make their wishes known regarding goals of care including resuscitation and end of life care. It is much better for people to discuss their goals for care when they are healthy and aware of the issues instead of when suffering from severe illness such as COVID-19 in an acute care setting, without their family members there to offer support and comfort.

The collaborative work has, I believe, helped us move more towards our goal for the Ontario Health Team where we all work collaboratively to meet the needs of our patients. Last fall, I offered a session for the Professional Staff across Lambton to learn more about the Ontario Health Team development and get their perspective. Subsequently, there have been sessions with the Primary Care leads to discuss how we can jointly work together to support our collective patients. Some of the outcomes have been: more timely discharge summaries for the family physicians in the community, and assistance in booking appointments for discharged patients with their primary care provider.

To showcase our local physician expertise, Medical Affairs has established the mini-medical school this year. Sessions were offered to the public on Cancer Screening, Prostate Health, How to Prevent Heart Disease, Understanding Resuscitation, and the Genetics Revolution. The sessions were well attended, and the attendees appreciated the opportunity to learn from our local physicians. Our Communication department provided much needed support for this endeavor.

As part of addressing quality of care, we have been focused on enhancing access to care for our patients. For instance, last summer, it was identified that we would have a shortage of emergency physicians to staff our Emergency Department in Sarnia. We have a superb group of Emergency physicians and they have demonstrated that throughout this past year, as they were dedicated to ensuring that Bluewater Health was able to continue to provide the much needed Emergency Care. In order to address the shortage, we enlisted the assistance of Health Force Ontario to assist us with additional emergency physicians covering shifts while we aggressively recruited new physicians. We had a new Emergency physician start this year, and another return to full time Emergency work last fall. Our aggressive recruitment strategy have also resulted in the recruitment of four more Emergency physicians to start this July. This is also the first year that we have offered a third year of Emergency Medicine training through the Schulich School of Medicine. We will be funding two Family Medicine – Emergency Medicine training positions for the 2020-2021 year, which include a return of service commitment to Bluewater Health.

We have been having some success with our recruitment efforts over the past year. A new medical oncologist started last fall, and we have a new obstetrician/gynaecologist, orthopaedic surgeon, and radiologist starting this summer, as well as a new Emergency Physician for our CEEH location starting in the fall. We also have a much needed neurologist starting this summer.

Sarnia-Lambton also has an aging population, so I have been working with the Regional Geriatric Program in London, our own executive team and the Ministry of Health to get funding for a geriatrician for our community. We have had success in this endeavor as a physician who has recently completed her geriatric training has just joined us at Bluewater Health. The hospital has further enhanced the newly created local geriatric service by hiring a nurse practitioner.

To support our recruitment efforts, the Communications team at Bluewater Health created an excellent video showcasing our local physicians, hospital, and community.

We are continuing to recruit for two anaesthesiologists, an otolaryngologist (one is starting next summer), another neurologist, psychiatrists, general surgeon, plastic surgeon, hospitalists, paediatricians, and a cardiologist.

I also work closely with our Academic teaching centre, the Schulich School of Medicine, to strengthen the relationships and encourage medical learners to come to Bluewater Health. Last summer, Drs. Crombeen, J.O'Mahony, and I met with the Family Medicine program at Schulich to express our interest in a local family medicine residency program in Sarnia. Many of our local physicians are on faculty at Western, and we would like to enhance the training programs that are available locally, similar to the successful Family Medicine residency program in Petrolia.

Access to care also includes Dr. Bertram taking on the role of offering chronic pain management services at Bluewater Health. Dr. Bertram opened her practice to new patients for a brief period of time and was quickly at capacity. This is a much needed service in our community. I have also sent a note to all Professional Staff informing them of other chronic pain management programs that are available in the surrounding area.

As Chief of Staff, ensuring excellent quality of care clinically is one of my key goals. Our Choosing Wisely Committee, under the leadership of Dr. Charles Winegard, has expanded to include more physicians representing the various departments. Dr. Winegard continues to send out tips of the month related to choosing wisely in clinical practice and tips to share with patients. Our surgeons have introduced a limit on opioid prescribing for some outpatient surgeries, and the Committee is working on appropriate testing, particularly related to diagnostic imaging tests.

I am also continuing the focus on Quality of Care reviews, and hospital morbidity and mortality rounds. This past year, I introduced Chief of Staff Quarterly Rounds as well. The purpose of the rounds is to discuss complex patient cases so that everyone can learn, share their knowledge and discuss strategies to improve care.

Throughout my report, I have been mentioning the many talented Professional Staff who work with us at Bluewater Health – they are part of our inspired people. We continue to have Grand Rounds at the hospital, organized by Dr. Shetty, and the Continuing Medical Education Committee had organized its annual symposium which people look forward to each year, however due to the pandemic it has been postponed.

Following on the theme of our people, I would like to recognize some of our Professional Staff who are retiring this year:

- Dr. Lucyna Piekos retired from Radiology,
- Dr. W.A.C. Macdonald retired from Rural Health, he served for many years on our Credentials Committee
- Cynthia Thoren stepped down as the lead midwife
- Dr. Sharon Rutledge is retiring from her OB/GYN practice at the end of June, she has served in a number of capacities over the years, including Chief of OB/GYN, she served as an excellent

President of the Professional Staff Association and also started the Wellness Committee for our Professional Staff, she will still help out with Operating Room Assist

- Dr. Gidwani, who has served as the Medical Director of the Department of Laboratory Medicine since 1973, has decided to retire. Thank you to Dr. Gidwani for his long and distinguished career as a pathologist and also the Medical Director at our hospital, his guidance, commitment to quality and high standards, is greatly appreciated
- Dr. Sherwin and Dr. Southcott have retired from full time practice but are continuing to provide some support to our clinical units.

Mr. Chair, I would like to thank you and the Board of Directors for entrusting me with the role of Chief of Staff. I also wish to thank our Executive Team, hospital management, and all of the staff at Bluewater Health. I also like to thank our Medical Leadership our Professional Staff for their dedication and support particularly during this pandemic. We have many great plans moving forward into the next year and I'm looking forward to working with everyone at Bluewater Health and with our community and education partners in order to enhance quality patient care in our great City and County. Thank you.

Respectfully,

A handwritten signature in black ink, appearing to read 'M. Haddad', written in a cursive style.

Michel Haddad, MD, MSc, FRCSC
Chief of Professional Staff
Bluewater Health

Chair's Report to the 2020 Annual General Meeting

Now that I have reached the end of my second year as Chair of Bluewater Health's Board of Directors, I am reminded of the ancient Persian adage: "This too shall pass." It simply means adversity will not last forever – and all good things must come to an end. How fitting this expression is for me, having witnessed the onset of the global pandemic on one hand, and closed out my term as Chair on the other.

The pandemic began just as the fiscal year was ending. I saw the hospital respond as it has to other challenges: with evidence, process, leadership and kindness. Staff and physicians stepped up to face a foe the likes of which we have never seen before.

During this tumultuous time, our healthcare professionals' commitment to local residents and each other has been remarkable. From those directly involved in enhancing the care experience to those who are, like the Board of Directors, more behind the scenes, everyone stood ready to do their part.

For its part, the Board's four goals are aligned with the priorities in the hospital's current Strategic Plan, Kaleidoscope of Care: Quality Care, Outstanding Performance, Inspired People and Exceptional Relationships. The past year's goals and achievements include:

1. **Improve connectivity to frontline staff:** received regular updates on the No One Waits (NOW) initiative, provided recognition to staff at traditional recognition events and throughout pandemic
2. **Improve Board education:** enhanced participation in webinars, education opportunities at meetings, on topics from insurance to cybersecurity and from workplace violence to critical incidents
3. **Provide strategic support on resource optimization:** provided support on plans for Human Resources and physician recruitment and risk management, and reviewed reporting/attestations and the capital plan
4. **Leverage strategic community relationships:** deepened relationships with local partners involved in discussions on the proposed Sarnia Lambton Ontario Health Team, Health Quality Partners Sarnia-Lambton and Lambton College, among others; members attended two Lambton County Council meetings to discuss funding, and were involved in multiple discussions with elected officials.

The Board's volunteer members have expertise in strategic planning, quality and performance monitoring, financial and management oversight, risk identification and oversight, stakeholder communication, engagement and accountability, and legislative compliance.

I look forward to the Board's continued progress under the leadership of the incoming Chair, and would like to extend my deepest appreciation to all who have made a contribution during my tenure:

- Bluewater Health Foundation and Children’s Auxiliary, CEEH Foundation and Auxiliary, their volunteers and the community’s generous donors for their attention to the hospital’s program and equipment needs;
- The hundreds of volunteers who help the staff, Professional Staff, patients and families across the hospital through their compassion and kindness (and we can’t wait to welcome them back when it is safe to do so);
- Local health service providers, community leaders and partners, and key influencers for their role in enhancing care transitions; and
- The staff, Professional Staff, leaders and executives of Bluewater Health for their dedication to each other and this community. While all staff, Professional Staff and volunteers play a vital role in the hospital’s success, the Board of Directors is especially grateful to its two employees – President and CEO Mike Lapaine and Chief of Staff, Dr. Michel Haddad – for their leadership.

On behalf of the Board of Directors, I would like to thank all those who – before and throughout the pandemic – remain committed to the four strategic priorities in the Strategic Plan and work to carry out our Mission: *We create exemplary healthcare experiences with patients and families every time*. Please remember a return to better days is on the horizon.

Sincerely,

A handwritten signature in black ink that reads "P. Wiersma". The signature is written in a cursive, flowing style.

Paul Wiersma
Board Chair