ANNUAL REPORT 2016/17

NORTHERN
HEALTH REGION

Letter of Transmittal

September 29, 2017

The Honourable Kelvin Goertzen
Minister of Health
Room 302, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Minister:

On behalf of the Board of Directors, we have the honour to present the Annual Report for the Northern Regional Health Authority, for the fiscal year ended March 31, 2017.

This Annual Report was prepared under the Board's direction, in accordance with *The Regional Health Authorities Act* and directions provided by the Minister. All material including economic and fiscal implications known as of March 31, 2017 have been considered in preparing the annual report. The Board has approved this report.

Respectfully submitted on Behalf of the Northern Regional Health Authority,

Cal Huntley
Board Chair

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Board of Directors Chair's Message

The Northern Health Region Board of Directors strives to ensure the plans, strategies and programs are in place that will support our Vision of *Healthy People, Healthy North*.

This past year the Northern Health Region conducted a Patient Experience Survey with patients that were discharged from hospitals throughout the Region between November 2015 and March 2016.

The results from this survey were very encouraging. The Northern Health Region Board is committed to continuous quality improvement and there is much to be proud of in the results of this latest patient experience survey. Continuous quality improvement is foundational within the organization and a key part of our plans going forward.

Our strength as a Board comes from the diversity of our members and their combined experience and wisdom. As a Board, we recognize that we must meet the local health needs of our residents, the people of Northern Manitoba. We are also tasked with ensuring the financial sustainability of our health care system. The Province has undergone some changes in the last year and currently faces a challenging financial situation where difficult decisions will be made in order for our provincial healthcare system to become more sustainable and innovative.

We are also proud of and encouraged by the management and staff of the Northern Health Region as we go through these difficult times ahead. On behalf of the Board, I would like to say that we are confident that the management and staff will rise to the challenges ahead with great competence and commitment and fulfill the Region's Vision of Healthy People, Healthy North!

Respectfully,

Cal Huntley
Board Chair

Chief Executive Officer's Message

Northern Health Region: *Improving Population Health*

As in past years, our Region attended to many priorities but I want to highlight the Board's Strategic Directions of *improving population health*. This strategic direction is one of the directions that support the Vision, Mission and Values of the Northern Health Region.

A Patient Experience Survey was conducted in the NRHA which canvassed patients discharged from hospitals throughout the Region between November 2015 and March 2016. The questionnaire response rate was lower than we had hoped but we were satisfied that the data we were able to gather assisted us in our process of continuous improvement in support of our Mission and Vision. Overall we were pleased with the results of the survey but we know there is still room for improvement and we must commit to continue to strive for the best experience for our patients, thereby improving our population health and achieving excellence in patient care.

Service delivery and financial accountability are a shared responsibility between government, the health care system and the public. Given the financial challenges that the Province of Manitoba is facing are significant, service to our patients remain central to our planning. Everybody at the Northern Health Region takes the improvement of care to our patients seriously.

As we move forward as a Region, I want to take this opportunity to thank the staff of the Northern Health Region for their tireless efforts in keeping the health of our residents a priority. They are the ones who deliver the services and programs to meet our residents' health needs. Ekosi, Ekosani, Masicho!

Respectfully,

Helga Bryant, Chief Executive Officer

Northern Health Region

Our 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

Overview of the Northern Health 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%)

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 3rd annual Northern Health Summit was held in The Pas in the fall of 2016 and focused on "**Patient Experience**". This year's keynote speakers were Ileen Sylvester, Vice President of Executive and Tribal Services and Donna Galbreath, Medical Director of Quality Assurance; both from the Southcentral Foundation in Anchorage, Alaska. They spoke on the Nuka System of Care which was developed by Southcentral and built on three beliefs: customer ownership (patients), relationship between the primary care team and the customer owner and whole system transformation. Representatives from the Mamawetan Churchill River Health District also presented on the implementation of the NUKA System of Care in their facilities and how this has impacted how they deliver healthcare to their residents.

- **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 sexually transmitted infections. 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, sexually transmitted infections 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. 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.

- **Social Determinants of Health** – The disparity of the Northern Health Region in terms of the social determinants of health increases the need for partnerships outside the scope of the Northern Health

Region's influence. In order to improve the health status of the Northern Health Region, partnerships with education, industry, housing and others will be key in effecting change.

- **The Provincial Clinical and Preventative Services for Manitoba report** (the "Peachey Report") was accepted by the Province at the beginning of 2017. The report included a detailed analysis of data which reflected the health needs of Manitobans as well as recommendations such as the better use of technologies like Telehealth and identified priority areas such as palliative care, mental health and addictions, home care and maternal health-care services.

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 demonstrates 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 (i.e. Opaskwayak Health Authority). Numerous additional organizational relationships are being developed; several of which are producing outcomes. Through community engagement, community support in welcoming newly recruited health care professionals, and joint planning we aim to have a great impact on the overall health status of the people and families that we serve.

- **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.

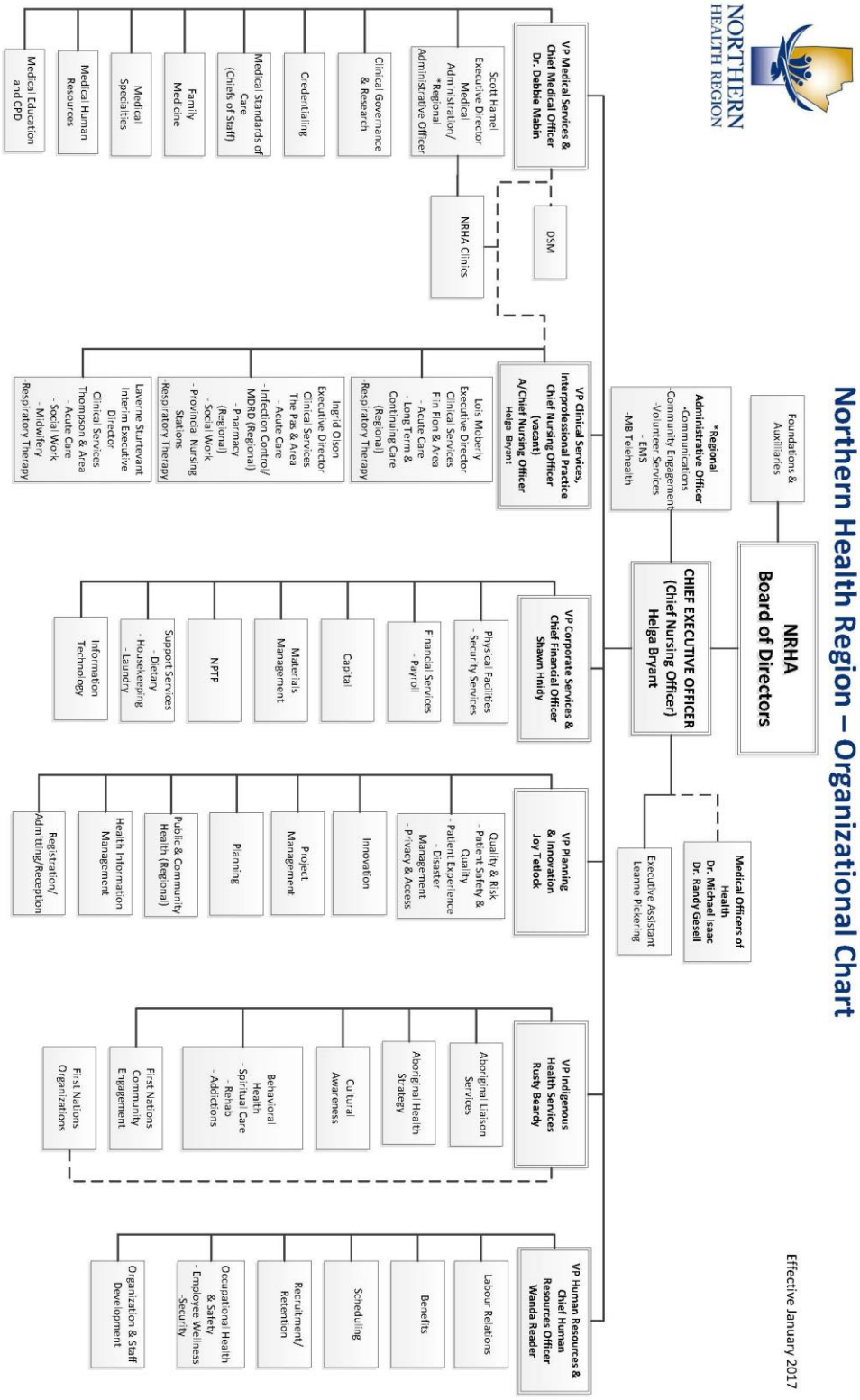
- **Flexibility** - The Region is flexible and adaptable to the changing environment.

- **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.

Organizational Structure



Executive Leadership Council

- **Helga Bryant RN, BScN, MScA**, Chief Executive Officer and Chief Nursing Officer
- **Dr. Deborah Mabin MD, MBChB, FRCPC, FFRad(D), CCPE**, Vice-President, Medical Services and Chief Medical Officer
- **Rusty Beardy BSW**, Vice-President, Indigenous Health & Relations
- **Wanda Reader**, Vice-President, Human Resources and Chief Human Resources Officer
- **Joy Tetlock**, Vice-President, Planning and Innovation
- **Shawn Hnidy, CMA, MBA,** Vice-President, Corporate Services and Chief Financial Officer
- **Scott Hamel, J.D. BA (Hons),** Regional Administrative Officer & Executive Director of Medical Administration
- **Laverne Sturtevant RN, BN, MScA,** 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 – Ingrid Olson, Helga Bryant, Wanda Reader
Back row – Rusty Beardy, Lois Moberly, Scott Hamel, Shawn Hnidy
Missing from photo: Joy Tetlock, Dr. Deborah Mabin, Laverne Sturtevant

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 2016-17 Northern Health Region Board of Directors includes:

Cal Huntley, Chair – Flin Flon
John Marnock - The Pas
Glen Ross - The Pas
Elaine Kobelka – The Pas
Judith Kolada – Thompson
Les Oystryk – Creighton, SK

Carrie Atkinson, Vice-Chair – The Pas
Duncan Wong – Thompson
Wayne Hall – Thompson
Anne Thompson - Lynn Lake
Chris Matechuk - Thompson

Directors' Committees include the Executive, Governance, Audit, Finance, Indigenous Health & Human Resources 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: back row – Judith Kolada, John Marnock
Front row – Carrie Atkinson, Les Oystryk, Cal Huntley
Missing from the photo: Glen Ross, Duncan Wong, Wayne Hall, Anne Thompson, Christopher Matechuk, Elaine Kobelka

Strategic Framework

In October 2016, the Northern Health Region Board of Directors held their 3rd Northern Health Summit. Stakeholders came together from First Nation Communities, Municipalities, Education, Industry and Government to discuss the health concerns of the Region. The title of this year's summit was "**Patient Experience**". The Summit included keynote speakers Ileen Sylvester, Vice President of Executive and Tribal Services and Donna Galbreath, Medical Director of Quality Assurance; both from the Southcentral Foundation in Anchorage, Alaska. They spoke on the Nuka System of Care which was developed by Southcentral and is built on three beliefs: customer ownership (patients), relationship between the primary care team and the customer owner and whole system transformation. Mamawetan Churchill River Health District representatives also spoke at the Summit on how they have begun the implementation of the Nuka System of Care into their facilities and how this has impacted how they deliver healthcare to their residents.

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 ▸ Improve health equity throughout the region	**Strategic Direction Two: Deliver Quality Accessible Health Services** **Supporting Strategic Priorities:** ▸ Improve access to health services ▸ Promote a culture of Patient Safety
Strategic Direction Three: Be a Sustainable and Innovative Organization **Supporting Strategic Priorities:** ▸ Increase services closer to home as appropriate ▸ Ensure fiscal responsibility	**Strategic Direction Four: Be an Employer of Choice** **Supporting Strategic Priorities:** ▸ Enhance recruitments ▸ Enhance employee engagement

Operations Report Highlights

Strategic Direction One: Improve Population Health

The highlights from 2016/17 include the following:

- **Opaskwayak Health Authority:** A leadership group has been formed with NRHA and OHA staff to work together. Opaskwayak Health Authority is pursuing the NUKA Model of Care from South Central Foundation.

- **Long Term Care and Primary Care:** The Long Term Care Program is currently working on a 'medical services' plan that details the use of a nurse practitioner in long term care.

- **Seasonal ER Trends:** There is evidence of increased activity in respiratory emergency room and clinic visits from clients with Chronic Obstructive Pulmonary Disease and Asthma due to poor air quality from wildfires in the area.

- **Mental Health and Community Engagement:** An increase in major concerns with mental health continue in communities (i.e. Brochet and Keewatin Tribal Council); work between Mental Health and Community Engagement events is ongoing on how to respond to communities to best meet their mental health needs.

- **Community Health Assessment:** The Community Health Assessment Internal Steering Committee is going through a reorganization. The intent is to revive the committee as well as expand it to include external partners. This will hopefully lead to a strengthened relationship and purpose for the LHIGS.

- **Provincial Nursing Stations update:** The transition of the nursing stations remains an outstanding recommendation in the NOR-MAN External Review Recommendations. Progress on this is very slow with at least one of the communities not supportive of the transfer.

- **Renal Care in First Nations Communities:** Discussion underway with God's Lake Narrows regarding dialysis services in the new Nursing Station being constructed by FNIHB.

- **Mental Health:** Cross Lake support continues; support from the NRHA is comprehensive and within our financial means.

- **Health Equality Position Statement:** Health Equality has been identified as a risk to the Region in the Risk Assessment completed for Health, Seniors & Active Living. This Position Statement has been developed.

- **Indigenous Health Network:** Foundation work of this new provincial network continues to be developed with the Terms of Reference and other details near completion.

- **Public Health Activities:**
    - Flin Flon Public Health had a Baby Friendly pre-assessment site visit on March 9, 2016. There are 10 Steps of the Baby Friendly Initiative and World Health Organization Outcome Indicators. Flin Flon has met the 10 Steps to becoming a Baby Friendly Accredited site.
    - Thompson Public Health completed a documentation review for Baby Friendly Accreditation and has received a report back from Breastfeeding Committee of Canada that indicates they are ready to move on to a pre-assessment site visit.
    - The Public Health Nurses in Flin Flon and The Pas have resumed service at one half day a week at the high schools for youth access.
    - Advertising of syphilis awareness poster has been well received and distributed.
    - A Diabetes Service Coordination Network has been initiated with partners to look at diabetes and chronic disease services available across the region. The partners include the NRHA, Keewatin Tribal Council and First Nation & Inuit Health Branch. One of the goals to achieve is having a template of the services and resources available to community members throughout the region.
    - Full-time Foot Care nursing position reinstated in Thompson; position posted and filled.
    - May 24, 2016 Public Health Team in Thompson held the annual Sexual Health Fair "Hawaiian Luau". The message is Healthy Sexuality and Relationships. The event is held at the local High School. Some of the activities included a scavenger hunt, displays, games, education sessions and testing. 1500 students participated and this event is always very well received by the teachers, community, parents and students.
    - May 17 & 18, 2016 the Diabetes Program was invited to the community of Cross Lake. They provided individual diabetes education appointments, food demo at the North Mart and a community presentation
    - The Annual Health Circus was held in Thompson on May 6, 2016. The purpose of the Health Circus is for families to bring their children ages 4-6 years who are entering Kindergarten for developmental screening and immunizations. 71 children were screened, 17 referred on to audiology, 5 referred on for dental and 10 for vision. There were a total of 82 children at the event and 75 were immunized.
    - Presentations on Reproductive Health took place at Rosaire House and the Opaskwayak Cree Nation Youth Centre in The Pas.
    - There has been promotion through radio announcements in Flin Flon regarding needle disposal, safety and protecting yourself. The message was to educate everyone on the dangers of picking up, or playing with needles and to encourage safe needle disposal through the Primary Health Care Centre in Flin Flon.
    - In partnership with The Pas local business owner, Funky Threads, a new condom dispenser was installed.
    - Naloxone kits are available at sites throughout the Region. Education on use has taken place; public forums have been/are being held by Addictions Foundation of Manitoba in conjunction with our staff. Harm Reduction Supply and Distribution Program completely rolled out across the Region including Gillam.

- **Research Project:** Factors Associated with Inadequate Prenatal Care among Women in Northern MB. The research involved interviewing women regarding the barriers they identify to accessing adequate prenatal

care. There will also be targeted qualitative interviews of women and providers to collect the same information.

- **Annual Safe Kids Kick-Off:** Thompson Public Health Nurses, Families First, Community Dietician, Hello Parents Members, RCMP, Rotary Club, City of Thompson, Manitoba Public Insurance & Community Members held the Annual Safe Kids Kick-Off. Some of the activities included fitness activities, yoga, dancing, bubble wand making, colouring contest, outdoor games, crafts, face painting, fun tattoos, RCMP Bike Rodeo & Police Dog demonstration, Fire Truck & Car Seat Checks. Safety bags were given to all participants & included first aid kits and sunscreen. Education was also provided on summer safety, sunscreen, bike helmets, bike safety, parenting, etc.

- **Mobile Breast Screening:** Completed in Snow Lake, Flin Flon and The Pas during August.

- **Community Development in Lynn Lake and Leaf Rapids:** The Public Health Nurse in Lynn Lake and Leaf Rapids organized a Community Development workshop in both communities. These workshops were attended by community members and were facilitated by a nurse expert from New Brunswick. The presentation was based on "ABCD" which stands for Asset Based Community Development and is a very positive approach. It focusses on looking at assets and strengths that can be built on rather than looking at needs and gaps.

- **Norway House Kidney Walk:** A group of individuals biked/ran from Norway House to Winnipeg starting August 21 with a goal of getting to Winnipeg Aug 25/26 with a stop at the Legislature. They wanted to honour dialysis patients past and present, raise awareness about organ donation and also raise awareness about the need for more dialysis access in Norway House.

- **Primary Care and Clinics:** Newly recruited leadership team. Now in place is a Director Primary Care and Clinics, Medical Director Thompson Clinic and Gillam/Lynn Lake/Leaf Rapids and Medical Director of Flin Flon, The Pas and Snow Lake. This team holds great vision for further enhancing primary care access in the Region.

- **The Pas Hospital Acquired Infections:** Several acute care inpatient unit (ACIU) patients experienced hospital acquired infections. Infection Prevention and Control was involved and monitored. Hand hygiene was stressed with all staff and increased housekeeping services were arranged.

- **World Hepatitis Day July 28:** This day was celebrated and promoted in Thompson at the City Centre Mall. The goal is to raise awareness about viral Hepatitis. In partnership with Safer Choices Northern Network, students from the Thompson Youth Build Club Ma-Mow-We-Tak and the NRHA Sexual Health Program. Approximately 60-70 persons accessed information, 21 had on-site testing for sexually transmitted blood born infections (STBBI). World Hepatitis Day was celebrated in Flin Flon with a big community BBQ and on site testing for STBBI. This was in partnership with Play it Safer Network. Free resources were distributed and approximately 30-40 attended the event, 10 had on site testing for STBBI.

- **Home Care Services in off-reserve/adjacent to First Nations Communities:** Service Purchase Agreements were implemented between the communities of Grand Rapids and Brochet for Home Care Services. These

are the first of such agreements and are evidence of attention to increasing equity, access to services. In effect, the communities will be providing service from within the communities, meeting provincial guidelines with costs being covered by the RHA.

- **Administrative Support to Medical Services:** Medical Services Planning day was held September 27; outcomes included a "critical path" with two priorities; one related to patient centred care, one around access. Foundational to these are the desire to improve the work place culture and team environment of the primary care programming.

- **Thompson General Hospital Emergency Department:** The department and the Behavioral Health Team worked toward the introduction of a rapid assessment tool that will be completed at Triage and will help the RN to immediately identify those in mental health crisis. We have now partnered with inpatient community detox and are referring suitable patients to their care.

- **Community of Gillam Health Challenges:** The NRHA were invited to meet with Council and community in Gillam to discuss concerns around Mental Health in particular as well as other general health related concerns. On a regular basis, the manager of Gillam Hospital meets with community members regarding a community called “Partners for a Drug Free Gillam”. The group consists of a Hydro employee, RCMP, and the pharmacist. Strategies were discussed and actions developed for the community.

- **Medical Services:** The Regional Administrative Officer / Executive Director of Medical Administration position has been filled by the VP Communications and Stakeholder Relations. We continue to work to standardize processes and policies regionally including but not limited to pay structures and expectations of providers.

- **Northern Consultation Clinic Thompson/ The Pas Clinic Projects:** These projects have been paused as per letter from Manitoba Health, Seniors & Active Living.

- **Healthy Choices in Snacks/Beverages:** The NRHA will be placing posters regionally on the risk of sugar sweetened beverages. The region is limiting the number and size of sugar-sweetened beverages available to purchase in NRHA facilities.

- **Tuberculosis:** In February an active Tuberculosis (TB) case was identified from the Thompson, R.D. Parker Collegiate. The Public Health Team completed the first round of a TB investigation, which included over 100 individuals. The second and final round will be a repeat TB testing beginning the week of April 10, 2017. The Public Health Team worked with R. D. Parker Collegiate staff, students and parents to identify contacts and letters were sent to all students and staff. A team of Public Health Nurses has been mobilized for screening and an information session was held which was open to everyone and the local television station.

- **Methadone Services:** There are discussions provincially happening with Addictions Foundation of Manitoba about how to offer Methadone services for clients in the North.

- **Mumps Outbreak:** Since September 2016 Manitoba has been experiencing an outbreak of Mumps. The regional Public Health team has been working with the Medical Officer of Health to manage the mumps

cases and contacts in the NRHA. This included coordinating care with schools to inform parents and provide immunizations and support. There was also collaboration with different work environments and agencies to support the employees and families.

- **Epidemiology:** The contract with the Epidemiologist will not be renewed as of April 1, 2017. We are working to build internal capacity in Decision Support Services.

Strategic Direction Two: Deliver Quality Accessible Health Services

The highlights from 2016/17 include the following:

- **Flin Flon Personal Care Home Sprinkler System Upgrade:** Approval was received to go to Tender and those documents were finalized with a request for Tender out with a May 12, 2016 closing date. In January the project completed; residents had moved back to the floor.

- **Reduction of Services in Flin Flon:** During the Personal Care Home sprinkler installation, Flin Flon saw a significant reduction in endoscopy and operating room usage as the increased patient load in the surgical beds base impacted admissions through day surgery. It was planned to reduce day surgery by 50% and was re-evaluated throughout the three month construction timeframe.

- **Brian Sinclair Recommendations:** Consultants visited The Pas and Thompson for review of the Emergency Rooms.

- **Ransomware:** Reminders to staff to be vigilant of this very real threat.

- **Occurrence Reporting:** Reporting of occurrences and incidents continue to require coaching and educating.

- **Orthopedic Program:** Aimed to have soft launch of the program in Thompson in summer of 2016. A significant amount of specialized equipment required for the program in Thompson; a special proposal submitted to Health.

- **Emergency Department Redevelopment:** As of November, the project is about 3 months behind, partially due to weather and bedrock issues.

- **Required Organizational Practice:** Acute Care Falls Management Working Group looked at processes in place to develop a regional tool which will then need to be rolled out.

- **Mold in Thompson Health Records:** Health Records in Thompson was compromised by mold. A fungal assessment was completed in February; safeguards in place. Construction options reviewed with in-house and managed with assistance from a contractor. Work is ongoing.

- **Cancer Patient Journey:** In Sixty CRC quality improvement provincial roll-out to begin soon; so that we will be in compliance with the In Sixty targets. This initiative will include a provincial referral form, a central referral model, and implementing a database for measuring progress.

- **Thompson Emergency Department:** Thompson General Hospital Emergency Department is going to trial the idea of moving one bed out of the hall and replacing it with four chairs to allow for a more timely access of care. This is in keeping with the philosophy of the Brian Sinclair Inquest Recommendations in terms of improving flow and access in ERs. Other strategies are being explored and will be trialed as appropriate.

- **Infrastructure Projects to enhance Patient Safety:**
    - Thompson General Hospital Card Access, Security Camera, & Infant Abduction Systems Upgrade's: Tender submissions were severely over budget. Project scope changes were made and have been re-submitted for Tender as MB Health gave us approval to re-tender on May 27th, 2016.
    - The Pas & Flin Flon Nurse Call & Patient Wandering Upgrade's: Tender came in slightly over budget. A Post-Tender Addendum has been put out which decreases the size of scope to the two bidders; closes June 3, 2016.
    - Leaf Rapids Diagnostic Imaging Suite Replacement: This Diagnostic Services of Manitoba Managed X-Ray replacement started on June 27, 2016.
    - The Pas & Flin Flon PCH Ceiling Lift Projects: Have hired a Structural Engineering Firm to visit Flin Flon General Hospital Bariatric, St. Paul's Personal Care Home, Flin Flon Personal Care Home, and Northern Lights Manor Personal Care Home to inspect existing ceiling lift installations and inspect infrastructure of the future ceiling lift rooms.
    - Thompson General Hospital Chemotherapy Upgrade: To be completed and opening April of 2017.
    - Thompson General Hospital Medical Device Reprocessing (MDR) Upgrade: A Class A estimate was obtained; awaiting Manitoba Health's approval to go to Tender.

- **Safety Huddle Process:** Patient Safety Coordinators are in the process of developing a tool kit to assist managers in facilitating a safety huddle with frontline staff.

- **Falls Management:** Acute Care Fall Management Working Group: Working on developing Universal Fall Precautions and education roll-out for Acute Care.

- **KTC Partnerships:** The creation of a First Nations/NRHA Executive Group to better integrate resolutions and increase health director information flows between the Region and First Nations.

- **Quality Board & Patient Safety Huddle Process:** Pt Safety Coordinators drafted a tool kit to assist managers in facilitating a safety huddle with frontline staff. Currently under stakeholder review.

- **Manitoba Institute for Patient Safety (MIPS) Patient Advocate Form:** The Patient Advocate Form is available in all areas and education material is available to staff and patients/families.

- **Access granted to PHR viewer:** This is the Saskatchewan version of IREG- will obtain Saskatchewan Demographics and information regarding active or inactive health cards. We have also applied for Saskatchewan E-Health (meds profiles, lab results/reports).

- **Patient Transition:** In emergency, the patient discharge checklist is now added to the registration packs and education on its function and use has been implemented.

- **Identification of Violent and Aggressive Patients**: This is a Provincial initiative. In the Region, the screening tool for the identification of Violent and Aggressive patients has been implemented at triage with good collaboration with Registration who enters the information into the system.

- **Medical Services Thompson:** First Nations Travel - Limited travel to First Nation communities occurred due to weather, mechanical issues, and workplace health and safety issues. Telehealth clinics offered at least once in Brochet, Lac Brochet, and Tadoule, with ongoing dates booked.

- **Flin Flon Endoscopy:** Backlog due to surgical/physician support, working to increase capacity with available locums to increase efficiencies. Possibility of training a surgeon for endoscopies in Flin Flon; support is being organized through Winnipeg.

- **Client & Family Centered Care / Patient Engagement:** Two levels of engagement are required - with input from clients and in partnership with clients. Developing a patient and family engagement strategy and tools to support it. Patient Experience Coordinator will be presenting to Senior Management in future. Expected completion: May 2017

Strategic Direction Three: Be a Sustainable and Innovative Organization

The highlights from 2016/17 include the following:

- **Northern Health Summit:** Held in October in The Pas with keynote speakers from Southcentral Foundation.

- **EMS Risk of Devolution:** Connection with Gillam is in progress regarding an organized transition of EMS services from Town of Gillam to the RHA.

- **Thompson Mammography Department:** Rewarded full accreditation for the film based mammography. The announcement is scheduled to take place May 17th.

- **Coordinated Provincial Pain Service:** A provincial pain service is being developed (WRHA, PMH and NRHA); in order to ensure a sustainable, consistently applied and quality assured service, we are pleased to join in this provincial service.

- **Financial Sustainability:**
    - Efficiency Opportunities: Executive is working through an "efficiency" planning process in which we must reduce spending by 1.5% over the 16/17 fiscal year.
    - Budget 2016/2017: Extensive reworking of budget has occurred. Finance staff are to be commended for the effort they have applied to this process. The Region is now in a position to have accurate budgets/spending reflected by cost centre.
    - Operational Planning (Annual): Operational Planning training held for Senior Management Team.
    - Fiscal Stewardship through recruitment/retention strategies: Thompson ER will have zero nurse vacancies by the end of February 2017.
    - Implementation of 1st sick call management: Processes implemented to support management of sick calls.

- **Flin Flon Emergency Department Sod Turning:** Event was held in Flin Flon with MLA Rick Wowchuk in attendance along with local dignitaries and media.

- **Rural Repatriation Committee:** This is a provincial committee that is developing policies and practices to ensure patients that are receiving services in larger centres are repatriated to sites close to home as soon as possible.

- **Grand Rapids Nursing Station:** Inspection August 16th (Health, NRHA, Contractor); list of deficiencies to be generated prior to commissioning and move-in.

- **Hope North – Recovery Centre for Youth:** Construction continues with soft opening for early spring and official grand opening to occur at a future date.

- **Accreditation:** Currently developing a ROP reporting schedule to communicate progress on ROP reporting schedule to communicate progress on ROP work throughout Region.

- **Cross Lake Update:**
    - The request for Capital (Health Centre) in Cross Lake continues to be a request in the NRHA Health Plan.
    - Discussions with community and Thompson General Hospital Emergency and Psychiatry continue to resolve communication issues, knowledge of Mental Health Act and the rights and obligations therein.
    - Discussion in process on request for a working group by the Chief of Cross Lake FN.

- **Maximize use of Telehealth:** increase use of telehealth services to meet demand and manage fiscal restraint while providing timely patient care.

- **Northern Patient Transportation Program (NPTP):** Fundamental discussions held regarding the provision of the NPTP, particularly in light of the increasing demands resulting in increased costs.

- **National Collaborating Centre for Infectious Disease-Syphilis Knowledge Exchange Forum:** The Medical Officer of Health and Sexual Health Coordinator were invited to this forum to share their knowledge and experience on public health strategies and the NRHA response to the syphilis outbreak.

- **Capital Project Updates:**
    - **Flin Flon General Hospital Emergency Department:** Project progressing
    - **The Pas Clinic:** Project on pause
    - **Thompson Chemotherapy:** opening date March of 2017.
    - **TGH Lab HVAC Upgrade:** Consultant for this project is SMS Engineering. SMS has been on-site in TGH; working through the options of phasing to enable the continuation of services and provide a phasing plan and construction cost estimate.
    - **TGH PACU Isolation Room:** Project is underway.
    - **Regional Elevator Project:** Project started on August 22, 2016 for The Pas Health Complex.
    - **Snow Lake Health Centre's Sprinkler System Upgrade:** received approval to go to Tender from MB Health, documents being prepared for a December 6, 2016 tender date and closing date of January 19, 2017.
    - **TPHC Sanitary Soil Pipe Replacement:** received approval to Award this tender on November 22, 2016.

- **Primary Care Connector Program:** New forms rolled out and training provided to registration staff to direct patients to coordinator when on site for consultation.

- **Information Management:**
    - Program software is in need of a major upgrade; running reports is very time consuming resulting in most reports being created manually. This causes long delays in getting the relevant reports to the department requesting information.
    - Emergency Department Information System (EDIS) is a long awaited system for our emergency departments. Expected go-live was March 2016; due to unforeseen circumstances provincially, this date has been moved to June 2017.
    - Finance is investigating new financial reporting software that will allow managers to more efficiently view variance reports.

Strategic Direction Four: Be an Employer of Choice

The highlights from 2016/17 include the following:

- **Manitoba Health Care Provider Network:** This is a new structure that will provincially house a provincial WSH program, Labour Relations Secretariat and Medical Staff credentialing.

- **Home for the Summer Program:** 9 students approved; 2 for Medical Services in Thompson; 1 for Medical Services in The Pas; 2 for Thompson Pharmacy; 1 for Flin Flon Pharmacy,1 for EMR Standardization Clerk based in Thompson, 1 for Mask Fit Testing (The Pas/Flin Flon);1 Quality and Risk Occurrence Reporting.

- **Thompson General Hospital Management Recruitment:** One management position filled within for the Manager of OR/Chemotherapy/Hemodialysis. External recruiting firm continues to search for remaining Manager positions.

- **Recruitment Challenges:**
    - Clinical Psychologist Thompson; Ilford Public Health Nurse; Snow Lake Public Health Nurse; Mental Health positions in Lynn Lake/Leaf Rapids and Gillam (considering new delivery model); Social Worker The Pas.
    - Recruitment for hospital based security continues. Still relying on White Owl Security for multiple shifts.
    - 9 University College of the North senior practicum nursing students were on site.
    - Planning for Rural Week from May 24 - 27, 2016 are underway. The Region will be hosting the following number of first year medical students from the University of Manitoba: Thompson: 6; The Pas: 2; Flin Flon: 2; Gillam: 2.
    - 5 New International Medical Graduates (IMGs) graduated and will join the Region between March and May 2016. The Region is in negotiation with 3 Canadian trained residents as well, graduating in June 2016 that may join the Region between July and Sept 2016.
    - Funding has been provided for a 1.0 EFT Ultrasound Technologist to help reduce wait list and provide more after-hours coverage.
    - Unable to recruit into vacant licensed practical nursing positions, will be looking to top-up wage to that of a registered nurse and post vacancies on medical / pediatrics
    - Social Work Recruitment Challenging: As social work program is a generalist program, new grads or even experienced social workers seldom have hospital, long term care or health care experience which creates recruitment challenges.

- **Recruitment Successes:** Positions filled are the Manager OR/Chemo/Dialysis at Thompson General Hospital, Wabowden positions, and the full time public health nurse in Leaf Rapids.

- **Learner Support:** U of M nursing students Senior Practicum; Brandon University nursing student; UCN nursing students.

- **Volunteer Luncheons:** Held the week of April 11, 2016 in Thompson, Snow Lake, Flin Flon and The Pas. The volunteers expressed their gratitude for the luncheon; this practice will continue.

- **Leadership Development Framework:** "Faculty" have been selected/self-selected, trained and roll out for leaders and staff is underway.

- **Long Service Recognition:** Held in each of the 3 sites.

- **Nursing Week Celebrations:** Went very well.

- **Long Term Care/Home Care:** Health Care Aide course offered in The Pas and Flin Flon beginning January 2017. Graduation date scheduled for late June 2017.

- **Nursing Recruitment:** Interviews of senior practicum nursing students held. University of Manitoba and Red River College were welcomed to Thompson.

- **Medical Staff Recruitment:** Several new graduates were met with and contracts presented. Three IMG assessment program graduates will be coming to Thompson in July/August. Gillam physician has submitted resignation and solutions are being sought for Gillam and looking for a unique model that meets the needs of the community and the providers. Interactions and ongoing discussions are being held with a number of other physicians seeking work in northern Manitoba. Contacts being made with University of Manitoba to ensure the NRHA has a profile and seen as an opportunity for learners as has been the practice in the past and growing that into the future.

- **Situational Leadership Training:** Took place May 30 and 31 in Thompson and Flin Flon. Feedback was positive. Learners gained an appreciation for both leadership and management qualities. Dates booked for upcoming year with goal of having all Managers, Supervisors, CRNs and Charge Nurses complete the program with all staff eventually going through the program.

- **Workplace Audits/Organizational Culture:** Human Resources received many requests to conduct workplace audits in department. This is seen as positive as there is a growing openness to acknowledging change needs to occur and seeking support to enable development of increasingly respectful work environments.

- **Psychological Health and Safety in the Workplace:** This is getting some traction provincially and a project coordinator has been assigned.

- **Diploma Practical Nursing Program:** DPN program through UCN was put on hold with a potential for fall 2017 start date.

- **Satellite Phone Regional Scan:** Scan completed to assess coverage and resultant risk. Given the assessment and the contingency plans in place, the determination has been made that the Region has appropriate satellite phone distribution.

- **Security Presence in The Pas, Thompson:** Recruitment for hospital security staff continues. The 24/7 security presence is in response to our own identified need as well as the Brian Sinclair Inquest Recommendations.

- **U of M, RRC, BU Nursing Program - Senior Placement Project:** This program, after 2 very successful years has had funding withdrawn by Health. We are looking at internal resources and a business case to continue this program as it yielded recruits to complement local UCN hires.

- **Physician Recruitment:** Efforts maximized to recruit further general practitioners and specialists. A Physician Recruitment and Retention Committee exists under the auspices of Medical Advisory Council and will better support to conduct work in recruiting.

- **Provincial Safety Association:** The accounting firm, MNP conducted interviews with each RHA to discuss need for a safety association which includes assessments, staff interviews and the requirement to pay for an audit. Each RHA will have a preliminary interview with MNP. However, we have been in the planning stages of creating our own Healthcare specific association; The Provincial Safety Specialists are looking at this.

- **Cultural Competence Session:** A one day session was held in Thompson with Rose LeMay as a nationally renowned facilitator providing an informative, engaging session Plan is to have her return next fall to provide sessions in each of the 3 sites.

- **Regional Workplace Audit Survey:** Action Planning on the recommendations has commenced, priority actions are: develop powerpoint presentation with results and actions, focus group discussions with employees at the 3 year mark, promotion of High Five Program, Mental Wellness Strategy which would include debriefing, and Conflict Resolution and Emotional Intelligence Training.

- **Relationships with Educational Facilities:** Senior practicum nursing student requests from Brandon University, University College of the North, University of Toronto, St. Boniface, Red River College and University of Manitoba continue to increase. Students were offered accommodation and meal allowance during their placement facilitating a positive experience and encouraging recruitment.

- **Clinical Psychology:** Both Clinical Psychology positions have been vacant for 1 year (FF); 3 years (Thompson). Waiting lists grow and resourcing clinical psychology services is critical. Contract obtained from a clinical psychologist to provide 2 weeks/months of clinical psychology assessments between all 3 sites. Discussion held between NRHA and U of M Department of Clinical Psychology re itinerant support for the other vacant position.

- **Partnership with CATIE and built capacity in staff:** Public Health staff were able to partner with CATIE, the Canadian HIV and Hepatitis C Network to complete online training on Hepatitis C. Training completed with a follow up group training in Winnipeg with an excellent opportunity to network. CATIE funded this for the NRHA staff.

- **VP Clinical Services, Inter-Professional Lead and Chief Nursing Officer Recruitment:** Recruitment underway utilizing a national recruitment firm. A search committee has been struck to support this process.

Administrative Costs 2016/2017

Administrative and Corporate Costs as at March 31, 2017 were $ 14,266,314.

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, patient relations and recruitment of health professionals. A further breakdown of administrative costs, as required by Manitoba Health, Seniors and Active Living 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.

	2016/17	**2015/16**(Restated)
Administrative cost (% of total):	5.94%	5.81%
Corporate operations (% of total):	4.10%	4.20%
Patient-care related functions (% of total):	0.52%	0.48%
Human Resources & Recruitment functions (% of total)	1.32%	1.14%

2016/17 Totals: Corporate = $9,862,386; Patient Care Related = $1,239,619; HR & Recruitment = $3,164,309; **Total Administration = $14,266,314**

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 2016 – 2017:

Information Required Annually (per Section 18 of The Act)	Fiscal Year 2016 – 2017
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.

Management's Responsibility

To the Board of Directors of Northern Regional Health Authority:

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 entirely 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 21, 2017

Chief Executive Officer

Vice President, Corporate Services and Chief Financial Officer

Independent Auditors' Report

To the Board of Directors of Northern Regional Health Authority :

We have audited the accompanying financial statements of Northern Regional Health Authority, which comprise the statement of financial position as at March 31, 2017, the statements of operations, deficiency 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 as at March 31, 2017 and the results of its operations, changes in deficiency in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Winnipeg, Manitoba

June 21, 2017

MNP LLP

Chartered Professional Accountants

Northern Regional Health Authority
Statement of Financial Position
As at March 31, 2017

	2017	*2016*
Assets		
Current		
Accounts receivable *(Note 2)*	**4,787,696**	3,080,620
Due from Manitoba Health *(Note 3)*	**9,021,057**	18,830,910
Inventory	**1,156,092**	1,311,865
Prepaid expenses	**976,506**	1,243,682
Vacation entitlement receivable - Manitoba Health *(Note 4)*	**5,429,191**	5,429,191
	21,370,542	29,896,268
Capital assets *(Note 5)*	**105,223,665**	91,649,084
Due from Manitoba Health (pre-retirement) *(Note 4)*	**4,209,802**	4,209,802
	130,804,009	125,755,154

Continued on next page

Northern Regional Health Authority
Statement of Financial Position
As at March 31, 2017

	2017	2016
Liabilities		
Current		
Bank indebtedness *(Note 6)*	**3,392,231**	14,474,859
Line of credit *(Note 7)*	**24,656,099**	21,345,850
Accounts payable and accruals *(Note 8)*	**17,427,922**	13,287,994
Current portion of long-term debt *(Note 10)*	**471,610**	515,717
Accrued vacation entitlements	**10,279,119**	10,481,722
Deferred revenue *(Note 9)*	**1,326,279**	1,313,677
	57,553,260	61,419,819
Long-term debt *(Note 10)*	**3,254,541**	3,621,977
Sick leave benefit obligation *(Note 11)*	**1,865,770**	1,830,900
Due to DSM - pre-retirement obligation	**652,024**	653,693
Accrued pre-retirement obligation *(Note 12)*	**9,698,000**	9,607,000
Deferred contributions related to expenses of future periods *(Note 13)*	**383,537**	383,297
Deferred contributions related to capital assets *(Note 14)*	**66,567,219**	53,968,906
	139,974,351	131,485,592
Deficiency in Net Assets		
Investment in capital assets *(Note 15)*	**10,274,196**	12,196,634
Externally restricted	**10,182**	10,182
Unrestricted	**(19,454,720)**	(17,937,254)
	(9,170,342)	(5,730,438)
	130,804,009	125,755,154

Approved on behalf of the Board

The accompanying notes are an integral part of these financial statements

MNP

Northern Regional Health Authority
Statement of Operations
For the year ended March 31, 2017

	2017	*2016*
Revenue		
Manitoba Health *(Note 16)*	**217,593,103**	213,245,568
Amortization of deferred contributions related to capital assets *(Note 14)*	**6,846,967**	6,273,252
Non-insured income	**8,082,701**	7,017,117
Other revenue	**4,395,825**	4,898,871
Northern patient transportation program recoveries	**4,601,975**	3,803,603
Government of Canada	**474,772**	563,038
Ancillary revenue	**2,146,761**	1,967,244
Total revenue	**244,142,104**	237,768,693
Expenses		
Acute care	**107,093,884**	94,570,852
Amortization of capital assets	**6,846,967**	6,273,251
Ancillary operations	**2,360,620**	1,957,399
Community based health	**21,475,887**	20,685,918
Community based home care	**8,222,895**	8,476,073
Community based mental health	**4,980,157**	5,010,515
Aging in place/long-term care	**17,127,195**	15,885,486
Land ambulance	**7,035,051**	5,713,533
Northern patient transportation	**20,494,035**	18,997,481
Medical remunerations	**35,404,111**	38,751,737
Unallocated regional health authority costs	**16,541,206**	21,245,911
Total expenses	**247,582,008**	237,568,156
Excess (deficiency) of revenue over expenses	**(3,439,904)**	200,537

The accompanying notes are an integral part of these financial statements

Northern Regional Health Authority
Statement of Deficiency in Net Assets
For the year ended March 31, 2017

	Investment in capital assets	*Externally restricted*	*Unrestricted*	*2017*	*2016*
Net assets (deficiency in net assets), beginning of year	**12,196,634**	**10,182**	**(17,937,254)**	**(5,730,438)**	(5,930,975)
Excess (deficiency) of revenue over expenses	**-**	**-**	**(3,439,904)**	**(3,439,904)**	200,537
Net changes in investment in capital assets *(Note 15)*	**(1,922,438)**	**-**	**1,922,438**	**-**	-
Net assets (deficiency in net assets), end of year	**10,274,196**	**10,182**	**(19,454,720)**	**(9,170,342)**	(5,730,438)

The accompanying notes are an integral part of these financial statements

MNP

Northern Regional Health Authority
Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Excess (deficiency) of revenue over expenses	**(3,439,904)**	200,537
Amortization of capital assets	**6,846,967**	6,273,251
Amortization of deferred contributions related to capital assets	**(6,846,967)**	(6,273,251)
Deferred revenue recognized in income	**(2,682,085)**	(2,272,474)
	(6,121,989)	(2,071,937)
Changes in working capital accounts		
Accounts receivable	**(1,707,076)**	2,553,067
Inventory	**155,773**	(204,681)
Due from Manitoba Health	**9,809,853**	(4,876,210)
Prepaid expenses	**267,176**	(27,428)
Accounts payable and accruals	**4,139,928**	(347,979)
Accrued vacation entitlements	**(202,603)**	757,663
Deferred revenue	**2,694,687**	2,333,260
Deferred contributions related to expenses of future periods	**240**	-
	9,035,989	(1,884,245)
Financing		
Net change in long-term debt	**(411,543)**	(3,447,287)
Change in pre-retirement obligation	**91,000**	128,000
Change in DSM pre-retirement obligation	**(1,669)**	(24,683)
Receipt of deferred contributions related to capital assets	**19,445,280**	11,111,275
Change in sick leave benefit obligation	**34,870**	(32,689)
Change in line of credit	**3,310,249**	10,690,669
Change in bank indebtedness	**(11,082,628)**	4,846,406
	11,385,559	23,271,691
Capital activity		
Purchases of capital assets	**(20,421,548)**	(21,387,446)
Cash and cash equivalents, beginning and end of year	**-**	-

The accompanying notes are an integral part of these financial statements

MNP

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 with the Norman Regional Health Authority to form a new authority named the Northern Regional Health Authority (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
Northern Lights Manor
The Pas Health Complex
The Snow Lake Medical Nursing Unit
Thompson Clinic
Northern Consultation Clinic
Sherridon Health Centre
St. Paul's Personal Care Home

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 Organization 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, 2017.

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 Organization'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 $6,852,419 (2016 - $6,553,981) 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. 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.

Sick leave benefit obligation

At the beginning of the fiscal year April 1, 2016, 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 Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization 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 Organization 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 Organization 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, 2017 and 2016.

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

	2017	*2016*
Northern Patient Transportation Program receivables	**14,565,133**	14,357,163
GST rebates receivable	**370,217**	262,781
Patient and other receivables	**3,574,877**	3,222,564
Allowance for doubtful accounts - Northern Patient Transportation Program receivables	**(12,307,818)**	(12,307,818)
Allowance for doubtful accounts - patient and other receivables	**(1,414,713)**	(2,454,070)
	4,787,696	3,080,620

3. Due from Manitoba Health

	2017	*2016*
2015-2016 HEPP COLA	**49,696**	278,756
2015-2016 MNU Retention Bonus Shortfall	**70,769**	-
2016-2017 Saskatchewan Health	**3,567,950**	-
EMS Additional Funding (Primary Care Paramedics – Devolution)	**1,026,206**	-
2016-2017 NYCS Mobile unit Budget	**831,700**	-
2016-2017 Dialysis - Expansion Funding	**708,200**	-
2016-2017 Funding Approval for 2008/09 RN (EP) Positions	**265,281**	-
2016-2017 NRB - MAHCP (Oct 2016-Mar 2017 Accrual)	**640,212**	-
2016-2017 NIRRA Funding Based on FTE Count - OOS	**494,600**	-
2016-2017 Universal Newborn Hearing Screening	**190,385**	-
2016-2017 Office of the Medical Director Funding - Quality Assurance Officer	**42,329**	-
2016-2017 Hope North	**5,500**	-
DSM Union Contract Ratification	**913,613**	-
DSM Rural DI Ultrasound	**19,257**	-
DSM CT Callback	**16,266**	-
DSM Digital Mammography	**26,262**	-
DSM HEPP COLA	**6,047**	-
DSM Year-end Settlement	**146,784**	-
2011-2012 Extended Health Benefit	**-**	184,926
2014-2015 Medical Remuneration	**-**	3,502,475
2015-2016 Medical Remuneration	**-**	5,269,478
2015-2016 MAHCP Retention Bonuses	**-**	1,239,536
MAHCP Retention Bonus - DSM	**-**	608,459
2015-2016 Northern Youth Crisis Funding	**-**	657,667
2012-2013 Medical Education Coordinator	**-**	110,000
2014-2015 Medical Education Coordinator	**-**	55,000
2015-2016 Immunization Funding	**-**	91,133
Cancer Patient Journey	**-**	39,684
2015-2016 DSM Call Back Funding	**-**	101,121
2015-2016 Saskatchewan Health FFGH Agreement	**-**	4,301,746
2015-2016 Remoteness Allowance	**-**	116,669
2015-2016 Community Support Wage Standardization	**-**	433,451
2015-2016 Facility Support Wage Standardization	**-**	1,694,154
2015-2016 Maintenance and Trades Wage Standardization	**-**	146,655
	9,021,057	18,830,910

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***	***2017 Net book value***
Land	**228,528**	**-**	**228,528**
Land improvements	**532,649**	**369,853**	**162,796**
Buildings	**129,808,265**	**69,380,003**	**60,428,262**
Computers	**4,677,513**	**3,552,539**	**1,124,974**
Equipment	**33,538,589**	**24,876,359**	**8,662,230**
Construction in progress	**34,616,875**	**-**	**34,616,875**
	203,402,419	**98,178,754**	**105,223,665**

	Cost	*Accumulated amortization*	*2016 Net book value*
Land	228,528	-	228,528
Land improvements	532,649	368,818	163,831
Buildings	115,567,543	64,357,932	51,209,611
Computers	4,318,951	3,243,369	1,075,582
Equipment	32,107,835	23,361,668	8,746,167
Construction in progress	30,225,365	-	30,225,365
	182,980,871	91,331,787	91,649,084

Construction in progress commitment

a. Flin Flon ER Development Project
A contract was signed with Fresh Projects in April 2016 for the construction of the Flin Flon Emergency Room with an estimated completion date of 2018. Costs incurred to date for building and equipment are $9,182,752 ($1,185,240 to March 31, 2016). Total projected cost is $22,359,755.

b. Grand Rapids Nursing Station
A contract was signed with Con Pro Industries in January 2015 for the construction of the Grand Rapids Nursing Station with an estimated completion date of 2017. Costs incurred to date for building and equipment are $7,473,736 ($6,043,395 to March 31, 2016). Total projected cost is $8,212,249.

c. Youth Crisis Centre
A contract was signed with Penn-Co Construction in April 2015 for the construction of the Youth Crisis Centre with an estimated completion date of 2017. Costs incurred to date for building and equipment are $6,861,576 ($4,304,350 to March 31, 2016). Total projected cost is $7,776,917.

d. Construction in Progress
Other projects with total costs incurred to-date of $11,098,811 are in various stages of completion. Total projected costs for these projects are $31,331,738.

6. Bank indebtedness

The Authority has an authorized operating line of credit of $9,400,000 bearing interest at the bank's prime rate minus 1.00% (2016 - 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, 2017 the bank's prime rate was 2.70% (2016 - 2.70%). Bank indebtedness is comprised of the following:

	2017	*2016*
Petty cash on hand and balances with banks	**559,939**	512,898
Operating line of credit balance	**(3,952,170)**	(14,987,757)
	(3,392,231)	(14,474,859)

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 (2016 - prime minus 0.80%). As at March 31, 2017 the bank's prime rate was 2.70% (2016 - 2.70%).

8. Accounts payable and accruals

	2017	*2016*
Accounts payable	**8,056,244**	5,445,199
Pension liability	**990,021**	951,180
Salaries and benefits	**8,381,657**	6,891,615
	17,427,922	13,287,994

9. 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:

	2017	*2016*
Balance, beginning of year	**1,313,677**	1,252,891
Funding received during the year	**2,694,687**	2,217,360
Funding accrual	**-**	115,900
Amount recognized as revenue during the year	**(2,682,085)**	(2,272,474)
Balance, end of year	**1,326,279**	1,313,677

10. Long-term debt

	2017	*2016*
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	**836,835**	998,060
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	**1,873,178**	2,042,743
Loan payable to Royal Bank of Canada with monthly payments of $10,016 including interest at 3.72% per annum, due May 2027, secured by certain buildings	**1,016,138**	1,096,891
	3,726,151	4,137,694
Less: current portion	**471,610**	515,717
	3,254,541	3,621,977

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

2018	471,610
2019	485,914
2020	501,061
2021	517,101
2022	393,729

Interest on long-term debt amounted to $407,211 (2016 – $573,528) and is included in unallocated regional health authority costs on the statement of operations.

11. Sick leave benefit obligation

The Authority's sick leave benefit obligation is based on an actuarial report prepared as of March 31, 2017. 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, 2017:

	2017	*2016*
Sick leave benefit obligation, beginning of year	**2,361,900**	2,555,589
Current period service cost	**221,307**	222,657
Interest cost	**68,000**	65,795
Benefits paid	**(336,437)**	(415,342)
Actuarial (gain)/loss and other	**(13,971)**	(66,799)
Sick leave benefit obligation, end of year	**2,300,799**	2,361,900
Unamortized net actuarial loss	**(435,029)**	(531,000)
Sick leave benefit obligation, end of year	**1,865,770**	1,830,900

12. Accrued pre-retirement obligation

The Authority's pre-retirement obligation is based on an actuarial report prepared as of March 31, 2017. The valuation includes employees who qualify as at March 31, 2017, 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, 2017:

	2017	*2016*
Pre-retirement benefit obligation, beginning of year	**8,812,000**	8,842,000
Current period service cost	**758,000**	771,000
Interest cost	**270,000**	227,000
Benefits paid	**(807,000)**	(771,000)
Actuarial (gain)/loss and other	**(50,238)**	(257,000)
Pre-retirement benefit obligation, end of year	**8,982,762**	8,812,000
Unamortized net actuarial gain	**715,238**	795,000
Pre-retirement accrued benefit liability, end of year	**9,698,000**	9,607,000

The actuarial valuation was based on a number of assumptions about future events including a discount rate of 3.10% (2016 - 3.00%), a rate of salary increases of 3.50% (2016 - 3.50%) 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.

13. 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.

14. 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:

	2017	*2016*
Balance, beginning of year	**53,968,906**	49,222,016
Amount received during the year	**19,445,280**	11,020,142
Less: Amounts recognized as revenue during the year	**(6,846,967)**	(6,273,252)
Balance, end of year	**66,567,219**	53,968,906

15. Net assets invested in capital assets

	2017	*2016*
Net assets invested in capital assets are calculated as follows:		
Capital assets	**105,223,665**	91,649,084
Deferred contributions	**(66,567,219)**	(53,968,906)
Long-term debt	**(3,726,151)**	(4,137,694)
Line of credit	**(24,656,099)**	(21,345,850)
	10,274,196	12,196,634
Change in net assets invested in capital assets is calculated as follows:		
Amortization of deferred contributions related to capital assets	**6,846,967**	6,273,251
Amortization of capital assets	**(6,846,967)**	(6,273,251)
	-	-
Net changes in investment in capital assets		
Purchase of capital assets	**20,421,548**	21,387,446
Long term debt - net	**411,543**	3,447,287
Advances on line of credit	**(3,310,249)**	(10,690,669)
Manitoba Health - Capital asset funding	**(19,445,280)**	(11,020,141)
	(1,922,438)	3,123,923

16. Revenue from Manitoba Health

	2017	*2016*
Revenue as per Manitoba Health's funding document	**231,500,899**	211,199,743
Deduct:		
Payments on prior year receivables	**(18,588,962)**	(149,650)
Revenue not recorded in the prior year	**-**	(8,986,513)
Capital equipment funding	**(1,199,493)**	(1,670,952)
Nelson House PCH funding - flow through	**(1,507,248)**	(853,599)
Ancillary program	**(352,348)**	(185,127)
Ambulance	**(210,937)**	(393,996)
Interest funding (actual)	**(510,978)**	(205,475)
Other	**(272,315)**	(240,039)
Provincial Nursing Station - Transitional	**(368,182)**	(170,814)
CIHI Fees	**40,172**	40,895
	(22,970,291)	(12,815,270)
Add: Accruals approved by Manitoba Health		
2016-2017 Saskatchewan Health	**3,567,950**	-
EMS Additional Funding (Primary Care Paramedics – Devolution)	**1,026,206**	-
2016-2017 NYCS Mobile unit Budget	**831,700**	-
2016-2017 Dialysis - Expansion Funding	**708,200**	-
2016-2017 Funding Approval for 2008/09 RN (EP) Positions	**265,282**	-
2016-2017 NRB - MAHCP (Oct 2016-Mar 2017 Accrual)	**640,212**	-
2016-2017 NIRRA Funding Based on FTE Count - OOS	**494,600**	-
2016-2017 Universal Newborn Hearing Screening	**190,385**	-
2016-2017 Office of the Medical Director Funding - Quality Assurance Officer	**42,329**	-
2016-2017 Hope North	**5,500**	-
MNU Retention Funding Shortfall	**70,769**	-
DSM Union Contract Ratification	**913,613**	-
DSM Rural DI Ultrasound	**19,257**	-
DSM CT Callback	**16,266**	-
2016-2017 Immunization Funding	**91,133**	-
DSM Year End Settlement	**146,784**	-
DSM Digital Mammography	**26,262**	-
DSM HEPP COLA	**6,047**	-
Medical remuneration	**-**	5,282,881
Mobile youth crisis program	**-**	657,667
MAHCP retention bonus	**-**	1,239,536
MAHCP retention bonus - DSM	**-**	608,459
DSM call back funding	**-**	101,121
2015-2016 Saskatchewan Health FFGH Agreement	**-**	4,301,746
2015-2016 HEPP COLA - DSM	**-**	49,696
2015-2016 HEPP COLA - NRHA	**-**	229,060
Remoteness allowance	**-**	116,669
Facility support wage standardization	**-**	1,694,154
Maintenance and trades wage standardization	**-**	146,655
Community support wage standardization	**-**	433,451
	9,062,495	14,861,095
	217,593,103	213,245,568

17. 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 $33,117 (2016 - $171,891).

18. Commitments and contingencies

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

2018	327,510
2019	268,440
2020	139,520
	735,470

(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, 2017.

19. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization 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.

19. Financial instruments *(Continued from 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.

20. 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, 2017, the Authority has no known contaminated sites or no known future potential contaminated sites.

21. Trusts under administration

At March 31, 2017, the balance of Resident trust funds held in trust is $71,037 (2016 - $67,752). These funds are not included in the balances of the Authority's financial statements.

22. Economic dependence

The Authority received approximately 89% (2016 - 91%) 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.

23. Contingent liabilities

In the normal conduct of operations, there are pending claims by and against the Organization. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Organization's financial position or results of operations.

24. Subsequent event

Effective April 1, 2017, the funding model related to Diagnostic Services of Manitoba ("DSM") changed, whereby funding will flow directly to DSM rather than through the Authority. Global funding of $13,176,928 will be transferred to DSM. DSM continues to occupy space and utilize equipment through the Authority. Currently these direct costs are being included in the Authority's operating costs and are not being recovered though DSM or Manitoba Health, thus the Authority runs the risk of incurring additional costs relating from rising expenditures.

25. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

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