



Annual Report

2023

Instituto Medico San Nicolas



INSTITUTO MEDICO
SAN NICOLAS

ImSan

Where people meet care.



INDEX

	Page
Report of the Supervisory Board	2
Report of the Director	4
Financial Statements	
1. Balance sheet as at December 31, 2023	28
2. Income statement for year ended December 31, 2023	29
3. Cash flow statement for the year ended December 31, 2023	30
4. Accounting policies and general notes	31
5. Notes to the balance sheet as at December 31, 2023	36
6. Notes to the income statement for year ended December 31, 2023	45
Other information	
Result appropriation	52
Independent auditor's report	53
Supplementary information	
Break-down of operating expenses per department (Un-audited)	56



Report of the Supervisory Board

Annual Report of the Supervisory Board of ImSan 2023

The tasks of the Supervisory Board are established by the National Ordinance of the 24th of February 2005, and through its rules of procedure, and include:

- Supervising the performance of the Director.
- Supervising the management of costs and resources.
- Supervising the general course of ImSan.
- Assist the director with advice.

The Supervisory Board's composition in 2023 was altered and consists of the following persons:

- Mrs. N. Geerman
- Mr. C. Richardson
- Mr. G. Jimenez
- Mr. K. Perret Gentil (since July 2023)
- Mr. I. Reyes, Chairman

The following person stepped down as a board member: Mr. T. Every, representing the employers' organization, and was replaced by Mr. K. Perret Gentil as of July 1, 2023. Mrs. I. Hernandez-Swaen acted as secretary of the Supervisory Board.

During 2023 the Supervisory Board monitored developments regarding:


- JCI accreditation effective as of June 24, 2023, and awarded for 3 years (until June 23, 2026).
- Replacement of seven dialysis units.
- Approved purchase of two new ambulances.
- Server and disaster recovery IT.
- Collaboration/visit ImSan to Clinica Oftalmologica de Caribe in Barranquilla, Colombia.
- Adjustment of ambulance tariffs.
- Research into the efficiency and manageability of the healthcare system.
- Approved ImSan's Bylaws.
- Budget AZV, including budget cuts and revoking of the 5.5% budget cut.
- Collaboration between Dr. Horacio E. Oduber Hospital and ImSan.
- Covenant on the Healthcare Agreement to promote the quality and care of patients.
- Plan to establish a 'Huisartsenpost' and HOED (Huisartsen Onder Een Dak) at ImSan.
- Project PET-CT scan.
- Self-evaluation Supervisory Board.
- Financial affairs, monthly financial reports.

Attention was particularly given to:

- Ensure optimal quality healthcare services.
- Financial affairs, including monthly financial reports.
- Maintain an excellent relationship with the General Medical Insurance Implementation Agency (UO AZV).
- Internal affairs such as developments in the Emergency Department, Dialysis, Diabetes Center, Radiology, Ophthalmology, and Surgical Department.
- Corporate Governance.

Special attention is foreseen in 2024 for:

- JCI accreditation, aim to maintain continuous compliance.
- Focus on medical tourism to diversify and broaden the source of income.

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- Maintain outstanding collaboration with Miami Cancer Institute / Baptist Health International.
 - Continue to expand medical services.
 - Investment PET-CT scan.
 - Corporate Governance.

The Supervisory Board would like to express its appreciation to the Minister of Tourism and Public Health, Mr. Danguilluame Oduber, for his interest and trust in ImSan. The long overdue investment in a PET-CT scan for the island is necessary. This investment is an essential part of the larger goal which is to improve the quality of healthcare in general, while achieving cost-efficiency and developing medical tourism.

The Supervisory Board would like to express special thanks to the Director of ImSan, Dr. Rajnherc, for the excellent way in which he and his staff have supported the Board in their work. The staff of ImSan also deserves a lot of praise for the way in which they continued to work under difficult circumstances and continued to guarantee quality healthcare for the patient.

It is a pleasure to be part of an organization that is progressively working to bring medical care to the citizens of Aruba to a higher quality level. The Supervisory Board is happy to contribute to this.

Supervisory Board,

Aruba, March 27, 2024

Report of the director

Introduction

The legal entity Instituto Medico San Nicolas was established by the National Ordinance of the 24th of February 2005. This National Ordinance was made effective on the 1st of June 2005.

The objective of our hospital is to offer and promote optimal healthcare services, providing high-quality clinical-, inpatient-, outpatient- and ambulatory care that is accessible to all citizens of Aruba and our visitors.

Aruba heavily relies on tourism as the major source of income. Effective public health measures taken by the government of Aruba under the guidance and leadership of our Prime Minister, Mrs. Evelyn Wever-Croes, and our Minister of Tourism and Public Health, Mr. Danguillaume Oduber, to control the spread of COVID-19 and ensure the safety of residents and visitors has bolstered confidence in Aruba as a safe destination. This has had a positive impact on tourism and, consequently, on the economic and financial condition of Aruba. The tourism sector rebounded in 2023 after facing many challenges due to the COVID-19 pandemic, this has contributed significantly to the overall economic recovery. With more tourists visiting the island, there has been a significant increase in spending on various goods and services, including healthcare.

Our Financial Year 2023 (FY2023) proved to be another challenging year for the healthcare sector. For healthcare providers, the cessation of the 5.5% deduction in financial support by the UO AZV since May 2023 signifies a substantial relief. The decision to halt the deduction reflects a shift in government policy regarding healthcare financing. It is a positive step and demonstrates the government's commitment to improving access to healthcare and alleviating financial burdens on both patients and healthcare providers. It undoubtedly also has implications for the government's budget and healthcare funding. The government will need to consider alternative sources of revenue or cost-saving measures to offset the loss due to the cessation of the deduction. This could involve reallocating funds from other areas of the budget or implementing efficiency measures within the healthcare system.

The improved financial and economic stability of Aruba undeniably had a positive effect on the financial situation of healthcare facilities, allowing them to invest in much-needed new equipment, facilities, and staff training. Financial stability will also enable us to maintain or enhance the quality of care provided to patients.

Despite this financial improvement, the damages caused by the pandemic will still be felt for a longer time. The waiting list and waiting time for medical consultations, especially for elective treatments, will take quite some time to be reduced to internationally acceptable waiting times.

Even though the cost of doing business has increased dramatically over the past few years, ImSan has shown to be significantly stronger now than pre-pandemic, with lower gearing ratios and higher earnings in 2023, resulting in an rewarding year for ImSan. We have so much to be proud of, and I want to thank our staff for the hard work they do every day to serve our patients, the Aruban community, and our visitors.

As a mark of our ongoing commitment to deliver the best care, in 2023, ImSan received the Gold Seal of Approval from the Joint Commission International (JCI, the world's leading accreditation authority for hospitals), an accreditation demonstrating compliance with international standards for healthcare quality and safety in hospitals. This is a remarkable milestone, as ImSan is the first hospital in the Dutch Caribbean to achieve this accreditation. This accreditation signifies that our team has met rigorous standards set by The Joint Commission International demonstrating their dedication to improving healthcare quality whilst reducing disparities in healthcare access, outcomes, and patient experiences.

Director

The Director is responsible for leading and managing the Medical Institute.

This includes, but is not limited to:

1. Performing the tasks assigned to the Medical Institute in a responsible manner.
2. Ensuring the proper execution of the agreements entered by the Medical Institute.

The Director represents the Medical Institute in all aspects. The staff of the Medical Institute is hired by the Director based on an employment contract.

General update

JCI accreditation

On November 18, 2022, ImSan submitted an official request for JCI accreditation. The official JCI Survey for accreditation was planned for June 2023. During the review process, a comprehensive and detailed five-day survey, a team of expert and experienced surveyors from the Joint Commission International evaluated compliance with hospital standards related to several key areas, including emergency management, the environment of care, infection prevention and control, leadership, hospital safety management, and medication management. Surveyors conducted onsite observations and inspections throughout all hospital departments. ImSan's medical specialists and physicians in charge of the Emergency Department and Medical-Surgical Unit, as well as visiting medical specialists, nursing staff, administrators, and employees from all other departments, as well as patients, were included in the interviews.

On June 24, 2023, ImSan received the Gold Seal of Approval from the Joint Commission International, recognizing our hospital for delivering high-quality care in compliance with international standards for healthcare quality and safety in hospitals. This certification is valid through June 23, 2026.

ImSan, due to the JCI accreditation, is from that moment on internationally recognized as a hospital where excellence in healthcare services is being delivered.

Hospitals and healthcare organizations that achieve JCI accreditation demonstrate compliance with rigorous standards of quality and safety, which is crucial for attracting patients, especially medical tourists who seek high-quality care abroad. This JCI accreditation involved extensive training and education for healthcare professionals and all employees within ImSan. Our highly skilled workforce, exceptional staff morale, and greater accountability among team members are integral to the quality of care ImSan delivers. Continuous learning and professional development are fundamental to maintaining accreditation status and sustaining high standards of care. JCI accreditation will provide ImSan with a market advantage, leading to a competitive edge in the global healthcare market. Accredited facilities are perceived as trustworthy and reliable by patients, insurers, and referring physicians. We expect this to lead to increased patient volume, enhanced reputation, and opportunities for partnerships and collaborations with other healthcare entities. Accredited organizations are required to undergo regular surveys and audits to maintain their accreditation status, ensuring that they consistently meet evolving healthcare standards and remain committed to excellence in care delivery. JCI accreditation is not a one-time achievement but a continuous process of assessment and improvement. This exceptional achievement is the result of all our employees intensively working together, adapting, changing, analyzing, and finetuning the traditional concept of providing healthcare services into more patient-centered high-quality, and safe care services.

We are incredibly grateful to our partners at Baptist Health International (BHI), a division of Baptist Health South Florida, for their support, guidance, and patience in assisting ImSan during all these years to reach this most desirable of milestones. We are thankful to this collaboration that together we did reach this goal.

New Healthcare Agreement

On the 6th of July 2023 healthcare parties in Aruba signed a new Healthcare Agreement with the Minister of Tourism and Public Health, Mr. Danguilluame Oduber. Healthcare institutions and providers aim to further improve healthcare in Aruba and keep it affordable in the long term. The Healthcare Agreement was reached after intensive discussions and with the assistance of Mr. Patrick Jeurissen, a healthcare economist from the Radboud UMC (Netherlands). Comparisons show that Aruba offers both residents and tourists an extensive package of care at reasonable costs. At the same time, several measures need to be taken to address existing bottlenecks and maintain good and affordable healthcare for the future.

In the Healthcare Agreement, all parties have committed to several principles. Based on these principles, they will collaborate within a multi-year budgetary framework. The Healthcare Agreement identifies several priorities, for example, healthcare parties aim to strengthen primary care and address bottlenecks in acute care. Parties also focus on addressing lifestyle-related conditions. Concrete projects will be developed for these priorities.

The Healthcare Agreement is a dynamic document, in the sense that in the future more parties can join, and more topics can be identified and addressed. The Healthcare Agreement was signed by the Minister of Tourism and Public Health, Mr. Danguilluame Oduber, the General Medical Insurance Implementation Agency (UO AZV), the Horacio Oduber Group (HOH Group), the Instituto Medico San Nicolas (ImSan), the Aruban Family Physicians Association (HAVA), the Aruban Specialist Association (ASHA), the White Yellow Cross (WVGK), the Aruba Pharmacist Association (VAA), Fundacion Salud Mental Aruba Respaldo, and the Department of Public Health for the Quality Institute in formation and the Healthy Lifestyle Center. To monitor the implementation and progress, a professional project organization will be established. The parties of this healthcare agreement will be part of a structural consultation tasked with implementing the agreement.

Investing in our employees


In ImSan we are convinced that investing in our employees and actively engaging them is a key priority in our workforce strategy. Investing in our employees is crucial for maintaining high-quality patient care, fostering a positive work environment, and ensuring the long-term success of ImSan. Providing ongoing training opportunities and education to our employees allows them to stay updated on the latest medical advancements, technologies, and best practices. This investment not only enhances their skills and knowledge but also improves patient outcomes and safety.

Our investments include:

- Expanding our professional and leadership programs.
- Investing in technology to simplify processes and allow our employees to focus on providing high-quality care.
- Offering opportunities for growth within the organization increases the likelihood of remaining committed and motivated in their roles.

Further focusing on investing in our employees in 2023, we signed a new Collective Labor Agreement, with competitive salaries, benefit packages, and expanded incentives. All the above-mentioned improvements, including enhanced financial compensation and improved secondary benefits, are essential for employee satisfaction and patient safety.

Continuously we are analyzing our processes and system technologies, taking action to better our hospital, and preparing us for the changes Aruba's healthcare sector will face in the near future. Therefore, in 2023 we also invested in new equipment to accelerate our digital and operational transformation programs, improve operational performance, and better clinical outcomes.



In this FY2023 report, we present our annual financial statement, and we delineate our departments that are most involved in patient care.

In FY2024, our priority will be to continue to strengthen our core hospital healthcare services through a series of transformation programs by investing in existing services and investing in new services to improve outcomes for patients.

Memorandum of Understanding.

Since December 2022, ImSan has a signed Memorandum of Understanding (MoU) with the Dr. Horacio E. Oduber Hospital for collaboration and cooperation between both hospitals. As of the beginning of 2023, the execution of this project has been entrusted to BCZorg (Prof. mr. J.H. Hubben and dr. P.L. Batenburg). All parties have been working diligently on this project, and even though progress may not be as speedy as desired, in this case, accuracy and persistence have to prevail. One of the most essential hurdles to be taken is proving to be the most difficult of tasks. Restoring confidence and trust in each other and the organizations they represent is crucial to every step forward and it is not logical to expect to simply set aside the emotions accumulated over the past 18 years.

Basic areas of joint improvement such as electronic communications have been put in place and have proven their value in quality improvement already. Other areas where progress has been made are, for example, the transfer of patients from one Emergency Department to the other Emergency Department, including the documentation thereof, and the exchange of radiology images. We expect as confidence grows that the efficiency and promptness in solving these problems will drastically improve.

In this FY2023 report, we present our annual financial statement, and we delineate our departments that are most involved in patient care.

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Report of the Financial Department

Financial Report 2023

In 2022, ImSan requested the 2023 budget to be increased with approximately AWG 3,000,000 compared to the 2022 gross budget. This increase was needed due to the increase of services rendered in 2022, as well, as to complement for the additional care to be rendered in 2023. The AZV granted ImSan 33% of the requested gross budget increase.

AZV Revenue

The gross revenue of AZV for 2023 is AWG 53,225,000, as determined by the AZV. As a result of the urgency to lower the waiting list of certain care, the AZV has granted ImSan an above-budget amount of AWG 1,000,000 in order to reduce the waiting list of Ophthalmic services.

Non-AZV Revenue

Non-AZV revenue amounted to AWG 2,032,836 in 2022, which is a decrease of AWG 417,796 compared to 2022. This decrease is related to compensation from our insurance claim regarding the fire related expenses at the surgical department in 2022 for the amount AWG 610,750. This decrease is compensated by the increase of approximately AWG 200,000 related to a consequently stable year as to income forecasted from care to NON-AZV patients.

Balance sheet

As of December 31, 2023, the total assets of ImSan were AWG 84,612,611. This represents a decrease of AWG 1,443,210 (1,7%) compared to 2022. Total liabilities amounted to AWG 78,989,381, which includes a loan granted by the Government of Aruba to ImSan and the loan from the National Investment Bank N.V. (NIBanc) to fund the ImSan's MasterPlan that was completed in 2020.

In 2013, ImSan requested the Government of Aruba to grant ImSan remission of (payment of) its loan and the corresponding interest. This was needed to obtain a loan on the capital market so that ImSan could realize the project of "Renovation and Expansion of ImSan". The Country of Aruba loan balance was AWG 18,000,000, of which the interest amounted to AWG 3,196,849. Through of the National Decree dated July 20, 2016 the Country of Aruba adjusted the existing loan terms and conditions. The modification states that ImSan will start repayments on June 8, 2036, instead of June 8, 2020. The outstanding interest up to and including the date of the National Decree shall be paid in 15 equal annual installments, starting June 8, 2036.

Results

ImSan had an exploitation (operating result) surplus of AWG 300,895 in 2023. This surplus is mainly due to the discontinuation of the reduction on our budget, in accordance with the "5 Wave Model" that had been imposed on our hospital (by the Government) as a COVID measure. ImSan does implement measures accordingly to have a responsible cost management of its income. All possible measures were critically assessed and determined, in order to guarantee continuity of quality care.



Investments

ImSan's total investments amounted to AWG 2,098,656 in 2023. The amounts invested mainly relate to investments in medical equipment and other operating assets for different departments such as Dialysis, Ambulance, Radiotherapy, IT, Eye Center and Surgery Center. From these investments, an amount of AWG 1,218,351 has been subsidized by the AZV. Additionally, there are some general investments that have been made relating to building renovations mainly focused on safety and efficient use of existing square meters within the building.

Disposals

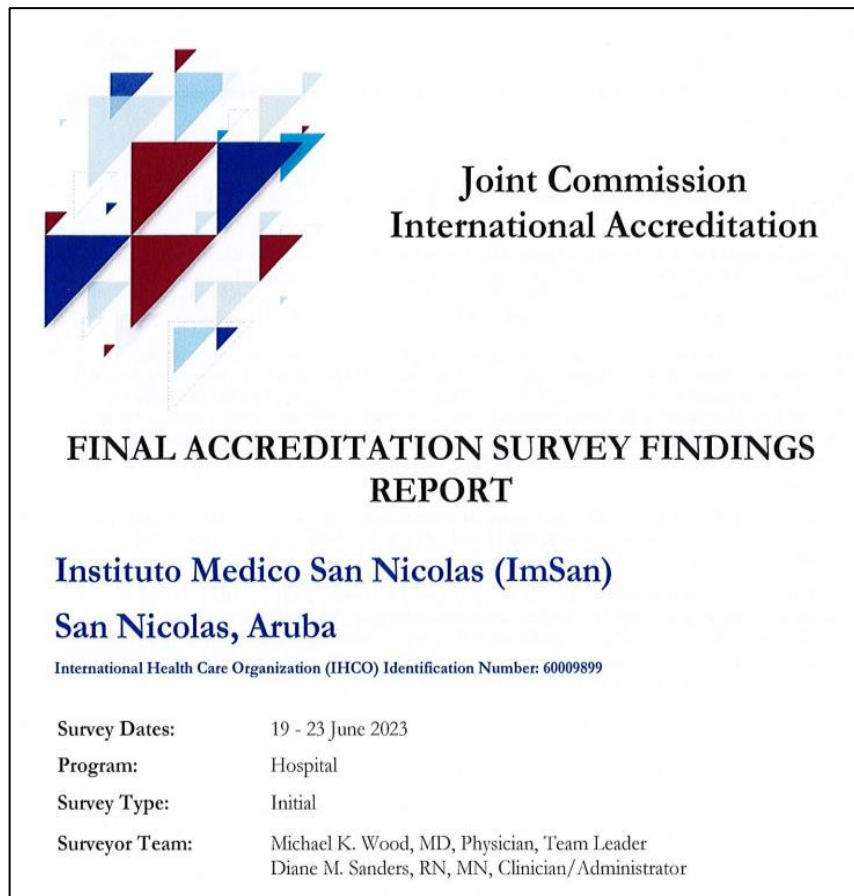
During 2023, Based on the IT investments, ImSan disposed of IT equipment and workstations (computers) at a book value of 14,374.

Developments and Progress of the Quality Department

ImSan, a JCI accredited hospital

ImSan has achieved a significant milestone by becoming the first hospital in the Dutch Caribbean to be awarded the prestigious JCI accreditation on June 24th, 2023. This accreditation was granted by the Joint Commission International (JCI), an organization renowned for setting global standards in healthcare quality and patient safety. After undergoing an evaluation, ImSan demonstrated compliance with the rigorous standards and achieved the Gold Seal of Approval.

The JCI accreditation serves as a validation of ImSan's dedication to maintaining high standards in healthcare provision and safeguarding patient well-being. Through successfully adhering to the rigorous benchmarks set by JCI, ImSan has showcased its unwavering pursuit of superior healthcare services. This acknowledgment not only underscores the accomplishments of ImSan but also underscores its harmonization with globally recognized benchmarks in healthcare administration and patient welfare.



Amazing Score on JCI Survey

For the JCI accreditation ImSan was evaluated against all 282 applicable standards for hospitals, and against all 1199 measurable elements (ME's).

Even though it was the first time ImSan underwent a JCI survey, we scored extremely well, achieving a magnificent score of 92% completion for all hospital standards and 98% completion for all ME's. Only for 2 of 282 standards and 2 of 1199 ME's the JCI committee requested to implement a Strategic Improvement Plan, whereas for 22 of 282 standards and 24 of 1199 ME's needed minor improvements.

JCI Standards and ME's

The JCI standards encompass a wide range of elements that focus on ensuring high-quality patient care and safety within healthcare organizations. These standards are designed to evaluate not only the interactions between care professionals and patients but also the overall organizational structure that supports patient care. Here are some key elements of the JCI standards we incorporated at ImSan.

1. International Patient Safety Goals (IPSG). These are six core international patient safety goals that healthcare organizations must cover, such as improving the accuracy of patient identification, communication among caregivers, medication safety, reducing the risk of healthcare-associated infections, ensuring correct site, procedure, and patient surgery, and improving the safety of high-alert medications.
2. Measurable Elements (ME's): The JCI standards encompass a total of 1199 measurable elements that are used to assess various aspects of healthcare delivery within an organization. These measurable elements cover a wide range of areas including clinical care, patient rights, infection prevention and control, medication management, leadership and governance, facility management, and quality improvement.
3. Patient-Centered Care. At ImSan we emphasize the importance of patient-centered care, and we focus on delivering healthcare services to patients with respect, dignity, and compassion.
4. Quality Improvement. We have implemented processes to monitor and improve the quality and safety of care provided to patients. This includes conducting regular audits, collecting data on clinical outcomes, implementing evidence-based practices, and engaging in ongoing staff training and education.

In 2024 our Quality Department will focus on the following key improvements to enhance our service and operations.

- Further increase patient safety and quality of care.
- Use JCI Tracers: JCI-proven online platform designed to help efficiently collect, visualize, and analyze tracer data in real-time for continuous JCI accreditation readiness and operational excellence.
- Reinforce Education on policies and procedures.
- Collect, analyze, visualize data, and transform these data into useful information.
- Encourage departmental quality teams.
- Practice department-wide, clinical, and spot checks reciprocally.
- Conduct Audits, EOC Rounds, observations, and surveys.
- Determine discrepancies in processes and give feedback.
- Collect departmental processes and evaluate these.
- Revamp our incident reporting culture (VIM, Safety).
- Introduce departmental debates.
- Conduct biweekly meetings with leadership and the Command Team.
- Perform risk analysis using VIM and quarterly reporting to the Director.
- Performance Improvement quarterly reporting and presentations.

Developments and Progress of ImSan's Personnel / HR Department

In 2023, the Human Resource Management Department once more executed a strategic personnel planning, aiming to have the right person at the right place, doing the right job the right way, to reach ImSan's goals.

A few highlights regarding strategic planning by Human Resource Management are as follows:

- On December 31, 2022, ImSan had 267 employees.
- On January 31, 2023, ImSan had 268 employees.
- On December 31, 2023, ImSan had 272 employees.
- ImSan, in cooperation with VUMC, is responsible for the Family Physician Education Program in Aruba. In 2023, 2 new Medical Doctor (MD's) started this course, and 2 Family Physicians in training obtained their degree as Family Physician. For 2023 there were in total 7 MD's in training at our Family Physician Medical School.
- From June 19 through June 23, 2023, the official JCI survey took place.
- In June 2023, 2 of our registered nurses graduated as certified Dialysis Nurses.
- On the 1st of December 2023, we signed a new Collective Labor Agreement, with competitive salaries, benefit packages, and expanded incentives.

In total ImSan had 14 hires in 2023. 2 Medical Doctors initiated the Family Physician Education Program. In total 11 employees left ImSan, and 2 Family Physicians successfully obtained their degree.

Developments and Progress of the Eye Center


Even though 2022 was a very impressive year for the development of the Eye Center of Aruba, in 2023 again we achieved surpassing 30.000 encounters. Despite the disruption in global supply chains as a result of the COVID-19 pandemic and the ongoing conflict in Ukraine, ImSan has proven its capacity to adapt and innovate to keep moving forward, registering an impressive 31.957 number of encounters by the end of December 2023.

One of the most visited departments by our patients is the Eye Center, moreover, receiving daily on average 35 to 50 referral letters from Family Physicians. To cope with the enormous demand for ophthalmic exams and treatments, whilst being the only hospital providing these exams and treatments, and to continue delivering high-quality patient care, the following key improvements have been made to enhance our services and operations.

Investments in Staffing

ImSan Eye Center has made significant strides in enhancing its staffing capabilities in 2023. The decision to add a new group to the Eye Center was driven by the national shortage of optometrists. This shortage has created a need for alternative solutions to ensure that patients receive timely and quality eye care. We added 3 Diagnostic Ophthalmic Technicians (DOT) to our team. By leveraging the skills of these technicians, Eye Center aims to improve access to eye care services and address the growing demand for comprehensive eye examinations.

By investing in the education of our team, our Eye Center aims to enhance the quality of care provided to our patients. Therefore, in 2023 we focused on improving the skills of our Ophthalmologists and Optometrists, by providing professional training in various areas of eye care.



Our Ophthalmologists received professional training in ocular ultrasound provided by internationally renowned Ophthalmologist experts in this field. This non-invasive diagnostic technique to examine the eye and its orbit can help diagnose and monitor various eye conditions, including retinal detachment, tumors, and foreign bodies.

Our professionals also received a master class in ophthalmology that covered various topics, including advances in ophthalmic treatments, cutting-edge surgical techniques, and best practices for patient care.

Our Optometrists received intensive training in diagnostic ophthalmology, focusing on the detection and management of different eye diseases. This included mastering advanced diagnostic techniques and tools to ensure accurate assessments and appropriate treatment plans for patients.

Additionally, our Optometry Technicians received training in both Vision Field examinations and Optical Coherence Tomography (OCT) imaging. Vision Field testing is a crucial component of diagnosing and monitoring glaucoma and other neurological conditions affecting the visual pathway. OCT imaging provides detailed cross-sectional views of the retina, allowing for early detection and management of various retinal diseases.

By training our professionals in advanced diagnostic techniques, they stay updated on the latest developments in eye care, improving their overall expertise, resulting in further strengthening our Eye Center's commitment to provide high-quality eye care services.

Furthermore, since March 2023 we have additionally recruited another experienced Retinologist (retina specialist) to assist our team for one week every month. His expertise has significantly enhanced our ability to provide consultations, treatment, and surgery for patients with retina conditions.

Investing in Equipment: upgraded ophthalmology stations.

In addition to expanding our staff and providing education, ImSan also invested in upgrading the Eye Center's ophthalmology stations and other equipment (i.e. IOL-master). Upgrading the ophthalmology stations (and other equipment) with a more advanced system technology has made it possible to increase the number of cataract surgeries (Phaco) we perform annually with 338, raising the number of cataract surgeries performed annually from 900 to an impressive 1238 surgeries. The upgrade also improved our quality of care and patient safety.

In conclusion, the Eye Center has made significant strides in improving its services and facilities in 2023. These advancements have resulted in improved quality of care, improved patient safety, increased efficiency, and a more streamlined referral process for our clients.

Developments and Progress of the Surgery Department

ImSan has three operating rooms that are equipped with state-of-the-art equipment. Since 2020 ImSan has been able to increase its diversity in surgical specialties, thus providing more services to our patients. In this regard, we have to mention specialties such as retinal surgical procedures, glaucoma operations including valvular implantations, and strabismus surgical corrections. Orthopedic procedures and General Surgeries have become commonplace and are performed almost daily. All plastic surgeons also make use of our operating rooms regularly as does one of the ENT specialists.

In 2023 we performed a total of 2560 surgical procedures, which is 338 procedures more than the total surgical procedures performed in 2022. As mentioned earlier, the increase in the number of cataract surgeries (Phaco) performed annually from 900 to 1238 surgeries was mainly due to investments we made to upgrade our equipment.

The following key improvements have been made to enhance our service and operations.

Highlights 2023: New Surgical Treatments & Procedures

- In 2023 we started an innovative new surgical procedure, introducing the use of the Orthopedic Latarjet Technique in orthopedic surgeries at ImSan. This innovative surgical procedure, performed by dr. Geervliet (Orthopedic Specialist, Netherlands) and dr. Kuiken (Orthopedic Specialist, Aruba) is used to treat shoulder instability and recurrent dislocations.
- In addition, dr. A. Vallejo performed a groundbreaking oral surgical procedure, showcasing ImSan's commitment to expand its range of surgical services.

Investments in Staffing and Equipment

In 2023 our anesthesia nurses obtained their 'Basis Acute Zorg' certifications, representing our focus on continuous professional development and ensuring high-quality care for patients undergoing surgical procedures.

As of March 2023, we recruited an additional Retinologist to perform more retina surgeries at ImSan, thus significantly decreasing the waiting list for retina surgeries. This expansion signifies a strategic response to the continuously growing number of patients with retina conditions and reinforces ImSan's position as a leading provider of retina care services in Aruba and the Dutch Caribbean.

In 2023, our Surgical Department acquired advanced equipment such as the UltraCision, enabling us to perform a wider range of surgeries including hemithyroidectomy.

Additionally, new plastic surgery equipment was acquired, and our plastic surgery team received professional training to use this equipment, adding expertise in advanced surgical techniques to our hospital.

Developments and Progress of the Medical-Surgical Unit

An amazing achievement in the expansion of our hospital was the inauguration of the Medical-Surgical Unit (Med-Surg) on April 1, 2021. Our Med-Surg has 10 double occupancy rooms and 2 single-patient rooms, where postsurgical patients can recover as long as needed, varying from a brief hospitalization of a few hours to a longer stay of 72 hours which can be extended as needed, receiving special care and continuous observation until their clinical conditions are resolved after which they can be discharged.

In 2023, Our Med-Surg registered 846 encounters, for patients who were hospitalized for a brief period or one or more overnight hospitalizations.

The following key improvements have been made to enhance our service and operations.

Investments in Staffing

Our Med-Surg Department made significant strides in enhancing its staffing capabilities in 2023. Three nurses successfully completed a specialized training program in acute care provided by Amstel Academy (BAZ, Netherlands). This special training focuses on increasing medical professionalism with advanced skills and knowledge in handling acute medical situations, further enhancing the quality of care provided.

We further ensured the safety and quality of care by schooling all our nursing staff not only in Basic Life Support but also in Advance Life Support. For 2024 we will add trainings in Pediatric Advance Life Support for all nursing staff.

Highlights 2023: New Procedures

- In 2023 we introduced a new 'Hydration' procedure at ImSan, involving our Med-Surg and Radiology department. This new Pre- and Post-Hydration procedure aims to improve the overall patient experience by offering comprehensive care that addresses both surgical and hydration needs of the patient.
- We also expanded our services by providing intravenous iron treatments, where patients receive this specialized treatment, on average, 2 times a week for 3 to 4 weeks.

Improvements in Med-Surg Documentation

Following the JCI survey and upon receiving their recommendations, we made relevant improvements to our documentation policy and procedures. These improvements ensure that patient care and medication administration are properly documented, promoting transparency, accountability, and patient safety.

As part of the improvement measures, we implemented the requirement for 'double signing' for every medication in our Electronic Patient Data system (EPD). With 'double signing' the verification of the ordered medication is performed by two licensed healthcare professionals before administering it to the patient. This procedure ensures that the right medication is administered to the right patient, reducing medication errors and potential adverse drug events.

The 'double signature' policy for medication in the EPD is designed to promote a higher level of vigilance and accuracy in medication administration, as well as to encourage teamwork and communication among healthcare providers.

In conclusion, our Med-Surg has made significant strides in improving its services in 2023. These advancements have resulted in improved patient care, increased efficiency, and more patient satisfaction. The improved documentation policy and procedures facilitate better communication among healthcare professionals and contribute to improved patient outcomes. Improvements in growth, staffing, staff training, and patient care initiatives reflect our commitment to continuous enhancement and excellence in medical care and services.

Developments and Progress of the Emergency Department

ImSan's Emergency Department (ED) operates 24 hours a day, 7 days a week, and is one of the busiest departments of ImSan. Because we aim to provide professional emergency care to the highest quality and safety standards, ImSan is Aruba's trusted hospital for emergency care.

Each year, more patients visit our ED for assessment and treatment of their medical emergency.

To keep providing high-quality emergency care, all our registered nurses received specialized Basic Acute Care (BAZ) training. Furthermore, in 2023 our Registered Nurses obtained their degree as Registered Specialized Emergency Care Nurses and an ED physician received training to maintain his ATLS-instructor license.

In 2023, ImSan's ED registered 14.225 encounters.

The following key improvements have been made to enhance our service and operations.

Highlights 2023: Investments in Staffing.

- Successfully completed and delivered 10 high-profile projects to further improve our quality of care and update/upgrade the skills and professionalism of our ED nurses and physicians.
- Head nurse ED (R. Maduro) joined the Dutch Caribbean Hospital Alliances. With the assistance of this organization, we were able to receive funding from the VWS (Netherlands) that covered most of the training and courses on the development of skills and professionalism in healthcare. The courses funded by the VWS are:
 1. Basic Acute Care (BAZ). A total of 21 Registered Nurses from ImSan received specialized BAZ training.
 2. Registered Specialized Emergency Care Nurses. 2 Registered Nurses completed this course successfully in 2023, and 2 nurses are currently following this course.
 3. Trauma Nursing Core Course (TNCC) 4 Registered Nurses received training in TNCC.
 4. Emergency Nursing Pediatric Course (ENPC). 2 Registered Nurses received training in ENPC.
 5. Clinical Reasoning (train the trainers). 2 Registered Nurses received this training.

Other not funded courses provided to our ED professionals were:

1. Advanced Trauma Life Support instructor (ATLS), to 1 ED physician.
2. Child Abuse course (ImSan is part of the Child Abuse platform), to 1 ED professional.
3. Geriatric course, to 2 Registered Nurses.

Developments and Progress of the Ambulance Department

Providing professional and swift ambulance service is of immense importance to ImSan. It is our priority to continuously provide our community with timely ambulance transportation and provide specialized medical care to the sick or injured by trained personnel who can give professional emergency care during the journey.

To provide ambulance services 24/7, all year long, ImSan has 10 ambulances. These services are provided in 3 shifts, the first from 24:00 to 08:00, the second from 08:00 to 16:00, and the third from 16:00 to 24:00, thus covering 24 hours every day and using 3 ambulances per shift.

In 2023 the Ambulance Department provided ambulance service to 7532 clients.

To keep up with the high demand for ambulance services, ImSan acquired new ambulance personnel and is analyzing the possibilities of providing new staff with special courses and training to become specialized ambulance nurses or ambulance drivers in 2024. In 2023 we also finalized an agreement to purchase 2 new ambulances, that are expected to be delivered in 2024.

Developments and Progress of the Radiation-Oncology Department

Setting the bar higher, increasing the quality of care in cancer treatment in Aruba

Surgery, Chemotherapy, and Radiation therapy are the main modalities for treating cancer, and as of April 2020, radiation therapy became available in Aruba thanks to the immense efforts of ImSan and our strategic partners at Miami Cancer Institute (MCI) a division of Baptist Health of South Florida (BHSF).

To provide the highest quality of care to our patients, ImSan acquired the newest leading-edge radiation therapy treatment system from the Varian portfolio, which is the Halcyon radiotherapy system. With the Halcyon system, we can achieve increased accuracy in image-guided radiation therapy, provide more safety with its six-point patient safety system, and deliver faster treatments while maintaining high quality.

In 2023 ImSan treated in total 240 patients, which is 10 patients more than in 2022, using high-quality radiation therapy for precise and effective cancer treatment, and no patients had to be referred abroad for this type of treatment. All of this was done by an unrelenting team at ImSan under the leadership of dr. N. Sanchez, dr. J. Torres, and our strategic partners at MCI and BHSF in collaboration with the team of medical oncologists of the Dr. Horacio E. Oduber Hospital.

The following key improvements have been made to enhance our service and operations.

Highlights 2023: International Patients and Investments.

- Expanding our services to cater to the needs of a broader patient population has been a focal point of our Radiation-Oncology Department in 2023. In line with this vision, we are proud to announce the commencement of services for international patients, from generally Curaçao, Sint-Maarten, and the BES islands. This initiative reflects our commitment to provide accessible and inclusive high-quality healthcare services not only to our local community but also to individuals beyond our local borders.
- Investing in state-of-the-art technology is paramount to our ability to deliver advanced radiation treatments and enhance patient outcomes. In 2023, we acquired a Rhino Video Laryngoscope which is a tool that shows promise in aiding of treatment of patients with tumors, in the head and neck region. The Rhino Video Laryngoscope can be particularly advantageous in early screenings for cancerous lesions in the head and neck region. This addition to our arsenal of tools signifies our dedication to staying at the forefront of medical innovation and continuously improving the quality of care we provide.
- As our patient volume continues to grow, we have expanded our team by acquiring an additional Radiation Technician.

Developments and Progress of the Radiology Department

In 2023, our Radiology Department registered a total of 10.760 encounters, underscoring the significant demand for diagnostic imaging within our community. Among these encounters, 7.991 were related to services using X-ray modalities, 2.647 utilizing Ultrasound, and 122 utilizing CT-scan. These figures reflect the diverse range of imaging services provided by our department to meet the diagnostic needs of our patients. Compared to 2022, this is an increase of 177 encounters.

The following key improvements have been made to enhance our service and operations.

Highlights 2023: New procedures and investments.

- Throughout 2023, our Radiology Department experienced notable growth in services, particularly in the areas of Ultrasound-guided Musculoskeletal Injections and Endovaginal Ultrasound. These specialized services have been a focal point of our department's development strategy in recent years, allowing us to better address the evolving healthcare needs of our patient population.
- In 2023, we launched a pioneering Pilot Project aimed at revolutionizing image-sharing capabilities within the healthcare landscape. Through the implementation of the EVOCS Medical Image Sharing platform, we have facilitated seamless digital communication and collaboration among specialists across healthcare institutions. This initiative underscores our commitment to leveraging technology to improve patient outcomes and enhance the efficiency of healthcare delivery.
- Furthermore, in 2023, we acquired Teleradiology services from a local Radiologist, harnessing our local resources to extend the reach of diagnostic imaging expertise. This addition has allowed us to provide timely and efficient radiological interpretations to healthcare providers across the island, ensuring optimal patient care and treatment planning.
- In recognition of the importance of timely access to healthcare services, we expanded our service hours by adding a 24-hour on-call service during the weekends, for both our ED and Med-Surg. Additionally, the X-ray modality has extended its services beyond normal office hours, providing diagnostic services for 'walk-in' patients until 20:45 and diagnostic services for our ED until 23:00, whilst after 23:00 our department is still available via on-call service, thus providing our clients the flexibility to access imaging services that accommodate their busy daily schedules.

Our Radiology Department has made significant strides in 2023, characterized by service expansion, technological innovation, and a steadfast commitment to patient-centered care. We are grateful for the dedication of our staff, the support of our partners, and the trust of our patients, all of which have contributed to our success. As we look ahead, we remain committed to maintaining the highest standards of excellence in imaging services and continuing to drive positive outcomes for all those we serve.

Developments and Progress of the Dialysis Department, Nephrology and Diabetic Department

At our Dialysis Department, most patients with end-stage kidney failure receive hemodialysis treatment. Qualifying patients receive at ImSan the initial training and guidance for independent at-home peritoneal dialysis treatment. Here patients are prepared under the supervision and guidance of specialized dialysis nurses on how to perform this technique to become self-sufficient and take care of themselves at home.

At our Dialysis Department, we provide the following healthcare services:

- Hemodialysis.
- Hemodiafiltration.
- Peritoneal Dialysis.
- Acute Dialysis.
- Pre-dialysis guidance.
- Consultation with Nephrologist.
- Kidney transplantation process guidance.

2023 was certainly a celebration year for our Dialysis Department, as we celebrated our 10th anniversary on the 22nd of September. Furthermore, we were very content with ImSan's investment to purchase 7 new dialysis machines in 2023, providing us with in total of 22 hemodialysis machines. We currently have 18 state-of-the-art dialysis machines for both Hemodiafiltration and Hemodialysis, whereas the other 4 machines lack this upgrade and are only for Hemodialysis. For peritoneal dialysis, we have 10 machines.

In Aruba, there is a high demand for dialysis treatment mainly due to the large number of patients with diabetes. For the treatment of all these patients, as of March 2021, ImSan's Dialysis Department provides hemodialysis treatment in 3 shifts 6 days a week, starting from 07:00 am to 11:30 pm, servicing currently hemodialysis to on average 80 Hemodialysis patients and 14 Peritoneal-Dialysis patients weekly.

In 2023 we provided 11.775 dialysis treatments and 3.515 consultations by Nephrologists at ImSan.

The following key improvements have been made to enhance our service and operations.

Highlights 2023: New procedures and investments.

- In collaboration with dr. A. Ponson (Surgeon), our Pre-Screening Department, and Surgery Department, a total of 15 AV-fistulas and 13 permanent dialysis catheters were placed at ImSan. This is a big improvement in the quality of care provided to our Hemodialysis patients (including 1 patient from Bonaire).
- 7 Hemodialysis machines were replaced with Fresenius S machines. These new state-of-the-art Hemodialysis machines have an upgraded system and can offer hemodiafiltration treatment as well as hemodialysis.
- ImSan provided 2 registered nurses the opportunity to attend the training to acquire the certification as Registered Specialized Dialysis Nurses. In 2023 these 2 nurses successfully completed this course and obtained their certification as Specialized Dialysis Nurse. Their achievement will help our Dialysis Department to ensure safe and high-quality care to our dialysis patients.
- To become a paperless department in the near future, our Dialysis Department obtained 2 new computers to make the transition to paperless documentation more feasible.
- Weekly briefing and debriefing with the Dialysis personnel to evaluate the implementation of JCI norms were (and still are) an essential part of staff education to ensure the compliance needed to achieve (and maintain) JCI accreditation.

- In 2022 a kitchen was set up to provide sandwiches for the Dialysis Department and Med-Surg, where in 2023 approximately 10.500 sandwiches were prepared.
- Software used by the Peritoneal Dialysis department has been updated and upgraded, and services provided have been integrated. Training from Baxter B.V. (Netherlands) was provided to our PD Nurses to teach our PD patients to independently use the PD machines correctly and efficiently.

Regarding the Diabetic Department, ImSan registered 8.760 encounters for a total of 1.510 patients who received medical treatment for diseases, complications, or issues secondary to diabetes.

Developments and Progress of the Pharmacy

Our Pharmacy Department is dedicated to provide the pharmaceutical expertise and drug therapy necessary to ensure optimal medical treatment outcomes for our patients and improve their quality of life.

The following key improvements have been made to enhance our service and operations.

Highlights 2023: Visit Healthcare Inspectorate; new projects.

- The Healthcare Inspectorate (Inspectie Volksgezondheid Aruba) inspected our Pharmacy on September 27, 2023. This inspection was requested by ImSan (in April 2022) after full completion of all Pharmacy requirements according to local laws and regulations. The Inspectorate analyzed i.e. our purchasing license for suppliers in the Netherlands, and our compliance with regulations. Their findings were satisfactory. The Inspectorate requested our Pharmacy protocols, which we sent in accordance with the specified time frame.
- Started Antibiotic monitoring pilot project at our Dialysis Department, in collaboration with ImSan's Infection Prevention & Control Department (IPC).
- Started Pharmacy Quality Indicators: set up procedures so data can be processed and analyzed in collaboration with IPC Department.

Furthermore, our Registered Pharmacist finalized all Medication Management processes to comply with JCI standards, and implemented the use of the following (MMU) policies, procedures, work instructions, documents, and forms:

1. MMU 1 - Organization & Management; Antibiotic Stewardship. Summary of all MMU chapters where the organization, management, planning, and responsibilities of medication use are described following local laws and compliance with JCI measurable elements. Antibiotic stewardship describes our protocols following the online SWAB guidelines from the Netherlands.
2. MMU 2 - Selection and Procurement. Overview of medication formulary used by our Purchasing Department and implementing new protocols for licensed local and international suppliers. New medication request forms are handled by ImSan's Therapeutic Committee. Education of staff. Protocols for medication supply after pharmacy's opening hours were implemented. Protocols for out-of-stock medication were implemented.
3. MMU 3 - Storage, Crash kits, Recall Protocol. Overview of documentation for safe and suitable conditions of medication storage. Implementing policies and procedures for handling narcotics in compliance with local laws. Implementing policies on access limitation to (satellite) pharmacies in compliance with local laws. Implementing policies for medication recalls. Implementing policies for emergency medication supply in crash-cart kits in several departments.

4. MMU 4 - Ordering and Transcribing. Overview of documentation and implementation of policies for identifying qualified individuals permitted to prescribe medication. Defining a complete prescription form in compliance with local laws.
5. MMU 5 - Preparing & Dispensing; Medication Reconciliation. Overview of documentation for safe dispensing in compliance with local laws, with second-person validations. Implementing policies on Medication Reconciliation within the time frame in compliance with local laws.
6. MMU 6 -Administration of medication; Self- administration; Samples. Overview of checklists for safe medication administration. Implementing uniform guidelines for reference literature. Recording all administrations in the patient's file. Implementing policies and procedures for samples.
7. MMU 7 - Monitoring; Medication errors & near misses. Overview of documentation for monitoring and properly documenting incidents and adverse events in patient's file. Reporting of errors and near misses through ImSan's digital reporting patient safety program (VIM).

Developments and Progress of the Infection Prevention & Control Department

Our Infection Prevention & Control Department (IPC) provides activities to monitor, prevent, and control micro-organisms at ImSan. The main goal of infection prevention is to minimize and attempt to eliminate the transfer of pathogens between healthcare professionals and patients. ImSan's IPC aims to keep our healthcare professionals safe and healthy from patient-acquired infections and as importantly prevent the transfer of pathogenic organisms and infections from the healthcare professional to the patient. In 2023 our IPC collected data on infections from different departments in ImSan and implemented strict policies, screening of personnel, and strict infection control standards for a safer hospital.

Systems for Infection Prevention and Control.

- IPC manages and monitors infection prevention through risk assessments, considering both Healthcare Personnel (HCP) and environmental risks.
- Focusing on maintaining a clean and suitable environment within our hospital to facilitate infection control.
- Baseline audits, collaborative working, sharp management, and adherence to cleaning standards are integral components.

Identification and Treatment.

- Early identification of infections or risks allows timely and appropriate treatment, reducing the risk of transmission to others.

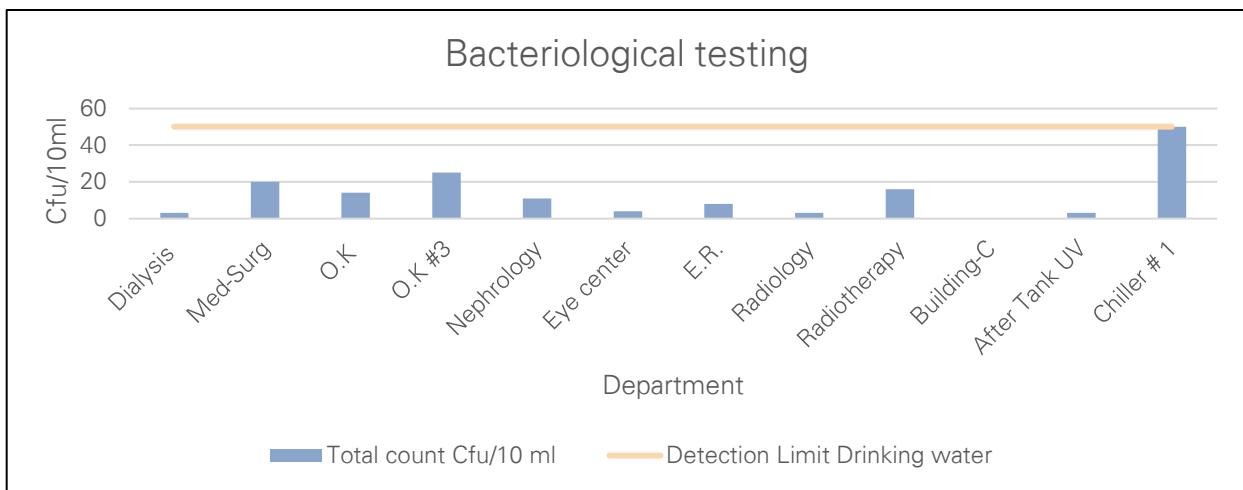
Healthcare Personnel Responsibilities.

- All HCPs, including contractor workers, are educated by IPC on their role in preventing and controlling infections.
- Training programs are provided to reinforce HCPs' responsibilities and equip them with the necessary knowledge and skills.

IPC Surveillance.

Our IPC developed a surveillance plan in collaboration with the Dialysis Department and Surgical Department, for the Dialysis Department to monitor Dialysis Events, and the Surgical Department to monitor Surgical Site Infections (SSI). Dialysis Events include positive culture from Blood, Exit-site of HD catheter, wound on shunt or graft, and catheter tip (nominator).

- In 2023, there were 2 registered SSIs, which made it possible to calculate the SSI Basic percentage of 0.08¹.
- Regarding the Dialysis Event, ICP registered a rate of 3.55². This Dialysis Event rate consists of Bloodstream infections (BSI), Access Related Bloodstream Infection (ARBSI), Local Access Site Infection (LASI), and Vascular Access Infection (VAI). The VAIs are either LASI or ARBSI.
- The Methicillin-resistant Staphylococcus aureus (MRSA) rate was 1.22³.
- Contact Tracing: if a patient is unexpectedly positive for MRSA and not in isolation, contact tracing is performed. In 2023, 1 contact tracing was performed, during which 2 patients and 4 healthcare workers were screened for MRSA. No MRSA was found.
- Immunization: The Influenza vaccination rate for our HCP had an increase of 11% in 2023. Furthermore, a total of 4 HCPs were vaccinated for Hepatitis B.
- MRSA Screening: New hires with patient contact and interns are screened for MRSA at start of employment. None were found to be positive.
- Blood Exposure Incidents: Blood Exposure Incidents had a decrease of 33% in 2023.
- The IPC education method was adapted in 2023, from classroom teaching to digital teaching.
- Audits are conducted every quarter. There was a decrease in the compliance rate of the Infection Control Rounds of 1%. And an increase of 3% in Hand Hygiene compliance.
- Legionella Water Management: the detection limit for Legionella Pneumophila type 2-14 for drinking water is <5000 Cfu/1L. All results were below the detection limit, and no Legionella Pneumophila type 1 was detected in the facility.
- Bacteriological testing is conducted annually. The detection limit for total count in drinking water <50 Cfu/10ml. In our drinking water, the detection was below the recommended acceptable limit.



¹ The SSI percentage is calculated by dividing the number of SSIs by the number of surgical procedures, multiplied by 100. A total of 2427 surgical procedures were conducted in 2023, excluding Electro Convulsive/Shock Therapy (ECT) and Pain Management. Thus, $2/2427 \times 100 = 0.08$

² The percentage is calculated by dividing the number of events by the number of patient-months and multiplying the results by 100. The 21-day rule was also applied to the calculation. A total of 901 patient-months were calculated in ImSan. In 2023, 26 VAI and 6 ARBSI were registered. Thus, $32/901 \times 100 = 3.55$.

³ MRSA data was collected from July-December 2023. The MRSA percentage was calculated by the total number of Staphylococcus aureus isolates resistant to oxacillin divided by the total number of cultures tested and multiplied by 100. A total of 416 cultures were taken in the clinical departments and 5 cultures came back positive for MRSA. Thus, $5/416 \times 100 = 1.22$

Highlights 2023: Improvements.

- Surveillance has significantly improved. The IPC Department receives monthly microbiology reports of MedLab, this collaboration helps to verify the registration of Dialysis Events and MRSA.
- Education was also an important improvement. Since digitalizing the course, education has become more accessible for most healthcare workers.
- The Influenza vaccine rate improved in 2023.
- Blood Exposure Incidents decreased in 2023.

IPC Targets 2024.

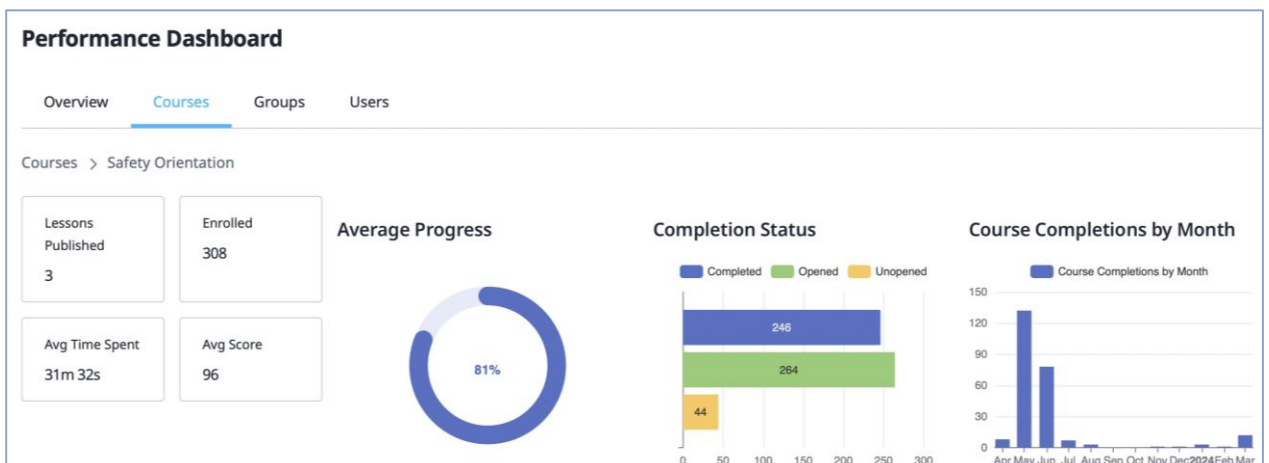
- Digitalize audits and adapt methods of observation.
- Decrease Dialysis Event rate.
- Increase Influenza vaccination rate to 50%.

Developments and Progress of the Safety & Training Department

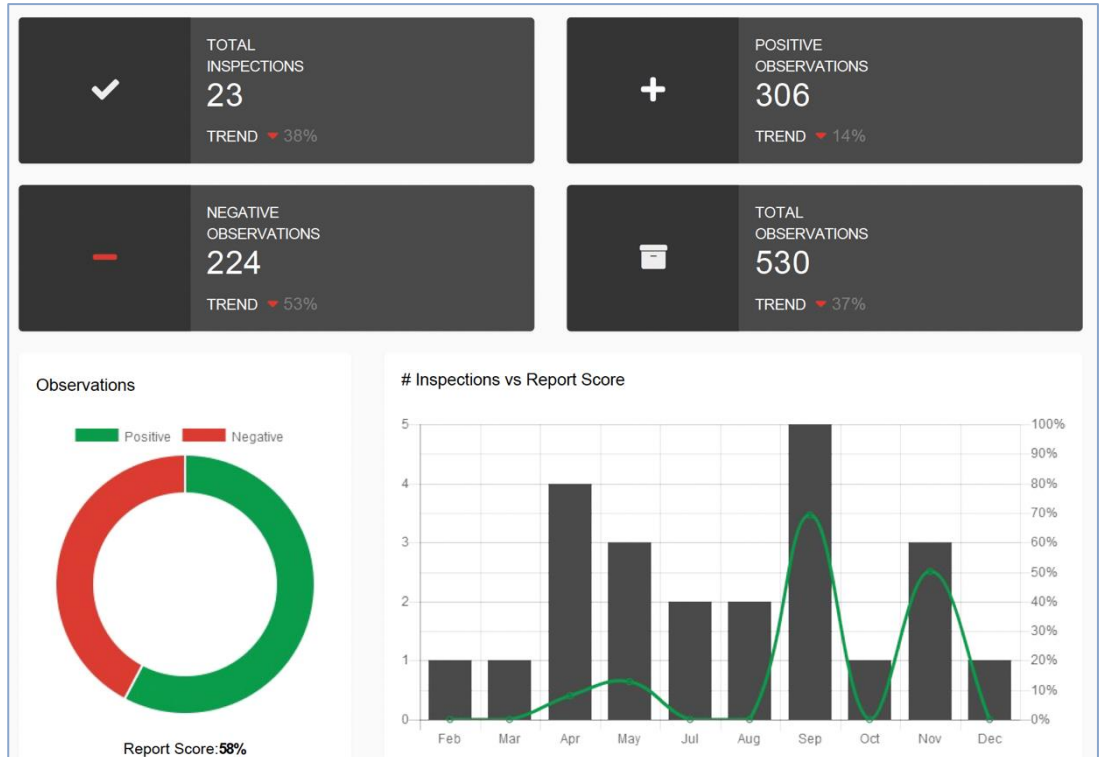
ImSan is dedicated to the protection of its employees and visitors from emergencies. Our Emergency Response Plan (ERP) is initiated when (workplace) emergencies occur. We have a personnel emergency guide in place to ensure employee safety from emergencies during normal working hours and after normal working hours. Our ERP provides a plan detailing and organizing the actions and procedures to be followed by the personnel in case of a workplace emergency, which is required by local law. This plan applies to all operations in our organization where employees may encounter an emergency situation and is available to employees.

To further ensure safety, ImSan also has a Prevention & Emergency Response Team (PERT), that is trained to take charge in case of an emergency, respond effectively, protect the occupants of the hospital, and reduce the risk of physical injury, property damage, and business interruption. Our PERT has 26 active members trained in Hospital Incident Command System (HICS). The first HICS course was provided to 14 members in Dec 2023.

In March 2023, ImSan's Safety & Training Department introduced a mandatory Online Safety Orientation for all employees. This 1-hour training provides essential information regarding emergency procedures, safety, and safety equipment used to new hires, current employees, contractors, and interns. Participants also receive a Personnel Emergency Guide to keep as a reference. By December 2023, a total of 230 employees completed this training, whereas by March 2024, we registered 246 course completions.



Our Safety & Training Department regularly performs Environment of Care Rounds (EOC) to identify possible deficiencies or safety issues to be attended to, for which improvement recommendations reports are registered in a Dashboard Report system. In 2023, 23 total inspection rounds were performed, resulting in a total of 530 observations, from which 224 were negative and 306 were positive. Compared to 2022, we registered a decrease in negative observations and an increase in positive observations. For all negative observations measures for improvement were implemented.



Positive Observations	Top 5 Sub-Category	Count
1	No more than 32 gallons of waste are within 64 sq. feet.	6
2	Heavy items are stored at low levels or mid-levels in storage.	6
3	Staff can define RACE and PASS procedures.	6
4	All lights are properly illuminated and covered.	5
5	Staff can identify if medical equipment has been inspected.	5
Negative Observations	Top 5 Sub-Category	Count
1	Building surfaces are not clean or in good repair.	13
2	There are slip or trip hazards.	12
3	Fire extinguishers/hose are not properly attached to wall/ cabinet, visible and checked on a monthly basis NFPA 10.	10
4	Ceiling tiles are not clean, stain free, no gaps greater than 1/4 inches and in good condition NFPA 101 8.3.5.1	8
5	Cables, outlets, or wires are exposed.	7

In 2023, ImSan's Safety & Training Department provided 385 courses to a total of 2969 professionals.

For delivering certified and accredited training, ImSan holds agreements with and collaborated with several leading organizations in emergency medical care education:

- The American Academy of Clinical Toxicology.
- The American Heart Association.
- The Health & Safety Institute

The National Association of Emergency Medical Technicians. i.e. BLS, ACLS, First Aid CPR, PALS, AVERT, Safety Orientation, Workplace Fire Safety Training, HICS, BHLS.

Concluding note from the Director

FY2023 has been a very difficult financial year for the healthcare sector worldwide, and Aruba is no exception. The challenges emerging from the pandemic concerning the workforce, inflation, and many other additional costs, despite the rate of recovery of our economy, have put exceptional financial demands on the ingenuity of our Financial & Administrative back office to balance the budget in a manner that provides possibilities for improving the quality of care without exacerbating the backlogs in care.

Daily I am inspired by the talent, dedication, and professionalism of our medical professionals and hospital staff, and I offer each of them my sincere thanks for everything they do to provide the outstanding services on which ImSan's reputation is built and depends. I am extremely grateful to all of our employees for their dedication this year, especially in the face of all the challenges we are managing. As ever, we will continue to work on expanding services, meeting the new care demands, and reducing the care backlogs. At the same time, innovating how we work so we can provide the best possible and safe care to the people we look after.

It is my privilege and responsibility to achieve our vision to improve the delivery of healthcare to our community and for ImSan to be known as an outstanding place to work, learn, live, and be cared for.

Our values of accountability, respect, optimism, leadership, and engagement are essential to achieving this objective. Achieving the JCI accreditation in June 2023 is the final proof of these statements.

In summary, JCI accreditation signifies a commitment to excellence, patient safety, and continuous improvement in healthcare delivery. It serves as a benchmark for quality that benefits patients, healthcare providers, and the healthcare industry as a whole.

On behalf of everyone at ImSan, I wish to express my deepest gratitude to the whole team of Baptist Health International (BHI), a part of Baptist Health South Florida, for the invaluable support and guidance provided to ImSan in our journey towards achieving the JCI accreditation. Your partnership and collaboration have been instrumental in this significant milestone for our organization. Your assistance in navigating the complexities of JCI standards and requirements, as well as your proactive guidance on quality improvement initiatives, have been invaluable. Your team's commitment to supporting us every step of the way has truly made a difference in our accreditation journey. We are very grateful for BHI's continued support, partnership, and dedication to the well-being of our community.

ImSan wishes to express its heartfelt gratitude to our Minister of Tourism and Public Health, Mr Danguillaume Oduber, for his unwavering support throughout the year 2023. His dedication and advocacy for healthcare excellence have been instrumental in our continued efforts to provide high-quality care to our community. His initiatives to improve healthcare infrastructure and enhance patient access and quality of care have been instrumental in realizing the 'Zorgakkoord'. His leadership has inspired confidence and instilled a sense of purpose within our healthcare system in general.

To the Supervisory Board, under the leadership of Mr. I. Reyes, on behalf of everyone at ImSan I express my immense gratitude for your steadfast support throughout the year 2023. Your role as members of the Supervisory Board is vital in ensuring that ImSan operates with integrity, accountability, and transparency. Your dedication to upholding the highest standards of governance has been evident in every decision and recommendation made throughout the year.

Your guidance and strategic insight have been invaluable as we worked diligently to meet the rigorous standards required for accreditation. With your support, ImSan has been able to strengthen its position as a leading healthcare provider in our region. To our valued clients and referral partners, we express our gratitude for your unwavering support of ImSan throughout 2023. Your trust, loyalty, and collaboration have been the cornerstone of our success, and we are deeply grateful for the privilege to serve you. We understand the importance of your trust and the responsibility that comes with it. That is why we remain steadfast in our commitment to upholding the highest standards of care, safety, and professionalism in every interaction. Your well-being and satisfaction are our top priorities, and we will continue striving to exceed your expectations.

Finally, ImSan is extremely grateful for the financial support provided by the UO AZV throughout the year 2023. Your commitment to our organization has played a crucial role in our ability to deliver high-quality healthcare services to our community. We understand the importance of your investment in ImSan and the trust it signifies. That is why we remain dedicated to utilizing your support responsibly and efficiently. Your commitment to improving healthcare access and quality in our community aligns perfectly with our values and goals, and we look forward to continuing our partnership and achieving even greater success together in the future.

Drs. J.R. Rajnherc, Director

Aruba, March 27, 2024



1. Balance sheet as at December 31, 2023

(Before profit appropriation)

Assets	Notes	December 31, 2023		December 31, 2022	
		AWG		AWG	
Non-current assets					
Intangible assets	1	108,863		147,323	
Tangible assets	2	<u>69,201,476</u>		<u>72,541,253</u>	
			69,310,339		72,688,576
Current assets					
Inventory	3	1,479,661		1,119,885	
Accounts receivable	4	693,567		560,463	
Other receivables	5	6,186,309		4,999,086	
Cash and cash equivalents	6	<u>6,942,735</u>		<u>6,687,811</u>	
			15,302,272		13,367,245
Total assets			84,612,611		86,055,821

Equity and liabilities	Notes	December 31, 2023		December 31, 2022	
		AWG		AWG	
Equity					
Capital	7	7,300,000		7,300,000	
Other reserves		(1,977,665)		(1,735,751)	
Operating result		<u>300,895</u>		<u>(241,914)</u>	
			5,623,230		5,322,335
Provisions					
Anniversary allowance provision	8		231,187		206,194
Long-term liabilities					
Borrowings	9	47,564,164		50,563,087	
Related party debt	10	<u>21,196,849</u>		<u>21,196,849</u>	
			68,761,013		71,759,936
Short-term liabilities					
Short term portion of loan	9	3,116,976		2,983,456	
Trade payables		2,018,204		1,457,054	
Related party debt	11	240,514		240,514	
Taxes and social premiums	12	650,312		588,673	
Pension premium payable		274,580		277,300	
Other liabilities	13	<u>3,696,595</u>		<u>3,220,359</u>	
			9,997,181		8,767,356
Total equity and liabilities			84,612,611		86,055,821

The notes form an integral part of these financial statements.

2. Income statement for the year ended December 31, 2023

Income statement	Notes	2023 AWG	2022 AWG
Income			
AZV health care contribution	23	54,732,713	51,651,033
Other income	14	<u>2,032,836</u>	<u>2,450,632</u>
		56,765,549	54,101,665
Expenses			
Personnel expenses	15	31,044,720	29,805,745
Direct operational expenses	16	7,800,475	7,573,248
Accommodation expenses	17	6,008,266	4,873,323
Office expenses	18	1,213,645	1,079,529
Vehicle expenses	19	674,735	658,569
General expenses	20	2,031,454	2,350,072
Amortization and depreciation	21	<u>4,239,784</u>	<u>4,224,114</u>
		53,013,079	50,564,600
Operating result before financial income and expenses		<u>3,752,470</u>	<u>3,537,065</u>
Financial (income) and expenses	22	3,451,575	3,778,979
Operating result		300,895	(241,914)

The notes form an integral part of these financial statements.

3. Cash flow statement for the year ended December 31, 2023

Cash flow statement	Notes	2023 in AWG	2022 in AWG
Cash flow from operating activities			
Operating result before financial (income) and expenses		3,752,470	3,537,065
Adjustments			
Amortization and depreciation	21	4,239,784	4,224,114
Anniversary allowance provision	8	36,073	21,072
Movements in working capital			
Change in inventory		(359,776)	101,346
Change in receivables		(1,320,327)	813,597
Change in current liabilities (excl. short-term portion of loan and interest payable)		1,085,225	1,910,433
Cash flow from operations		7,433,449	10,607,627
Interest and finance expenses paid	22	(3,332,484)	(3,649,231)
Cash flow from operating activities		4,100,965	6,958,396
Cash flow from investing activities			
Investments in intangible and tangible assets	1/2	(2,098,656)	(170,235)
Investment grants received	1/2	1,218,351	-
Disposal of intangible and tangible assets		52,175	185,498
Cash flow from investing activities		(828,130)	15,263
Cash flow from financing activities			
Repayments of long-term loan	9	(2,984,494)	(2,775,714)
Cash flow from financing activities		(2,984,494)	(2,775,714)
Changes in cash and cash equivalent		288,341	4,197,945
Beginning balance cash and cash equivalents		6,687,811	2,489,867
Ending balance cash and cash equivalents		6,942,735	6,687,811

The notes form an integral part of these financial statements.

4. Accounting policies and general notes



GENERAL

The Medical Institute San Nicolas ("ImSan") is a public entity which was established by National Ordinance AB 2005 no 6 and was incorporated on June 1, 2005 through the National Ordinance Decree of May 26, 2005, no 1. ImSan is domiciled at the Pastoor Hendrikstraat 10 in San Nicolas, Aruba.

The annual report for 2023 has been approved by the Board of Supervisory Directors on March 27, 2024.

The objective of ImSan is to continuously provide and promote optimal clinical, outpatient, ambulatory and hospital care. ImSan undoubtedly improves the accessibility of this care for all citizens of Aruba, especially those of "pariba di brug". ImSan comprises the "Centro Medico Dr. Rudy Engelbrecht" in San Nicolas, the Diabetic Center at Rumbastraat, the Ambulance Service at Wayaca and Schotlandstraat and the Eye Center at Dakota.

On May 31, 2005, ImSan legally received, by national ordinance, the tangible assets which were in use at the Centro Medico Dr. Rudy Engelbrecht and at the Ambulance Service; in order for ImSan to manage the operations thereof. In addition, ImSan acquired the leasehold of the buildings and land that were managed by the Centro Medico Dr. Rudy Engelbrecht on May 31, 2005. The settlement of the debt to the Land Aruba was arranged by National Ordinance in 2007. That debt existed due to the receipt of the leasehold of the buildings of Centro Medico Dr. Rudy Engelbrecht. Through that National Ordinance, Land Aruba forgave the debt of AWG 7.3 million, which is currently part of ImSan's equity (refer to note 7 Equity).

ImSan has an agreement with the executive body AZV to provide healthcare to AZV-insured individuals.

The financial statements have been prepared in accordance with accounting guidelines for the preparation of the financial statements for medium-sized legal entities of the Dutch Accounting Standards Board to the extent that these are not conflicting with local applicable laws and regulations. The financial statements were prepared on March 27, 2024.

Functional and presentation currency

The financial statement line items are valued using the transaction currency in which ImSan primarily conducts its business (the functional currency). The financial statements are presented in Aruban Florins (AWG) which is the entity functional and presentation currency.

Foreign currency transactions

Transactions in foreign currencies during the reporting period that are accounted for in the financial statements are converted to the functional currency using the average exchange rate. Monetary assets and liabilities in foreign currencies are converted to the functional currency using the currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the statement of income and expenditure. Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate of the transaction date. Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date when the fair value was determined.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

- An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously; and
- The firm intention is to settle the assets and liabilities on a net basis or simultaneously.

GENERAL ACCOUNTING POLICIES

General

Assets and liabilities are generally valued at the acquisition price or at fair value. If no specific valuation principle is mentioned, valuation occurs at the acquisition price. References to the footnotes are included in the statement of financial position, the statement of income and expenditure and the statement of cash flows.

Estimates

In the process of applying the appropriate accounting policies, management made the necessary judgments, which have a significant effect on the estimates recognized in the financial statements.

The accounting policy regarding anniversary allowance provision is in opinion of management the most critical for the purpose of presenting the financial position and requires estimates and assumptions.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables, securities and payables, and derivative financial instruments.

All purchases and sales of financial assets made according to standard market conventions are recognized as at the transaction date, being the date on which the entity enters into a binding agreement.

For the accounting policies applicable to primary financial instruments, please refer to the treatment of individual balance sheet items.

Impairment of tangible and intangible assets

At each balance sheet date, ImSan assesses whether impairment indicators for tangible and intangible assets are present. If impairment indicators exist, then the recoverable value of the asset is estimated. If it is not possible to determine the recoverable value of an individual asset, then the recoverable value of the cash generating unit to which the asset belongs is estimated.

An impairment loss is recognized whenever the carrying value of an asset is greater than the recoverable value; the recoverable value is the higher of its net realizable value and its value in use.

The net realizable value is determined using an active market. An impairment loss is recognized directly as an expense in the statement of income and expenditure.

If a recognized impairment from the past decreased or no longer exists, a partial or complete reversal, of that impairment charge needs to occur. The increased carrying value of the relevant asset cannot be greater than the carrying value that would have been recorded if no impairment had been recognized in the first place.

ACCOUNTING POLICIES - ASSETS AND LIABILITIES

Intangible assets

Intangible assets are valued at acquisition cost, less accumulated amortization and, if applicable, impairment losses. Capitalized software is amortized on a straight-line basis over its estimated useful life.

An intangible asset is recognized in the balance sheet if:

- It is probable that the future economic benefits that are attributable to the asset will accrue to the group.
- The cost of the asset can be reliably measured.

Costs relating to intangible assets not meeting the criteria for capitalization are recognized directly to the income statement.

Intangible assets are amortized on a straight-line basis over their expected useful economic lives, subject to a maximum of 20 years. The useful economic life and the amortization method are reviewed at each financial year-end.

Tangible assets

Tangible assets are valued at acquisition or manufacturing cost (less any investment grants), the straight-line depreciation based on the expected useful life, taking into account the residual value, or the lower realizable value (in this case the higher of

the value in use and net realizable value). Changes in the expected useful lives, if any, are accounted for as a change in accounting estimate.

Maintenance expenditures are only capitalized when the maintenance leads to extension of the useful life of the asset and/or future performance units regarding the asset. Assets retired from active use are measured at the lower of book value or net realizable value.

Inventory

Inventories are valued at historical cost or the lower realizable value. The inventory of medication and medical devices are determined utilizing the first-in first-out (FIFO) principle. The realizable value is the estimated sales price less direct sales costs. In determining the realizable value, the obsolete inventory is accounted for as well.

Accounts receivable

Trade receivable are initially recognized at fair value and subsequently measured at amortized cost. Fair value and amortized cost generally approximate to the nominal value. The allowance for doubtful accounts receivables is deducted from the carrying value. This allowance is determined based on individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances and are carried at face value.

Anniversary allowance provision

The employee jubilee benefits are stated within the labor union agreement (Dutch: CAO) which has been in effect since June 1, 2015. ImSan completed an actuarial valuation for the jubilee benefits to establish the present value. The valuation utilized assumptions such as future salary increases of 1% (2022:1%) service years and mortality rates.

The actuarial discount rate used is 5% and the retirement age is 65 years.

Non-current liabilities

On initial recognition, non-current liabilities are carried at fair value. In case the non-current liabilities are not carried at fair value through the income statement after initial recognition, the fair value at initial recognition must be reduced with the directly attributable transaction costs. After initial measurement, non-current liabilities are carried at amortized cost using the effective interest method. Gains and losses are recognized to the income statement when the liabilities are derecognized, as well as through the amortization process.

Short term liabilities

Short term liabilities are initially recognized at fair value. Transaction costs that are directly attributable to obtaining the debt are included in the initial measurement. Subsequent measurement of the current liabilities is at amortized cost, in which premiums or discounts, less transaction costs, is processed. The difference between the determined carrying amount and the ultimate redemption value is recognized as interest expense in the statement of income and expenditure based on the effective interest over the estimated life of the debt.

Pensions

The general principle is that the recognized pension expense in the reporting period equals the pension contributions payable to the insurance company over that period. Unpaid contributions are recognized as a liability in the statement of financial position. Prepaid contributions as of year-end are recognized as prepayments if the funds need to be collected from the insurance company or if it will be settled with future pension contributions.

ACCOUNTING POLICIES – OPERATING RESULT

General

The operating result is the difference between the revenue and expenses of the reporting period. Income is recognized in the period when they are realized. Operating expenses are recorded by applying the aforementioned accounting policy and they are recognized in the

reporting period to which they relate to. Likewise, for other expenses and losses an accrual is recognized in the period when they became foreseeable.

Revenue

AZV healthcare benefit reimbursements for AZV insured patients are recorded based on the agreed-upon budget and any additional agreements made with AZV, the executive body. AZV healthcare reimbursements are recognized in the statement of income and expenditure in the period when the subsidized expenditure is recorded.

Other income, including medical services provided to privately insured individuals, is recognized in the period when the services were provided.

Depreciation and amortization expenses

Depreciation and amortization occurs proportionally, based on the expected economic life.

Personnel expenses

Remuneration

Wages, salaries, and secondary benefits are based on the employment conditions and recorded in the statement of income and expenditure only when those amounts are payable to the employees.

Pensions

Pension expenses are recorded based on the obligation principle. The annual premiums are recognized as expenses in the statement of income and expenditure. The pension contributions are determined based on the applicable pension plan, recorded as an obligation and ultimately paid to the insurance company.

Operational lease

There may be leases where most of the advantages and disadvantages associated with the ownership of the leased item does not pertain to ImSan. Those leases are accounted for as operational leases whereby the related obligations are recognized in the statement of income and expenditure on a straight-line basis over the term of the lease contract.

Any compensation received from the lessor is accounted for in the statement income and expenditure in the period it was received. The accounting method utilized for operational leases also applies to rental contracts.

Financial income and expenses

Interest income and expenses are recognized proportionally, considering the effective interest rate of the related assets and liabilities. When recording the interest expenses, the company takes the reported transaction costs of the debt into consideration.

Prior year comparison

The accounting principles in determining the operating result did not change compared to those used in the previous year.

Liquidity risk

Liquidity risk includes the risk that ImSan is not able to meet the required financial obligations. For that purpose, ImSan regularly assess the expected cash flows. These cash flows include, among other operational cash flows, payments of interest, and relays of debts and replacement/expansion investments.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. The cash and cash equivalents in the cash flow statement consists of the cash on hand. Cash flows in foreign currencies are translated using the exchange rate on the date of the transaction. Cash receipts and disbursements related to interest are included in the operational activities of the cash flow statement. Transactions that do not lead to cash inflows or outflows are excluded from the cash flow statement.

5. Notes to the balance sheet as at December 31, 2023

1. Intangible assets

The intangible assets movement schedule can be specified as follows:

Intangible assets	2023 AWG	2022 AWG
Book value January 1	147,323	240,870
Investments	70,562	-
Investment grants	(70,562)	-
Disposals (net of amortization)	-	(27,677)
Amortization	(38,460)	(65,870)
Book value as of December 31, 2023	108,863	147,323

The capitalized software is amortized on a straight-line basis over its estimated useful life of three years. The amortization rate is 33% per year. The residual value is nil.

2. Tangible assets

The tangible assets can be specified as follows:

Tangible assets	2023 AWG	2022 AWG
Buildings	60,027,191	61,117,462
Medical equipment and other operating assets	9,061,719	11,302,049
Vehicles	112,566	121,742
Total tangible assets	69,201,476	72,541,253

2. Tangible assets (continued)

The tangible assets movement schedule is specified below:

Tangible assets	Buildings	Medical equipment and other operating assets	Vehicles	Total
	AWG	AWG	AWG	AWG
Acquisition value				
Cost price as of Jan. 1	71,866,372	25,791,242	2,034,135	99,691,749
Investments 2023	212,160	1,815,934	-	2,028,094
Investment grants	-	(1,147,789)	-	(1,147,789)
Disposal	(4,810)	(28,827)	-	(33,637)
Acquisition value as of Dec. 31, 2023	72,073,722	26,430,560	2,034,135	100,538,417
Depreciation				
Accumulated depreciation as of Jan. 1	10,748,910	14,489,193	1,912,393	27,150,496
Current year depreciation	1,298,047	2,894,101	9,176	4,201,324
Disposal	(426)	(14,453)	-	(14,879)
Accumulated depreciation as of Dec. 31, 2023	12,046,531	17,368,841	1,921,569	31,336,941
Carrying value as of Dec. 31, 2023	60,027,191	9,061,719	112,566	69,201,476
Carrying value as of Dec. 31, 2022	61,117,462	11,302,049	121,742	72,541,253

The depreciation rates are:

Buildings	2%
Medical equipment and other operating assets	6½% - 20%
Vehicles	20%

During the depreciation calculation, a residual value of 10% is included for buildings, medical equipment, and other operating assets. The residual value for vehicles (ambulances) is nil. Land is not depreciated.

The leasehold property of Centro Medico Dr. Rudy Engelbrecht was obtained in 2005 from the Land Aruba. The resulting debt of this transaction has been forgiven by Land Aruba.

The medical equipment and other operating assets, including the vehicles, were obtained from Land Aruba when the institute was established. These assets were legally transferred from Centro

Medico Dr. Rudy Engelbrecht to Instituto Medico San Nicolas as of June 1, 2005. During meetings with the Finance Directorate, it was indicated that this debt should be reduced by the accumulated depreciation to date.

For details of the encumbrance of the fixed assets, reference is made to note 9 "Borrowings"

The cost price of buildings includes capitalized interest for an amount of AWG 1,143,865 in 2023 (2022: AWG 1,168,868) which was capitalized during the construction process. This is regarding Loan of the financing of "Masterplan".

3. Inventory

Inventory	2023 AWG	2022 AWG
Inventory central warehouse	1,103,317	751,951
Medicines and medical supplies	334,882	272,365
Inventory in transit	-	46,770
Other inventory	41,462	48,799
Total inventory	1,479,661	1,119,885

A decrease of the carrying value for obsolete inventory is not deemed necessary at the balance sheet date.

4. Accounts receivable

Accounts receivable	2023 AWG	2022 AWG
Accounts receivable	1,856,188	1,583,140
Less: Allowance for doubtful accounts	(1,162,621)	(1,022,677)
Net receivables	693,567	560,463
Total accounts receivable	693,567	560,463

The accounts receivables have been pledged as collateral to secure the existing loan facilities with the National Investment Bank N.V. Refer to note 9 "Borrowings" for further details.

5. Other receivables

Other receivables	2023 AWG	2022 AWG
Operating subsidy and contribution AZV receivable	5,183,333	4,404,028
Prepayments	634,937	336,500
Security deposits	205,503	211,365
Sickness and accident premiums ("ZV/OV")	31,949	24,174
Other receivables	130,587	23,019
Total other receivables	6,186,309	4,999,086

There is no allowance for doubtful receivables for the other receivables.

6. Cash and cash equivalents

Cash and cash equivalents	2023 AWG	2022 AWG
Caribbean Mercantile Bank N.V.	6,884,344	6,611,084
RBC Royal Bank (Aruba) N.V.	28,857	29,151
Aruba Bank N.V.	13,109	10,555
Cash	16,425	37,021
Total cash and cash equivalents	6,942,735	6,687,811

Cash and cash equivalents are at free disposal of the Company.

7. Statement of changes in equity

Statement of changes in equity	Capital AWG	Other reserves AWG	Operating result AWG	Total AWG
Movement 2022				
Balance as of January 1	7,300,000	(892,602)	(843,149)	5,564,249
Determination of operating result	-	(843,149)	843,149	-
Operating result 2021	-	-	(241,914)	(241,914)
Equity as of December 31, 2022	7,300,000	(1,735,751)	(241,914)	5,322,335
Movement 2023				
Determination of operating result	-	(241,914)	241,914	-
Operating result 2023	-	-	300,895	300,895
Equity as of December 31, 2023	7,300,000	(1,977,665)	300,895	5,623,230

8. Anniversary allowance provision

Anniversary allowance provision	2023 AWG	2022 AWG
Balance as of January 1	225,731	204,659
Increase / (decrease) of provision	36,073	21,072
	261,804	225,731
Short term liability	(30,617)	(19,537)
Balance as of December 31, 2023	231,187	206,194

Refer to the table below for the assumptions utilized to calculate the anniversary allowance provision:

Assumptions	
Discount rate	5% based on management best estimate
Average annual salary increase	1% based on management best estimate
Turnover per year	8% best estimate based on the average of past 5 years
Retirement age	65 normal retirement age on Aruba

9. Borrowings

Borrowings	2023 AWG	2022 AWG
Loan National Investment Bank N.V.	50,681,140	53,665,634
Total borrowings	50,681,140	53,665,634

Loan National Investment Bank N.V.

Loan National Investment Bank N.V.	2023 AWG	2022 AWG
Balance as of January 1	53,665,634	56,441,348
Repayments	(2,984,494)	(2,775,714)
	50,681,140	53,665,634
Transaction costs	-	(119,091)
	50,681,140	53,546,543
Short term portion of loan	(3,116,976)	(2,983,456)
Total loan National Investment Bank N.V.	47,564,164	50,563,087

The maturities of the loan with National Investment Bank N.V. are included in the following table:

Loan National Investment Bank N.V.	Outstanding amount 31/12/2023	Less than 1 year	Between 1 and 5 years *	More than 5 years *
Loan	50,681,140	3,116,976	14,498,672	33,065,492
Total	50,681,140	3,116,976	14,498,672	33,065,492

* The repayments due between 1 and 5 years and more than 5 years are based on the current repayment schedules.

The loan with National Investment Bank N.V. can be specified as follows:

Loan National Investment Bank N.V.	Principal amount	Duration	Drawdowns as per 12/31/23	Balance as of 12/31/23
Loan	61,558,000	20 years	61,558,000	50,681,140
Total	61,558,000		61,558,000	50,681,140

This loan was granted to execute the following projects:

1. Expansion of the oncological / radiation center;
2. Expansion of the treatment capabilities for other non-communicable diseases (NCD) diseases;
3. Improving the quality of care and the safety of their patients all clinical facilities at ImSan, which led to receiving the Joint Commission International (JCI) accreditation;
4. Refinancing an existing loan with the Caribbean Mercantile Bank N.V.

The loan was granted by the National Investment Bank N.V. jointly with the Caribbean Mercantile Bank N.V., RBC Merchant Bank (Caribbean) Limited, Ennia and Banco di Caribe. This loan is divided into two installments.

Installment 1: an amount up to AWG 44,800,000 financed the identified projects above. The annual interest rate is 5.5% and the term of this installment of the loan is 20 years.

Installment 2: an amount up to USD 9,310,000 financed the purchase of equipment. The annual interest rate is 5.0% up to July 2023 and 5.5% as of August 2023. The term of this installment of the loan is 10 years.

ImSan provided the items listed below as collateral for this loan:

1. The right of first mortgage for an amount of AWG 44,800,000 on the property, located at Pastoor Hendrikstraat 10. ImSan also pledged a lien on the tangible assets included in this property.

2. A guarantee from the AZV that ImSan's annual budget is aligned with ImSan's operational obligations, required capital investments and debt obligations.
3. In addition, ImSan has pledged the future cash inflow from its accounts receivable to the bank.

The loan requirement requires ImSan to comply with the following financial covenants:

- Debt Service Coverage ratio of no less than 1.20 times
- Debt to Tangible net worth not to exceed 2 : 1
- Solvency ratio > 50%
- Current ratio > 1.10

As per December 31, 2023, ImSan does comply with the Debt Service Coverage Ratio, Debt to Tangible Net Worth Ratio, Solvency ratio and Current ratio. Subsequently ImSan is in compliance with the financial covenants, no waiver request is required.

10. Related party debt (long-term)

Related party debt (long-term)	2023 AWG	2022 AWG
Long-term debt Land of Aruba	11,125,535	10,869,047
Subsidy received in advance on the interest charge regarding the debt of Land of Aruba	10,071,314	10,327,802
Total related party debt (long-term)	21,196,849	21,196,849

Long-term debt Land of Aruba and advancement of subsidy

ImSan received funds for the expansion of the medical center's facilities and the purchase of medical equipment. The nominal value of the debt is AWG 18,000,000 and has a term of 25 years with an interest rate of 2.5% per annum. The principal will be repaid in 15 equal annual installments of AWG 1,200,000, starting June 8, 2036.

The outstanding interest up to and including the date of the National Decree of AWG 3,196,849 shall be paid in 15 annual installments, starting on June 8, 2036. As the interest rate is lower than the estimated market interest rate of 6.5%, this debt is valued lower than the fair value. The estimated market interest rate is based on the interest rate of loans to institutions in the market with a similar risk profile. The difference between the lower than fair value and the received amount of AWG 18,000,000 relates to the present value of the received benefit due to the lower than market interest.

This difference is recognized as a subsidy received in advance and is credited to the operating result in the same ratio as the interest expense on the debt.

ImSan made the commitment not to grant a mortgage right to third parties related to the leasehold on the land in San Nicolas known as Centro Medico Dr. Rudy Engelbrecht. ImSan will keep this commitment as long as it has not fully repaid the loan's principal amount, interest and any associated costs to Land Aruba.

11. Related party debt (short-term)

Related party debt (short-term)	2023 AWG	2022 AWG
Interest payable Land of Aruba	240,514	240,514
Total related party debt (short-term)	240,514	240,514

12. Taxes and social premiums

Taxes and social premiums	2023 AWG	2022 AWG
Wage tax	332,530	292,347
Social Security Premiums ("AOV/AWW")	183,970	171,742
National Health Insurance premium ("AZV")	133,812	124,584
Total taxes and social premiums	650,312	588,673

13. Other liabilities

Other liabilities	2023 AWG	2022 AWG
Deferred operating subsidy and contribution AZV	1,808,139	1,699,000
Accrued employee vacation allowance	967,111	944,101
Accrued employee vacation days	306,739	317,595
Short term portion of anniversary allowance provision	30,617	19,537
Other liabilities	583,989	240,126
Total other liabilities	3,696,595	3,220,359

Off balance sheet commitments

Operational lease

Operational lease expenses are recognized in the statement of income and expenditure on a straight-line basis over the lease term. Lease payments recognized in the operating result for 2023 amounted to AWG 38,816 (2022: AWG 51,503). The lease period ends in 2026.

The remaining duration is as follows:

Remaining period AWG	Balance < 1 year	Balance 1-5 year	Balance > 5 year	Total
Operational lease	33,505	21,089	-	54,594
Total	33,505	21,089	-	54,594

Maintenance contracts

The payments relating to maintenance contracts included in the operating result for 2023 amounted to AWG 2,153,076 (2022: AWG 1,746,698).

The remaining duration is as follows:

Remaining period AWG	Balance < 1 year	Balance 1-5 year	Balance > 5 year	Total
Maintenance contracts	2,137,303	589,400	-	2,726,703
Total	2,137,303	589,400	-	2,726,703

Rental agreements

ImSan rents a location at Rumbastraat 18 for the Diabetic Center. The rental agreement ended on August 31, 2022 and has been extended for 2 years. ImSan also rents two locations for the Ambulance services, one is at Schotlandstraat and the other at Wayaca Falls.

As per September 2020, ImSan has opened a new location in order to be more accessible to provide ophthalmic care thus opened a new Eye center location at Dakota.

The rental agreement of Bruce Holding N.V. has a duration of 2 years and the agreement ends as per August 31, 2024.

The lease of the Schotlandstraat ended on February 28, 2017 and is silently renewed each year. The rental agreement of Wayaca Falls has been extended with 2 years until February 28, 2023. This agreement has been extended with one year.

The remaining duration is as follows:

Remaining period AWG	Balance < 1 year	Balance 1-5 year	Balance > 5 year	Total
Rental agreements:				
Bruce Holding N.V.	48,000	-	-	48,000
Schotlandstraat	29,217	-	-	29,217
Wayaca Falls	13,600	-	-	13,600
Rumbastraat	80,136	-	-	80,136
Parking lot	12,000	-	-	12,000
Total	182,953	-	-	182,953

6. Notes to the income statement for year ended December 31, 2023

14. Other income

Other income	2023 AWG	2022 AWG
Medical services to non-insured individuals	1,577,420	1,361,579
Income training center	251,590	219,909
Income drugs and alcohol testing	71,927	68,705
Income ambulance service	60,214	46,944
Other income	71,685	753,495
Total other income	2,032,836	2,450,632

The income from medical services to non-insured individuals was earned for services provided by the Emergency department, Radiology, Radiotherapy, Dialysis department, Ophthalmic department and Surgical department.

In 2022 there is an incidental one-time income presented under other income in the amount of AWG 610,750 as a result of the claim to the insurance company in regard to the fire that took place in June 2022 at the Surgical department.

15. Personnel expenses

Personnel expenses	2023 AWG	2022 AWG
Wages and salaries	21,987,108	21,034,186
Social security premiums	3,776,252	3,608,195
Employee benefits and allowances	2,211,317	1,732,743
Pension premium	1,708,367	1,668,531
Insurances	924,183	840,150
Training and coaching expenses	479,417	917,702
Addition of anniversary allowance provision	55,610	57,302
SVB sickness benefits paid	(242,326)	(178,148)
Other personnel expenses	144,792	125,084
Total personnel expenses	31,044,720	29,805,745

Pension plan

For employees of ImSan, there is a defined contributions pension plan. The pension obligation is insured with Ennia Caribe Leven (Aruba) N.V. The annual premium equals 15% of the gross salary, of which 10% is the employer's contribution. The surcharge for administrative costs reimbursement of the premium equals 8%.

The guaranteed interest is 3%. Of the interest earned above the guaranteed 3%, 80% will benefit the members through an increase of their pension capital. Any mortality gain will be used at the end of the contract term to proportionally increase the pension capital of the active members.

Employees

Employees	2023	2022
Full time employees	263	259
Contractors and outsourced personnel	2	2
General practitioners in training	7	6
Total number of employees	272	267

16. Direct operational expenses

Direct operational expenses	2023 AWG	2022 AWG
Material expenses	7,035,472	6,731,734
Radiology expenses	661,309	708,881
Other direct operational expenses	103,694	132,633
Total direct operational expenses	7,800,475	7,573,248

17. Accommodation expenses

Accommodation expenses	2023 AWG	2022 AWG
Utility expenses	2,586,769	2,329,298
Maintenance expenses	1,710,921	1,074,511
Security expenses	433,952	354,366
Rental properties	334,929	328,664
Laundry expenses	312,128	217,671
Cleaning cost	293,380	247,990
Property insurance	203,775	159,678
Land tax and ground lease expense	15,055	15,055
Other accommodation expenses	117,357	146,090
Total accommodation expenses	6,008,266	4,873,323

The maintenance expenses in 2023 are AWG 1,710,921 (2022: AWG 1,074,511). This substantial increase is partially related to the full year effect to the new service level agreement as of June 30, 2022 for the equipment at Radiology and Radiotherapy department

and the other half of the increase is related to renovations towards improving safety of both personnel and patients as well as enhancement of the building as routine maintenance work.

18. Office expenses

Office expenses	2023 AWG	2022 AWG
Computer expenses	825,854	727,438
Telephone cost	212,697	214,029
Rent office furniture	88,031	86,276
Office supplies	37,506	24,331
Other office expenses	49,557	27,455
Total office expenses	1,213,645	1,079,529

19. Vehicle expenses

Vehicle expenses	2023 AWG	2022 AWG
Fuel expenses	271,632	287,667
Repair and maintenance	262,612	224,541
Motor vehicle insurance	108,716	109,211
Motor vehicle taxes	8,975	11,750
Other vehicle expenses	22,800	25,400
Total vehicle expenses	674,735	658,569

20. General expenses

General expenses	2023 AWG	2022 AWG
Addition provision for doubtful debts	365,665	373,371
Printing, postage and freight expenses	238,255	232,865
Legal, consultancy and accountants fees	218,376	323,748
Temporary physicians	285,406	102,474
Travel and accommodation expenses	197,004	160,747
Event expenses	164,496	82,665
General expenses	133,336	562,584
Bank service charges	129,266	118,407
Communication devices	128,591	124,022
Remuneration supervisory board	18,050	26,700
Cash and foreign exchange rate differences	15,799	24,936
Extraordinary (income) / expenses	10,742	96,637
Representation expenses	9,838	7,005
Marketing expenses	6,729	9,668
Prior year adjustment	328	24,159
Other general expenses	109,573	80,084
Total general expenses	2,031,454	2,350,072

21. Amortization and depreciation

	2023 AWG	2022 AWG
Amortization and depreciation		
Buildings	1,298,047	1,294,558
Medical equipment and other operating assets	2,894,101	2,826,057
Vehicles	9,176	37,629
Intangible assets	38,460	65,870
Total amortization and depreciation	4,239,784	4,224,114

22. Financial (income) and expenses

	2023 AWG	2022 AWG
Financial (income) and expenses		
Interest expenses bank loans	2,882,484	3,227,284
Interest expenses loan Land Aruba	723,160	706,488
Subsidy on interest expense Land Aruba	(273,160)	(256,488)
Transaction costs loan National Investment Bank N.V.	119,091	129,748
Other expenses	-	(28,053)
Total financial (income) and expenses	3,451,575	3,778,979

23. Related party transactions

In 2023, the amount granted to healthcare net benefits from AZV to ImSan was AWG 54,225,000 (2022: 51,651,033). This amount is divided as follows:

- Approved net budget for the amount of AWG 53,225,000 related to operational expenses.
- Additional approved net budget for the amount of AWG 1,000,000 related to lowering the waiting list of certain care (cataract operations).

As of December 31, 2023, the total receivables from AZV relating to the healthcare contribution amount to AWG 5,183,333 (2021: AWG 4,404,028). Refer to note 5.

In 2023 ImSan worked on several projects based on additional specific allocated budgets received from the AZV totaling the amount of AWG 3,350,450. The projects worked on were in the following departments: Dialyses, Ambulance, Radiotherapy, IT, Eye Center and Surgery Center. From the total additional budget received, a total amount of AWG 1,218,351 has been invested in intangible and tangible assets (note 1 and 2) and a total amount of AWG 323,960 has been utilized for costs related to the projects. The remaining amount of AWG 1,808,139 (2022: 1,699,000) is presented under the "Deferred operating subsidy and contribution AZV" for the ongoing projects. Refer to note 13.

Subsequent events

ImSan received a letter from the AZV in relation to the final settlement of the 2023 budget. In this letter, AZV commitment in the amount of AWG 1,513,000 for investments to be realized in 2024 for the following departments: Ambulance, "Huisartsen Onder Een Dak" (HOED) and "Huisartsenpraktijk" (HAP). These amounts are scheduled to be received in 2024.

24. Remuneration of supervisory board members

The remuneration recorded by the entity for supervisory board members amounted to AWG 18,050 in 2023 (2022: AWG 26,700).

25. Landsverordening Normering Topinkomens accountability

The Government of Aruba introduced the State Ordinance Landsverordening Normering Topinkomens (LNT) effective 1 August 2022. Imsan, being an entity that has been established by State Ordinance Landsverordening Instelling Instituto Medico San Nicolas, is required to adhere to his new law. This law states that information required to be disclosed in the financial statements and audit procedures to be performed by the auditor are to be stipulated in a State Decree.

The State Decree has not been issued by the Government of Aruba per date of these financial statements. Consequently, Imsan cannot comply with article 7 of the State Ordinance. In accordance with the letter (MinFIC-23/2506) received from the Government of Aruba, Imsan must disclose this fact.

At the issuance date of these financial statements, there are no updates, and no other letter has been received from the Government of Aruba with further instructions.

Other information

Result appropriation

ImSan has no specific statutory provisions regarding the appropriation of the operating results. The operating surplus is therefore added to the other reserves.

Independent auditor's report

Independent auditor's report

To: management and the Board of Supervisory Directors of Instituto Medico San Nicolas

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Instituto Medico San Nicolas, which comprise the balance sheet as at December 31, 2023, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Entity as at December 31, 2023, and of its result and its cash flows for the year then ended in accordance with accounting guidelines for the preparation of the financial statements for medium-sized legal entities of the Dutch Accounting Standards Board to the extent that these are not conflicting with local applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Entity in accordance with the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information included in the Entity's 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting guidelines for the preparation of the financial statements for medium-sized legal entities of the Dutch Accounting Standards Board to the extent that these are not conflicting with local applicable laws and regulations, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

The Board of Supervisory Directors are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, 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 Entity's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the Board of Supervisory Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Oranjestad, March 28, 2024
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Ernst & Young Accountants

(Sgd.) Garrick de Cuba, MSc, RA

Supplementary information

Break-down of operating expenses per department (Un-audited)

Operating expenses per department	2023		2022	
	AWG	% of total	AWG	% of total
Healthcare expenses				
Dialysis center	10,818,773	19.2%	10,849,033	20.0%
Ambulance care	8,242,373	14.6%	8,031,391	14.8%
Surgery center	8,012,727	14.2%	7,862,581	14.5%
Ophthalmic center	7,027,725	12.4%	6,286,383	11.6%
Emergency department	5,546,247	9.8%	5,307,630	9.8%
Radiotherapy	3,124,056	5.5%	2,826,737	5.2%
Diabetic center	2,422,768	4.3%	2,216,260	4.1%
Radiology	2,334,102	4.1%	2,176,145	4.0%
General practitioner training	1,808,932	3.2%	2,040,079	3.8%
Medical surgical unit	1,436,955	2.5%	1,369,414	2.5%
Training center	890,088	1.6%	734,550	1.4%
Sterilization center	560,124	1.0%	419,262	0.8%
Healthcare expenses	52,224,870	92.5%	50,119,465	92.2%
Depreciation and amortization	4,239,784	7.5%	4,224,114	7.8%
Other expenses	4,239,784	7.5%	4,224,114	7.8%
Operating expenses per department	56,464,654	100.0%	54,343,579	100.0%