WINCHESTER DISTRICT
MEMORIAL HOSPITAL

Your Community Hospital

1999/2000
ANNUAL REPORT



"Leading and Learning Partners in Quality Healthcare"

Winchester District Memorial Hospital
566 Louise Street
Winchester, Ontario K0C 2K0

www.wdmh.on.ca

A word from the Chairperson and President & CEO

Once again, the fiscal year 1999/2000 has been excellent for the pursuit and attainment of our objectives and goals.

Despite the uncertainties of stable funding from the Ministry of Health and Long Term Care of Ontario, the lack of response from the Hospital Services Restructuring Commission (HSRC), and final directives from MOH on our submission for an alliance between ourselves, the Hawkesbury and District General Hospital (HDGH), and the Ottawa Hospital (OH), the Board and management of this hospital have gone ahead with their plans to act on our plan to form an alliance with our partners - HDGH and OH.

Both the Winchester District Memorial Hospital and HDGH appointed a joint CEO following the departure of the previous CEO, Joseline Sikorski. Michel Lalonde, our newly appointed CEO, was given two specific mandates. The first was to develop a management strategy that would ensure a solid management team that would lead the organization in the new millennium. The second was to develop and implement the parameters of Network 7b, as proposed (but not confirmed) by the HSRC.

There were no doubts in our minds, and risks were minimal, in leading into the realm of networking. On many occasions, the Ministry of Health and Long Term Care had given us indications that no development in the future would take place unless it was done in partnership, or with an alliance of partners, in healthcare.

Early on in the process, the Hospital lost a dear friend and colleague to many of us. Mr. Keith Robinson died suddenly after a short illness. Keith had been with us only a few short years. In his time, he was successful in correcting a difficult and ailing financial situation. His departure allowed the Hospital to further streamline its administrative services by sharing financial and information services with our partners, more specifically the Hawkesbury and District General Hospital.

The team needed to be rebuilt and the concept of teamwork continued to be applied to the senior management; a step towards making the senior management team responsible and accountable for the function of management. Soon, we could notice an improvement in the relationships between management, physicians, and staff.

The Hospital was entering an important phase that would determine its future development. An operational review is still underway. The outcome will allow the Hospital to adjust and streamline its patient care services and support services, and undertake an important phase of major renovation to our facilities. This could possibly involve the construction of a new wing, allowing the Hospital to complete its restructuring towards ambulatory care.

Through the continuous evolvement of the team management concept, patient care processes were directed towards Program Management. Now, each program would benefit from the best of the staff's capability, the human and financial resources available to each of the programs.

Thanks to the support of the physicians and front line staff, programs are developing into a reliable means of providing good quality healthcare.

The Hospital can also pride itself with the fact that on our own, without any financial help from the Ministry, and with the support of thirty-four Lions Clubs providing the bulk of the capital fund requirement for the purchase of the equipment, we now have a functional ophthalmology surgical service. Thanks to the superb collaborated efforts of our Vice President of Programs and Clinical Services, our Chief of Staff, and Joseline Sikorski's vision, the program is now a reality ***- an improvement of our services to our community.***

We can only look forward to a progressive and promising year as we are to be given the green light for a major capital investment in the renewal of our facility to better deal with the healthcare needs of our community. Along with our partnership and alliance with Network 7b, we hope to bring to reality the vision of the Rural and Northern Healthcare Framework, which is the policy direction of the Ministry of Health and Long Term Care which states:

"A fully integrated and coordinated network that provides access to a range of programs and services which put the patient first... Small hospitals in rural settings will have new opportunities to evolve in their role in health care while the providers will be supported in addressing the needs of the communities... and appropriate linkages to more specialized services when required."

This, in itself, is a vision of our future healthcare for our community, and is fully supported by the above, which is the vision as stated by our government.

This is a changing world. I know it! You know it! We must realize that change is one constant element of our times and future. Change needs to become our way of life. We have no choice in the matter, as we are in a techno-revolution that reinvents our future.

The one constant expectation from the clients, the community we serve, is that our front-line professional staff, supported by the physicians, and we can only hope that we, at the Board level, and at the Senior Management Team, will continue to be sensitive to the needs and expectations of all stake holders.

I would like to take this opportunity to warmly thank my colleagues at the Board for their continued support, trust, confidence and understanding in these turbulent times. I am grateful. May we always be driven by our purpose, which is to serve those around us.

> The Hospital was entering an important phase that would determine its future development.

Thank you,

Jannie Van Noppen
Chair

Michel P. Lalonde
President & CEO

From the Chief of Staff

Our Hospital continues to have the good fortune of having a dedicated group of family physicians and in-house specialists who provide high quality medical care to area residents from Russell to Long Sault to Cardinal to Osgoode.

To the list of local family physicians and specialists from Ottawa, Dr. Walter Delpero offers monthly consultations in Ophthalmology and does cataract lens replacement surgery using the latest equipment generously donated by area Lions Clubs. Dr. Filemon DeJesus is here for monthly consultations and minor surgical procedures in Urology.

> As a result, we are now able to have a doctor on site 24 hours a day, seven days a week, to handle emergencies.

In November, 1999, our Hospital was one of several rural Ontario Hospitals which received money for an alternative payment plan for emergency room medical coverage. As a result, we are now able to have a doctor on site 24 hours a day, seven days a week, to handle emergencies.

Winchester District Memorial Hospital has signed a network agreement with Hawkesbury and District General Hospital and the Ottawa Hospital. The three hospitals, as one of their first items of business, have submitted a proposal to the Ministry of Health and Long Term Care for the development of satellite dialysis units at the two rural sites. We hope to receive word shortly of possible approval for this project which will offer increased quality of life for those area residents who must currently drive to Ottawa three times a week, year round, for dialysis treatment.

We are working with Ottawa hospitals and the Department of Medicine of the University of Ottawa on such projects as telemedicine and increasing the number of training positions for medical students and residents in our Hospital. These initiatives will increase the number of doctors who are willing to serve in rural communities in the future.

The medical staff have been very impressed with our new CEO, Michel Lalonde, and have appreciated his efforts on our behalf. We wish him well in his upcoming retirement.

I am committed to having management and medical staff continue to work together to build a strong future for our Hospital and the community we serve.

C. R. Adamson, M.D., C.C.F.P.

A word from the Winchester District Memorial Hospital Foundation Chair

The Foundation spent a busy year, mainly in the process of restructuring, to enable the corporation to undertake fundraising activities. This need was identified at our annual meeting in July of 1999, and the new Foundation Board acted quickly to implement the necessary revisions.

Through the lawyers, we advised the *Public Guardian and Trustee* of our intent to alter the articles listed in our incorporation to implement a fund raising component. As well, Revenue Canada was advised of this change in our approach so that we could retain our charitable status while undertaking these new initiatives.

Working with the administration at the Hospital, we restructured how we reported to the Hospital Board, and after some initial misunderstandings, we were able to resolve the appropriate methods of sharing information to ensure the continuing independence and autonomy of the Hospital Auxiliary. The bylaws of the Corporation have been reviewed and, after extensive revisions, are ready for final approval at the Annual General Meeting. The Chairperson of the Foundation shall also now represent the Corporation on the Hospital Board.

The hiring of a half-time Foundation Coordinator in April 2000, has enabled us to take one of the last steps, as we foresee this person as being able to facilitate many more activities and ideas for increasing not only our fundraising capacity, but also our image in the community. The Coordinator has begun work on suitable recognition of donors, upgrading the Hospital website, and developing a new pamphlet for the Foundation. Her work over the next year should enable the Hospital to attempt greater fundraising endeavours, and provide continuity in the development of several key policies, both for the staff and for the Foundation.

The last key to achieving our goal this year was to hire a financial advisor to help us implement the new "Prudent Investor Policy". Although I attended two or three workshops on this issue, we felt, as a group, that we needed greater expertise than our members possessed, to meet the requirements of this new legislation. We are looking forward to developing our investment policy over the next few months with these advisors.

The group has also tried to assist staff as they continued their annual fundraising events with a Golf Tournament and the Christmas Wish Tree Campaign. We thank the many dedicated people who took on this extra duty in order to raise substantial funds for this organization. We hope that the new Coordinator will lighten this load somewhat, but again recognize that their help is essential for another successful campaign this coming year.

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The Foundation looks forward to next year as we continue to evolve. We trust that our endeavours will prove successful and that our fundraising efforts will increase.

Respectfully submitted,

Dwayne Holmes, Chairperson
WDMH Foundation

From the Winchester District Memorial Hospital Auxiliary

All Auxiliary Members of the Winchester and District Memorial Hospital can celebrate what has been achieved over the past year - totalling fifty-two years of volunteer service.

The Main Auxiliary is made up of units from Chesterville, Morrisburg, Summers-Cass Bridge and Maple Ridge, Vernon and Winchester, with Presidents Grace McCauley, Dorothy Houze, Margaret Johnstone, Evelyn Cowan, and Marion Carkner respectively. The combined efforts forwarded $9192.25 to the Main Auxiliary from their fundraising events. The Fall Bazaar and the Spring Dessert and Card Party are popular money making events.

We are grateful to the Hospital volunteers who contributed a total of 7633 hours under the direction of Hilda Vandekemp, Volunteer Services. This includes the increased interest of student volunteer hours.

We commend the Sunshine Circle Volunteers, who continue to provide cheerful weekly uplifting and therapeutic sessions in long term care.

The Gift Shop transferred $10,000.00 to the Main Auxiliary Fund. If a cubby hole warrants this profit, what would a bigger space do? The Gift Shop wants to be remembered when it comes time for restructuring.

The IN MEMORIAM FUND support of $148,856.58 continues to provide for the equipment needs of the Hospital. The Auxiliary has agreed to financially support the purchase of two Anaesthetic Machines, as the existing equipment will not be serviced after this year. The total cost is approximately $200,000. We are providing for another ten electric beds which patients can use to make themselves comfortable. The Auxiliary is providing a Donation Card which can be used for birthdays and anniversaries.

Recruitment of new members remains a challenge. We look forward to representation from Metcalfe, Mountain, Finch and Russell. Volunteering has increased 12% according to statistics - hopefully we may be affected by this statistic as well. Enthusiasm and dedication are still prevalent in our region and have carried us through another successful year. We look forward to the new opportunities to serve. I am sure we will work well together - with the Foundation and the Foundation Coordinator - as well as remain our own entity as we continue to benefit our Hospital and our communities.

I look forward to a third year of being Auxiliary President and volunteering with the Board, Foundation, and the personnel of WDMH.

Sincerely,
Marion Carkner, President of Auxiliary

Winchester District Memorial Hospital

Condensed Statement of Financial Position
March 31, 2000, with comparative figures for 1999

	2000	1999
ASSETS		
Current Assets		
Cash & Investments	$ 4,195,693	$ 3,780,617
Other Current Assets	752,328	1,000,007
	4,948,021	4,780,624
Capital Assets	6,732,876	6,883,786
	$ 11,680,897	**$ 11,664,410**
LIABILITIES & NET ASSETS		
Current Liabilities	$ 2,145,918	$ 1,805,628
Deferred Contributions	4,699,457	5,120,740
Net Assets	4,835,522	4,738,042
	$ 11,680,897	**$ 11,664,410**

Winchester District Memorial Hospital

Condensed Statement of Operations & Change in Net Assets - Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
REVENUE		
Ministry of Health		
General Services	$ 11,313,133	$ 10,601,724
Restructuring	6,960	90,365
Patient Services	1,546,884	1,381,268
Donations	495,999	0
Other Income	683,269	613,432
Amortization of Deferred Contributions	829,001	822,368
	$ 14,875,246	$ 13,509,157
EXPENDITURES		
Patient Services	$ 4,705,838	$ 4,501,639
Diagnostic & Therapeutics	2,800,653	2,636,270
Ambulatory Care	1,045,051	839,770
Support Services/Admin.	4,544,734	4,031,065
Other Expenses	216,602	224,677
Amortization of Capital Assets	1,026,166	947,424
Restructuring Costs	73,478	282,349
	$ 14,412,522	$ 13,463,194
Excess of Revenue Over Expenditure From Operations	462,724	45,963
Other Income	130,755	99,421
Contribution to WDMH Foundation	(495,999)	0
Excess of Revenue Over Expenditure	97,480	145,384
Net Assets, Beginning of Year	4,738,042	4,285,374
Donations to Hospital Capital Fund	0	307,284
Net Assets, End of Year	**$ 4,835,522**	**$ 4,738,042**

The Winchester District Memorial Hospital condensed financial statements do not include the activities of the Hospital Auxiliary or the Hospital Foundation.

Audited financial statements are available from the office of the Chief Executive Officer.

The Hospital, in accordance with the Public Service Disclosure Act, releases for public record the names, positions and salaries and taxable benefits of employees paid $100,000 or more per year - *none in 1999/2000.*

Treasurer's Report

The Hospital faced a number of financial challenges during fiscal year 1999/2000, and I am pleased to report that we finished the year with a $97,480 net surplus from operations.

The Hospital is presently undergoing an operational review, and we await the results of this report. The consultants are pleased with the evolution of the review and we anticipate positive recommendations to deal with a five-year plan.

New staff additions to the finance department included the appointment of Phil Marleau as Chief Operating Officer and Nathalie Cadieux as our Controller/Analyst. These two additions should allow us to meet all of the Ministry's stringent requirements for reporting, and allow the Hospital to obtain operating efficiencies through their analysis and review.

It is our hope that when savings are realized, that they will be transferred to where it counts - toward patient services and patient care.

As indicated in my report of last year, we implemented a new information system to allow for enhanced support for financial and management decision making. We are pleased with our administrative partnership with Hawkesbury and District General Hospital, as the organizations now share a number of services including purchasing and accounting functions.

Despite being denied additional funding from the Ministry of Health and Long Term Care, the Hospital, with support from the community, was able to develop the provision of new services in the area of Ophthalmology and Urology. At year end, we were successful in obtaining an additional $406,309 to our base funding from the Ministry to help us deal with transitional issues, growth needs and cost pressures.

The Hospital received $740,999 in donations, of which $495,999 was transferred to the Foundation, as they now represent the fundraising arm of the Hospital. These donations will be used to fund future capital requirements of the Hospital as needed. The balance of $245,000 has been designated to the Hospital's capital fund. These funds will be used to acquire a number of new pieces of medical equipment.

The Ontario Government implemented a new legislation requiring Boards to implement a "Prudent Investor Policy" in its handling of investments. We have been pro-active and are in the process of developing our investment policy statement and realigning our investments to obtain a maximum return for the Hospital, while minimizing our risk.

Change will be a continuing process during the upcoming fiscal year. I am confident that with our Finance Team in place and a positive operations review report, that we will be able to meet the challenges ahead.

Brian Mann, Treasurer

Auditors' Report to the Board of Directors

We have audited the statement of financial position of the Winchester District Memorial Hospital as at March 31, 2000, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Hospital's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2000, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG
Chartered Accountants
Ottawa, Canada, May 18, 2000