ANNUAL REPORT

2014/15

NORTHERN
HEALTH REGION

Letter of Transmittal

September 30, 2015

The Honourable Sharon Blady
Minister of Health
Room 302, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Minister:

On behalf of the Board of Directors, I have the honour to present the Annual Report for the Northern Regional Health Authority, for the fiscal year ended March 31, 2015.

This Annual Report was prepared under the Board's direction, in accordance with the *Regional Health Authorities Act* and directions provided by the Minister of Health and has been approved by the Board of Directors.

All material, economic and fiscal implications known as of March 31, 2015 have been considered in preparing the Annual Report.

Respectfully submitted on Behalf of the Northern Regional Health Authority,

Doug Lauvstad
Board Chair

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Board of Directors Chair's Message

One of the most important tasks we have as a Board of Directors is to establish the overall direction of management of the health system in our Region by setting the Vision, Mission, Values and Strategic Directions for the Region.

In doing so, we then charge the Region's Chief Executive Officer and her leadership team with putting in place plans, strategies and programs that will support achieving the Vision of Healthy People in a Healthy North.

This past year, during our Strategic Planning Session, the Board reviewed a wealth of information from our information management systems, our new Community Health Assessment, our stakeholder consultations, discussions with our senior leadership, our staff and plenty of discussion amongst our Board members. As a result of our deliberations during that session, the Board reaffirmed our Vision, Mission, Values and Strategic Directions. These foundations of our organization are still very much relevant and accurate and resonate with our staff, our management, and most importantly with the members of the communities that we are here to serve.

Our Strategic Directions are to:

- Improve Population Health;
- Deliver Quality, Accessible Health Services;
- Be a Sustainable and Innovative Organization; and
- Be an Employer of Choice.

Improving Population Health means that we will continue to be focusing on prevention and promotion activities as well as improving health equity throughout our Region.

Our commitment to Deliver Quality, Accessible Health Services means that we will continue to strive to improve access to health services as well as promoting a culture of patient safety.

Being a Sustainable and Innovative Organization means ensuring we are financially responsible and accountable. We will also strive to increase access to services as close to home as is appropriate.

Finally, Being an Employer of Choice means creating and maintaining a workforce committed to achieving both our Vision and Mission in a way that is consistent with our Values.

I believe that with the ongoing support and encouragement of our communities, our partners and the people we serve, we will achieve our goals to the benefit of the health of our citizens.

Respectfully,

Doug Lauvstad, Chair

Chief Executive Officer's Message

Northern Health Region: Maximizing Innovation, Sustainability and Partnerships

This past year, our Region has attended to many priorities but I want to highlight the principles of innovation, sustainability and partnership as they are foundational to the mission of the Northern Region: *The Northern Health Region is dedicated to providing quality, accessible, compassionate health services*. So how are we doing that?

We are doing that by embracing evidence-based practices and adapting them for Northern Manitoba. It also means that we employ staff with vision, provincial and national connections, and international networks. Over the past year, we have been very successful in drawing fresh ideas, concepts and people to the Region. Our public is engaged in the design of unique programs, services and new or renovated physical spaces. As the Board reviews the strategic direction, they too consulted broadly through the Community Health Assessment which guided their deliberations. We are just beginning on our continuous journey in innovative practices and programming but we are excited, our staff are excited and we hope those we serve will welcome these innovations. Most of the ideas came from them!

We have come a long way on our journey forward to building a sustainable health Region striving to achieve *healthy people in a healthy north*. We continue to move forward with the help of our partners throughout the Region by investing time and energy in building relationships with our communities and their leaders. Of particular pride is our First Nations' partnerships. We have a renewed partnership with CMHA Thompson; and we are working on a formalized relationship with Opaskwayak Health Authority and are beginning to have never before held conversations with other First Nations communities. System sustainability is critical to the long term maintenance of the health care system all Manitobans value and it will take all of to accomplish this. How are we involving stakeholders?

One of the ways is through the Local Health Involvement Groups (LHIGs); we have two very active LHIGs and there is always room and a big welcome to others wishing to join. The LHIGs directly provide advice to the Board of Directors on health care issues in the Region. The Board as well seeks answers to specific questions from the LHIGs; this is invaluable as the voice of the people comes directly to the Board. We thank the members for their commitment; their input is invaluable. Besides the LHIGs, what else do we do to hear from those we serve?

Community engagement has become more of a priority this past year. Meeting with elected officials, administrative staff and the community at large is a rich experience with much being learned. We have encountered all kinds of weather, all manner of issues, and literally hundreds of citizens. And all the while, we learn, develop relationships and can in turn customize our services to ever increasingly meet the needs of our citizens.

So what does all of the above mean?

There is an enduring energy within the region that is evident when you talk and interact with staff at all levels. There is hopefulness, a "get it done" attitude that brings a smile to my face. We are still far from our destination, but I can see how our patients and their families are benefitting as we work daily to deliver on the promise of our Mission to provide quality, accessible and compassionate health services for all.

Ekosi, Ekosani, Masicho!

Helga Bryant, Chief Executive Officer

Northern Health Region

Our Region

The Northern Health Region continues to be a younger population compared to the rest of Manitoba with a greater percentage of people under age 19. That said, the Northern Health Region is becoming older over time. The highest population increases came in the 65-69 (51.3% increase from 2004-2014), 60-64 (45.3%) and 70-74 (40.2%) age categories.

More than two-thirds of people living in the Northern Health Region self-identify as Aboriginal (70.0%) compared to the provincial average of 15.5%. About half (50.7%) of regional residents live on reserves. 10.8% of our residents moved within the province in the last 5 years compared to 7.2% of Manitobans. According to this data, the Northern Health Region has a relatively transient population. According to a population projection report published by the Manitoba Bureau of Statistics, the Northern Health Region will grow up to 104,300 residents by 2042, an increase of 40.6%.

Almost a quarter (24.4%) of Northern residents speaks a non-official language at home. The most predominant language is Cree (59.1%) and Oji-Cree (32.2%). Approximately 37% of the Northern population reports a mother tongue other than English or French. These proportions are much higher than in the rest of Manitoba (21.5%)

Overview of the Northern Health Region

With a total of 396,000 square kilometres and a population of 74,983, the Northern Health Region has the unique challenge of planning and providing health care services and programs to a small population over 60% of Manitoba's total land mass.

The Northern Health Region consists of:

- 2 cities (Thompson and Flin Flon)
- 6 towns (The Pas, Gillam, Grand Rapids, Leaf Rapids, Lynn Lake, Snow Lake)
- 1 rural municipality (Kelsey)
- 1 local government district (Mystery Lake)
- Multiple hamlets and cottage settlements making up "unorganized territories"
- 26 First Nations communities
- 16 Northern Affairs Communities

Demographic Issues

Data on key demographic issues supports the comments and concerns of community members:

- **Isolation and Remoteness** - The Region's rural and remoteness and the number of widely scattered communities and jurisdictional issues impacts residents' access to services. Some communities are accessible only by air or winter roads, and many homes may not have a telephone or running water. Factors such as weather can impact accessibility to health services when health teams are required to fly into communities and flights are delayed or cancelled due to weather conditions. Affordability is also an issue when residents must leave the community at their own expense to access health services that are not available in the community.

- **Jurisdictional Issues** - At least 40% of the Regions' residents live on reserve. However, residents frequently travel on and off reserve and access health services in both locations. Having more than one provider of health services (First Nation Inuit Health (FNIH) for on-reserve services and the Region for off-reserve services) can cause confusion for our residents in terms of accessing care. It can also create issues with gaps in follow up with patients and on-going continuity of care. It is imperative that the Region continue to strive towards seamless services with all stakeholders involved.

- **Education** - 49.6% of Northern residents have no degree, certificate or diploma.

- **Unemployment** - Unemployment remains high in the Region; 15.2% for men and 12.7% for women.

- **Income inequality** - Census data shows substantially lower income is experienced by lone parent families as compared to couple families.

- **Government Transfers** - There is a high dependence on government transfer payments with higher rates observed in the outlying communities.

- **Families** - There is a higher rate of lone parent families; 30% compared to 17.1% in the province overall.

- **Housing** - Issues of affordability, quality and shortage of housing are concerns, particularly in outlying communities.

- **Healthy Foods** - Access to affordable nutritious food is a concern in particular in the outlying communities.

- **Transportation and communication infrastructure** are not as extensive as in other parts of the province and can limit the access to specialty health services.

Key Health Issues and Challenges

Health and health care issues that are identified as key priority areas for the Northern Health Region include:

- The first annual Northern Health Summit in Thompson in fall 2014 highlighted the necessary intertwining of Social Determinants of Health which are outside of the scope of the Region, and the Health services that are offered by the Region. This intertwining has focused the Region on partnerships to further the goal of Healthy People in a Healthy North.

- **Chronic Disease Treatment and Prevention** - While some progress was noted on the incidence levels of some chronic diseases, the number of those living with diabetes, arthritis and high blood pressure remains very high. Increased efforts to promote healthier living strategies to reduce the incidence of chronic disease remains a regional priority.

- **Disparity in Health Status** - In many cases, there have been significant gains in our direct service communities such as improved immunization rates and reductions in rates of some STIs. However, when combined with data for residents living on-reserve, these improvements are masked. Aboriginal residents, and residents living on-reserve more specifically, are more likely to have higher rates of acute care stays as well as longer days spent in hospital. Lower rates of immunization and higher rates of diabetes, teen births, high birth weight babies, STIs and tuberculosis are noted for residents living on-reserve. This underscores the need for the Region to work to cross any jurisdictional barriers and work closely with First Nations and Inuit Health Branch and First Nations stakeholder groups toward the goal of improving the health status of all residents of our Region.

- **Maternal, Infant and Child Health** - The Region continues to see high birth rates and poorer outcomes for births for low birth weights and preterm births. Given the concerns expressed about the level of maternal health support, more attention needs to be paid in this area to ensure improved outcomes for mothers and their infants.

- **Mental Health and Addictions** - While the incidence levels of some mental health conditions are lower in the north, there does appear to be widespread concern about the availability of mental health supports for residents. While the proportion of the Regions' resident's that are diagnosed with substance abuse declined to 9.2% between 2007/08-2011/12, it was still almost double the Manitoba rate of 5.0%.

- **Injury, Premature Death and Life Expectancy** - Premature mortality and injury rates continue to be very high in the Region. It underlines the point that to make measurable progress in improving life expectancy and reducing the number of premature deaths, injury prevention strategies need to be effective and communities need access to safe and healthy activities particularly for youth. Engaging youth in organized and productive activities was an important theme for community consultation participants. Although injury is a very important contributor to premature death, it is also important to note that cancer is the leading cause of death in the Region.

- **Youth Health** - Based on the findings of the youth health survey in the Region, particular attention will need to be focused on the older grades to build greater awareness of risky behaviours around drinking, smoking, drugs and sexual activity.

- **Communicable disease prevention** - The Region continues to struggle with very high rates for communicable diseases, particularly for chlamydia, gonorrhea and tuberculosis. The Region continues to work on providing greater awareness and information campaigns along with improved monitoring and surveillance.

- **Accessibility and Effectiveness** - Access to primary care providers, which is necessary in providing ongoing chronic condition management outside of a hospital setting, continues to be an area of concern for the Region. The Region continues to struggle with high levels of unattached residents who have no regular primary care provider. Although currently the Region is fully staffed with primary care Physicians, the physicians are generally working at capacity while there remains a need for more providers.

- **Health System Utilization** - Indicator results showed that the Region had improved its performance with lower hospital use and physician use due to injury and poisoning. Increasingly though, the Region has seen long term care resources under strain which is impacting accessibility to Personal Care Homes (PCH). More efforts will need to be directed to independent living strategies for seniors and home care to reduce the reliance of PCHs. This is particularly important as the senior population continues to increase.

Our Strengths

Areas of Strength include:

- **Quality Health Services** – The Region provides quality health care and services. Client and staff feedback continue to be monitored for suggestions to improvement in quality. Accredited status was received June 2014 through Accreditation Canada.

- **Responsiveness** – The Region is responsive to client's needs. Through Aboriginal Liaison staff, Patient Safety, and committed Managers and Physicians, suggestions, concerns and complaints from patients are quickly explored with follow-up with families through the Patient Safety portfolio and/or individual Managers, Executive Directors, VPs or CEO.

- **Programs and services** - Based on fiscal realities, the Region is providing an appropriate number of programs and services to residents.

- **Our staff** – The Regions' staff are caring, committed, experienced and knowledgeable. Although recruitment and retention challenges exist, our staff demonstrate commitment to the patients/clients/residents they care for. In times of staff shortages, staff support care by working additional hours all in an effort to sustain care and services.

- **Teamwork** – Teamwork is valued and modeled in the Region. As we have re-structured aspects of our programs and services under the umbrella of amalgamation, teams have adapted, accepted new colleagues and are excited about gaining synergy through the delivery of services in a more robust Regional model.

- **Innovative Partnerships** – The Region values our team approach and innovative partnerships, we are in negotiations on a Statement of Intent with the Opaskwayak Health Authority. Numerous additional organizational relationships are being developed; several of which are producing outcomes.

- **Chronic Disease Prevention** - Work being done in Chronic Disease Prevention is excellent and will continue. Community level initiatives were praised by many focus group participants; these initiatives can have a lasting impact in relation to cost and involve community members at the grass roots level.

- **Primary Health Care Centres** – The Regions' Primary Health Care Centres are very important resources and positive for the Region. Expanded services and same day appointments will have ongoing impact in improving access to care.

- **Telehealth** – Telehealth is highly regarded and the need to expand services was noted (both in Winnipeg and in the Region). It is believed that telehealth is a vehicle that can continue to significantly increase access to services and reduce travel time, travel inconvenience, as well as travel costs.

- **Representative workforce policy** – The Region's Representative workforce policy was noted as positive.
- **Good administrative systems** – The Region has mechanisms in place to deal with issues/complaints.
- **Flexibility** - The Region is flexible and adaptable to the changing environment.
- **Our Reputation** – The Region is well respected locally and provincially.
- **Leadership** – The Region has strong leadership doing innovative work. While there are times wherein we experience challenges in filling leadership positions, we have recruited some key individuals that are creating energy in their respective work sites/programs.
- **Governance** – The Region has a supportive board that is committed to the organization and its leadership. The Board continues to receive governance education, maximize technology, and develop governance principles and policies.

Our Brand

Our logo and our Brand tell the story of how we are an integral part of the North, while at the same time one with the land, the sky, the people and nature. Our logo depicts harmony, respect and a deep desire to care for the health and wellbeing of the North, and more specifically, the people.

The MAP - The depiction of a map of Manitoba makes the vastness of the Northern Health Region's boundaries readily apparent to the viewer. The boundary of the Region is further enhanced and delineated by the outstretched wings of the Eagle.

The EAGLE - The Eagle is a universal symbol of strength, power, truth and freedom. For our First Nations communities, the Eagle is the most sacred bird for it carries prayers to the Creator. The Eagle soars above us all and sees and hears all. The Eagle sits in the East of the Medicine Wheel with the direction of leadership and courage. The Eagle's wings represent the balance between men and women. They show the interdependence of one upon the other and show both must work together, in cooperation to achieve desired results. In our logo, the eagle's wings cradle not only the Region, but the people of the North, symbolizing health care, or "taking care of." In some respects, the Eagle can be seen as guarding or protecting the North.

The PEOPLE - The people are represented by the three different sized figures representing the family, but also the diversity of people within our Region and the harmony in which they can live together. Their outstretched arms symbolize welcoming and openness to embrace life and its challenges.

The SUN - The depiction of the rising sun marks the dawning of a new day and its challenges. It also offers hopefulness to our people and gives thanks for life and nature.

Organizational Structure

Northern Health Region – Organizational Chart

Effective June, 2014

NRHA Board of Directors

CHIEF EXECUTIVE OFFICER Helga Bryant

- Communications Coordinator
- Community Engagement
- Medical Officers of Health & Epidemiologist
- Foundations & Auxilliaries

Vacant VP Clinical Services & Chief Nursing Officer
- Helga Bryant (Acting) Chief Nursing Officer
- *Pharmacy Dr. Hussam Azzam
- ** Clinical Services Thompson & area
  - *Public and Community Health Marion Ellis
- ** Clinical Services The Pas & area
  - *Infection Control/MDRD Ingrid Olson
- ** Clinical Services Flin Flon & area
  - Continuing Care Lois Moberly

Dr. Hussam Azzam VP Medical Services Chief Medical Officer
- Associate VP Medical Services
- Medical Standards of Care (Chiefs of Staff)
- Family Medicine
- Medical Specialties
- Medical Human Resources
- Medical Education and CPD
- Clinical Governance & Research
- NRHA Clinics
- Respiratory
- DSM
- Credentialing

Joy Tetlock VP Planning & Innovation
- Patient Safety
- Risk
- Quality
- Disaster Management
- Project Management
- MB Telehealth
- Planning
- Privacy & Access

Raj Thethy VP Corporate Services & Chief Financial Officer
- Physical Facilities - Security Services
- Financial Services - Payroll - Physician Billing
- Decision Support
- Capital
- Materials Management (Logistics/Travel/ Apts)
- NPTP
- Environmental Services
- Dietary Services
- Health Information - PHIA
- Registration, Admitting/Reception
- Information Technology

Rusty Beardy VP Aboriginal Health Services
- Aboriginal Liaison Services
- Spiritual Care
- Social Work
- Behavioral Health
- Rehab
- Cultural Awareness
- Addictions
- Volunteer Services
- EMS

Wanda Reader VP Human Resources & Chief Human Resources Officer
- Labour Relations
- Benefits
- Scheduling
- Retention
- Safety & Health
- Employee Wellness
- Organization & Staff Development

** Reporting to CEO in the interim
*Interim reporting due to VP Clinical Services & CNO vacancy

Executive Leadership Council

- **Helga Bryant RN, BScN, MScA**, Chief Executive Officer and Chief Nursing Officer
- **Dr. Hussam Azzam MD, FRCSC, MRCOG, FACOG, PGDAES, CCPE**, Vice-President, Medical Services and Chief Medical Officer
- **Rusty Beardy BSW**, Vice-President, Aboriginal Health Services
- **Wanda Reader**, Vice-President, Human Resources and Chief Human Resources Officer
- **Joy Tetlock**, Vice-President, Planning and Innovation
- **Rajinder Thethy BBA (App), CGA, MBA,** Vice-President, Corporate Services and Chief Financial Officer
- **Marion Ellis RN, BScN, MN,** Executive Director of Clinical Services, Thompson and Area
- **Lois Moberly RN**, Executive Director of Clinical Services, Flin Flon and Area
- **Ingrid Olson RN, BA, MN**, Executive Director of Clinical Services, The Pas and Area

Northern Health Region Executive Leadership Council

Left to right: front row - Helga Bryant

Centre row - Lois Moberly, Wanda Reader, Ingrid Olson, Marion Ellis

Top row - Rusty Beardy, Dr. Hussam Azzam, Raj Thethy

Missing from photo: Joy Tetlock

Board of Directors

The Minister of Health, in accordance with provisions of The Regional Health Authority Act, appoints directors to each Regional Health Authority (RHA) Board. The appointments represent a broad cross-section of interests, experience and expertise with a single common feature of strong commitment to enhancing the health system and improving health for Manitobans.

The directors are selected from nominations elicited from a wide range of individuals and organizations interested in and involved with health services. Geographic representation is considered when making appointments. Efforts are made to have the boards reflect the population they are appointed to serve.

Any resident of a health region may, for the Board of the Regional Health Authority for that region, nominate a person or persons, including himself or herself. Nomination forms for each year's appointments are available at our RHA office. Nomination forms may be submitted directly to our RHA office or to the Minister of Health and the deadline is December 15th of each year.

The 2014-15 Northern Health Region Board of Directors includes:

Douglas Lauvstad, chair - The Pas
Donna Champagne - Denare Beach, SK
Frances Hall - Wabowden
Gerard Jennissen - Cranberry Portage
Jasper Robinson - Thompson
Nora Ross - Thompson
Anne Thompson - Lynn Lake

Lloyd Flett, vice-chair - Norway House
Hilda Dysart - South Indian Lake
Cal Huntley - Flin Flon
John Marnock - The Pas
Glen Ross - The Pas
Walter Spence - Gillam
Edith Turner - Cormorant

Directors' Committees include the Executive, Governance, Audit, Finance, and the Quality and Patient Safety Committees. Committee meetings were held at the discretion of the Chair of each committee. Meetings were generally held in conjunction with scheduled Board meetings to reduce travel and other costs. Following each meeting, the recommendations of the committee were presented to the Board for approval. Committee activities appeared in the Board Highlights posted on the Region's website.

Northern Health Region Board of Directors
Left to right: front row - Edith Turner, Nora Ross, Doug Lauvstad
centre row - Francis Hall, Anne Thompson, Donna Champagne
top row - Glen Ross, Gerard Jennissen, Cal Huntley, Jasper Robinson
Missing from the photo: Hilda Dysart, Lloyd Flett, Walter Spence and John Marnock.

Strategic Framework

In October 2014, The Northern Health Region Board of Directors held their inaugural Northern Health Summit. Stakeholders came together from First Nation Communities, Municipalities, Education, Industry and Government to discuss the health concerns of the Region. This was a continuation of the Board's consultations for the development of the new Strategic Plan. Extensive consultations with the Northern Health Region Management Team and staff were also held over the past year. Community consultations through the Community Health Assessment put the community's voice in the forefront as the Board began the undertaking of developing a new Strategic Plan.

Through the aid of a consultant, the Board reviewed the key themes from the community and stakeholder consultations, the 2014 Community Health Assessment and the Northern Health Region staff feedback in order to define their vision for the Northern Health Region. Through this process, the Board determined that the Vision, Mission, Values and Strategic Directions of the Northern Health Region are still relevant, leading to their continued endorsement of them.

Our Mission, Vision and Values

The Vision, Mission and Values of our organization were created and approved by our Board of Directors. More than simple words on a paper, these are the foundations that our organization is built upon.

Our Vision is the future state we want to create for the people we are here to serve.

The Mission is the way we will achieve this on a day to day basis.

Our Values are those attributes we want our staff and communities to know are important to our organization so that they can guide our behaviors and daily decision making in a way which reflects well on the work we do in service to our Northern citizens.

Our Vision:

Healthy People, Healthy North

Our Mission:

The Northern Health Region is dedicated to providing quality, accessible and compassionate health services.

Our Values:

Trust

We are honest and reliable in fulfilling our commitments.

Respect

We treat people and organizations with dignity and consideration.

Integrity

Our beliefs, behaviours, words and actions are honestly, ethically and morally aligned.

Compassion

Our interactions are rooted in empathy and sensitivity.

Collaboration

We work with others to enhance service delivery and maximize resources.

Strategic Directions, Priorities & Performance Measures

In order to achieve the Vision of the Northern Health Region, the Board of Directors set out four strategic directions along with their supporting strategic priorities to guide the organization over the next three years. These directions and priorities build on our commitment to the Vision and Mission of the organization. To have Healthy People in a Healthy North, we must make improving population health and accessible health services our key focus. Being an employer of choice ensures we are recruiting and retaining qualified, professional staff who provide the best quality healthcare to our residents. Being a sustainable, innovative organization ensures that we have the resources in place to support access to quality health services. We are committed to encouraging improved ways of providing health services to ensure our patients are receiving the best possible care we can deliver. The Directions and Priorities are outlined below.

Strategic Direction One: Improve Population Health

Supporting Strategic Priorities:

- Focus on prevention and promotion activities to improve the health status of people in our Region.
- Engage citizens as partners to support healthy living, self-management and advocacy.
- Reduce chronic and communicable disease rates across the Region.
- Engage with Aboriginal and First Nations' Leaders, Health Canada's First Nations and Inuit Health Branch, and Manitoba Health, Health Living and Seniors in order to reduce health disparities across the Region.

Strategic Direction Two: Deliver Quality Accessible Health Services

Supporting Strategic Priorities:

- Develop a seamless continuum of responsive patient focused care to provide the right services, at the right place, at the right time.
- Continue to actively promote a culture of safety within the organization through implementation and monitoring of best practices in our day to day operations.
- Ensure measurement of Patient Satisfaction is part of the culture of Northern Health Region both formally and informally.

Strategic Direction Three: Be a Sustainable and Innovative Organization

Supporting Strategic Priorities:

- Build a sustainable organization that balances resources with the needs of clients we serve.
- Align resources (people, processes, and technology) to foster creativity and innovation.
- Operate in an open and transparent manner.

Strategic Direction Four: Be an Employer of Choice

Supporting Strategic Priorities:

- Focus on recruitment and retention of the best people that reflect the diversity of our Region.
- Building a healthy, safe, respectful and supportive work environment.
- Providing opportunities for education and development to strengthen leadership in all.

Operations Report Highlights

Strategic Direction One: Improve Population Health

The highlights from 2014/15 include the following:

- **CHA Community Consultations:** These extensive consultations included visits to communities throughout the Region for in person focus groups and key informant interviews. In addition, key informant interviews in other communities were conducted by telephone to ensure the broadest participation and inclusion.

- **Hearing Screening Nelson House:** Audiologist Colita MacTavish and assistant RuElle Pittman held the first outreach clinic in Nelson House. This was successful with 14 children assessed and teachers receiving education about children with hearing loss. Colita and RuElle were subsequently invited to participate in the first preschool assessment day in April 2014 in which preschoolers were screened. They also travelled to Shamattawa and Norway House.

- **Cancer Patient Journey:** The Minister of Health announced Cancer Hubs for Thompson and The Pas (also serving Flin Flon) August 11, 2014; the Minister, CEO of Cancer Care Manitoba Dr. Navaratnam and Community Program Director Ruth Loewen visited The Pas to make this announcement. Board Chair Doug Lauvstad participated in the announcement. The first annual "Cancer Event" took place on February 28, 2015 in Thompson. This included cancer education and resources, as well as promotion of screening programs and the Region's Navigation programs. The CancerCare Community Engagement Liaison travelled to The Pas in January to meet with the Navigation team. While in the Pas, she also met with Swampy Cree Tribal Council and Cree Nation Tribal Health regarding the navigation program and services. The CancerCare Community Engagement Liaison is working to establish a cancer patient transportation program whereby volunteers assist cancer patients to attend their treatment appointments in the chemotherapy department in Thompson. Volunteer packages have been created with help from the Human Resources department. The CancerCare Community Engagement Liaison is assisting cancer patients and their families to establish a support group.

- **Primary Care Networks:** An innovative Northern Network Proposal for Primary Care was submitted to the Minister of Health and Manitoba Health, Healthy Living and Seniors. This proposal envisions a satellite Northern Health Region primary care clinic in Winnipeg to serve our Region's citizens (primarily from First Nations communities) while they are in Winnipeg for medical care. The Clinic would include the Region's Electronic Medical Record and would allow for continuity of primary care. The proposal is under review by Manitoba Health, Healthy Living and Seniors; if it receives support, there are many details to work out, but has great potential. This strategy will also serve as a recruitment strategy for physicians and Nurse Practitioners in particular as they can have an option of a practice that is shared between Winnipeg and locations throughout the Region.

- **My Health Team:** Work is ongoing with the Opaskwayak Health Authority. The team is focusing on hypertension. Thursdays have been designated as an ongoing screening day at the clinic, with Friday morning

follow-ups with case management and determining which provider is required to complete follow up. Thompson is currently paused as we plan next steps.

- **Pre-Hospital Care:** The Region's Emergency Medical Services (EMS) applied to Manitoba Health Office of Disaster Management to be the trial site to investigate the implementation of an automatic CPR machine in cardiac arrest cases. We currently have one such machine in the Flin Flon ER. These machines remove the human element of cardio-pulmonary resuscitation (CPR), providing consistent chest compressions which results in better patient survivability. In an EMS environment, where the patient must be moved from home to stretcher to ambulance, with continued CPR in a moving vehicle, to ER, it is believed that consistent CPR will be increased. Additionally, there is a safety factor in that that many EMS providers do not seat belt themselves in while providing CPR compressions, given the body mechanics required to physically do CPR. Manitoba Health has supported us to start the first such trial in an EMS environment in Manitoba. Zoll donated the use of six Auto-Pulse machines, two each for Thompson, Flin Flon & The Pas, for three month trial that began October 1, 2014. Baseline data has been gathered through a yearlong study on the efficiency of CPR provided by EMS personnel in an out of hospital cardiac arrest. Staff will be trained by Zoll specialists at no cost. The next steps for the use of the CPR machine are being explored; the trial was successfully completed with positive reviews from staff involved.

- **Doc for All 2015:** Family Doctor Finder program is a program intended to "match" unattached patients with physicians. A strategy was conducted wherein the Connector reached out to Thompson General Hospital Emergency Department. Through that, she was able to connect patients waiting to be seen in the ER with family physicians; this is still in early stages, however on day 2 of the trial she was able to connect ten patients with a primary care provider (Physician or Nurse Practitioner).

- **Ebola Virus Outbreak:** This was a low risk situation, but nevertheless Manitoba Health prepared for the unlikely event that a case is suspected in Manitoba. Health Sciences Centre was prepared for any cases. Regular provincial, regional calls were held to provide updates. Screening processes were put in place; a table top exercise was held to assist us in our plans. Education roll out was completed.

- **Provincial Nursing Stations Transfer:** This is moving forward to sign a contract with a consulting group for the Clinical Services Review of the Provincial Nursing Stations. This is being done to assist the Region in determining the work that will need to be done to achieve Regional standards and improve services. Steering Committee meetings are continuing. Working Groups continue with challenges identified and progress continuing.

- **Medical Services:** An Obstetrician/Gynecologist has been recruited for Flin Flon. Additional funding for 4 EFT Family Physicians was approved by Manitoba Health, Healthy Living and Seniors. We are in process of recruiting, knowing it will be spring 2015 before we are able to fill these positions. A Psychiatrist has officially signed a contract to work as a Specialist Independent Contractor II in The Pas, Manitoba.

- **Capital Project Updates:** Thicket Portage Nursing Station's ramp was rebuilt wider with easy access for stretchers and wheelchairs. Renovations to the front entrances at the Gillam and Lynn Lake Hospitals are complete with improved wheel chair accessibility. Environmental Assessment on the Primary Care Building in

The Pas is complete with positive results. The process to purchase this building is now going forward. Rosaire House – Ventilation and HVAC systems have been cleaned, and the installation of security video cameras is complete. Flin Flon General Hospital's Lab Upgrade has also been completed.

- **Ageing in Place Home Independence Program (HIP):** An Occupational Therapist was hired in Flin Flon as of December 1st, 2014 and is working at rolling out the program across the region.

- **Affordable Food in Remote Manitoba (AFFIRM):** A new program through Manitoba Health, Healthy Living and Seniors that the Region and parts of Interlake Eastern Regional Health Authority are participating in is working to improve food security. The communities involved include Tadoule Lake, Brochet, Shamattawa, Berens River, York Factory, Churchill, Pikwitonei, Ilford/War Lake, Thicket Portage, and Pukatawagan. By way of example, one of the goals is to reduce the price of a jug of milk by $6; milk prices can be as high as $14 per 4 litre jug.

- **Health Promotion Event in January:** Family Literacy Day. Family Literacy day activities were held in Thompson, Thicket Portage, Ilford & Sherridon this year. Activities focused on literacy and included, book exchanges, joke reading, word search, daily reading journal, Teddy Bear Clinic, story tellers, etc. Other communities had book giveaways, poster boards, information packages, etc.

- **National Non-Smoking Week:** For National Non-Smoking Week, Smoking Cessation Information Sessions were held at the school and Health Centre. Information included tips and resources to help with quitting and the free Nicotine replacement Program.

Strategic Direction Two: Deliver Quality Accessible Health Services

The highlights from 2014/15 include the following:

- **Flin Flon ED Redevelopment:** Architecture 49 (Prime Consultant) continues to further develop the plan; they presented the schematic design to the Region on September 15th. The Quantity Surveyor has been awarded. A number of the Region's staff involved in the project have visited Bethesda Hospital, Seven Oaks Hospital and Victoria Hospital Emergency Departments to learn from their experiences.

  Architecture 49 (Prime Consultant) has developed some options for ER layout. These were shared at the Open House held in Flin Flon July 30th. Feedback was elicited from those in attendance. Approval has been gained for a project manager for the life of the project to a maximum of $200k. There continues to be community questions regarding this project; these are addressed as they arise to varying degrees of success. User groups will now begin in earnest planning the interior space; the public will be represented on these groups and be in a position to provide valued user input.

- **Snow Lake Pharmacy Services:** Two pharmacists from Swan River have opened a pharmacy in the community. This service will eliminate the inconvenience for community to have prescriptions filled in Flin Flon.

- **Telestroke Care The Pas:** Installation of MB Telehealth equipment is complete in the Emergency Department and in the Special Care Unit. The Neurologists' on-call contract remains outstanding during this fiscal year. Once a go-live date is confirmed staff and physician education will be undertaken. Thompson General Hospital Hyper acute Stroke services went live in November 2014. On December 25 and 29, the Emergency Department treated their first stroke patients using the new Telestroke system. The first patient was brought in by Thompson EMS, and the second travelled by ambulance from Split Lake. Both patients presented to the ED within the 4.5 hour treatment window and both reported positive outcomes. Another four patients were identified as having signs/symptoms of stroke with drug therapy not being indicated, however it is very positive that staff accurately assessed patients as needing to be put through the protocol.

- **EMS Provincial Review:** EMS senior staff presented to the board at the April board meeting in The Pas to provide an update on the EMS review and its implications on the Northern Health Region. The recommendations are in the process of being implemented.

- **Spiritual Care:** In The Pas, The Spirit of Caring education sessions for spiritual care volunteers with group two (of 10 modules) have been completed. A second meeting of all spiritual care volunteers was held as a continuing education event. A DVD "Completing the Circle" (healing words about end of life spoken to aboriginal families) was used. Rosaire House Grief and Trauma Recovery sessions are held monthly to support clients in recovery.

- **Emergency Room (Flin Flon and The Pas) Review:** The Reports have been received and an Implementation Committee has been established with many of the recommendations already underway. Executive Directors Ingrid Olson and Lois Moberly are co-chairing the Implementation Committee with Dr. Azzam and Helga Bryant as executive sponsors. A news release was issued on the receiving of the report, accepting the recommendation and implementation plans.

- **Colposcopy Clinic:** Colposcopy clinic is now functional in The Pas. The clinic is scheduled twice monthly which is twice what had previously been offered.

- **Laparoscopic Equipment in Operating Room in The Pas:** Dr. Andora Jackson brings modern, laparoscopic surgery expertise to The Pas. Specialized equipment was required to support these techniques. The Pas Health Complex Foundation was approached to donate funds to purchase this equipment and they graciously supported this request. That equipment has been implemented and we were able to acknowledge this generous gift of $83,000 from the Foundation. In terms of patient care, this has had a significant impact on the type of surgeries that can be done in The Pas and also has prevented numerous trips to Winnipeg. There has been a drastic increase in quality indicators.

- **Rehab in Thompson:** One physiotherapist certified in acupuncture is treating clients in Thompson. A second physiotherapist has initiated use of graded motor imagery and cupping with movement to offer additional treatment options. In addition, we have an occupational therapist certified in SAEBO, offering treatment for clients who are post stroke.

- **Sinclair Inquest Recommendations:** Sinclair Report Recommendations were released during this fiscal year. A provincial committee has been struck to determine the feasibility of implementation for each of the 63 recommendations and to establish a time line. Some recommendations have already been implemented, other are within our existing resources to implement and are being implemented, yet others are dependent on funding and other organizations.

- **Inter-professional Team Demonstration Initiative (ITDI):** A Manitoba Health project has been tentatively approved for the Thompson Clinic and Flin Flon Clinic. With this initiative there will be funding for two clinical assistants for the Thompson Clinic and one nurse practitioner for Flin Flon. The Flin Flon nurse practitioner would support The Pas, Opaskwayak Cree Nation and Moose Lake.

- **Universal Newborn Hearing Testing:** We continue to work with the provincial Universal Newborn Hearing Screening initiative. The process involves assessing the current resources of the Region with a goal to implement the program in 2016. Our staff are involved in regular meetings to inform the provincial group as to our current and needed resources as we work toward implementation of the UNHS program.

Strategic Direction Three: Be a Sustainable and Innovative Organization

The highlights from 2014/15 include the following:

- **Accreditation Canada:** The Northern Health Region has been accredited. Going forward, Accreditation Standards called Require Organizational Practices (ROPs) will be integrated into the Clinical Governance Collaboratives: Patient Safety, Patient Experience, Clinical Effectiveness and Professional Development. The previous CQI teams will cease to exist as quality improvement is integrated totally into all operations. As this next year unfolds, the Collaboratives will make presentation to the Board on a rotating basis based on Board location and staff in that area.

- **Primary Health Care Building:** The Pas: Manitoba Health, Healthy Living and Seniors has granted the Region approval to purchase the Primary Care Building in The Pas. The purchase price has been negotiated at $1,200,000. The depreciation cost booked to the income statement will be $32,500 plus a declining interest cost over the 15 years, improving our financial situation.

- **Nursing Leadership/In-Patient Review:** Nurse Leader Beth Brunsdon-Clark was engaged on contract to support the implementation of the In-Patient Review completed in fall of 2013. This entails three major projects; Structural Empowerment, Exemplary Practice and Transformational Leadership.

- **Performance Indicator Portal:** Provincial indicators have been developed; each Region is now reporting the same indicators which will allow for cross-regional comparisons on health status, program effectiveness and financial accountabilities. Our Region's staff have been trained on the new portal.

- **Nursing Leadership/In-Patient Review:** Nursing Practice Councils (NPCs) have been established in The Pas, Flin Flon & Thompson. These are the first NPCs outside of Winnipeg; they have been in place in Winnipeg since late

1990's as a result of the Pediatric Cardiac Surgery Deaths and resultant inquest recommendations. Lois Moberly is the Executive Lead and CNO delegate for the NPCs; uptake from staff nurses has been robust and much hope is held for the NPCs creating a voice for nursing in the organization and specifically at the Executive Leadership Council level. Nursing Practice Councils have all held their inaugural meetings. NPCs provide a means by which nursing practice can be defined, practiced in an evidence, standards based manner and as directed by nurses in the Region. NPCs have a voice to the Board through the Chief Nursing Officer position.

- **Conversion of VP position:** The VP/CNO position has been vacant for a year and that has had an impact on the workload of other executives. At this point it is appropriate to convert the vacant position to a VP Communications and Stakeholder Relations, the goal is to have this position filled in spring 2015. This VP will further develop relationships with our stakeholders as well as manage internal and external Communications.

Strategic Direction Four: Be an Employer of Choice

The highlights from 2014/15 include the following:

- **Recruitment Successes/Opportunities:**

  - Pharmacy in Flin Flon: After 4 years of this position being vacant, a full-time pharmacist (a local individual on a Return of Service) has been hired and began practicing in the summer. For the past 4 years, we have had a 0.5 EFT contract with a local retail pharmacist who has served us capably and has agreed to provide mentoring for a time with the new pharmacist.
  - Nurse Practitioners: One nurse practitioner (NP) in Thompson began NP practice in May; one NP in Flin Flon began her practice in August; the second Flin Flon NP began in November.
  - Nursing Transition Manager for Provincial Nursing Stations: Debbie Grimes has been employed in this capacity. Debbie has a long history of northern nursing, is a registered nurse with a Master's degree in Native Studies and has consulted with numerous First Nations communities over the past years.
  - Financial Analyst: The vacant position has been moved to Flin Flon and the successful candidate started in August. This move will ensure that we have a Financial Analyst in each of the three major centers.

- **Organizational Development:**

  - Intranet/LIME (Learning Platform): This important new tool went live in June. Dr. Brenda Stutsky completed this task in the face of system challenges. It is now available for staff and provides a vital communication and information-sharing venue with and between staff. Numerous on-line learning modules have been loaded on LIME and by mid-year more than 1,500 modules have been successfully completed on-line by staff. This is a success and an incredible opportunity for staff to learn on an as-needed and as-convenient manner.
  - Cafeteria Kiosks: Workstations and computers were ordered and installed in the three major site cafeterias. These will allow staff greater access to our new Intranet, particularly those who do not have their own workstation as part of their job.

- **Northern Rural or Remote (NRoR) Roundtable:** At the invitation of Canadian Foundation for Healthcare Improvement (CFHI), four Northern Health Regions were invited to attend and/or participate in the Roundtable which is held every two years. Our CEO is on the Executive Committee of the NRoR Advisory Group to CFHI. Through funding from CFHI, the NRoR Executive identify topics that are of particular interest to Northern Health Organizations across Canada and through research or literature synthesis gain an enhanced understanding of how to better deliver healthcare in Northern Canada collectively. This year's topics were Primary Care Delivery, Mental Health and Policy to Practice. Attendees were Rusty Beardy, Lorraine Larocque, Dr. Shelley Rhyno and Helga Bryant. The mental health panel and discussion was particularly beneficial and it was clear that we as the Northern Health Region are leading the way in terms of innovation, community engagement and capacity building. While we are at the early stages in our program development and delivery, it is fully expected that the Behavioral Health Program under Dr. Rhyno's leadership will be invited back to report on experience and outcomes.

- **National Health Leadership Conference:** This is an annual Leadership Conference co-sponsored by Canadian College of Healthcare Leaders (CCHL) and HealthCan (the newly merged Canadian Healthcare Association (CHA) and Academy of Canadian Academic Healthcare Organizations (ACAHO). The topics relate to leadership of healthcare organizations and are of particular interest to Board members, leaders in health care with a nursing focused stream added the past two years. A verbal report was provided at a Board meeting by attendees: Jasper Robinson, Francis Hall, Gerard Jennissen, Helga Bryant, Rusty Beardy, Ingrid Olson and Lois Moberly.

- **New Graduate Nurse Orientation and Mentorship:** The Region hired some 28 new graduates, the majority from UCN, to begin their nursing careers in the Northern Health Region. It is well researched and known that a supportive orientation and initial work environment serves a new graduate well as they integrate their educational program into their clinical practice. The Executive Directors have approved an orientation plan that are the early stages of a strategy called "Residency Program" which is an aspect of becoming a sought-after environment for staff to begin their careers.

- **Website Career Advertising:** We have made the conversion to the new Regional web site for our career advertising. In its first few months of operation, this has already turned out to be the most heavily visited portion of the website. Both external and internal postings are posted on the web site under different sections. The former NORMAN and Burntwood sites have gone dark and if accessed, will automatically redirect the reader to the Northern Health Region site.

Administrative Costs 2014/2015

Administrative and Corporate Costs as at March 31, 2015 were $ 13,855,529.

The Canadian Institute of Health Information (CIHI) defines a standard set of guidelines for the classification and coding of financial and statistical information for use by all Canadian health service organizations. The Region adheres to these coding guidelines.

Administrative costs include corporate operations (including hospitals, non-proprietary personal care homes and community health agencies), as well as patient care-related functions such as infection control and patient relations and recruitment of health professionals. A further breakdown of administrative costs, as required by Manitoba Health, Healthy Living and Seniors is included below to provide a more-detailed summary of administrative costs.

The figures presented are based on data available at time of publication. Restatements may be made in the subsequent year to reflect final data and changes in the CIHI definition, if any. The administrative cost percentage of total spending indicator (administrative costs as a percentage of total operating costs) adheres to CIHI definitions.

Administrative Cost Definitions:

Corporate operations: general administration (executive offices, board of directors, provider advisory committees, district health advisory councils or community health councils, medical directors, administrators of acute, long-term and community care, public relations, planning and development, community health assessment, risk identification and management, claims management internal audit), finance (general accounting, accounts receivable, accounts payable, and budget control) and communications (telecommunications and mail service). For greater detail and clarity, see Schedule 12 of the **Regional Health Authorities (Ministerial) Regulation 169/98.**

Patient care-related functions: infection control, patient relations, quality assurance, accreditation, bed utilization management, privacy office and visitor information.

Human resource and recruitment related functions: recruitment and retention, labour relations, personnel records, employee benefits, health & assistance programs, occupational health & safety, and payroll.

	2014/15	**2013/14**(Restated)
Administrative cost (% of total):	6.02%	5.22%
Corporate operations (% of total):	4.26%	4.33%
Patient-care related functions (% of total):	0.55%	0.36%
Human Resources & Recruitment functions (% of total)	1.21%	0.52%

2014/15 Totals: Corporate = $9,805,675; Patient Care Related = $1,270,294; HR & Recruitment = $2,779,560; **Total Administration = $13,855,529** Data Source: Audited Financial Statements

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counseling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required, and must be reported in a department's annual report in accordance with Section 18 of the Act.

The following is a summary of disclosures received by Northern Regional Health Authority for fiscal year 2014 – 2015:

Information Required Annually (per Section 18 of The Act)	**Fiscal Year 2014 – 2015**
The number of disclosures received, and the number acted on and not acted on. *Subsection 18 (2a)*	0
The number of investigations commenced as a result of a disclosure. *Subsection 18 (2b)*	0
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. *Subsection 18 (2c)*	0

The Regional Health Authorities Act

Accountability Provisions

The Regional Health Authorities Act include provisions related to improved accountability and transparency and to improved fiscal responsibility and community involvement. In keeping with those provisions, the Region has taken the following actions:

- Employment contracts are consistent with Sections 22 and 51 in that they meet the terms and conditions established by the Minister;
- The Strategic Plan was prepared, implemented, is updated as required and is posted on the Region's website as per Section 23(2c);

- The Region's most recent Accreditation Canada Reports are published on the website as per Section 23.1 and 54; and
- The Region is in compliance with Sections 51.4 and 51.5 regarding employing former designated senior officers.
- Expenses of the CEO and designated officers are published on the Region's website in accordance with Section 38.1(1).

Public Sector Compensation Disclosure Act

In compliance with *The Public Sector Compensation Disclosure Act of Manitoba,* interested parties may inspect a copy of the Northern Health Region's public sector compensation disclosure which has been prepared for this purpose and certified by its auditor to be prepared, in all material respects, in accordance with the provisions of the Public Sector Compensation Disclosure Act of the Province of Manitoba. The report contains the amount of compensation it pays or provides in the corresponding calendar year for each of its officers and employees whose compensation is $50,000.00 or more. This information is available for inspection during regular office hours at each Regional Office location. For more information, contact Scott Hamel by email shamel2@nrha.ca or by telephone at (204) 687-3012 or toll free (888) 340-6742.

Northern Regional Health Authority Inc.
Audited Financial Statements

March 31, 2015

Management's Responsibility

To the Board of Directors of Northern Regional Health Authority Inc.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards for government not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

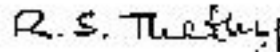
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Authority. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the Authority's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

June 24, 2015

Chief Executive Officer



Vice President, Corporate Services and Chief Financial Officer

Independent Auditors' Report

To the Board of Directors of Northern Regional Health Authority Inc.:

We have audited the accompanying financial statements of Northern Regional Health Authority Inc., which comprise the statement of financial position as at March 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Northern Regional Health Authority Inc. as at March 31, 2015 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Other Matter
The comparative figures as at March 31, 2014 and for the year then ended were audited by another firm of Chartered Accountants who expressed an unmodified opinion in their report dated June 18, 2014.

Winnipeg, Manitoba

June 24, 2015

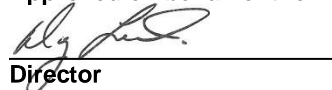
MNP LLP
Chartered Accountants

Statement of Financial Position

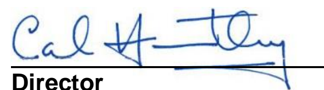
As at March 31, 2015

	2015	*2014*
Assets		
Current		
Accounts receivable *(Note 2)*	**5,633,687**	7,052,905
Due from Manitoba Health *(Note 3)*	**13,954,700**	9,158,750
Inventory	**1,107,184**	1,125,384
Prepaid expenses	**1,216,254**	975,362
Vacation entitlement receivable - Manitoba Health *(Note 4)*	**5,429,191**	5,429,191
	27,341,016	23,741,592
Capital assets *(Note 5)*	**76,534,889**	70,822,854
Due from Manitoba Health (pre-retirement) *(Note 4)*	**4,209,802**	4,209,802
	108,085,707	98,774,248
Liabilities		
Current		
Bank indebtedness *(Note 6)*	**9,628,453**	245,554
Line of credit *(Note 7)*	**10,211,181**	2,674,741
Accounts payable and accruals	**13,635,973**	12,236,325
Current portion of long-term debt *(Note 9)*	**958,960**	390,317
Accrued vacation entitlements	**9,724,059**	9,388,575
Deferred revenue *(Note 8)*	**1,252,891**	2,225,394
	45,411,517	27,160,906
Long-term debt *(Note 9)*	**7,070,021**	4,200,983
Sick leave benefit obligation *(Note 10)*	**1,863,589**	1,811,637
Due to DSM - pre-retirement obligation	**678,375**	632,008
Accrued pre-retirement obligation *(Note 11)*	**9,479,000**	7,580,000
Deferred contributions related to expenses of future periods *(Note 12)*	**292,164**	292,164
Deferred contributions related to capital assets *(Note 13)*	**49,222,016**	52,322,958
	114,016,682	94,000,656
Net Assets		
Investment in capital assets *(Note 14)*	**9,072,711**	11,233,854
Externally restricted	**10,182**	10,182
Unrestricted	**(15,013,868)**	(6,470,444)
	(5,930,975)	4,773,592
	108,085,707	98,774,248

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Statement of Operations

For the year ended March 31, 2015

	2015	*2014*
Revenue		
Manitoba Health *(Note 15)*	**198,528,437**	189,775,686
Amortization of deferred contributions related to capital assets *(Note 13)*	**6,365,283**	5,507,144
Non-insured income	**5,400,900**	5,384,893
Other revenue	**4,751,312**	4,496,870
Northern patient transportation program recoveries	**2,795,839**	3,244,053
Ancillary revenue	**1,493,265**	1,827,853
Total revenue	**219,335,036**	210,236,499
Expenses		
Acute care	**94,880,073**	83,150,433
Amortization of capital assets	**6,365,283**	5,507,144
Ancillary operations	**1,489,608**	1,862,577
Community based health	**20,954,995**	19,198,461
Community based home care	**8,282,671**	7,651,580
Community based mental health	**5,824,439**	5,055,662
Aging in place/long-term care	**14,602,796**	13,661,955
Land ambulance	**5,832,850**	4,913,044
Northern patient transportation	**18,721,485**	19,583,137
Medical remunerations	**36,187,174**	34,578,841
Unallocated regional health authority costs	**16,898,229**	17,141,775
Total expenses	**230,039,603**	212,304,609
Deficiency of revenue over expenses	**(10,704,567)**	(2,068,110)

The accompanying notes are an integral part of these financial statements

Statement of Changes in Net Assets

For the year ended March 31, 2015

	Investment in capital assets	*Externally restricted*	*Unrestricted*	***2015***	*2014*
Net assets, beginning of year	**11,233,854**	**10,182**	**(6,470,444)**	**4,773,592**	6,841,702
Deficiency of revenue over expenses	**-**	**-**	**(10,704,567)**	**(10,704,567)**	(2,068,110)
Net changes in investment in capital assets *(Note 14)*	**(2,161,143)**	**-**	**2,161,143**	**-**	-
Net assets, end of year	**9,072,711**	**10,182**	**(15,013,868)**	**(5,930,975)**	4,773,592

Statement of Cash Flows

For the year ended March 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	**(10,704,567)**	(2,068,110)
Amortization	**6,365,283**	5,507,144
Amortization of deferred contributions related to capital assets	**(6,365,283)**	(5,507,144)
Deferred revenue recognized in income	**(5,094,443)**	(3,221,496)
	(15,799,010)	(5,289,606)
Changes in working capital accounts		
Accounts receivable	**1,419,218**	4,189
Due From Manitoba Health	**(4,795,950)**	275,021
Inventory	**18,200**	(86,912)
Prepaid expenses	**(240,892)**	6,567
Accounts payable and accruals	**1,399,648**	2,373,254
Accrued vacation entitlements	**335,484**	357,684
Deferred revenue	**4,121,940**	2,740,326
	(13,541,362)	380,523
Financing		
Increase in long-term debt	**4,784,348**	578,346
Change in pre-retirement obligation	**1,899,000**	(882,432)
Change in DSM pre-retirement obligation	**46,367**	(86,153)
Repayment of capital lease obligations	**-**	(47,126)
Receipt of deferred contributions related to capital assets	**3,264,341**	2,122,801
Change in sick leave benefit obligation	**51,952**	(189,155)
Change in line of credit	**6,189,773**	3,571,408
	16,235,781	5,067,689
Capital activity		
Purchases of capital assets	**(12,077,318)**	(11,362,637)
Decrease in cash resources	**(9,382,899)**	(5,914,425)
Cash resources, beginning of year	**(245,554)**	5,668,871
Cash resources, end of year	**(9,628,453)**	(245,554)
Cash resources are composed of:		
Bank indebtedness	**(9,628,453)**	(245,554)

1. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Nature and purpose of the Authority

Effective May 28, 2012, a Regulation was registered in respect to the Regional Health Authorities Act, affecting the amalgamation of Burntwood Regional Health Authority Inc. with the Norman Regional Health Authority Inc. to form a new authority named the Northern Regional Health Authority Inc. (the "Authority"). The amalgamation of the regional health authorities was part of the provincial budget announcement made on April 17, 2012 to reduce the number of regional health authorities in Manitoba.

All operations, properties, liabilities and obligations and agreements with contract facilities of the predecessor organizations were transferred to the Authority on this date.

The Northern Regional Health Authority is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

Basis of reporting

These financial statements include the accounts of the following operations of the Authority:

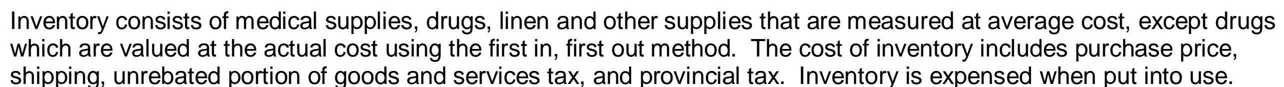
Cormorant Health Care Centre
Cranberry Portage Wellness Centre
Gillam Hospital
Ilford Community Health Centre
Leaf Rapids Health Centre
Lynn Lake Hospital
Northern Consultation Centre
Pikwitonei Community Health Centre
Thicket Portage Community Health Centre
Thompson General Hospital
Wabowden Community Health Centre
Northern Spirit Manor
Flin Flon General Hospital
Flin Flon Personal Care Corporation
Northern Lights Manor
The Pas Health Complex
The Snow Lake Medical Nursing Unit
Thompson Clinic
Northern Consultation Clinic
Sherridon Health Centre

Cash and cash equivalents

The Authority considers deposits in banks, certificates of deposit and other short-term investments with original maturities of 90 days or less at the date of acquisition as cash and cash equivalents.

Inventory

Inventory consists of medical supplies, drugs, linen and other supplies that are measured at average cost, except drugs which are valued at the actual cost using the first in, first out method. The cost of inventory includes purchase price, shipping, unrebated portion of goods and services tax, and provincial tax. Inventory is expensed when put into use.



1. Significant accounting policies *(Continued from previous page)*

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

No amortization is provided for construction in progress.

	Rate
Land improvements	*2.5%*
Buildings	*2.5%*
Computers	*20.0%*
Equipment	*10.0%*

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Authority determines that a long-lived asset no longer has any long-term service potential to the Authority, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Revenue recognition

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

Manitoba Health operating revenue
Under the Health Services Insurance Act and regulations thereto, the Authority is funded primarily by the Province of Manitoba in accordance with budget arrangements established by Manitoba Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by Manitoba Health with respect to the year ended March 31, 2015.

In Globe funding
In Globe funding is funding approved by Manitoba Health for Regional Health programs unless otherwise specified as Out of Globe funding. This includes volume changes and price increases for the five service categories of Acute Care, Long Term Care, Community and Mental Health, Home Care and Emergency Response and Transport. All additional costs in these five service categories must be absorbed within the global funding provided.

Any operating surplus greater than 2% of the budgeted amount related to In Globe funding arrangements is recorded on the statement of financial position as a payable to Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time Manitoba Health determines what portion of the approved surplus may be retained by the Authority, or repaid to Manitoba Health. Under Manitoba Health policy the Authority is responsible for In Globe deficits, unless otherwise approved by Manitoba Health.

1. Significant accounting policies *(Continued from previous page)*

Out of Globe funding
Out of Globe funding is funding approved by Manitoba Health for specific programs.

Any operating surplus related to Out of Globe funding arrangements is recorded on the statement of financial position as a payable to Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time Manitoba Health determines what portion of the approved surplus may be retained by the Authority, or repaid to Manitoba Health.

Conversely, any operating deficit related to Out of Globe funding arrangements is recorded on the statement of financial position as a receivable from Manitoba Health until such time as Manitoba Health reviews the financial statements. At that time, Manitoba Health determines their final funding approvals which indicate the portion of the deficit that will be paid to the Region. Any unapproved costs not paid by Manitoba Health are absorbed by the Authority.

Amortization of deferred contributions
Where a grant or other restricted contribution, other than endowment contributions, is received but relates to expenses of one or more future periods, it is deferred and recognized as revenue in the same period as the related expenses are recognized. Contributions restricted for the purchase of capital assets or to repay long-term debt as a lump sum are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

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

Non-Insured revenue
Non-insured revenue is revenue received for products and services where the recipient does not have Manitoba Health coverage or where coverage is available from a third party. Revenue is recognized when the product is received and/or the service is rendered.

Other revenue
Other revenue comprises recoveries for a variety of uninsured goods and services sold to patients or external customers. Revenue is recognized when the good is sold or the service is provided.

Northern patient transportation program recoveries
Northern patient transportation program recoveries comprises recoveries of patient transportation costs. Revenue is recognized when the underlying service is provided.

Ancillary revenue
Ancillary revenue comprises amounts received for preferred accommodations, non-Manitoba Health activities and parking fees. Revenue is recognized when the service is provided.

Contributed materials and services

Contributions of materials are recognized at fair market value only to the extent that they would normally be purchased and an official receipt for income tax purposes has been issued to the donors.

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

Capital management

The Authority's objective when managing capital is to maintain sufficient capital to cover its costs of operations. The Authority's capital consists of net assets.

The Authority's capital management policy is to meet capital needs with working capital advances from Manitoba Health and Healthy Living.

The Authority met its externally imposed capital requirements.

There were no changes in the Authority's approach to capital management during the year.

1. Significant accounting policies *(Continued from previous page)*

Employee future benefits

The Authority's employee future benefit program consists of a multiemployer defined benefit plan, as well as pre-retirement obligations and sick leave benefits obligation.

Multiemployer defined benefit plan

The majority of the employees of the Authority are members of the Healthcare Employees Pension Plan - HEPP (the “Plan”), which is a multi-employer defined benefit pension plan available to all eligible employees. Plan members will receive benefits based on length of service and on the average annualized earnings calculated on the best five of the eleven consecutive years prior to retirement, termination or death, that provide the highest earnings. The costs of the benefit plan are not allocated to the individual health entities within the related group and as such, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with Canadian public sector accounting standards Section 3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing Plan assets in trust through the Plan investment policy. Pension expense is based on Plan management’s best estimates, in consultation with its actuaries to provide assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for the employer contributions to HEPP to remain a constant percentage of employee's contributions. Variances between funding estimates and actual experience may be material and any differences are generally to be funded by the participating members.

The Healthcare Employees’ Pension Plan is subject to the provisions of the Pension Benefits Act, Manitoba. This Act requires that the Plan’s actuaries conduct two valuations – a going-concern valuation and a solvency valuation. In 2010, HEB Manitoba completed the solvency exemption application process, and has now been granted exemption for the solvency funding and transfer deficiency provision. As at December 31, 2013 the Plan’s going concern ratio was 96.1%.

As at December 2008, the actuarial valuation shows a deficit of $388 million. In order to ensure the long-term sustainability of the Plan contribution rates increased 2.2% through a gradual implementation over 27 months from January 1, 2011 to April 1, 2013. Contributions to the Plan made during the year on behalf of its employees are included in the statement of operations.

The remaining employees of the Authority are eligible for membership in the provincially operated Civil Service Superannuation Fund. The pension liability for the Authority’s employees is included in the Province of Manitoba's liability for the Civil Service Superannuation Fund. Accordingly, no provision is required in the financial statements relating to the effects of participation in the Plan by the Authority and its employees. The Authority is in receipt of an actuarial report on the Statement of Pension Obligations under the Civil Service Superannuation Act as at December 31, 2012.

During the year, the Authority contributed $6,073,872 (2014 - $5,296,112) to the Plan.

1. Significant accounting policies *(Continued from previous page)*

Pre-retirement obligation

The accrued benefit obligation for pre-retirement benefits are actuarially determined using the projected unit credit service pro-rated on service actuarial cost method and management's best estimates of expected future rates of return on assets, termination rates, employee demographics, salary rate increases plus age related merit-promotion scale with no provision for disability and employee mortality and withdrawal rates.

Based upon collective agreements and/or non-union policy, employees are entitled to a pre-retirement leave benefit if they are retiring in accordance with the provisions of the applicable group pension plan. The Authority's contractual commitment is to pay based upon one of the following (dependent on the agreement/policy applicable to the employee):

a) The Authority's contractual commitment, based on an actuarial valuation, for the pre-retirement entitlement for members of the Healthcare Employees Pension Plan ("HEPP") is to pay out four days of salary for each year of service upon retirement if the employee complies with one of the following conditions:

i. has ten years service and has reached the age of 55; or
ii. qualifies for the "eighty" rule which is calculated by adding the number of years service to the age of the employee; or
iii. retires at or after age 65; or
iv. terminates employment at any time due to permanent disability.

b) The Authority's contractual commitment, based on an actuarial valuation, for the pre-retirement entitlement for members of the Civil Service Superannuation Plan, is to pay out the following severance pay upon retirement to employees who have reached the age of 55 and have nine or more years of service:

i. one week of severance pay for each year of service up to 15 years of service; and
ii. two weeks of additional severance pay for each increment of five years service past the 15 years of service up to 35 years of service.

c) The Authority's contractual commitment, based on an actuarial valuation, for the pre-retirement entitlement for members of the MGEU Collective Agreement, is to pay out one week's pay for each year of accumulated service, or portion thereof, upon retirement if the employee has accumulated 10 or more years of accumulated service, up to a maximum of 15 week's pay.

Actuarial gains and losses can arise in a given year as a result of the difference between the actual return on plan assets in that year and the expected return on plan assets for that year, the difference between the actual accrued benefit obligations at the end of the year and the expected accrued benefit obligations at the end of the year and changes in actuarial assumptions. For the fiscal year beginning April 1, 2013, and in accordance with Canadian public sector accounting standards, gains or losses that arise in a given year, along with past service costs that arise from pre-retirement benefit plan amendments, are to be amortized into income over the expected average remaining service life ("EARSL") of the related employee group. Prior to the April 1, 2013 valuation, gains or losses have been recognized in the period in which they were incurred.

Sick leave benefit obligation

For the year ending March 31, 2014, the Authority adopted accrual accounting for the sick leave benefit obligation according to Canadian public sector accounting standards Section 3255. Prior to that date the Authority recognized benefit expenses equal to its payments for the actual payouts and no liability for accumulated sick leave was recorded in the statement of financial position. At the beginning of the fiscal year April 1, 2011, a valuation of the Authority's obligations for the accumulated sick leave bank was done for accounting purposes using the average usage of sick days used in excess of the annual sick days earned. Factors used in the calculation include average employee daily wage, number of sick days used in the year, number of sick days earned in the year, excess of used days over earned days in the year, dollar value of the excess and number of unused sick days.

Key assumptions used in the valuation were based on information available. The valuation used the same assumptions about future events as was used for the pre-retirement obligation valuation noted above.

1. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Areas requiring the use of significant estimates include the useful lives of capital assets, allowance for accounts deemed uncollectible, provisions for slow moving and obsolete inventory and amounts recognized for employee benefit obligations. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provisions recognized.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in the statement of operations in the periods in which they become known.

Financial instruments

The Authority recognizes its financial instruments when the Authority becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Authority may irrevocably elect to subsequently measure any financial instrument at fair value. The Authority has not made such an election during the year.

All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess if revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Fair value measurements

The Authority classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Authority to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy. There were no transfers between levels for the years ended March 31, 2015 and 2014.

External restrictions

Net assets are restricted for endowment purposes, and are subject to externally imposed restrictions that the assets be maintained permanently in the St. Paul Residents Trust Fund. Investment income from this fund is restricted for residents' expenses.

2. Accounts receivable

	2015	2014
Northern Patient Transportation Program receivables	**12,827,411**	11,563,249
GST rebates receivable	**255,437**	279,509
Patient and other receivables	**2,465,894**	1,936,829
Allowance for doubtful accounts - Northern Patient Transportation Program receivables	**(8,900,000)**	(5,257,747)
Allowance for doubtful accounts - patient and other receivables	**(1,015,055)**	(1,468,935)
	5,633,687	7,052,905

3. Due from Manitoba Health

	2015	2014
2011-2012 Extended Health Benefit	**184,926**	184,926
2012-2013 Medical Remuneration	**-**	2,826,738
2013-2014 Medical Remuneration	**3,672,806**	3,672,807
2014-2015 Medical Remuneration	**3,489,072**	-
2012-2013 MAHCP Retention Bonuses	**4,937**	4,937
2014-2015 MAHCP Retention Bonuses	**1,178,026**	-
MAHCP Retention Bonus - DSM	**577,932**	-
2012-2013 Garden Hill Structural Floor Project	**1,604**	80,677
2013-2014 Northern Youth Crisis Funding	**663,706**	663,706
2014-2015 Northern Youth Crisis Funding	**17,804**	-
2012-2013 MNU Maternity Top-Up	**75,447**	75,447
2012-2013 Facility Support Maternity Top-Up	**2,714**	80,237
2013-2014 Colonoscopy Funding	**-**	105,000
2014-2015 Colonoscopy Funding	**35,000**	-
2012-2013 Health Spending Account	**39,156**	39,156
2012-2013 EMS Wage Standardization	**-**	6,850
2012-2013 Medical Education Coordinator	**110,000**	110,000
2014-2015 Medical Education Coordinator	**55,000**	-
2012-2013 MNU Retention Bonus Shortfall	**34,672**	34,672
2012-2013 HEPP Contribution Increase	**419,422**	419,422
2013-2014 Professional Technical Market Supplement	**57,013**	112,597
2013-2014 Immunization Funding	**200**	125,743
2014-2015 Immunization Funding	**117,569**	-
Grow Your Own Nurse Practitioners	**12,064**	432,064
Physician Assistant Funding	**183,771**	183,771
Nurse Sector Wage Standardization	**2,459,970**	-
Professional Technical Market Supplement	**81,414**	-
Cancer Patient Journey	**329,964**	-
DSM On-Call Funding	**130,000**	-
CUPE Maternity Leave Top-Up	**20,511**	-
	13,954,700	9,158,750

4. Pre-retirement and vacation entitlements due from Manitoba Health

The amount recorded as a receivable from the Province of Manitoba for pre-retirement costs and vacation entitlements was initially determined based on the value of the corresponding actuarial liabilities for pre-retirement costs and vacation entitlements as at March 31, 2004. Subsequent to March 31, 2004, the Province of Manitoba has included in its ongoing annual funding to the Authority an amount equivalent to the change in the pre-retirement liability and for vacation entitlements, which includes annual interest accretion related to the receivables. The receivables will be paid by the Province of Manitoba when it is determined that the funding is required to discharge the related liabilities.

5. Capital assets

	Cost	***Accumulated amortization***	***2015 Net book value***
Land	**228,529**	**-**	**228,529**
Land improvements	**532,648**	**367,783**	**164,865**
Buildings	**114,791,947**	**59,853,957**	**54,937,990**
Computers	**3,690,120**	**2,976,010**	**714,110**
Equipment	**29,856,272**	**21,860,786**	**7,995,486**
Construction in progress	**12,493,909**	**-**	**12,493,909**
	161,593,425	**85,058,536**	**76,534,889**

	Cost	*Accumulated amortization*	*2014 Net book value*
Land	**228,529**	**-**	**228,529**
Land improvements	**532,648**	**366,748**	**165,900**
Buildings	**110,144,281**	**55,108,314**	**55,035,967**
Computers	**3,564,088**	**2,685,260**	**878,828**
Equipment	**28,192,627**	**20,532,931**	**7,659,696**
Construction in progress	**6,853,934**	**-**	**6,853,934**
	149,516,107	**78,693,253**	**70,822,854**

6. Bank indebtedness

The Authority has an authorized operating line of credit of $8,900,000 bearing interest at the bank's prime rate minus 0.50% (2014 - prime minus 0.50%). Security provided on this line of credit includes an overdraft borrowing agreement and a Letter of Comfort from Manitoba Health. As at March 31, 2015 the bank's prime rate was 3.00% (2014 - 3.00%). Bank indebtedness is comprised of the following:

	2015	*2014*
Petty cash on hand and balances with banks	**625,248**	1,124,499
Operating line of credit balance	**(8,431,743)**	(1,370,053)
Outstanding cheques and other reconciling items	**(1,821,958)**	-
	(9,628,453)	(245,554)

7. Line of credit

The Authority maintains a line of credit facility to fund construction projects in progress. Upon completion of the construction projects in progress, the respective amounts will be converted to long-term debt. The amounts are due on demand and bear interest at a rate of prime minus 0.80% per annum (2014 - prime minus 0.80%). As at March 31, 2015 the bank's prime rate was 3.00% (2014 - 3.00%).

8. Deferred revenue

Deferred revenue consists of Manitoba Health funding received in the fiscal year for various programs. This allocation of funding is recognized as revenue when program expenses are incurred. The change in the deferred revenue balance for the year is as follows:

	2015	*2014*
Balance, beginning of year	**2,225,394**	2,706,564
Funding received during the year	**4,121,940**	2,740,326
Amount recognized as revenue during the year	**(5,094,443)**	(3,221,496)
Balance, end of year	**1,252,891**	2,225,394

9. Long-term debt

	2015	*2014*
Manufacturer's Life Insurance Company loan, with monthly payments equal to the energy savings including interest at 6.30% per annum, expected to be paid out by September 2021	**1,149,465**	1,292,251
Term loans due to Royal Bank of Canada, with monthly payments between $835 and $10,250 including interest at the bank's prime rate less 0.80% per annum, due from June 2021 to June 2053, secured by certain equipment	**5,648,329**	3,184,212
Loan payable to Royal Bank of Canada with monthly payments of $10,016 including interest at 3.72% per annum, due March 2016, secured by certain buildings	**1,174,700**	-
Mortgage payable to Canada Mortgage and Housing Corporation with monthly payments of $5,651 including interest at 4.61% per annum, due May 2027, secured by certain buildings	**56,487**	115,437
	8,028,981	4,591,900
Less: Current portion	**958,960**	390,917
	7,070,021	4,200,983

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2016	958,960
2017	766,757
2018	769,813
2019	772,984
2020	776,276
Thereafter	3,984,191

Interest on long-term debt amounted to $214,977 (2014 – $122,861).

10. Sick leave benefit obligation

The Authority's sick leave benefit obligation is based on an actuarial report prepared as of March 31, 2015. The following table presents information about the sick leave benefit obligations, the change in value and the balance of the obligation as at March 31, 2015:

	2015	*2014*
Sick leave benefit obligation, beginning of year	**1,811,637**	2,000,792
Current period service cost	**190,000**	-
Interest cost	**82,000**	-
Benefits paid	**(416,000)**	(189,155)
Actuarial (gain)/loss and other	**887,952**	-
Sick leave benefit obligation, end of year	**2,555,589**	1,811,637
Unamortized net actuarial gain (loss)	**(692,000)**	-
Sick leave accrued benefit liability, end of year	**1,863,589**	1,811,637

No actuarial valuation was obtained for the year ended March 31, 2014.

11. Accrued pre-retirement obligation

The Authority's pre-retirement obligation is based on an actuarial report prepared as of March 31, 2015. The valuation includes employees who qualify as at March 31, 2015, and an estimate for the remainder of the employees who have not yet met the years of service criteria. The following table presents information about accrued pre-retirement benefit obligations, the change in value and the balance of the obligation as at March 31, 2015:

	2015	*2014*
Pre-retirement benefit obligation, beginning of year	**7,580,000**	8,462,432
Current period service cost	**685,000**	892,000
Interest cost	**260,000**	182,000
Benefits paid	**(376,000)**	(663,000)
Actuarial (gain)/loss and other	**693,000**	(1,025,000)
Pre-retirement benefit obligation, end of year	**8,842,000**	7,848,432
Unamortized net actuarial gain (loss)	**637,000**	(268,432)
Pre-retirement accrued benefit liability, end of year	**9,479,000**	7,580,000

The actuarial valuation was based on a number of assumptions about future events including a discount rate of 2.55% (2014 - 3.35%), a rate of salary increases of 3.50% (2014 - 3.00%) and an expected average remaining service life of 8.5 years.

Funding for the pre-retirement obligation is recoverable from Manitoba Health for costs incurred up to March 31, 2004 on an Out-of-Globe basis in the year of payment. As of April 1, 2004, In-Globe funding has been amended to include these costs.

12. Deferred contributions related to expenses of future periods

Deferred contributions related to expenses of future periods represent unspent externally restricted funds from the Province for major repairs and improvements to buildings.

13. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized amounts of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

Changes in the deferred contribution balance are as follows:

	2015	*2014*
Balance, beginning of year	**52,322,958**	55,707,301
Amount received during the year	**3,264,341**	2,122,801
Less: Amounts recognized as revenue during the year	**(6,365,283)**	(5,507,144)
Balance, end of year	**49,222,016**	52,322,958

14. Net assets invested in capital assets

	2015	*2014*
Net assets invested in capital assets are calculated as follows:		
Capital assets	**76,534,889**	70,822,854
Deferred contributions	**(49,222,016)**	(52,322,959)
Long-term debt	**(8,028,981)**	(3,244,633)
Line of credit	**(10,211,181)**	(4,021,408)
	9,072,711	11,233,854
Change in net assets invested in capital assets is calculated as follows:		
Amortization of deferred contributions related to capital assets	**6,365,283**	5,507,144
Amortization of capital assets	**(6,365,283)**	(5,507,144)
	-	-
Net changes in investment in capital assets		
Purchase of capital assets	**12,077,318**	11,362,637
Long term debt	**(4,784,348)**	(578,346)
Payment of capital lease obligation	**-**	47,126
Advances on line of credit	**(6,189,773)**	(3,571,408)
Manitoba Health - Capital asset funding	**(3,264,340)**	(2,122,801)
	(2,161,143)	5,137,208

15. Revenue from Manitoba Health

	2015	2014
Revenue as per Manitoba Health's funding document	**196,567,683**	192,889,453
Deduct:		
Payments on prior year receivables	**(4,225,434)**	(5,718,805)
Capital equipment funding	**(1,798,970)**	(1,887,216)
Nelson House PCH funding - flow through	**(665,235)**	(693,001)
Accounts receivable allowance	**-**	(511,241)
Ancillary program	**(185,127)**	-
Ambulance	**(439,710)**	(143,375)
Interest funding (actual)	**(95,341)**	(46,298)
Other	**(318,163)**	(96,516)
Provincial Nursing Station - Transitional	**(153,937)**	-
Provincial Acute Stroke Care Coordinator	**(54,179)**	-
Microsoft Licensing Fee	**183,453**	-
CIHI Fees	**42,940**	-
	(7,709,703)	(9,096,452)
Add: Accruals approved by Manitoba Health		
Medical remuneration	**3,489,072**	3,672,824
Medical Education reimbursement	**55,000**	55,000
MNU wage standardization	**2,459,970**	-
Mobile youth crisis program	**681,510**	663,706
Colonoscopy funding	**70,000**	105,350
EMS wage standardization	**81,414**	112,597
MAHCP retention bonus	**1,178,026**	630
MAHCP retention bonus - DSM	**577,932**	-
DSM on call funding	**130,000**	-
Deferred RHA office funding	**-**	631,000
Physician assisting funding	**-**	183,771
Grow your own nurse practitioner funding	**-**	432,064
Cancer Patient Journey Funding	**329,964**	-
Immunization funding	**117,569**	125,743
	9,170,457	5,982,685
Deduct:		
Deferred volume funding	**500,000**	-
	198,528,437	189,775,686

16. Related party transactions

The Pas Health Complex Foundation, Inc. and The Northern Health Foundation Inc. (together the "Foundations") are non-profit voluntary associations whose purpose is the betterment of health care at The Health Complex facilities. The aims and objectives of these Foundations coincide with those of the Authority. The Authority regularly provides the Foundations with a listing of project/equipment requirements for the Foundations to consider in their annual funding processes. During the year the Authority received donated equipment valued at $107,944 (2014 - $42,625).

17. Commitments and contingencies

(i) The Authority has entered into various operating leases for rental units to assist with accommodation needs of the organization. The amounts payable over the next four years are as follows:

2016	489,504
2017	452,328
2018	452,847
2019	389,424
	1,784,103

(ii) The Authority is subject to individual legal actions arising in the normal course of operations. It is not expected that these legal actions will have a material adverse effect on the financial position or operations of the Authority.

Due to the dismissal of three senior executives in a previous period in the Burntwood RHA, litigation proceedings remain ongoing. The likelihood of financial implications, if any, are not determinable at this time.

(iii) On July 1, 1987, a group of health care organizations ("Subscribers") formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the public liability insurance risks for its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to reassessment for losses, if any, experienced by the pool for the years in which they were members and these losses could be material. No reassessments have been made to March 31, 2015.

18. Financial instruments

The Authority, as part of its operations, carries a number of financial instruments. It is management's opinion that the Authority is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Risk management policy

The Authority is exposed to different types of risk in the normal course of operations, including credit risk and market risk. The Authority's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Authority's activities.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. Financial instruments which potentially subject the Authority to credit risk consist principally of accounts receivable.

The Authority is not exposed to significant credit risk as the receivable is spread among a large client base and geographic region and payment in full is typically collected when it is due. The Authority establishes an allowance for doubtful accounts based on management's estimate and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

The Authority is not exposed to significant credit risk from Due from Manitoba Health, vacation entitlement receivable and retirement obligations receivable, as these receivables are due from the Province of Manitoba.

18. Financial instruments (continued from the previous page)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The functional currency of the Authority is the Canadian dollar. The Authority's transactions in U.S. dollars are infrequent and are limited to non-resident charges, certain purchases and capital asset acquisitions. The Authority does not use foreign exchange forward contracts to manage foreign exchange transaction exposures.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The exposure of the Authority to interest rate risk arises primarily on its bank indebtedness, line of credit and long-term debt, the majority of which include interest at variable rates based on the bank's prime rate. The Authority's cash includes amounts on deposit with financial institutions that earn interest at market rates. The Authority manages its exposure to the interest rate risk of its assets and liabilities by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on assets and liabilities do not have a significant impact on the Authority’s results of operations.

19. Liability for contaminated sites

Effective for fiscal years beginning on or after April 1, 2014, public sector accounting standards requires recognition of a liability for remediation of contaminated sites where contamination exceeds environment site standards and a reasonable estimate of the amount can be made. Reporting requirements are limited to the contamination of soil, water and sediment. As of March 31, 2015, the Authority has no known contaminated sites or no known future potential contaminated sites.

20. Trusts under administration

At March 31, 2015, the balance of Resident trust funds held in trust is $99,573 (2014 - $120,753). These funds are not included in the balances of the Authority's financial statements.

21. Economic dependence

The Authority received approximately 91% (2014 - 90%) of its total revenue from Manitoba Health and is economically dependent on Manitoba Health for continued operations. This volume of funding transactions is normal within the industry, as regional health authorities are primarily funded by their respective provincial Ministries of Health.

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