

Annual Meeting of the Members of the Corporation of Muskoka Algonquin Healthcare

Monday, June 24, 2024
7:00 PM

South Muskoka Memorial Hospital Boardroom

Agenda Item	Speaker	Page #
1. Chair's Welcome/Call To Order	Moreen Miller	---
2. Land Acknowledgment	Moreen Miller	---
3. Approval of Previous Minutes of June 26, 2023	Moreen Miller	3
4. Report of the Corporate Auditor <ul style="list-style-type: none">• Presentation of the Audited Financial Statements• Appointment of Corporate Auditors♦	Bruce Schouten	6
5. Report of the Nominations Committee <ul style="list-style-type: none">• Election of Directors♦	Dr. William Evans	---
6. Articles of Amendment♦	Carla Clarkson-Ladd	26
7. Corporate By-Law♦	Carla Clarkson-Ladd	29
8. Closing Remarks and Adjournment♦	Moreen Miller	

♦Denotes motion required

NOTICE OF MOTIONS FOR RESOLUTION

- **Adoption of Minutes**

That the minutes of the Annual Meeting for the Members of the Corporation held June 26, 2024 be approved.

- **Appointment of Corporate Auditor**

That KPMG be appointed as the corporate auditor for Muskoka Algonquin Healthcare to hold office until the next annual meeting.

- **Election of Directors**

That the following be appointed by the Members of the Corporation to the Muskoka Algonquin Healthcare Board of Directors:

- Carla Clarkson-Ladd for a 3 year term ending June 2027
- Colleen Nisbet for a 3 year term ending June 2027
- Jody Boxall for a 3 year term ending June 2027

- **Articles of Amendment**

WHEREAS the *Not-for-Profit Corporations Act, 2010* (Ontario) ("**ONCA**") came into force on October 19, 2021.

AND WHEREAS Muskoka Algonquin Healthcare ("**Corporation**") wishes to file Articles of Amendment to update its purposes and special provisions, and to make other changes to comply with ONCA ("**Articles of Amendment**").

AND WHEREAS this special resolution is to be passed by a majority of the board of directors of the Corporation ("**Board**") and then confirmed by at least two-thirds of the members of the Corporation ("**Members**") in attendance and voting at a special Members' meeting.

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Form 5271E – Articles of Amendment, a copy of which has been circulated in advance of the meeting, is approved; and
2. any two directors and/or officers are together authorized and directed, for and on behalf of the Corporation, to sign and file the Articles of Amendment with such amendments as they may deem necessary or advisable to comply with the requirements of any governmental or regulatory authority having jurisdiction over the Articles of Amendment, without the need for further approval of the Board or the Members.

- **Confirmation Of Corporate By-Law**

BE IT RESOLVED that the corporate by-law of Muskoka Algonquin Healthcare ("**Corporation**") relating generally to the conduct of the activities and affairs of the Corporation ("**Corporate By-law**") as enacted by the board of directors of the Corporation, is confirmed, and all previous corporate by-laws enacted by the Corporation are repealed and replaced by the Corporate By-law.

**MINUTES OF THE ANNUAL GENERAL MEETING
FOR THE MEMBERS OF THE CORPORATION OF
MUSKOKA ALGONQUIN HEALTHCARE
MONDAY, JUNE 26, 2023, 7:00 P.M.
20 Park Drive, Huntsville, Ontario**

Approval Pending

MEMBERS PRESENT:

Moreen Miller	Tim Ellis	Bruce Schouten
Brenda Gefucia	Carla Clarkson-Ladd	Anna Landry
Dave Uffelmann	Evelyn Bailey	Line Villeneuve

The Chair of the Board of Directors, Moreen Miller, welcomed all participants to the annual general meeting. The 2023 annual meeting of the Corporation of Muskoka Algonquin Healthcare was called to order at 7:00 pm and the Chair declared the meeting duly constituted with a quorum present for the transaction of business.

The Land Acknowledgement was read aloud and the Chair welcomed the guests from the Barrie Area Native Advisory Circle who provided those present with teachings and a smudging ceremony.

The previous minutes for the annual meeting held June 20, 2022 were circulated in advance of the meeting along with the Annual Report. There was no business arising from the minutes of the previous annual meeting.

It was moved, seconded and carried

**THAT THE MINUTES OF THE ANNUAL GENERAL MEETING FOR THE
MEMBERS OF THE CORPORATION HELD JUNE 20, 2022 BE APPROVED.**

The Board Chair provided a report highlighting the work related to the capital redevelopment for Muskoka Algonquin Healthcare. It was noted that the new hospitals are key to a sustainable future for acute care in the region and will allow MAHC to meet ever-changing health care standards and codes, and an environment that is better suited to staff to deliver the care and to the patients who receive it. The community engagement that has occurred related to the project was also highlighted as well as the dedicated team of of volunteer Patient Experience Partners who serve on our Patient and Family Advisory Council to provide advice and recommendations on matters where the patient perspective is vital to advancing person-centred care.

President and Chief Executive Officer Cheryl Harrison provided a report noting the successful Accreditation survey with MAHC earning the top rating of Accredited with Exemplary Standing from Accreditation Canada. The report also noted investments in various roles such as the Mental Health Navigator and the Indigenous Patient Navigator

roles. The various advancements in technology that have been implemented with the support of the two Foundations were also outlined.

Dr. Khaled Abdel-Razek provided a report focusing on the importance of partnerships and collaboration highlighting a number of key initiatives over the past year. The new medical staff that joined MAHC were also noted including two Emergency physicians, two midwives, and three family medicine physicians. MAHC has also supported 72 medical learners over the course of the past year as part of their training to become physicians, with the support of several preceptors from the medical staff. The clinical research that has occurred over the past year was also outlined.

Tim Miller presented the audited financial statements and the findings of the audit. The members of the Audit Subcommittee were recognized and thanked for their due diligence in this work. KPMG has provided an unqualified opinion which represents the highest level of assurance that can be received under auditing standards. In addition, there were no internal control issues identified based on scope of testing of procurement, disbursements, payroll, or expense reports. The Audit Subcommittee discussed the performance of KPMG over the past year and were quite pleased from a number of perspectives including their deep knowledge of health care, and their audit approach and methodologies.

It was moved seconded and carried

THAT KPMG BE APPOINTED AS THE CORPORATE AUDITOR FOR MUSKOKA ALGONQUIN HEALTHCARE TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING.

Brenda Gefucia reported that in January, an advertising and communication campaign was initiated by the Nominations Committee that highlighted the process and timeline for applications for Director and Committee Appointee Member positions. MAHC received eighteen applications, including current Directors with expiring terms. The Nominations Committee reviewed the applications and determined a short-list of eight. Consideration was given to how each applicant would augment Directors' skills and experience, as well as their experience on other boards and the overall content of their applications. The goal of the Nominations Committee is to present the Board and the Members with the strongest possible slate of Directors that will create a complementary broad mix of skills, experience and knowledge around the Board table. Reference checks and police criminal reference checks were completed for all recommended applicants.

It was moved, seconded and carried

THAT THE FOLLOWING BE APPOINTED BY THE MEMBERS OF THE CORPORATION TO THE MUSKOKA ALGONQUIN HEALTHCARE BOARD OF DIRECTORS:

- Marni Dicker for a 3-year term ending 2026
- Dr. William Evans for a 3-year term ending 2026
- Mary Lyne for a 3-year term ending 2026

- **Bruce Schouten for a 3-year term ending 2026**
- **Dave Uffelmann for a 3-year term ending 2026**
- **Colleen Nisbet for a 1-year term ending 2024**

Tim Miller, Resources & Audit Committee Chair reviewed the Board Award of Excellence nominations process and the criteria. It was noted that each year the number of nominations that are submitted is quite remarkable and speaks not only to the level of talent at MAHC but also to the level of respect that exists between the staff and physicians given. The remarks and examples that are provided through the nomination forms make the decision on narrowing it down very difficult. The 2023 Board Award of Excellence was presented to Johanna Marshall, Jonathan Clarke, Kelly MacBride, Lisa Allen and Rebecca Liebau.

Moreen Miller announced the conclusion of the business for the 2023 Annual General Meeting.

It was moved

THAT THE MEETING BE ADJOURNED AT 7:55 PM.

Financial Statements of

**MUSKOKA ALGONQUIN
HEALTHCARE**

And Independent Auditor's Report thereon

Year ended March 31, 2024

MUSKOKA ALGONQUIN HEALTHCARE

Financial Statements Index

Year ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Muskoka Algonquin Healthcare

Opinion

We have audited the accompanying financial statements of Muskoka Algonquin Healthcare (the "Hospital"), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2024, and its results of operations, its changes in net assets 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 the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 the 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 the Hospital'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 the Hospital's financial reporting process.

Auditor's Responsibility 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 the financial statements.

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 the Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 the Hospital'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 the Hospital 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 13, 2024

MUSKOKA ALGONQUIN HEALTHCARE

Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Ministry of Health and Ontario Health	\$ 96,581,701	\$ 77,897,157
Ministry of Health and Ontario Health - one-time	9,913,542	1,739,666
Ministry of Health and Ontario Health - pandemic funding	2,212,801	19,984,036
Patient charges	8,846,893	7,914,260
Other (note 16)	7,661,253	5,222,873
Amortization of deferred equipment contributions	3,291,090	2,738,934
	<u>128,507,280</u>	<u>115,496,926</u>
Expenses:		
Salaries and wages	68,650,071	60,897,210
Employee benefits	14,958,461	13,202,472
Supplies and other	19,984,243	18,016,581
Medical staff remuneration	10,602,190	9,572,983
Drugs	4,371,647	3,481,939
Medical and surgical supplies	5,206,966	4,982,290
Amortization of equipment	3,460,364	2,857,676
	<u>127,233,942</u>	<u>113,011,151</u>
Excess of revenue over expenses before the undernoted items	1,273,338	2,485,775
Other program:		
Revenue	13,950	13,950
Expenses	(17,342)	(17,181)
	<u>(3,392)</u>	<u>(3,231)</u>
Excess of revenue over expenses from Hospital operations	1,269,946	2,482,544
Amortization of deferred capital contributions	1,656,784	1,587,526
Amortization of buildings and building service equipment	(2,111,481)	(1,962,638)
	<u>(454,697)</u>	<u>(375,112)</u>
Excess of revenue over expenses	\$ 815,249	\$ 2,107,432

See accompanying notes to financial statements.

MUSKOKA ALGONQUIN HEALTHCARE

Statement of Financial Position

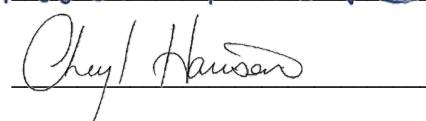
March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 31,663,113	\$ 14,805,402
Restricted cash and investments (note 3)	3,219,255	2,067,292
Short-term investments (note 4)	143,021	20,323,220
Accounts receivable (note 5)	8,554,676	4,948,397
Inventories	904,037	867,931
Due from related parties (note 6)	1,991,169	1,722,621
Prepaid expenses	1,278,523	861,603
	<u>47,753,794</u>	<u>45,596,466</u>
Capital assets (note 7)	52,185,235	47,639,464
	<u>\$ 99,939,029</u>	<u>\$ 93,235,930</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 9)	\$ 29,066,666	\$ 29,022,427
Deferred operating contributions (note 10)	674,197	674,197
	<u>29,740,863</u>	<u>29,696,624</u>
Asset retirement obligation (note 11)	267,458	267,458
Long-term obligations (note 12)	10,955,114	7,417,901
Employee post-retirement benefits (note 13)	2,861,700	2,702,500
Deferred contributions related to capital assets (note 14)	50,883,559	48,736,361
	<u>94,708,694</u>	<u>88,820,844</u>
Net assets:		
Unrestricted	2,011,080	2,347,794
Internally restricted	3,219,255	2,067,292
	<u>5,230,335</u>	<u>4,415,086</u>
Contingencies (note 18)		
	<u>\$ 99,939,029</u>	<u>\$ 93,235,930</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

MUSKOKA ALONGQUIN HEALTHCARE

Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

	Unrestricted	Internally Restricted	2024 Total	2023 Total
Balance, beginning of year as previously stated	\$ 2,347,794	\$ 2,067,292	\$ 4,415,086	\$ 2,307,654
Excess of revenue over expenses	815,249	-	815,249	2,107,432
Transfers	(1,151,963)	1,151,963	-	-
Balance, end of year	\$ 2,011,080	\$ 3,219,255	\$ 5,230,335	\$ 4,415,086

See accompanying notes to financial statements.

MUSKOKA ALGONQUIN HEALTHCARE

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 815,249	\$ 2,107,432
Adjustments for:		
Amortization of capital assets	5,571,845	4,820,314
Amortization of deferred contributions related to capital assets	(4,947,874)	(4,326,460)
Increase in employee post-retirement benefits	159,200	55,500
	<u>1,598,420</u>	<u>2,656,786</u>
Change in non-cash working capital:		
Accounts receivable	(3,606,279)	271,928
Inventories	(36,106)	(197,092)
Due from related parties	(268,548)	100,108
Prepaid expenses	(416,920)	(165,917)
Accounts payable and accrued liabilities	44,239	10,622,972
Other long-term liabilities	3,537,213	(2,402,317)
Deferred operating contributions	-	253,500
	<u>852,019</u>	<u>11,139,968</u>
Cash flows from capital activities:		
Purchase of capital assets	(10,117,616)	(8,182,767)
Deferred contributions related to capital assets	7,095,072	9,497,213
	<u>(3,022,544)</u>	<u>1,314,446</u>
Cash flows from investing activities:		
Net change in investments	20,180,199	(20,323,220)
Net increase (decrease) in cash	18,009,674	(7,868,806)
Cash, beginning of year	16,872,694	24,741,500
Cash, end of year	\$ 34,882,368	\$ 16,872,694
Made up of:		
Cash	31,663,113	14,805,402
Restricted cash and investments (note 3)	3,219,255	2,067,292
	<u>\$ 34,882,368</u>	<u>\$ 16,872,694</u>

See accompanying notes to financial statements.

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements

Year ended March 31, 2024

Muskoka Algonquin Healthcare (the “Hospital”) is incorporated without share capital under the laws of the Province of Ontario. Its principal activity is the provision of health care services to the residents of Burk’s Falls, Huntsville, Bracebridge, Gravenhurst, Township of Muskoka Lakes, Township of Georgian Bay, Township of Lake of Bays and the surrounding areas. The Hospital is a registered charity and, as such, is exempt from income taxes provided certain requirements under the Income Tax Act are met.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

(a) Revenue recognition:

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

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 (the “Ministry”) and Ontario Health (“OH”). 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 the subsequent period.

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

Revenue from patient and other services is recognized when the performance obligations are settled and when the service is provided.

(b) Inventories:

Inventories are stated at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs in bringing the inventories to their present location and condition.

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. The original cost does not reflect replacement cost or market value upon liquidation. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to its residual value.

Construction in progress is not amortized until construction is complete and the facilities come into use.

Amortization is provided on the straight-line basis at the following range of annual rates:

	Rate
Land improvements	5%
Buildings	2% - 20%
Equipment	5% - 33%

Amortization is taken at 50% of the above rates in the year of acquisition.

Long-lived assets, including capital assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When quoted market prices are not available, the Hospital uses the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset as an estimate of fair value.

Assets to be disposed of would be separately presented in the statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer amortized. The asset and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the statement of financial position.

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Asset retirement obligations:

The Hospital recognizes the fair value of an asset retirement obligation (“ARO”) when all of the following criteria have been met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos-containing materials in certain facilities owned by the Hospital has been recognized based on estimated future expenses. Actual remediation costs incurred are charged against the ARO to the extent of the liability recorded. Differences between the actual remediation costs incurred and the associated liability recorded within the consolidated financial statements are recognized in the Statement of Operations at the time of remediation occurs.

(e) Employee future benefits:

The Hospital accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management’s best estimate of retirement ages of employees and expected health care costs.

Actuarial gains (losses) on the accrued benefit obligation arise from the change in actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the employee benefit plan is 14 years.

Past service costs arising from the plan amendments are recognized immediately in the period the plan amendments occur.

The Hospital is an employer member of the Health Care of Ontario Pension Plan (the “Plan”) which is a multi-employer, defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Hospital records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods specified. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; useful lives and expected retirement costs of assets with retirement obligations; valuation allowances for receivables and inventories; valuation of financial instruments; and assets and obligations related to employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(g) Funding adjustments:

The Hospital receives grants from the OH and the Ministry for specific services. Pursuant to the related agreements, if the Hospital does not meet specified levels of activity, the Ministry or OH may be entitled to seek recoveries. Should any amounts become recoverable, the recoveries would be charged to operations in the period in which the recovery is determined to be payable. Should programs and activities incur a deficit, the Hospital records any recoveries thereon when additional funding is received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

(h) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Given the difficulty of determining the fair market value, contributed services are not recognized in the financial statements.

(i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Hospital has not elected to carry any such financial instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the statement of operations.

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Change in accounting policies:

On April 1, 2023, the Hospital adopted Public Accounting Standard PS 3400 – *Revenue*. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024 the Hospital determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

3. Restricted cash and investments:

The Hospital maintains restricted cash and investments as approved by the Board of Directors. These internally restricted amounts are set aside to support future capital redevelopment and are not available for other purposes without approval by the Board of Directors.

4. Short-term investments:

The Hospital holds short-term investments in the form of guaranteed investment certificates (“GICs”). The GICs have a maturity of one year and earn interest at a rate of 5.16%.

5. Accounts receivable:

	2024	2023
Insurers and patients	\$ 1,842,049	\$ 1,665,487
Ministry of Health	4,821,224	2,041,326
Other	2,054,118	1,370,607
	8,717,391	5,077,420
Allowance for doubtful accounts	(162,715)	(129,023)
	\$ 8,554,676	\$ 4,948,397

6. Related party transactions:

(a) Huntsville District Memorial Hospital Foundation:

The Hospital has an economic interest in the Huntsville District Memorial Hospital Foundation (“HDMHF”) in that HDMHF solicits funds on behalf of the Hospital to be used for approved capital projects. During the year, the HDMHF contributed donations of \$1,830,835 (2023 - \$3,536,369) to fund capital costs.

(b) South Muskoka Hospital Foundation:

The Hospital has an economic interest in the South Muskoka Hospital Foundation (“SMHF”) in that SMHF solicits funds on behalf of the Hospital and other organizations in the community with similar objectives. During the year, SMHF contributed donations of \$752,011 (2023 - \$2,716,152) to fund capital costs.

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

6. Related party transactions (continued):

(c) Due from (to) related parties:

	2024	2023
Huntsville District Memorial Hospital Foundation	\$ 1,994,782	\$ 1,719,012
South Muskoka Hospital Foundation	(3,613)	3,609
	\$ 1,991,169	\$ 1,722,621

7. Capital assets:

2024	Cost	Accumulated amortization	Net book value
Land	\$ 669,783	\$ –	\$ 669,783
Land improvements	538,228	520,089	18,139
Buildings	73,456,694	38,133,256	35,323,438
Equipment	75,681,384	59,507,509	16,173,875
	\$ 150,346,089	\$ 98,160,854	\$ 52,185,235

2023	Cost	Accumulated amortization	Net book value
Land	\$ 669,783	\$ –	\$ 669,783
Land improvements	538,228	517,066	21,162
Buildings	67,607,051	36,046,677	31,560,374
Equipment	71,413,411	56,025,266	15,388,145
	\$ 140,228,473	\$ 92,589,009	\$ 47,639,464

8. Short-term demand loans:

The Hospital has an unutilized demand operating line of credit authorized to a maximum of \$7,500,000, which bears interest at a rate of prime plus 0.50%. The line of credit is secured by a general security agreement. As of March 31, 2024, there was \$Nil drawn on this line of credit (2023 - \$Nil).

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

9. Accounts payable and accrued liabilities:

	2024	2023
Ministry of Health	\$ 3,499,011	\$ 2,796,916
Trade payables	12,842,050	10,840,653
Accrued wages and benefits	12,725,605	15,384,858
	<u>\$ 29,066,666</u>	<u>\$ 29,022,427</u>

10. Deferred contributions:

Deferred contributions represent unspent funding externally restricted for specific programs received in the current and/or prior periods that are related to a subsequent period.

	2024	2023
Balance, beginning of year	\$ 674,197	\$ 420,697
Add contributions received	–	253,500
Balance, end of year	<u>\$ 674,197</u>	<u>\$ 674,197</u>

11. Asset retirement obligation:

The Hospital has accrued for asset retirement obligations related to the legal requirement for the removal or remediation of asbestos-containing materials in certain facilities owned by the Hospital. The obligation is determined based on the estimated undiscounted cash flows that will be required in the future to remove or remediate the asbestos containing material in accordance with current legislation.

The change in the estimated obligation during the year consists of the following:

	2024	2023
Balance, beginning of year	\$ 267,458	\$ 267,458
Less: obligations settled during the year	–	–
Total obligation at March 31	267,458	267,458
Less: current portion reported in accounts payable and accrued liabilities	–	–
Balance, end of year	<u>\$ 267,458</u>	<u>\$ 267,458</u>

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

12. Long-term obligations:

Included in this balance are amounts owing for various pay equity and other labour settlements beyond the next fiscal year.

13. Employee post-retirement benefits:

The Hospital sponsors a post-retirement defined benefit plan for medical, life insurance and dental benefits for employees with various cost-sharing arrangements as determined by their collective agreements and conditions of employment. The most recent valuation of the employee future benefits was completed as at March 31, 2024.

The accrued benefit obligation is recorded in the financial statements as follows:

	2024	2023
Balance, beginning of year	\$ 2,702,500	\$ 2,647,000
Add: benefit costs	476,500	390,900
	3,179,000	3,037,900
Less: benefit contributions	(317,300)	(335,400)
Balance, end of year	\$ 2,861,700	\$ 2,702,500

Similar to most post-employment benefit plans (other than pension) in Canada, the Hospital's plan is not pre-funded, resulting in the plan deficit equal to the accrued benefit obligation.

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

	2024	2023
Discount rate	3.95%	4.04%
Initial health care cost trend rate	5.97%	5.57%
Initial dental care cost trend rate	5.00%	3.00%
Health care cost trend rate decreasing to	3.57%	3.57%
Dental care cost trend rate decreasing to	3.57%	3.57%

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

14. Deferred contributions related to capital assets:

Deferred contributions related to capital assets represent the unamortized or unspent balances of donations and grants received for capital asset acquisitions. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2024	2023
Balance, beginning of year	\$ 48,736,361	\$ 43,565,608
Less amount amortized to revenue	(4,947,874)	(4,326,460)
Add contributions received:		
Ministry of Health	4,187,755	3,244,692
Foundations	2,582,846	6,252,521
Hospital Auxiliary and other	324,471	–
	7,095,072	9,497,213
Balance, end of year	\$ 50,883,559	\$ 48,736,361

	2024	2023
Unamortized	\$ 49,450,160	\$ 44,850,212
Unspent:		
Capital projects	1,433,399	3,886,149
	\$ 50,883,559	\$ 48,736,361

15. Pension plan:

Substantially all of the employees of the Hospital are members of the Healthcare of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit plan. Employer contributions made to the Plan during the year by the Hospital amounted to \$4,621,723 (2023 - \$3,736,209).

16. Other revenue:

	2024	2023
Independent Health Facility funding	\$ 2,556,580	\$ 1,011,250
Wages and material recoveries	2,087,829	1,792,161
Interest income	1,145,460	755,595
Parking fees	668,191	457,804
Laundry recoveries	612,173	615,053
Differential and co-payment fees	524,133	548,892
Other	52,109	27,340
Rental income	14,778	14,778
	\$ 7,661,253	\$ 5,222,873

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

17. Bill 124:

On November 29, 2022, the Ontario Superior Court rendered a decision to declare the Protecting a Sustainable Public Sector for Future Generations Act, 2019, known as Bill 124, to be void and of no effect. This ruling has triggered reopener provisions that required renewed negotiations with certain labour groups on compensation for years that were previously capped by legislation. Ongoing impacts of the reopener provisions are reflected in the Hospital's current wage rates and are included in the reported amount of salaries and wages.

The MOH has provided the Hospital with one-time funding to offset a portion of the cost of the retroactive wage adjustments, as well as ongoing impacts up to March 31, 2024.

18. Contingencies:

(a) Legal matters and litigation:

The nature of the Hospital's activities is such that there is usually litigation pending or in process at any given time. With respect to claims at March 31, 2024, management believes the Hospital has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the Hospital's financial position.

(b) HealthCare Insurance Reciprocal of Canada:

The Hospital is a member of the HealthCare Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the liability insurance risk of its members. All members pay annual deposit premiums which are actuarially determined and are subject to further assessment for losses, if any, experienced by the pool for the years in which they are members. As at March 31, 2024, no assessments have been received by the Hospital.

(c) Employment matters:

During the normal course of business, the Hospital is involved in certain employment related negotiations and has recorded accruals based on management's estimate of potential settlement amounts where these amounts are reasonably determinable.

19. Financial risks and concentration of credit risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to credit risk with respect to accounts receivable.

The Hospital assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Hospital at March 31, 2024 is the carrying value of these assets.

Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

There have been no significant changes to the credit risk exposure from 2023.

MUSKOKA ALGONQUIN HEALTHCARE

Notes to Financial Statements (continued)

Year ended March 31, 2024

19. Financial risks and concentration of credit risks (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Hospital will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital manages its liquidity risk by monitoring its operating requirements. The Hospital prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

There have been no significant changes to the liquidity risk exposure from 2023.

20. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current period. The changes do not affect the prior year excess of revenue over expenses for the year.

For questions or more information to complete this form, please refer to the instruction page.

Fields marked with an asterisk (*) are mandatory.

1. Corporation Information

Corporation Name *

Ontario Corporation Number (OCN) *
1652874

Company Key *

Official Email Address *

2. Contact Information

Please provide the following information for the person we should contact regarding this filing. This person will receive official documents or notices and correspondence related to this filing. By proceeding with this filing, you are confirming that you have been duly authorized to do so.

First Name * Middle Name Last Name *

Telephone Country Code Telephone Number * Extension

Email Address *

3. Corporation Name

Complete this section only if you are changing the corporation name

The corporation will have:

- an English name (example: "Green Institute Inc.")
- a French name (example: "Institut Green Inc.")
- a combination of English and French name (example: "Institut Green Institute Inc.")
- an English and French name that are equivalent but used separately (example: "Green Institute Inc./Institut Green Inc.")

4. Number of Directors (if applicable)

Complete this section only if you are changing the number of directors

A minimum of three directors are required. Please specify the number of directors for your Corporation

Fixed Number Minimum/Maximum

Minimum Number of Directors *
15

Maximum Number of Directors *
17

5. Purposes and Provisions (if applicable) (Maximum limit is 100,000 characters per text box)

Complete this section only if you are amending the Purposes and Provisions

Is the corporation a charity or does it intend to operate as a charity? i

Yes No

Does the corporation have consent from the Public Guardian and Trustee not to include an "After Acquired" clause?

Yes No

Description of Changes to Purposes

Please describe any amendments to the corporation's purposes in the area below (please be specific):

Enter the Text

Delete in their entirety the objects of the Corporation contained in the Letters Patent of Amalgamation and any Supplementary Letters Patent and replace with the following:

The purposes of the Corporation shall be as follows:

(a) to promote health by establishing, equipping, staffing, maintaining, operating, conducting, and managing, on one or more sites, a hospital or hospitals or health facilities for the public with health care programs and services that may include, without limitation, active treatment programs and services, chronic care, complex continuing care, community health, emergency services, out-patient services, rehabilitation services, and therapy services;

(b) to promote health by establishing, operating, and maintaining, for the public, laboratories, diagnostic imaging services, research facilities, therapeutic and rehabilitation facilities, pharmacies, dispensaries, and/or other facilities incidental to a hospital;

(c) to advance education by teaching or training physicians, dentists, nurses, midwives, and other health care providers;

(d) to advance education and promote health by conducting or funding research pertaining to health care including, without limitation, clinical trials, health promotion, disease prevention, and integrative medicine including alternative and complementary therapies, and disseminating the results of the research to the public;

(e) to promote health by collaborating with government, governmental agencies, and other health services providers and participate in activities carried on to promote and improve the general health of the community; and

(f) to promote health by providing other health care related programs and services to the public that may include, without limitation, long-term care, in-home health care, public health, community health, and mental health and addictions services.

Description of Changes to Special Provisions

Please describe any amendments to the corporation's special provisions in the area below (please be specific):

Enter the Text

Delete in their entirety the special provisions of the Corporation contained in the Letters Patent of Amalgamation and any Supplementary Letters Patent and replace with the following:

(a) Commercial purposes, if any, included in the Articles are intended only to advance or support one or more of the non-profit purposes of the Corporation. No part of the Corporation's profits or of its property or accretions to the value of the property may be distributed, directly or indirectly, to a member, a director, or an officer of the Corporation, except in furtherance of its activities.

(b) The Corporation shall be subject to section 6 of the Charities Accounting Act.

(c) No director shall receive remuneration for services provided in the capacity as a director, although they may be paid reasonable expenses incurred by them in the performance of their duties. Unless otherwise prohibited by the Corporation, a director may be compensated for services other than as a director pursuant to the regulation made under the Charities Accounting Act, or with court approval or an order made under section 13 of the Charities Accounting Act. Notwithstanding the foregoing, individuals who are directors by virtue of their position on the administrative or credentialed staff of the Corporation may be compensated for such duties.

(d) To invest or re-invest the funds of the Corporation in such manner as may be determined by the board of directors from time to time.

(e) Upon the dissolution of the Corporation and after satisfying the interests of its creditors in all its debts, obligations, and liabilities, its remaining property shall be distributed to registered charities under the Income Tax Act (Canada) that provide health care and support services and that carry on their work principally in the geographic area served by the Corporation.

(f) The board of directors shall be empowered to determine from time to time the number of directors of the Corporation and the number of directors to be elected at the annual meeting of the members of the Corporation.

(g) All funds and other property held by the Corporation immediately before the Articles become effective or that are received subsequently by the Corporation pursuant to any will, deed, or other instrument made before the Articles become effective, together with any income or other accretions to the funds or other property, will be applied only to the purposes of the Corporation as they were immediately before the Articles become effective.

6. Members Authorization and Effective Date

The resolution authorizing the amendment was approved by the members of the corporation on *

Requested Date for Amendment *

Authorization

* I, Holly Ryan

confirm that:

- This amendment has been duly authorized as required by section 103 of the *Not-For-Profit Corporations Act, 2010*.
- This form has been signed by all the required persons.

Caution:

The Act sets out penalties, including fines, for submitting false or misleading information.

Required Signatures

Name	Position	Signature
Cheryl Harrison	President and Chief Executive Officer	
Moreen Miller	Board Chair	

Save Form

Print Form

Clear Form

CORPORATE BY-LAW
OF
MUSKOKA ALGONQUIN HEALTHCARE
APPROVED – ●, 2024

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MUSKOKA ALGONQUIN HEALTHCARE CORPORATE BY-LAW

A by-law relating generally to the conduct of the activities and affairs of the Corporation.

BE IT ENACTED as a by-law of the Corporation as follows:

Article 1

Interpretation

1.1 Definitions

In this By-law and in all other by-laws of the Corporation, unless the context otherwise requires:

- (a) “**Act**” means the *Not-for-Profit Corporations Act, 2010* (Ontario);
- (b) “**Articles**” means any instrument that incorporates the Corporation or modifies its incorporating instrument, including articles of incorporation, restated articles of incorporation, articles of amendment, articles of amalgamation, articles of arrangement, articles of continuance, articles of dissolution, articles of reorganization, articles of revival, letters patent, supplementary letters patent, or a special act;
- (c) “**Board**” means the board of directors of the Corporation;
- (d) “**By-law**” means this Corporate By-law;
- (e) “**Catchment Area**” means the geographical area or areas served by the Corporation, as established by the Board from time to time;
- (f) “**Chair**” means the chair of the Board;
- (g) “**Chief Nursing Executive**” means the senior nurse employed by the Corporation, who reports directly to the President and Chief Executive Officer and is responsible for nursing services provided in the Hospital;¹
- (h) “**Chief of Staff**” means the medical staff member appointed by the Board to serve as such in accordance with the *Public Hospitals Act* and the Credentialed Staff By-law;
- (i) “**Corporation**” means Muskoka Algonquin Healthcare;

¹ HMR, ss. 1(1), 4(1)(a)(viii).

- (j) “**Credentialed Staff**” means the Board-appointed professional/credentialed staff of the Hospital;
- (k) “**Credentialed Staff By-law**” means the by-law of the Corporation concerning the Credentialed Staff made in accordance with the *Public Hospitals Act*, as amended or restated from time to time;
- (l) “**day**”, unless otherwise specified as a business day, means a clear calendar day;
- (m) “**Director**” means an individual elected or appointed to the Board;
- (n) “**Elected Director**” means a Director elected or appointed to the Board as described in section 3.1(a);
- (o) “**Excluded Person**” means:
 - (i) any person providing supplies or services or their affiliates and any director, owner, operator, major shareholder, management staff or senior executive (as well as their formal associates including parents, siblings, children, spouses and common-law partners) of such person(s) if such person(s):
 - A. is under material contract with the Corporation;
 - B. has responded to a request for proposals issued by the Corporation in the previous fiscal year;
 - C. is receiving or intending to receive formal placement referrals from the placement co-ordination service function of the community care access centre division of the Corporation; or
 - D. intends to submit a proposal;
 - (ii) employees of the Ministry of Health;
 - (iii) elected representatives of any municipal, regional, county or township government located in the Catchment Area;
 - (iv) any member of the Credentialed Staff other than the members of the Credentialed Staff appointed to the Board pursuant to the *Public Hospitals Act*;
 - (v) any employee other than those appointed to the Board pursuant to the *Public Hospitals Act*;
 - (vi) any spouse, common law partner, dependent child, parent, brother or sister of an employee or member of the Credentialed Staff;

- (vii) any person who lives in the same household as a member of the Credentialed Staff or an employee of the Corporation; and
- (viii) any persons who are members of the Corporation's volunteer associations, foundation or other similar entity;
- (p) "**ex-officio**" means membership "by virtue of office", and includes all rights, responsibilities, and power to vote unless otherwise specified;
- (q) "**Hospital**" means the public hospital operated by the Corporation;
- (r) "**Members**" means members of the Corporation as described in Article 2;
- (s) "**Policy**" means a policy adopted by the Board in accordance with section 12.2;
- (t) "**President and Chief Executive Officer**" means, in addition to "administrator" as defined in the *Public Hospitals Act*, the president and chief executive officer of the Corporation who, subject to the authority of the Board, is responsible for the administration, organization, and management of the affairs of the Corporation;
- (u) "**Public Hospitals Act**" means the *Public Hospitals Act* (Ontario);
- (v) "**Secretary**" means the secretary of the Board;
- (w) "**Special Business**" means all business transacted at a special Members' meeting and all business transacted at an annual Members' meeting except for the following:
 - (i) consideration of the financial statements;
 - (ii) consideration of the audit report, if any;
 - (iii) election of directors; and
 - (iv) reappointment of the incumbent auditor;
- (x) "**telephonic or electronic means**" means any means that uses the telephone or any other electronic or other technological means to transmit information or data, including telephone calls, voice mail, fax, e-mail, an automated touch-tone telephone system, computer, or computer networks; and
- (y) "**Vice Chair**" means one or more vice chair(s) of the Board.

1.2 Interpretation

In this By-law and in all other by-laws of the Corporation, unless the context otherwise requires and other than as specifically defined in this By-law, all terms contained in this By-law that are defined in the Act shall have the meanings given to the terms in the Act; words importing the singular shall include the plural and *vice versa*; and headings are used for convenience of reference and do not affect the interpretation of the by-law. Any reference to a statute in this By-law includes, where the context requires, the regulations made under it, all as amended or replaced from time to time.

Article 2

Members and Members' Meetings

2.1 Members

- (a) The Members shall consist of the Elected Directors from time to time, who shall be *ex-officio* Members for so long as they serve as Directors.
- (b) Membership is not transferrable and terminates upon the Member ceasing to be a Director.
- (c) No fees shall be payable by the Members.

2.2 Meeting Location

Members' meetings shall be held at the registered office of the Corporation or at any place in Ontario as the Board may determine.

2.3 Annual Meeting

The annual Members' meeting shall be held between the 1st day of April and the 31st day of July of each year, unless otherwise approved by the Board, provided such variation is directed by the Minister of Health, all in accordance with the *Public Hospitals Act*.

2.4 Calling Meetings

- (a) The Board or Chair shall have the power to call, at any time, a Members' meeting.
- (b) If the Board, Chair, or Members call a Members' meeting, the Board or Chair may determine that the meeting be held entirely by telephonic or electronic means or by any combination of in-person attendance and telephonic or electronic means that enables all persons entitled to attend the meeting to reasonably participate.²

² ONCA, s. 53(5) effective as of October 1, 2023 provides: *In addition to any other matters that the articles or by-laws may provide for with respect to the holding of meetings of the members in accordance with section (4), the articles or by-laws may: (a) limit the manner*

2.5 Quorum

A majority of the Members shall constitute a quorum at any Members' meeting. If a quorum is present at the opening of a Members' meeting, the Members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.³

2.6 Notice

- (a) Notice of Members' meetings shall be given by one of the following methods:
 - (i) by sending it to each Member, Director, and to the auditor by one of the methods set out in section 13.1 addressed to the person at their latest address as shown in the Corporation's records not less than ten days and not more than 50 days before the meeting; or
 - (ii) in any other manner permitted by the *Public Hospitals Act*.
- (b) Not less than five business days⁴ before each annual meeting or before the signing of a resolution in lieu of the annual meeting, the Corporation shall give a copy of the Board-approved financial statements, auditor's report, and any further information respecting the financial position of the Corporation and the results of its operations required by the Articles or this By-law to all Members who have informed the Corporation that they wish to receive a copy of those documents.
- (c) Notice of a Members' meeting at which Special Business is to be transacted must state the nature of that business in sufficient detail to permit a Member to form a reasoned judgment on the business and state the text of any resolution to be submitted to the meeting.

2.7 Voting

- (a) Each Member in attendance at a Members' meeting shall be entitled to one vote on each matter.
- (b) At all Members' meetings, every question shall be determined by a majority of votes cast, unless otherwise specifically provided by the Act or this By-law.

or manners by which a meeting of the members may be held in accordance with subsection (4); and (b) specify requirements that apply with respect to the holding of a meeting of the members in a manner described in subsection (4) or in such manner as described by the articles or by-laws made under clause (a). This provides the Board or Chair with the flexibility to determine whether (or not) any particular Members' meeting should allow for Member participation by telephonic or electronic means.

³ ONCA, s. 57(2) provides: *If a quorum is present at the opening of a meeting of the members, the members present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting, unless the by-laws provide otherwise.*

⁴ Five business days is the prescribed number of days under ONCA.

- (c) If there is a tie vote at a Members' meeting, the chair of the meeting shall not have a second vote to break the tie.⁵
- (d) Votes at all Members' meetings shall be cast by those Members in attendance at the meeting and not by proxy.
- (e) Subject to the Articles, voting at a Members' meeting shall be by show of hands unless a Member demands a ballot. For clarity, in either case such vote may be conducted by telephonic or electronic means or by a combination of telephonic and electronic means and voting in person, if the Corporation makes these means available.⁶
- (f) A Member may demand a ballot either before or after any vote by show of hands. A Member may withdraw a demand for a ballot.
- (g) Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

2.8 Chair of the Meeting

The chair of a Members' meeting shall be:

- (a) the Chair; or
- (b) a Vice Chair, if the Chair is absent, unable, or unwilling to act; or
- (c) a chair elected by the Members present if the Chair and Vice Chair(s) are absent, unable, or unwilling to act. The Secretary shall preside at the election of the chair of the meeting but if the Secretary is not present, the Members, from those present, shall choose a Member to preside at the election.

⁵ Under ONCA, if you would like the Chair of a Members' meeting to have a casting vote, this must be specifically enabled in the Articles.

⁶ Section 58(3) of ONCA, effective as of October 1, 2023 provides: *Unless the Articles or By-laws expressly provide otherwise, a vote at a meeting of the members may be conducted entirely by one or more telephonic or electronic means or by a combination of one or more telephonic or electronic means and voting in person.* If it is the hospital's preference to prohibit telephonic or electronic participation in Members' meeting, we recommend striking the following sentence from section 2.7(e): *For clarity, in either case such vote may be conducted by telephonic or electronic means or by a combination of telephonic and electronic means and voting in person, if the Corporation makes these means available.* The following sentence should also be inserted in the By-law: *Participation at a Members' meeting by telephonic or electronic means is not permitted and attendance at a Members' meeting shall be in person.*

2.9 Adjourned Meetings

- (a) If within one-half hour after the time appointed for a Members' meeting, the meeting has not commenced because a quorum is not present, the meeting shall stand adjourned until a day to be determined by the Board.
- (b) If a Members' meeting is adjourned by one or more adjournments for an aggregate of less than 30 days, no notice of the meeting that continues the adjourned meeting is required if all of the following are announced at the time of the adjournment:
 - (i) the time of the continued meeting;
 - (ii) if applicable, the place of the continued meeting; and
 - (iii) if applicable, instructions for attending and participating in the continued meeting by telephonic or electronic means that will be made available for the meeting, including if applicable, instructions for voting by such means at the meeting.⁷
- (c) If a Members' meeting is adjourned by one or more adjournments for an aggregate of more than 30 days, notice of the meeting that continues the adjourned meeting shall be given in accordance with section 2.6.

2.10 Written Resolution in Lieu of Meeting

Except as provided in the Act, a resolution signed by all of the Members is as valid as if it had been passed at a Members' meeting.

⁷ ONCA, s. 55(5), effective as of October 1, 2023. If the hospital wishes to amend this By-law to prohibit telephonic or electronic Members' meetings, we recommend revising this provision as follows: *If a Members' meeting is adjourned by one or more adjournments for an aggregate of less than 30 days, no notice of the meeting that continues the adjourned meeting is required if all of the following are announced at the time of the adjournment: (i) the time of the continued meeting; and (ii) the place of the continued meeting.* Note that ONCA, s. 55(9), effective as of October 1, 2023 also provides: *For clarity, this section, as it reads immediately before the day subsection 5 (3) of Schedule 22 to the Less Red Tape, Stronger Economy Act, 2023 comes into force, continues to apply to a notice that was given before that day in respect of a meeting of the members to be held on or after that day.* As a result, the former s. 55(5) of ONCA would continue to apply to notices given before October 1, 2023 in respect of a Members' meeting to be held on or after that day. s. 55(5) of ONCA prior to October 1, 2023 provides: *If a meeting of the members is adjourned for less than 30 days, it is not necessary, unless the by-laws provide otherwise, that any person be notified of the meeting that continues the adjourned meeting, other than by announcement at the meeting that is adjourned.*

2.11 Telephonic or Electronic Members' Meetings

A Members' meeting may be held entirely by telephonic or electronic means or by any combination of in-person attendance and telephonic or electronic means⁸ provided such means enables all persons entitled to attend the Members' meeting to reasonably participate.⁹ A person who, through telephonic or electronic means, votes at or attends a Members' meeting is deemed to be present in person at the meeting.¹⁰

Article 3

Board

3.1 Composition of Board

Subject to the Articles,¹¹ the Board shall consist of:

- (a) 10 to 12 Directors, who satisfy the criteria set out in section 3.3 and who are elected by the Members in accordance with sections 3.7 and 3.8 or appointed in accordance with section 3.10 (the “**Elected Directors**”); and
- (b) the following five *ex-officio* non-voting Directors:
 - (i) President and Chief Executive Officer;
 - (ii) Chief of Staff;
 - (iii) President of the Credentialed Staff;
 - (iv) Vice-President of the Credentialed Staff; and

⁸ ONCA, s. 53(4), effective as of October 1, 2023 provides: *Subject to the articles or by-laws and subsection (6), a meeting of the members may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means.* ONCA s. 53(5), effective as of October 1, 2023 further provides: *In addition to any other matters that the articles or by-laws may provide for with respect to the holding of meetings of the members in accordance with subsection (4), the articles or by-laws may (a) limit the manner or manners by which a meeting of the members may be held in accordance with subsection (4); and (b) specify requirements that apply with respect to the holding of a meeting of the members in a manner described in subsection (4) or in such manner as described by the articles or by-laws made under clause (a).* If it is felt that it will never be appropriate to permit for Member participation by telephonic or electronic means, a hospital could choose to omit this provision. If this is the hospital's preference, we recommend inserting the following language in the By-law: *Participation at a Members' meeting by telephonic or electronic means is not permitted and attendance at a Members' meeting shall be in person..*

⁹ ONCA, s. 53(6), effective October 1, 2023 provides: *A meeting of the members held in any manner described in subsection (4) or in such manner as described by the articles or by-laws made under subsection (5) must enable all persons entitled to attend the meeting to reasonably participate.*

¹⁰ ONCA, s. 53(7), effective October 1, 2023 provides: *A person who, through telephonic or electronic means, votes at or attends a meeting of the members is deemed for the purposes of this Act to be present in person at the meeting.*

¹¹ ONCA, s. 22(2) provides: *If a corporation's articles provide for a minimum and maximum number of directors, the number of directors of the corporation and the number of directors to be elected at the annual meeting of the members must be the number determined from time to time by special resolution or, if a special resolution empowers the directors to determine the number, by resolution of the directors. A decrease in the number of directors does not shorten the term of an incumbent director.*

- (v) Chief Nursing Executive.

3.2 Duties and Responsibilities

Subject to the Act, the Board shall govern and supervise the management of the activities and affairs of the Corporation and may exercise all other powers and do all other acts and things as the Corporation is, by its Articles or otherwise, authorized to exercise and do.

3.3 Qualifications of Directors

- (a) No individual shall be qualified for election or appointment as a Director if the individual:
 - (i) is under 18 years old;
 - (ii) has been found under the *Substitute Decisions Act, 1992* or under the *Mental Health Act* to be incapable of managing property;
 - (iii) has been found to be incapable by any court in Canada or elsewhere;
 - (iv) has the status of a bankrupt;
 - (v) is an “ineligible individual” as defined in the *Income Tax Act* (Canada) or any regulations made under it;
 - (vi) is an Excluded Person, except as otherwise provided in this By-law.
- (b) The Board’s decision as to whether or not a candidate is qualified to stand for election shall be final.

3.4 Director’s Consent to Act

An individual who is elected or appointed to hold office as a Director shall, in writing, consent to the election or appointment before or within 10 days after the election or appointment, unless the Director has been elected or appointed where there is no break in the Director's terms of office. If an elected or appointed Director consents in writing after the 10-day period, the election or appointment is valid.

3.5 Ceasing to Hold Office

- (a) A Director shall automatically cease to hold office if the Director:
 - (i) dies;
 - (ii) resigns office by delivering a written resignation to the Secretary, and the resignation shall be effective at the time it is received by the Secretary or at the time specified in the resignation, whichever is later, or

- (iii) becomes disqualified by virtue of any of sections 3.3(a)(ii) through 3.3(a)(vi).
- (b) Where there is a vacancy in the Board, the remaining Directors may exercise all the powers of the Board so long as a quorum remains in office.

3.6 Removal

In accordance with the Act, the Members may remove any Elected Director before the expiry of the Director's term of office, and may elect any qualified individual as a Director to fill the vacancy for the remainder of the vacated term.¹²

3.7 Election and Term

Directors shall be elected and shall retire in rotation. The Elected Directors shall be elected for a term of up to three years, provided that each such Director shall hold office until the earlier of the date on which their office is vacated pursuant to sections 3.5 or 3.6 or until the end of the meeting at which their successor is elected or appointed. At least four Directors shall retire from office each year subject to re-election as permitted by section 3.9.

3.8 Nomination Procedure for Election of Directors

Nominations made for the election of Directors at a Members' meeting may only be made:

- (a) by the Board in accordance with the nominating and election procedure prescribed by the Board from time to time; or
- (b) by not less than five per cent of the Members pursuant to a proposal submitted to the Corporation in accordance with the requirements of the Act and this By-law.

3.9 Maximum Terms

- (a) Each Elected Director shall be eligible for re-election, provided that the Director shall not be elected or appointed for a term that will result in the Director serving more than nine consecutive years. The Director may also be eligible for re-election for another term or terms (to a maximum of nine consecutive years) if at least one year has elapsed since the termination of their last term. In determining a Director's length of service as a Director, service prior to the effective date of this By-law shall be included.
- (b) Despite the foregoing:

¹² Under ONCA, only the members have the authority to remove an Elected Director from office. The Board does not have this authority and would need to call a Members' meeting for this purpose. For this reason, we have removed provisions from the By-law enabling the Board to remove a Director (see section 4.5(b)). This is consistent with your Board policies.

- (i) a Director may, by Board resolution, have their maximum term as a Director extended for the sole purpose of that Director succeeding to the office of Chair or serving as Chair; and
- (ii) where a Director was appointed to fill an unexpired term of a Director, the partial term shall be excluded from the calculation of the maximum years of service.

3.10 Filling Vacancies

So long as there is a quorum of Directors in office, any vacancy occurring in the Board may be filled by a qualified individual appointed for the remainder of the term by the Directors then in office, but the total number of Directors so appointed may not exceed one-third of the number of Directors elected at the previous annual Members' meeting. If there is not a quorum of the Board, or if there has been a failure to elect the number or minimum number of Directors provided for in the Articles, the Directors then in office shall, without delay, call a special Members' meeting to fill the vacancy. A Director appointed or elected to fill a vacancy holds office for the unexpired term of the Director's predecessor term.

3.11 Directors' Remuneration

The Directors shall serve as such without remuneration and shall not, directly or indirectly, receive any profit from their position as such, provided that a Director may be reimbursed reasonable expenses incurred by the Director in the performance of their duties. Unless otherwise prohibited by the Corporation, a Director may be compensated for services other than as a Director pursuant to the regulation made under the *Charities Accounting Act* (Ontario), or with court approval or an order made under section 13 of the *Charities Accounting Act* (Ontario). Notwithstanding the foregoing, individuals who are Directors by virtue of their position on the administrative or Credentialed Staff of the Corporation may be compensated for such duties.¹³

Article 4

Board Meetings

4.1 Board Meetings

- (a) The Board may appoint one or more days for regular Board meetings at a time and place named. A copy of any Board resolution fixing the time and place of regular Board

¹³ While ONCA, s. 47(1) permits remuneration of Directors, the *Charities Accounting Act* and common law continues to prohibit remuneration of Directors for serving as Directors. Generally, expenses can be reimbursed if they were incurred to carry out the charitable purposes, the amount is reasonable, and proper receipts are provided. Note that Ontario Reg. 4.01 made under the *Charities Accounting Act* allows Ontario charities to make payments to Directors (generally for most goods, services, and facilities) without a court order provided specific requirements are met. See [Guardianship Investigations: The Role of the Public Guardian and Trustee - Ministry of the Attorney General \(gov.on.ca\)](#) for additional details. The second sentence has been inserted to ensure consistency with the Articles, which include this language, which is a special provision required by the Ontario Public Guardian and Trustee.

meetings shall be given to each Director forthwith after being passed and, subject to the Act, no other notice shall be required for any regular meeting.

(b) In addition to section 4.1(a):

- (i) the Board, the Chair, a Vice Chair, or the President and Chief Executive Officer may call a Board meeting; and
- (ii) the Secretary shall call a Board meeting upon receipt of the written request of three Directors;

and such meeting shall be held at the time and place determined in the notice of meeting.

(c) Notice of a Board meeting need not specify the purpose of or the business to be transacted at the meeting, unless the meeting is intended to deal with any of the following matters, in which case the notice must specify that matter:

- (i) to submit to the Members any question or matter requiring their approval;
- (ii) to fill a vacancy among the Directors or in the position of auditor;
- (iii) to appoint additional Directors;
- (iv) to issue debt obligations, except as authorized by the Directors;
- (v) to approve any annual financial statements; or
- (vi) to adopt, amend, or repeal by-laws.¹⁴

¹⁴ Note that ONCA also refers to the matter of establishing contributions to be made, or dues to be paid, by Members. This By-law contemplates that no dues are payable and, thus, does not include that reference.

4.2 Telephonic or Electronic Meetings

A Board or Board committee meeting may be held entirely by telephonic or electronic means, or by any combination of in-person attendance and telephonic or electronic means,¹⁵ provided that all persons attending the meeting are able to communicate with each other simultaneously and instantaneously.¹⁶ A person who, through telephonic or electronic means, attends a Board or Board committee meeting is deemed to be present in-person at the meeting.¹⁷

4.3 Notices

- (a) Notice of Board meetings, other than regular meetings, shall be given to all Directors at least 48 hours prior to the meeting. The Chair, a Vice Chair, or the President and Chief Executive Officer may call a meeting on less notice, by means deemed appropriate, provided that notice is given to all Directors and the majority of the Directors consent to holding the meeting.
- (b) Notice of an adjourned Board meeting is not required to be given if all of the following are announced at the time of an adjournment:
 - (i) the time of the continued meeting;
 - (ii) if applicable, the place of the continued meeting; and
 - (iii) if applicable, instructions for attending and participating in the continued meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.¹⁸

¹⁵ ONCA, s. 34(6), effective as of October 1, 2023, provides: *Subject to the articles or by-laws and subsection (8), a meeting of directors may be held entirely by one or more telephonic or electronic means or by any combination of in-person attendance and by one or more telephonic or electronic means.* ONCA, s. 34(7), effective as of October 1, 2023, further provides: *In addition to any other matters that the articles or by-laws may provide for with respect to the holding of meetings of directors in accordance with subsection (6), the articles or by-laws may: (a) limit the manner or manners by which a meeting of directors may be held in accordance with subsection (6); and (b) specify requirements that apply with respect to the holding of a meeting of directors in a manner described in subsection (6) or in such manner as described by the articles or by-laws made under clause (a).* This means that Board meetings may be held by telephonic or electronic means or by a combination of in-person attendance and telephonic or electronic means, but the articles or by-laws can limit how the meetings may be held and specify applicable requirements. In addition, all of the directors no longer need to consent to the holding of a Board or Board committee meeting by telephonic or electronic means. If it is felt that it will never be appropriate to permit director participation by telephonic or electronic means, a hospital could choose to omit this provision. If this is the hospital's preference, we recommend that this section be omitted and section 4.1 be amended to include the following: *Participation at a Board meeting by telephonic or electronic means is not permitted and attendance at a Board meeting shall be in person.*

¹⁶ ONCA, s. 34(8), effective as of October 1, 2023, provides: *A meeting of directors held in any manner described in subsection (6) or in such manner as described by the articles or by-laws made under subsection (7) must provide that all persons attending the meeting are able to communicate with each other simultaneously and instantaneously.*

¹⁷ ONCA, s. 34(9), effective as of October 1, 2023 provides: *A person who, through telephonic or electronic means, attends a meeting of directors is deemed for the purpose of this Act to be present in person at the meeting.*

¹⁸ ONCA, s. 34(5), effective as of October 1, 2023. If it is the hospital's preference to prohibit telephonic or electronic Board meetings, then we recommend amending section 4.3(b) as follows: *Notice of an adjourned Board meeting is not required to be given if all of the following are announced at the time of an adjournment: (a) the time of the continued meeting; and (b) the place of the continued*

4.4 Quorum

A majority of the voting Directors shall constitute a quorum.

4.5 First Board Meeting after Annual Meeting

If a quorum of Directors is present, the Board may, without notice, hold a meeting immediately following the annual Members' meeting.

4.6 Persons Entitled to be Present

Guests may attend Board meetings with the consent of the meeting on the invitation of the Chair or the President and Chief Executive Officer. The Board may adopt a policy from time to time on the attendance of the public at Board meetings.

4.7 Voting

- (a) Each voting Director in attendance at a Board meeting shall be entitled to one vote on each matter.
- (b) As required by the regulations under the *Public Hospitals Act*, the Directors referred to in section 3.1(b) shall not be entitled to vote as Directors but shall otherwise be entitled to notice of, to attend, and to participate in, Board meetings and to receive the materials that are distributed to voting Directors.
- (c) A Director shall not be entitled to vote by proxy.
- (d) Every question arising at a Board meeting shall be determined by a majority of votes cast, unless otherwise specifically provided by statute or by this By-law.
- (e) If there is a tie vote at a Board meeting, the chair of the meeting shall not have a second vote to break the tie.
- (f) The vote on any question shall be taken by secret ballot if so demanded by any Director in attendance and entitled to vote. The chair of the meeting shall count the ballots. Otherwise, a vote shall be by a show of hands. For clarity, in either case such vote may be conducted by telephonic or electronic means or by any combination of voting in

meeting. Note that ONCA, s. 34(10), effective as of October 1, 2023 provides: *For clarity, this section as it read immediately before the day subsection 3(2) of Schedule 22 to the Less Red Tape, Stronger Economy Act, 2023 comes into force, continues to apply to a notice that was given before that day in respect of a meeting of the directors to be held on or after that day.* This means that ONCA, s. 34(5), as it read prior to October 1, 2023 would apply to notices given before October 1, 2023 in respect of Board meetings to be held on or after that day. ONCA, s. 34(5), prior to October 1, 2023 provides: *Notice of a meeting that continues an adjourned meeting of directors is not required to be given if the time and place of the continued meeting is announced at the meeting that is adjourned.*

person and by telephonic or electronic means, if the Corporation makes these means available.¹⁹

- (g) Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

4.8 Written Resolutions in Lieu of Meeting

- (a) A resolution signed by all of the Directors entitled to vote on that resolution at a Board meeting is as valid as if it had been passed at a Board meeting.
- (b) A resolution signed by all of the Board committee members entitled to vote on that resolution at a Board committee meeting is as valid as if it had been passed at a Board committee meeting.

4.9 Consent and Dissent of Director²⁰

- (a) A Director who is present at a Board or Board committee meeting is deemed to have consented to any resolution passed or action taken at the meeting, unless:
 - (i) the Director's dissent is entered in the meeting minutes;
 - (ii) the Director requests that their dissent be entered in the meeting minutes;
 - (iii) the Director gives their dissent to the secretary of the meeting before the meeting is terminated; or
 - (iv) the Director submits their written dissent to the Corporation immediately after the meeting is terminated.
- (b) A Director who votes for or consents to a resolution is not entitled to dissent under this section.
- (c) A Director who was not present at a meeting at which a resolution was passed or action taken is deemed to have consented to the resolution or action unless within seven days after becoming aware of the resolution, the Director:

¹⁹ ONCA, s. 34(3), and (6)-(10), effective as of October 1, 2023 enables directors to attend and participate in Board meetings by telephonic or electronic means unless the articles or by-laws expressly provide otherwise. If it is the hospital's preference to prohibit telephonic or electronic participation in Board meetings, we recommend striking the following sentence from section 4.7(f): *For clarity, in either case such vote may be conducted by telephonic or electronic means or by a combination of telephonic and electronic means and voting in person, if the Corporation makes these means available.* The following sentence should also be inserted in the By-law: *Participation at a Board meeting by telephonic or electronic means is not permitted and attendance at a Board meeting shall be in person.*

²⁰ This section mirrors ONCA, s. 45. Note this significant change to the law under ONCA.

- (i) causes their written dissent to be placed with the meeting minutes; or
- (ii) submits their written dissent to the Corporation.

4.10 Adjournment of the Meeting

If within one-half hour after the time appointed for a Board meeting a quorum is not present, the meeting shall stand adjourned until a day within two weeks to be determined by the chair of the meeting.

Article 5

Conflict of Interest Disclosure²¹

5.1 Disclosure of Conflict

- (a) A Director or officer who:
 - (i) is a party to a material contract or transaction or proposed material contract or transaction with the Corporation; or
 - (ii) is a director or officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation,shall disclose to the Corporation or request to have entered in the minutes of Board meetings the nature and extent of their interest.
- (b) The disclosure required by section 5.1(a) must be made, in the case of a Director:
 - (i) at the meeting at which a proposed contract or transaction is first considered;
 - (ii) if the Director was not then interested in a proposed contract or transaction, at the first meeting after the Director becomes so interested;
 - (iii) if the Director becomes interested after a contract is made or transaction is entered into, at the first meeting after the Director becomes so interested; or
 - (iv) if an individual who is interested in a contract or transaction later becomes a Director, at the first meeting after the individual becomes a Director.

²¹ This Article mirrors ONCA, s. 41. Note its new application to officers.

- (c) The disclosure required by section 5.1(a) must be made, in the case of an officer who is not a Director:
 - (i) forthwith after the officer becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a Board meeting;
 - (ii) if the officer becomes interested after a contract is made or transaction is entered into, forthwith after the officer becomes so interested; or
 - (iii) if an individual who is interested in a contract or transaction later becomes an officer, forthwith after the individual becomes an officer.
- (d) If the contract or transaction or proposed contract or transaction in respect of which a disclosure is required to be made for the purposes of section 5.1(a) is one that, in the ordinary course of the Corporation's business, would not require approval of the Board or Members, then the Director or officer shall disclose to the Corporation, or request to have entered in the minutes of Board meetings, the nature and extent of their interest forthwith after the Director or officer becomes aware of the contract or transaction or proposed contract or transaction.
- (e) Except as permitted by the Act, a Director referred to in section 5.1(a) shall not attend any part of a Board meeting during which the contract or transaction is discussed, and shall not vote on any resolution to approve the contract or transaction.
- (f) If no quorum exists for the purposes of voting on a resolution to approve a contract or transaction only because one or more Director(s) are not permitted to be present at the meeting by virtue of section 5.1(e), the remaining Directors are deemed to constitute a quorum for the purpose of voting on the resolution.
- (g) For the purposes of section 5.1, a general notice to the Board by a Director or officer disclosing that the individual is a director or officer of, or has a material interest in, a person, or that there has been a material change in the Director's or officer's interest in the person, and is to be regarded as interested in any contract or transaction entered into with that person, is sufficient disclosure of interest in relation to any such contract or transaction.
- (h) A contract or transaction for which disclosure is required under section 5.1(a) is not void or voidable, and the Director or officer is not accountable to the Corporation or the Members for any profit or gain realized from the contract or transaction, because of the Director's or officer's interest in the contract or transaction or because the Director was present or was counted to determine whether a quorum existed at the Board or Board committee meeting that considered the contract or transaction, if:
 - (i) disclosure of the interest was made in accordance with this section;

- (ii) the Board approved the contract or transaction; and
 - (iii) the contract or transaction was reasonable and fair to the Corporation when it was approved.
- (i) The provisions of this Article are in addition to any Board-approved conflict of interest policy.

Article 6

Protection and Indemnification of Directors, Officers, and Others²²

6.1 Indemnities to Directors and Others

- (a) The Corporation shall indemnify a Director or officer of the Corporation, a former Director or officer of the Corporation, or an individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity, against all costs, charges, and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative, or other action or proceeding in which the individual is involved because of that association with the Corporation or other entity.
- (b) The Corporation may advance money to an individual referred to in section 6.1(a) for the costs, charges, and expenses of an action or proceeding referred to in that section, but the individual shall repay the money if the individual does not fulfil the conditions set out in section 6.1(c).
- (c) The Corporation shall not indemnify an individual under section 6.1(a) unless:
 - (i) the individual acted honestly and in good faith with a view to the best interests of the Corporation or other entity, as the case may be; and
 - (ii) if the matter is a criminal or administrative proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that their conduct was lawful.
- (d) The indemnity provided for in section 6.1(a) shall not apply to any liability that a Director or officer, or former Director or officer, of the Corporation, or individual, may sustain or incur as the result of any act or omission as a Credentialed Staff member.

²² This Article mirrors ONCA, s.46. The new indemnification provisions in ONCA offer Directors and officers greater protection than those found in the *Corporations Act*.

Article 7

Committees

7.1 Committees

The Board may, from time to time, establish:

- (a) standing committees, being those committees whose duties are normally continuous; and
- (b) special committees, being those committees appointed for specific duties whose mandate shall expire with the completion of the tasks assigned.

7.2 Functions, Duties, Responsibilities, and Powers of Board Committees

The Board shall provide for the functions, duties, responsibilities, and powers of the Board committees in the Board resolution by which a Board committee is established or in Board-approved terms of reference or general committee policy.

7.3 Board Committee Members, Chair

- (a) Unless otherwise provided by by-law or by Board resolution:²³
 - (i) the Board shall appoint the chair, vice chair (if any), and members of each Board committee;
 - (ii) each chair of a Board committee shall be a Director;
 - (iii) the Board committees may include members who are not Directors (other than a committee referred to in section 7.5 or an audit committee, if any);
 - (iv) a majority of the members of any Board committee shall be elected Directors; and
 - (v) the Chair and the President and Chief Executive Officer shall be an *ex-officio* member of all Board committees.
- (b) The Board may remove any chair, vice chair, or Board committee member from any Board committee at any time.

²³ Exceptions are enabled in the preamble to this provision.

7.4 Procedures at Committee Meetings

Procedures at and quorum for Board committee meetings shall be determined by the chair of each Board committee, unless established by this By-law, Board resolution, or in Board-approved terms of reference or general committee policy.

7.5 Delegation to a Committee²⁴

The Board may delegate to any committee comprised entirely of Directors any of the Board's powers, other than the following powers:

- (a) to submit to the Members any question or matter requiring the Members' approval;
- (b) to fill a vacancy among the Directors or in the position of auditor;
- (c) to appoint additional Directors;
- (d) to issue debt obligations, except as authorized by the Board;
- (e) to approve any annual financial statements; or
- (f) to adopt, amend, or repeal by-laws.

Article 8

Officers

8.1 General

- (a) Subject to the Act, the Articles, and this By-law, the Board may designate the offices of the Corporation, appoint officers, specify their duties, and delegate to them powers to manage the activities and affairs of the Corporation, except powers to do anything referred to in section 7.5.
- (b) The officers shall include the Chair, one or more Vice Chair(s), a Treasurer, and Secretary, and may include such other officers as the Board may determine.²⁵
- (c) The Board shall appoint the officers at its first meeting following the annual Members' meeting at which the Directors are elected or at other times when a vacancy occurs. A Director may be appointed to any office of the Corporation. The President and Chief Executive Officer shall be the Secretary unless the Board otherwise determines. The same individual may hold more two or more offices (except one individual may not

²⁴ ONCA, s. 36 and PHA, s. 15. This enables the Board to have an Executive Committee from time to time in its discretion.

²⁵ This Article refers to officers of the Board and not to officers of the Corporation. As a result, references to President and Chief Executive Officer have been deleted.

hold the offices of Chair and Vice Chair). The Board shall appoint the Chair and Vice Chair(s) from among the elected Directors.

8.2 Terms of Office

- (a) Unless otherwise provided in this By-law, the officers shall hold office for a one-year renewable term from the date of their appointment or until their successors are appointed in their stead. The Board may remove any officer at any time.

8.3 Duties of Chair

The Chair shall, when present, preside at all Board and Members' meetings and shall represent the Corporation and the Board as may be required or appropriate and shall have those other powers and duties as the Board may specify.

8.4 Duties of Vice Chairs

A Vice Chair shall, in the absence, disability, or unwillingness of the Chair, perform the duties and exercise the powers of the Chair and shall perform those other duties as the Board may specify. Where two or more Vice Chairs are appointed they shall be designated First Vice Chair, Second Vice Chair, and so on. The Chair, or failing the Chair, the Board, shall designate which of the Vice Chairs shall exercise the powers and perform the duties of the Chair as contemplated in this section.

8.5 Duties of Treasurer

The Treasurer shall be responsible for the maintenance or for overseeing the maintenance of proper accounting records of the Corporation in compliance with the Act. Whenever required, the Treasurer shall render to the Board an account of the financial position of the Corporation and shall perform such other duties as may be prescribed by this By-law or the Board.

8.6 Duties of Secretary

The Secretary shall carry out the duties of the secretary of the Corporation generally and shall attend or cause a recording secretary to attend all meetings of the Members, the Board, and the Board committees to act as a clerk thereof and to record all votes and minutes of all proceedings in the records to be kept for that purpose. The Secretary shall give or cause to be given notice of all meetings of the Members, the Board, and the Board committees, and shall perform those other duties as may be prescribed by the by-laws or the Board.

8.7 Other Officers

The Board shall determine the powers and duties of all other officers from time to time. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by the assistant unless the Board otherwise directs.

Article 9

Organization and Financial

9.1 Seal

The Board shall determine the form of the seal of the Corporation, if any.

9.2 Execution of Documents

- (a) Any one of the Chair, a Vice Chair or the Treasurer, together with either the President and Chief Executive Officer or the President and Chief Executive Officer's delegate, shall sign deeds, transfers, assignments, contracts, agreements, mortgages, conveyances, obligations, certificates, or any other instruments or documents requiring the signature of the Corporation, and all instruments or documents so signed shall be binding upon the Corporation without any further authorization or formality.
- (b) Additionally, the Board may from time to time direct the manner in which and the individual or individuals by whom any particular instrument or document, or class of instruments or documents, may or shall be signed.
- (c) Any signing officer may affix the seal of the Corporation to any instrument or document and may certify a copy of any instrument, resolution, by-law, or other document of the Corporation to be a true copy.

9.3 Banking Arrangements

The Corporation shall transact the banking business of the Corporation or any part of it with those banks, trust companies, or other financial institutions as the Board may determine from time to time.

9.4 Financial Year

Unless otherwise determined by the Board and subject to the *Public Hospitals Act*, the financial year end of the Corporation shall be March 31 in each year.

9.5 Appointment of Auditor

- (a) The Members shall, at each annual meeting, appoint an auditor to audit the accounts of the Corporation and to report to the Members at the next annual meeting.
- (b) The auditor shall be duly licensed under the *Public Accounting Act, 2004* (Ontario) and shall be independent of the Corporation and its Directors and officers.

- (c) The auditor shall hold office until the close of the next annual meeting, provided that the Board shall immediately fill any casual vacancy in the office of auditor for the unexpired term.
- (d) The Board shall fix the remuneration of the auditor.

9.6 Borrowing Power

Subject to the Articles, the Board may, without authorization of the Members:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell, or pledge debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, pledge, or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

9.7 Investments

The Corporation may invest its funds as the Board thinks fit, subject to the Articles or any limitations accompanying a gift.

9.8 Records

The Board shall see that all necessary records of the Corporation required by the by-laws of the Corporation or by any applicable laws are regularly and properly kept.

Article 10

Confidentiality

10.1 Confidentiality

Every Director, officer, Credentialed Staff member, Board committee member, employee, and agent of the Corporation shall respect the confidentiality of matters:

- (a) brought before the Board or any Board committee; or
- (b) dealt with in the course of the employee's employment, or agent's or Credentialed Staff member's activities in connection with the Corporation.

The provisions of this section 10.1 are in addition to any confidentiality policy adopted by the Board from time to time.

10.2 Board Spokesperson

The Board may give authority to one or more Directors, officers, or employees of the Corporation to make statements to the news media or public about matters brought before the Board.

Article 11

Matters Required by the *Public Hospitals Act* and other Applicable Legislation

11.1 Credentialed Staff

There shall be a Credentialed Staff of the Hospital whose appointment and functions shall be as set out in the Credentialed Staff By-law.

11.2 Required Committees and Programs

The Board shall ensure that the Corporation establishes the committees and undertakes the programs that are required pursuant to applicable legislation, including the *Public Hospitals Act* and the *Excellent Care for All Act, 2010*, including a medical advisory committee, a fiscal advisory committee, and a quality committee.

11.3 Fiscal Advisory Committee

The President and Chief Executive Officer shall appoint the members of the fiscal advisory committee required to be established pursuant to the regulations under the *Public Hospitals Act*.

11.4 Chief Nursing Executive

The President and Chief Executive Officer shall ensure that there are appropriate procedures in place for the appointment of the Chief Nursing Executive.

11.5 Nurses and other Staff and Professionals on Committees

The President and Chief Executive Officer shall, from time to time, approve a process for:

- (a) the participation of the Chief Nursing Executive, nurse managers, staff nurses, staff, and other professionals of the Corporation in decision making related to administrative, financial, operational, and planning matters; and
- (b) the election or appointment of the Chief Nursing Executive, nurse managers, staff nurses, and other staff and professionals of the Corporation to those administrative committees approved by the President and Chief Executive Officer to have a nurse or other staff or professional representation.

11.6 Retention of Written Statements

The President and Chief Executive Officer shall cause to be retained for at least 25 years, all written statements made in respect of the destruction of medical records, notes, charts, and other material relating to patient care and photographs thereof.

11.7 Occupational Health and Safety Program

- (a) Pursuant to the regulations under the *Public Hospitals Act*, there shall be an occupational health and safety program for the Corporation, which shall include procedures for:
 - (i) a safe and healthy work environment;
 - (ii) the safe use of substances, equipment, and medical devices;
 - (iii) safe and healthy work practices;
 - (iv) the prevention of accidents to individuals on the premises; and
 - (v) the elimination of undue risks and the minimizing of hazards inherent in the Corporation environment.
- (b) The President and Chief Executive Officer shall designate an individual to be in charge of occupational health and safety in the Corporation, who shall be responsible to the President and Chief Executive Officer or their delegate for the implementation of the occupational health and safety program.

- (c) The President and Chief Executive Officer shall report to the Board as necessary on the occupational health and safety program.

11.8 Health Surveillance Program

- (a) Pursuant to the regulations under the *Public Hospitals Act*, there shall be a health surveillance program for the Corporation, which shall be in respect of all individuals carrying on activities in the Corporation and include a communicable disease surveillance program.
- (b) The President and Chief Executive Officer shall designate an individual to be in charge of health surveillance in the Corporation, who shall be responsible to the President and Chief Executive Officer or their delegate for the implementation of the health surveillance program.
- (c) The President and Chief Executive Officer shall report to the Board as necessary on the health surveillance program.

11.9 Organ Donation

Pursuant to the regulations under the *Public Hospitals Act*, the Board shall approve procedures to encourage the donation of organs and tissues including procedures to identify potential donors and make potential donors and their families aware of the options of organ and tissue donations, and shall ensure that these procedures are implemented in the Corporation.

Article 12

Rules of Order and Policies

12.1 Rules of Order

Any questions of procedure at or for any meetings of the Members, the Board, the Credentialed Staff, or any Board committee, which have not been provided for in this By-law or by applicable legislation, the Policies, or the Credentialed Staff rules and regulations, shall be determined by the chair of the meeting in accordance with the rules of order adopted by the Board, or failing such adoption, adopted by the chair of the meeting.

12.2 Policies

The Board may, from time to time, adopt, amend, or repeal Policies as it may deem necessary or desirable in connection with the management of the activities and affairs of the Board and the conduct of the Directors, officers, and Board committee members; provided, however, that any Policy shall be consistent with the provisions of this By-law.

Article 13

Notices

13.1 Notice

- (a) Whenever under the provisions of the by-laws of the Corporation notice is required to be given, unless otherwise provided, the notice may be given in writing and delivered or sent by prepaid mail or personal delivery, or by electronic means, if there is a record that the notice has been sent, addressed to the Director, officer, Board committee member, Member, or auditor, at the address, as the case may be, as the same is shown in the records of the Corporation.
- (b) Notice of a Board or Members' meeting need not specify the place of the meeting if the meeting is to be held entirely by telephonic or electronic means.²⁶ If a person may attend a Board or Members' meeting by telephonic or electronic means, the notice of the meeting must include instructions for attending and participating in the meeting by the telephonic or electronic means that will be made available for the meeting, including, if applicable, instructions for voting by such means at the meeting.²⁷
- (c) Any notice sent by the following means shall conclusively be deemed to be received as provided below:
 - (i) if by electronic means, on the next business day after transmission;
 - (ii) if delivered, at the time of delivery; and
 - (iii) if by prepaid mail, subject to section 13.1(c), on the fifth business day following its mailing.
- (d) Notwithstanding the foregoing provisions with respect to mailing, if it may reasonably be anticipated that, due to any strike, lock out, or similar event involving an interruption in postal service, any notice will not be received by the addressee by no later than the fifth business day following its mailing, then the mailing of the notice shall not be an effective means of sending it but rather any notice must then be sent by an alternative method that may reasonably be anticipated will cause the notice to be received reasonably expeditiously by the addressee.

²⁶ ONCA, s. 34(3.1), and section 55(1.1), effective as of October 1, 2023. If Board and Members' meetings are expressly prohibited in the By-laws, we recommend deleting this provision. Note that ONCA, s. 34(10) and s. 55(9) provides: *For clarity, this section as it reads immediately before the day subsection 5(3) of Schedule 22 to the Less Red Tape, Stronger Economy Act, 2023 comes into force, continues to apply to a notice that was given before that day in respect of a meeting of the Board or Members to be held on or after that day.* Accordingly, section 13.1(b) would not apply to a notice that was provided before October 1, 2023 in respect of a meeting of the Board or Members' to be held after that day. Note that if it is the hospital's preference to prohibit participation telephonic or electronic participation in Board and Members' meetings, then we recommend striking section 13.1(b) from the By-law.

²⁷ ONCA, s. 34(3.2), and section 55(1.2), effective as of October 1, 2023.

- (e) The Secretary may change or cause to be changed the recorded address of any Director, officer, Board committee member, Member, or auditor in accordance with any information believed by them to be reliable.

13.2 Computation of Time

In computing the date when notice must be given under any provision of the by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the notice period shall terminate at midnight of the last day of the notice period, except if the last day is a holiday, the period shall terminate at midnight of the next day that is not a holiday.

13.3 Omissions and Errors

The accidental omission to give any notice to any Member, Director, officer, Board committee member, or the auditor of the Corporation, or the non-receipt of any notice by any such person, or any error in any notice not affecting the substance of it, shall not invalidate any action taken at any meeting held pursuant to the notice or otherwise founded on it.

13.4 Waiver of Notice

Any Member, Director, officer, Board committee member, or the auditor of the Corporation, may, in writing, waive any notice required to be given to them under any provision of the *Public Hospitals Act*, the Act, or the Articles or by-laws of the Corporation, either before or after the meeting to which it refers, and the waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving the notice. Attendance and participation at a meeting constitutes waiver of notice, unless the attendance is for the express purpose of objecting to the transaction of any business on the grounds the meeting was not lawfully called.

Article 14

By-laws

14.1 By-laws and Amendments

- (a) The Board may make, amend, or repeal any by-law that regulates the activities or affairs of the Corporation, except in respect of a by-law:
 - (i) to add, change, or remove a provision respecting the transfer of a membership;
 - (ii) to change the manner of giving notice to Members; or
 - (iii) to change the method of voting by Members not in attendance at a Members' meeting.

- (b) The Board shall submit the by-law, amendment, or repeal to the Members at the next Members' meeting, and the Members may confirm, reject, or amend the by-law, amendment, or repeal by ordinary resolution.
- (c) Subject to section 14.1(f), the by-law, amendment, or repeal is effective from the date of the Board resolution.
- (d) If the by-law, amendment, or repeal is confirmed or confirmed as amended by the Members, it remains effective in the form in which it was confirmed.
- (e) The by-law, amendment, or repeal ceases to have effect if the Board does not submit it to the Members as required under section 14.1(b) or if the Members reject it.
- (f) If a by-law, amendment, or repeal ceases to have effect, a subsequent Board resolution that has substantially the same purpose or effect is not effective until it is confirmed or confirmed as amended by the Members.
- (g) In any case of rejection, amendment, or refusal to approve the by-law or part of the by-law in effect in accordance with this section, no act done or right acquired under any by-law is prejudicially affected by any rejection, amendment, or refusal to approve.

14.2 Amendments to Credentialed Staff By-law

Prior to submitting all or any part of the Credentialed Staff By-law to the process established in section 14.1, the procedures set out in the Credentialed Staff By-law shall be followed.