



**ANNUAL PERFORMANCE REPORT
APRIL 1, 2011 - MARCH 31, 2012**



TABLE OF CONTENTS

Message from the Board Chair	3
Overview	5
Shared Commitments	13
Highlights and Accomplishments	19
Report on Performance	31
• Mission	31
• Strategic Issue One	32
• Strategic Issue Two	36
• Strategic Issue Three	40
Opportunities and Challenges Ahead for Western Health	45
Financial Statements	49
Operating Revenue and Expenses	89
Western Health Regional Map	91



MESSAGE FROM THE BOARD CHAIR

It is my pleasure, on behalf of the Board of Trustees of Western Health to present our Annual Performance Report for the year 2011-12. This is our seventh Annual Performance Report as an integrated health authority. Western Health is a Category One Public Body under the *Transparency and Accountability Act*. The publication of this report is in keeping with the legislative guidelines. In accordance with the requirements of the *Act*, the Board accepts accountability for the results published in this Annual Performance Report.

The Board is extremely proud to acknowledge the recognition of staff achievements made by the Emergency Medical Services Chiefs of Staff of Canada, the Newfoundland and Labrador Health Boards Association, the Privacy Commissioner and the Workplace Health Safety and Compensation Commission, as highlighted later in this report.

The Board of Trustees is grateful to the dedicated staff, physicians, and community partners who are committed to the health and well being of the people that we serve. The Board also acknowledges and thanks the Chief Executive Officer of Western Health, Dr. Susan Gillam, and other members of the Senior Executive Team. The Board is confident that the Senior Executive has worked diligently to continue to build and grow our organization with its primary focus the delivery of quality health and community services to the people of the Western region.

The Board would also like to highlight and thank the many dedicated volunteers who contribute to our organization. These partnerships play a significant role in assisting us at all levels of the organization and throughout our region.

We are so proud of the people who contribute so significantly in many ways to the success of Western Health.

With Sincere Best Wishes,

A handwritten signature in black ink, appearing to read 'Tony Genge', written in a cursive style.

Tony Genge, PhD



OVERVIEW

The **vision** of Western Health is that the people of Western Newfoundland have the highest level of health and well being possible - Your Health Our Priority. In the pursuit of the vision, the following **mission statement** was determined to provide direction over the next six years: by March 31, 2017, Western Health will have enhanced programs and services, in priority areas, to address the population health needs within the Western region.

The **mandate** of Western Health is derived from the *Regional Health Authorities Act* and its regulations. Western Health is responsible for the delivery and administration of health and community services in the Western Health region in accordance with the above referenced *Act*. Western Health's full mandate is delineated in its strategic plan, April 2011 to March 2014.

Western Health provides a continuum of programs and services within allocated resources to the people of Western Newfoundland. These programs and services are based in acute care, long term care and community settings. Western Health provides community based services from 26 office sites, community based medical services from 26 medical clinics (including travelling clinics), and eight health facilities. Its regional office is located in Corner Brook. The organization employs over 3,200 staff who works in the approximately 50 separate buildings throughout the region. Approximately 84 per cent of staff is female. There are numerous volunteers who assist in delivering a number of programs and services and special events within acute care, long term care and community, which enhance the quality of life for patients, residents, and clients.

Western Health is committed to a Population Health approach to service delivery. Inherent in all lines of business is the need for learning and education in its broadest context. An interdisciplinary team of health professionals, support staff and partners provide the care and services required to meet the mandate of Western Health.

Western Health accomplishes its mandate through six **lines of business**:

- promoting health and well being
- preventing illness and injury
- providing supportive care
- treating illness and injury
- providing rehabilitative services
- administering distinctive provincial programs.

It is important to note that programs and services may fall under one or more headings below, and as Western Health is an evolving integrated authority there will be further realigning of programs and services during the life of its strategic plan(s).

A. Promoting health and well being

Health promotion is a process of supporting, enabling and fostering individuals, families, groups and communities to take control of and improve their health. Health promotion services address healthy lifestyles, stress management, supportive environments and environmental health. Strategies include working with partners to improve the health of citizens by:

- providing healthy public policy
- strengthening community action
- creating supportive environments.

Health promotion activities are integrated throughout all lines of business within Western Health and these services can be accessed by contacting one of Western Health's offices.

Health protection identifies, reduces and eliminates hazards and risks to the health of individuals in accordance with current legislation. There is a formal memorandum of understanding in place with Services Newfoundland and Labrador (NL) to support and/or monitor health protection activities of Government Services Centres including licenses, permits and inspections of food establishments, waste management and swimming pools. The main components of health protection are:

- communicable disease surveillance and control
- immunization
- travel medicine
- monitoring environmental health factors such as water safety and food sanitation
- disaster planning.

These services can be accessed by contacting health protection staff or one of the community health offices throughout the region.

B. Preventing illness and injury

Prevention services offer early intervention and best available information to members of the public to prevent the onset of disease, illness and injury, and/or the deterioration of well being. Available services vary depending on the incidence or potential for disease, illness or injury found in specific areas. Services include but are not limited to:

- screening such as cervical screening and breast screening
- injury prevention activities such as helmet safety, water safety and violence prevention.

Information on accessing these services is available through Western Health and other provincial partners and agencies.

C. Providing supportive care

Western Health provides broad ranging supportive care services across the continuum of care and lifespan in various situations within provincial guidelines, organizational policies, legislation and resources. This includes the provision and/or coordination of access to an array of services generally at the community level, as determined by a professional needs assessment and/or financial means assessment. Supportive care promotes the safety, health and well being of the individual by supporting the existing strengths of the individual, family and community. These services are accessed in a variety of ways and this information is available by contacting one of Western Health's community health offices located throughout the region.

Western Health has responsibility for monitoring a number of devolved services including transition house and residential services.



Western Health

Western Health

Individual, family and community supportive services make up a considerable component of the work of Western Health. These include:

- maternal, child and family health
- services to families of infants, preschool and school age children who have, or are at risk of, delayed development
- services to clients who require support as a result of family and/or social issues
- services to clients with physical and/or cognitive disabilities
- elder care services including community outreach services
- mental health and addictions services including specialized services such as Blomidon Place, Humberwood Treatment Centre, West Lane Recycling Program and Sexual Abuse Community Services (SACS)
- home support services with eligibility criteria
- community health nursing including immunization, child health and school health
- health care supplies and equipment
- respite, convalescent and palliative care services
- chronic disease prevention and management.

Long term care and residential services encompass an extensive range of Western Health's supports and partnerships including:

- long term care homes
- seniors cottages
- monitoring of personal care homes
- alternate family care
- monitoring of residential services
- hostel accommodations.

Supportive services are delivered within the context of current legislation, where applicable.

D. Treating illness and injury

Western Health investigates, treats and cares for individuals with illness and injury. These services are primary and secondary in nature and are offered in selected locations. These services can also be accessed on an emergency or routine basis.

Primary and secondary services include:

- medical services including internal medicine, family medicine, psychiatry, pediatrics, nephrology, neurology, dermatology, medical oncology including chemotherapy, physiatry, gastroenterology, cardiology, intensive care, renal dialysis, and palliative care
- surgical services including anesthesiology, general surgery, orthopedics, urology, ophthalmology, otolaryngology, obstetrics and gynecology, colposcopy, vascular and dental
- maternal child services including obstetrics and pediatrics
- hospital emergency services including emergency room services, ambulance services and other client transport and the monitoring of community based, private provider and hospital based emergency medical services
- ambulatory services including day procedures, surgical day care, endoscopic services, diagnostic and laboratory services, specialist clinics both regular and visiting, diabetes education, cardio-pulmonary services, nutritional services and a variety of clinical support services
- treatment services by physicians, nurses and/or nurse practitioners including primary health care services are available in a number of medical clinics and community health offices.

E. Providing rehabilitative services

Western Health offers a variety of rehabilitative services for individuals following illness or injury. These services are offered in selected locations through a referral process and include:

- post acute nursing services both in clinic and home settings
- rehabilitation services such as physiotherapy, occupational therapy, speech-language pathology, audiology and social work
- adult rehabilitation inpatient program.

F. Administering distinctive provincial programs

Western Health operates the Western Regional School of Nursing. The school follows the academic path set out by the Senate of Memorial University to offer a Bachelor of Nursing (BN) program. A fast track program is available to individuals who wish to pursue a baccalaureate degree in nursing at an accelerated pace. The Inuit Nursing Access program is offered in conjunction with the College of the North Atlantic.

Western Health has the administrative responsibility for the Cervical Screening Initiatives program. The provincial program is responsible for developing a comprehensive, organized approach to cervical screening. The core concept of the cervical screening program is to enhance the quality of health interventions as it relates to cervical cancer across the cancer care continuum. The scope of the program encompasses public/professional education, identification and recruitment of the target population, standardization of cytology and management of cytological diagnosis, continuous quality improvements, and coordination with other health authorities, organizations and stakeholders on a provincial and national scale. The goal of enhanced participation rates in cervical screening will facilitate the reduction of both incidence and mortality of cervical cancer and improve health outcomes for women in Newfoundland and Labrador.

As well, Western Health has responsibility for the addictions inpatient facility, Humberwood Treatment Centre, which is based in Corner Brook. Through its 11 treatment beds, this facility provides treatment to adults 19 years and older for chronic addiction to alcohol, drugs and/or gambling. Through its four withdrawal management beds, the program offers clients the ability to detox prior to treatment.

In 2011-12, Western Health had a budget of \$340 million with most of its revenue coming from provincial plan funding through the Department of Health and Community Services. Major expenditures include: salaries, direct client payments, fixed capital costs and diagnostic and therapeutic services.

Additional information about Western Health is located online at www.westernhealth.nl.ca.



SHARED COMMITMENTS

Western Health continued to build and strengthen partnerships within the Western region. The need for partnership and collaboration is integral to the achievement of the vision of Western Health "...that the people of Western Newfoundland have the highest level of health and well being possible..." Collaboration is also a value of the organization and is defined as "each person works with others to enhance service delivery and maximize the use of resources." The work of Western Health is provided by a broad range of dedicated staff across the full continuum of care: acute, long term and community based services. Staff supports the vision, mission and values of Western Health and works in collaboration with many partners. The support of, and collaboration with, physicians, private services providers, the Department of Health and Community Services, other departments of the Government of Newfoundland and Labrador, private business, volunteer boards, non-governmental agencies, post secondary institutions, municipal councils, professional associations, provincial and federal politicians and the general public is acknowledged and valued.

Improving Population Health

Western Health continued to test the organization's emergency preparedness and response capacity. Examples of exercises to test existing communication processes and joint operational protocols included a code brown (chemical spill/leak) exercise at Western Memorial Regional Hospital in partnership with the Corner Brook Fire Department; a code orange (external disaster/mass casualty) exercise at Sir Thomas Roddick Hospital in partnership with the Town of Stephenville and other emergency response agencies in the community; and a joint site triage exercise with 103 Squadron in Deer Lake.

The Cervical Screening Initiatives (CSI) program continued its strong collaborative relationship with all regional health authorities, the provincial cytology registry, the regional cytology laboratories and the provincial public health laboratory. An accountability component existed in the funding requirements and reporting structure between the regional authorities and the provincial program. The CSI program funded improvements in databases, technology, and operational expenditures for supplies. The program supported a structured reporting relationship for quality measures and performance indicators. In 2011-12, Western Health's CSI program also implemented the new cervical screening guidelines.

Partnerships supported the work of the following committees: the regional palliative care advisory and palliative/end of life integration; single entry policy and procedure; acute stroke management; linkages among Western Health, Western School District, Newfoundland and Labrador Housing and Child, Youth, and Family Services; Western School District liaison; Royal Newfoundland Constabulary/Royal Canadian Mounted Police liaison; Blomidon advisory; methadone maintenance; age friendly working group; suicide prevention and awareness; regional wellness coalition; tobacco free network and the Western Newfoundland AIDS committee. This committee work resulted in integration of programs and services.

Shared commitments supported school health promotion initiatives throughout the year. Comprehensive school assessments were completed by public health nurses to guide school based health promotion. The school health promotion liaison consultant provided a valuable link with the school system and supported the implementation of a ban on energy drinks in all schools in the region. The Western School District nutrition policy was amended to include guidelines for physical activity: 41 kindergarten to grade six schools in the region have introduced the daily physical activity program.

Western Health continued to work with the tobacco free network and the alliance for the control of tobacco to reduce the impact of smoking in the region. Thirty-one schools in the region participated in a radio ad contest. The community action and referral effort (CARE) program continued to be offered to all day, and same day admission, surgery patients who smoke. As well, 24 staff availed of the opportunity to receive support for smoking cessation aids.

Western Health's green team continued work with the Principal's advisory council on sustainability at Grenfell Campus Memorial University to establish opportunities for food waste composting from the Corner Brook Long Term Care Home. In other green initiatives, staff promotion of reusable mugs for coffee/tea and water has supported a decrease in the cafeteria sales of bottled water by 20 per cent at Western Memorial Regional Hospital.

Improving Accessibility to Priority Services

Western Health continued planning to implement a community paramedicine project, supporting community paramedics in Cape St. George, Lourdes and Cow Head to work in partnership with primary health care teams to enhance access to primary health care for residents in those areas.

Community trauma teams throughout the region responded to 10 events in 2011-12. These teams brought together internal and external partners to ensure a coordinated and early intervention approach to traumatic events at the community level.

Western Health continued to work with the Community Mental Health Initiative to improve housing options for individuals with mental illness. Summitt Place, an apartment complex in Corner Brook, will be opening in the near future.

Western Health, the Department of Health and Community Services and other regional health authorities shared a commitment to improve access to priority services in the areas of colorectal screening, endoscopy, joint replacement and medical imaging services. Western Health was selected as the pilot site for the provincial colon cancer screening initiative, planned to start in the next fiscal year. A project with the Centre for Research and Healthcare Engineering supported process improvement and improved efficiency within endoscopy services.

Improving Accountability and Stability in the Delivery of Health and Community Services within Available Resources

The regional volunteer resources program continued to strengthen partnerships to enhance volunteer capacity throughout our region. Some of the partnerships over the past year included: Knights of Columbus' meals on wheels program; Easter Seals' horizon's program; Community Service Council of Newfoundland and Labrador; church groups; high schools' career placement programs; The Duke of Edinburgh program; senior centres; post secondary schools for on the job placements of students and the Community Mental Health Initiative.

The Western Regional School of Nursing (WRSON) continued as one of three schools of nursing in Newfoundland and Labrador offering a baccalaureate degree in nursing. The other collaborative partners included Memorial University School of Nursing and the Centre for Nursing Studies. The WRSON's continued commitment to excellence in nursing education was greatly facilitated through these partnerships and collaborations with Grenfell Campus of Memorial University, professional associations, and the many clinical and research partners.

Under the leadership of the employee wellness advisory committee, a pilot project was established in 2011-12, to implement a physical activity program for employees. The committee worked with Recreation Newfoundland and Labrador to deliver the small steps to big results web based program. Approximately 700 employees participated in this wellness initiative.

In 2011-12, the Canadian Health Care Influenza Immunization Network pilot was in its second year of implementation and Western Health benefited from the expertise and knowledge gained from the network. The focus on more creative campaign planning and new strategies such as increased education and promotion, champion celebrations, procrastination parties and further visibility at sites with low vaccination uptakes were employed to increase employee immunization rates over the next three years.



Western
Health

**BONNE BAY
HEALTH CENTRE**

Staff worked with other regional health authorities, other government departments and external agencies to support organizational quality monitoring, planning and improvement. Work with the Centre for Research in Healthcare Engineering, Canadian Institute for Health Information (CIHI), Emerald Health Information Systems, Health Research Ethics Authority, Newfoundland and Labrador Centre for Applied Health Research, Accreditation Canada, Newfoundland and Labrador Centre for Health Information, Canadian Patient Safety Institute, Safer Healthcare Now Atlantic Node, to name a few, supported this process.

Western Health continued to work with the Newfoundland and Labrador Centre for Health Information, the Department of Health and Community Services and other regional health authorities in the planning, development and implementation of a new provincial electronic occurrence reporting system, the Clinical Safety Reporting System (CSRS). In April and May 2011, CSRS was piloted, for the province, within select units/departments at Western Memorial Regional Hospital site. Western Health subsequently hosted the provincial roll out planning session in late May 2011.

The chair of the Western Health ethics committee served as the regional lead for the provincial health ethics network of Newfoundland and Labrador and the provincial health ethics advisory committee. Western Health led the provincial consultation on the issue of compliance with recommended meal textures, independence and individual choice in long term care settings. A continued partnership with Eastern Health supported staff training in ethics facilitation and ethical decision making. Western Health continued to work with the Health Research Ethics Authority to enhance communication in the new process for research ethics approval.

The provincial physician recruitment office of the Newfoundland and Labrador Health Boards Association continued to support Western Health's physician recruitment initiatives. This office, along with the Department of Health and Community Services, worked with Western Health to develop a marketing plan for physician recruitment and a physician human resource plan to assist with staffing issues. The development of these tools will enable Western Health to continue to work with various stakeholders regarding recruitment, retention and succession planning for our physician group.

Other collaborative partnerships include the College of Physicians and Surgeons of Newfoundland and Labrador, the Canadian Medical Protective Association, Newfoundland and Labrador Medical Association, local and regional medical advisory committees and regional chiefs of staff and discipline. During 2011-12, a new partnership with the Michener Institute saw Western Health become an accredited clinical placement site for ultrasound students.



HIGHLIGHTS AND ACCOMPLISHMENTS

Improving Population Health

In 2011-12, Western Health worked with the Department of Health and Community Services, Aboriginal Health Liaison Division to develop an aboriginal health policy framework.

Western Health approved a new policy that incorporated the 10 steps to successful breastfeeding for hospitals and community. This policy supported the implementation of practices that promote, support and encourage breastfeeding as the optimal way for women to feed their babies, in keeping with the recommendations of the United Nations Children's Fund/World Health Organization (UNICEF/WHO) and the Baby Friendly Hospital Initiative in Canada. The policy required training of staff from the maternal newborn and public health nursing programs. The training Making a Difference will continue to be offered annually to new nurses in both program areas. In 2011-12, the Western region saw an increase in breastfeeding initiation rates from 59.9 to 62.5 per cent.

2011-12, was the first full year for implementation of the universal newborn hearing screening program. The program was implemented at Western Memorial Regional Hospital January 2011. The program provides hearing screening to all infants to identify those requiring follow up. In 2011-12, 606 newborns were screened with 167 identified for follow up. Early intervention minimizes the impact that hearing loss can have on communication, social and academic skills.

A new initiative, Learning from the Start, was piloted at child health clinics in the region. This was an initiative of the early learning strategy for children from birth to three years of age and is a partnership between the Department of Health and Community Services and Department of Education.

Ambulatory care clinics support effective chronic disease prevention and management without requiring patients to be hospitalized. In this fiscal year, there were 118 patients enrolled in the congestive heart failure clinic. At fiscal year end, 98 patients were being followed in the clinic. Data available for the first three quarters of 2011-12, indicated a 67 per cent reduction in emergency room visits and a 55 per cent reduction in admission rates for patients of the congestive heart failure clinic.

Western Health continued to provide a workplace that promoted nutrition and healthy eating. Initiatives implemented included recipe trials and changes in the availability of food items. The decisions were based on Western Health's healthy choices nutrition criteria. Portion sizes have been adjusted in accordance with Canada's Food Guide for Healthy Eating. The nutritional information has been collected on most items offered and will soon be available to all staff on the intranet. Catering services have been significantly reduced and the selections available are in line with the healthy choices nutrition criteria. New marketing and merchandising techniques have been employed to help ensure the healthy choice is the easier choice.

Working with the program from the Child Passenger Safety Association of Canada, Western Health's policy on car seat safety ensured that all moms taking their babies home had a car seat that met Canadian standards for safety. To support policy implementation, training events, focused on child passenger safety, including the safe transportation of newborns, were provided to staff. Two staff were certified at the child restraint systems technician level and will deliver this program in the future as part of the ongoing orientation of new nursing staff. The new program will require that two staff trainers be recertified every three years.

A falls prevention program was developed through a partnership between Western Health staff and representation from personal care home owners/managers. Training for this program was completed at the annual education/training day for personal care home owners/managers in November 2011. The falls prevention program identified fall risks both in residents' private bedroom areas and common areas throughout the home. The program was designed to be implemented by staff; however residents were encouraged to also identify risks for falling in their bedroom and take measures to prevent such.

Each primary health care team area in the Western region held events focusing on injury prevention. Events focused on helmet safety at Marble Mountain, car seat safety, and snowmobile safety. The Western injury prevention coalition awarded four grants to support community events related to injury prevention including a puppet show related to use of booster seats. In 2011-12, safe kids week focused on road safety activities.

Western Health's vaccination program continued effective performance. Eligible children in the region were vaccinated with coverage rates ranging from 95 to 99 per cent for vaccines offered. Of significant note was the increase in uptake of the HPV vaccine which increased from 85 to 95 per cent of eligible children in 2011-12.

In April 2011, a calcium and vitamin D supplementation pilot project was rolled out at Bay St. George Long Term Care Centre for the residents of north and south units. In keeping with the latest Institute of Medicine Guidelines for calcium and vitamin D, elemental calcium 500 mg was administered in a pudding mix and a vitamin D 1000 international units, was administered as a tablet, once daily, to residents involved in the pilot project. Thirty-nine residents took part in the pilot project which ran from April 1, 2011 to September 30, 2011. An evaluation has been completed and the preliminary results appear to agree with the research, as the residents who took part in the pilot project experienced fewer falls, fractures and infections. The finalized evaluation report will be available in May 2012. The calcium and vitamin D supplementation program was implemented across all units at Bay St. George Long Term Care Centre on February 1, 2012. Plans are being developed to implement this supplementation across all long term care sites during 2012-13.

A trial for assistive listening devices was completed in the Corner Brook Long Term Care Home. The feedback from this trial project was positive and staff will consider opportunities for assistive listening devices for residents.

Improving Accessibility to Priority Services

On June 15, 2011, a four bed satellite renal dialysis unit was successfully opened in Dr. Charles L. LeGrow Health Centre in Port aux Basques, providing access for eight medically stable clients from the area to receive dialysis closer to home. The staffing model for this new unit resulted in an overall increase in permanent nursing positions, as well a new enhanced scope of practice for licensed practical nurses. By January 2012, the demand for satellite dialysis at Dr. Charles L. LeGrow Health Centre outgrew its availability. Funding was provided by the Department of Health and Community Services for the addition of two new dialysis stations, expanding availability from eight to 12 clients. Between June 15, 2011 and March 31, 2012, a total of 964 dialysis treatments were provided at Dr. Charles L. LeGrow Health Centre. The introduction of satellite dialysis services at this site has provided positive benefits for clients, and their families.

The fourth Protective Community Residence (PCR) was opened on Wheeler's Road in Corner Brook on July 4, 2011. With the support of the Department of Health and Community Services, the fourth PCR operated with an enhanced staffing model to provide an alternate housing and care option for individuals with moderate dementia and higher care needs. The criteria for admission to the fourth PCR was modified to include individuals requiring higher levels of nursing care.

Telehealth expansion continued throughout Western Health during 2011-12, in the areas of: adolescent and adult psychiatry; surgical consultations; wound care; palliative care; cancer care and follow up; and diabetes education services. Telehealth equipment was purchased for clinic and/or offices sites in Port aux Basques, Corner Brook, Stephenville and Ramea. Programs continued to identify applications for telehealth that will increase client access.



Access to psychiatrist services improved this year with the recruitment of two new psychiatrists and the establishment of a screening process in which the mental health liaison nurse assists with prioritization of all referrals to the psychiatrists in Corner Brook. Formal linkages between mental health and addictions staff were strengthened as two psychiatrists provided dedicated time to the assertive community treatment team (ACTT), Humberwood Treatment Centre and adult mental health and addiction services in Corner Brook.

Implementation of the Improving Health My Way: Chronic Disease Self Management program commenced this year. Nine workshops were held throughout the Western region from April 2011, to March 2012. Eight master trainers have been trained and 11 lay leaders are in the process of being trained. Seventy-eight participants have completed the program and the feedback has been very positive.

The acute care replacement program continued to enhance the care available to clients in their homes. Through the end of life program, negative pressure wound therapy, intravenous infusion and home chemotherapy programs, clients received services at home that traditionally would have been provided in hospital. In 2011-12, this resulted in 2315 bed days saved in acute care. This year, the home chemotherapy and the intravenous infusion programs expanded to the Jeffreys area expanding coverage to clients in Deer Lake, Pasadena, Corner Brook, Benois Cove, Piccadilly, Stephenville, Stephenville Crossing, Jeffreys, Codroy Valley and Port aux Basques.

The community based ambulatory clinic in Deer Lake, which provided services to ambulatory clients who require wound care, suture or staple removal and dressing changes, has been operational since March 2011. This clinic enhanced client access to community supports during the fiscal year 2011-12, since clients did not need to travel to Western Memorial Regional Hospital for these services.

Access management, through the introduction of prioritization processes, in mental health and addictions, developmental psychology, speech language pathology, audiology and occupational therapy have resulted in more timely access for clients with the greatest need. As well, the introduction of wait time management strategies reduced wait times in: Blomidon Place's mental health and addictions services; Humberwood Treatment Centre; diabetes education and developmental psychology.

Residential services continue to grow in the Western region with the opening of two new personal care homes, one in November and one in December 2011, and a new cooperative apartment in January 2012. In 2011-12, the community support program monitored 15 personal care homes (763 available beds), two residential cooperative boards (15 residents in 10 apartments) and 57 alternative care homes with 68 residents.

Access to emergency services for individuals residing in remote areas can be challenging. In previous years, Western Health has trained and used emergency first responders in LaPoile and Francois to help address the challenge. In 2011-12, Western Health expanded use of emergency first responders to include the community of Grey River.

During 2011-12, Western Health sought expressions of interest from dentists to provide services using space available at Rufus Guinchard Health Centre in Port Saunders. An agreement was obtained with a dentist in the Western region to provide travelling clinics commencing November 2011. Between November and March 31, 2012, four very successful outreach clinics were provided.

In June 2011, residents began moving into Raspberry Road, a 15 bed unit located on the first floor of the Corner Brook Long Term Care Home. This new unit was a general nursing care unit similar to the other units in the home. Residents were supported to eat in the dining room and enjoy restaurant style dining daily.

Western Health was engaged in a current state assessment of orthopedic services which helped inform the provincial wait time strategy for hip and knee replacement. The assessment occurred from November to December 2011, and included the development of process maps highlighting the current wait list management process as well as a validation of the wait list for orthopedic services. Monthly reporting of wait times for joint replacement was initiated. Information from the assessment will guide process improvement in the next fiscal year.

Western Health, with the support of the Department of Health and Community Services, participated in the Centre for Research in Healthcare Engineering (CHRE) process improvement project for endoscopy services. The project, initiated in May 2011, explored opportunities to enhance efficiency within aspects of the service, from booking to recovery. Western Health initiated changes to improve efficiency within the endoscopy suite at Western Memorial Regional Hospital. Monthly reporting of wait times for endoscopy was initiated. Support for enhancing access to endoscopy continued through the provincial advisory endoscopy group, the provincial data management working group as well as the regional endoscopy working group.

Improving Accountability and Stability in the Delivery of Health and Community Services within Available Resources

Staff safety was a major area of focus this year, with the development of several policies such as working alone – home visits, working alone – travel during adverse weather, staff safety alert system, and code white. Western Health was awarded the 2011 Health Care Innovation Safety Solution Award by the Newfoundland and Labrador Health Boards Association for its work on the staff safety alert system.

During May 2011, a symposium was held to recognize staff representatives on occupational health and safety committees throughout the region. The symposium consisted of presentations from a variety of agencies including the Workplace Health Safety and Compensation Commission and the Department of Government Services. Two employees were recognized for exceptional efforts in: developing and implementing safe work practice videos for nutrition services staff; and saving a colleague from choking.

Evaluation of programs and services supported improved system performance. The number of evaluations increased from 27 in 2010-11, to 38 in 2011-12. In 2011-12, seven evaluations were completed in Long Term Care and Rural Health, nine in Patient Services, 15 in Population Health, two in Human Resources, three in Quality Management and Research and two in Medical Services. Included in the topics were the evaluations of the:

- long term care nursing model at Bay St. George Long Term Care Centre;
- ambulatory clinic in Deer Lake;
- Fidelity standards for the assertive community treatment team;
- primary health care team effectiveness;
- regional wellness coalition;
- co-location of the community health cervical screening and Eastern Health breast screening programs;
- youth outreach positions;
- healthy food choices in the Western school district and
- total patient care model within the Patient Services branch of the organization.

The article *Meaning In Life: The Perspectives of Long Term Care Residents* was accepted for publication in the *Research on Gerontological Nursing Journal* and will be in print in the following fiscal year. Information from this research project continued to be presented at the Western Regional School of Nursing as a part of the long term care student orientation. Data collection was completed for the research project titled: *Analysis of the Influencing Factors Associated with Being Designated as Alternate Level of Care*.

As a consequence of the July 2011, proclamation of the *Health Research Ethics Authority Act*, the Western Health Research Ethics Board discontinued providing ethics reviews for research on October 19, 2011. The Western Health Research Ethics board continued to be the board of record for studies it previously approved. On a go forward basis, the Health Research Ethics Authority has taken on responsibility for the review and approval of all research proposals within Newfoundland and Labrador. A process was established for the coordination of research within Western Health including the establishment of the research resource review committee to determine if proposed studies could be accommodated and/or of benefit to Western Health. Terms of reference for this committee were finalized.



Prior to the proclamation of the *Health Research Ethics Authority Act*, the Western Health research ethics board approved five research projects and continued to monitor previously approved studies. The Western Health research resource review committee reviewed and approved five new studies for resource impact. Western Health continued to work with the Health Research Ethics Authority to enhance communication in the new process for research ethics approval.

Western Health staff developed four e-learning modules to help support ongoing evaluation. The modules included: evaluation planning, administration of telephone surveys, administration of mail out surveys and conducting focus groups. An evaluation of these modules was built in to determine whether the modules meet the needs of staff.

Organizational performance measurement and monitoring was enhanced through a partnership with Emerald Health Information Systems to develop real time and historical performance management dashboards within Cognos. A facility occupancy report, with alert notifications, was developed for distribution, to leaders, via Blackberry. Reports related to alternate level of care (ALC) and length of stay greater than 15 days were developed. These reports were available in real time to support clinical decision making in admissions and utilization management. Historical performance dashboards and reports supported trending and/or benchmarking for ongoing improvement. Education sessions with leaders supported ongoing advancements in organizational performance measurement and monitoring through electronic solutions. Western Health was approached by Emerald Health to pilot a bed manager project in the next fiscal year.

Through the regional stroke working group, the acute stroke pillar, and the preadmission stroke pillar, Western Health monitored stroke indicators in keeping with established clinical guidelines/program standards.

In August 2011, Western Health was successful in receiving a four year accreditation certificate for laboratory services at Western Memorial Regional Hospital through the Ontario Laboratory Association's quality management program for laboratory services. All other laboratories throughout Western Health were assessed by the Ontario Laboratory Association in June 2011. A decision regarding their accreditation status will be forwarded to Western Health early in the next fiscal year.

In addition, laboratory services continued to develop a quality management system to support an efficient, effective and quality service. With the support of the Department of Health and Community Services, laboratory services secured funding for two quality assurance coordinator positions and a point of care test coordinator. These positions will support the ongoing work required to meet all requirements for continued accreditation. The purchase of an electronic document control system will enable all laboratories throughout Western Health to better maintain and control documentation as mandated by accreditation requirements.

To support continued organizational accreditation, Western Health completed May and November 2011 progress reports to Accreditation Canada. Regional leads for quality improvement prepared and/or implemented action plans to achieve criteria from the 2010 onsite survey. The action plan to support achievement of the required organizational practices for 2013 was initiated. A template to assess compliance with required organizational practices through leadership walkabouts was implemented. The selection of standards for accreditation 2013 was finalized. The self assessment process commenced in March 2012, with two online instruments: Worklife Pulse and Patient Safety Culture. The final part of the self assessment process which involves completion of questionnaires associated with each of the selected standards will be completed by June 2012.

Since completion of the pilot project in May 2011, implementation of the Clinical Safety Reporting System (CSRS) continued throughout the region. More than 1,500 staff participated in training sessions and, by fiscal year end, staff in all but one site had transitioned to the CSRS. Western Health anticipated that CSRS will be fully implemented by April 30, 2012. A regional plan to support scheduled and unscheduled down time of the provincial CSRS was developed and tested. Future work will focus on enhancing proficiency in report generation and the development of standard reporting templates for sharing of occurrence data. Collaboration with other regional health authorities and the Department of Health and Community Services was instrumental in this project, especially as it impacted efforts to enhance provincial consistency with policies and processes.

Staff at the maternal newborn unit at Western Memorial Regional Hospital, in partnership with physicians and paediatricians, continued work with the completion of two of the three modules of the Managing Obstetrical Risk Efficiently (MOREOB) program. MOREOB is a comprehensive, three-year, patient safety, professional development and performance improvement program for caregivers and administrators in hospital obstetrics units. The program structure focuses on: safety as the priority; effective communication; teamwork; decreased hierarchy in emergencies; practice for emergencies and reflective learning. By learning and working together in their own practice environment, the healthcare team is able to use the shared knowledge, skills, attitudes and behaviours that contribute to safe, effective, patient-centered care in an efficient, collaborative, healthy practice environment. The third module will focus on changing the culture. Staff will continue to participate in skills drills and emergency drills. A patient satisfaction survey will be conducted in May 2012, and an environmental scan of performance indicators and statistics related to labor and delivery will continue to be compiled.

The planning for a new regional acute care facility in Corner Brook continued through 2011-12, with the advancement of the functional planning process. With the support of the Department of Health and Community Services and the Department of Transportation and Works, the \$8.0 million dollar contract for site development work was completed in 2011.

Significant funding was received during the fiscal year to proceed with major repairs and renovations projects that enhanced Western Health facilities. Contracts for mechanical systems and building controls upgrades were awarded for the Calder Health Centre and the Rufus Guinchard Health Centre. Completion of these projects is scheduled for spring 2012. There were enhancements to a number of the Western Health clinics including renovations to the medical clinics at Lourdes and Daniel's Harbour and the construction of a new medical clinic in Jeffrey's. All three projects were completed and services relocated to the new space in the fiscal year. Western Health partnered with Honeywell to complete an energy audit at Sir Thomas Roddick Hospital. Using information from the audit, a scope of work for the project will be developed and tendered to achieve infrastructure improvements. Progress on this initiative will continue in the next year.

Staff of Western Health received recognition over the past year for their work and achievements including an award of excellence for innovation from the Emergency Medical Services Chiefs of Canada for the Ambulance Dispatch and Management System (ADAMS) and recognition as one of three Everyday Leaders in Access to Information and Protection of Privacy in the provincial Privacy Commissioner's Annual Report.



REPORT ON PERFORMANCE

Annual Report on Performance 2011-12

This section of the annual performance report will highlight Western Health's progress toward achievement of its mission and strategic goals in support of Government's strategic directions.

Western Health's mission statement was determined to provide direction over the next six years in the pursuit of our vision. As the measure and indicators suggest, the mission statement supports the vision through primary prevention/health promotion, as well as secondary prevention especially in chronic disease prevention and management. This mission statement is Western Health's second; it will support continuation of the work in chronic disease prevention and management and patient safety. Information from the Canadian Community Health Survey (2009) suggested that incidence rates for diabetes and high blood pressure were higher in the Western region, as compared to the provincial and national rates. Research suggests that the incidences of chronic diseases may be attributable to unhealthy behaviours and health practices. A focus on health promotion will support prevention in chronic disease prevention and management and help to address population health needs. Provincial strategic directions and national accreditation requirements continue to support patient safety as a strategic priority for Western Health.

Mission

By March 31, 2017, Western Health will have enhanced programs and services, in priority areas, to address the population health needs within the Western region.

Strategic Issue One: Chronic Disease Prevention and Management of Diabetes

The incidence of chronic diseases especially diabetes, heart disease and some cancers contribute to poorer health outcomes for residents of Newfoundland and Labrador. In the Western region, the per centage of the population, aged twelve years and older with diabetes, rose from 5.8 per cent in 2003, to 10.0 per cent in 2009 (Canadian Community Health Survey, 2003 and 2009). The incidence of diabetes within the Western region is higher than the provincial and national rates. In the Community Health Needs and Resources Assessment of the Western region (2009), households identified the impact of chronic diseases (especially diabetes and cancer) among their top 10 community health concerns. Residents who participated in the Community Health Needs and Resources Assessment were significantly more concerned about diabetes in general than they were in the 2002 assessment. Participants indicated that more resources and enhanced awareness and education regarding diabetes best practice were required in the community to prevent hospitalizations for uncontrolled diabetes. The recommendations from the assessment included enhancing service delivery to families living with diabetes. From 2008-11, one strategic issue for Western Health was to enhance service delivery to support chronic disease prevention and management; regional committees and working groups have made significant progress in the identification of a chronic disease prevention and management model and enhancement of service delivery. To continue to support Government's strategic direction of improving population health, from 2011-14, enhancing programs and services in diabetes management is a strategic issue for Western Health.

Strategic Goal One

By March 31, 2014, Western Health will have enhanced programs and services in diabetes management to respond to the identified concerns of residents in the Western region.

Objective Year One (2011-12)

By March 31, 2012, Western Health will have identified the priority initiatives in diabetes management to respond to the identified concerns of residents in the Western region.

Measure Year One (2011-12)

Identified priority initiatives

Planned and Actual Performance

INDICATORS FOR THE 2011-12 OBJECTIVE	ACCOMPLISHMENTS
Assessed the chronic disease prevention and management model for consistency with identified evidence based practices.	The Expanded Chronic Care Model (Barr et al, 2003) is a framework for understanding the essential elements in a system that delivers optimal clinical and functional outcomes for individuals, or populations with, or at risk of developing chronic health conditions. The model was assessed for consistency with identified evidence based practices in diabetes prevention and management. A document Using the Expanded Chronic Care Model to Support Strategic Planning for Diabetes, was developed to identify how the model was utilized to inform planning for enhanced programs and services in diabetes prevention and management.
Reviewed programs and services.	A literature review was completed on best practices for diabetes prevention and management and the information was incorporated into the diabetes services environmental scan. Consultations were held with key stakeholders to review programs and services related to diabetes. The information was compiled in a report Recommendations for Strategic Improvements: Prevention and Management of Diabetes in the Western Region.
Identified priority initiatives that support evidence based practices.	Priority initiatives that support evidence based practices were identified to respond to the needs identified by residents within the Western region. The priority initiatives included: improving access to diabetes services; improving quality of diabetes services and improving monitoring of diabetes outcomes.

Objective Year Two (2012-13)

By March 31, 2013, Western Health will have completed work to prepare for the implementation of the priority initiatives in diabetes management.

Measure Year Two (2012-13)

Completed work to prepare for implementation.



Indicators Year Two (2012-13)

Program description is developed for basic and advanced diabetes services.

Infrastructure is in place to support tele-diabetes.

Opportunities to improve self management support are identified.

Processes are identified to monitor diabetes services and outcomes.

Objective Year Three (2013-14)

By March 31, 2014, Western Health will have implemented priority initiatives in diabetes management to support enhanced management.

Discussion of Results

A literature review was completed on best practices for diabetes prevention and management. The information from the review was incorporated into the diabetes services environmental scan document. Consultations were held with key stakeholders to identify the current status of programs and services that supported diabetes prevention and management. The information from the consultations supported programs and services review and a draft report titled Recommendations for Strategic Improvements: Prevention and Management of Diabetes in the Western Region was compiled. The draft report was circulated to key stakeholders along with a template to provide written feedback. Meetings were held with various stakeholders, including the chronic disease prevention and management advisory committee, diabetes education staff and regional directors in community health and family services, to discuss and validate the document. Feedback was incorporated into the document and the final report was posted on the Western Health intranet. Priority initiatives were identified to respond to the needs identified by residents within the Western region. Priority initiatives included: improving access to diabetes services; improving quality of diabetes services and improving monitoring of diabetes outcomes. The self management support, tele-diabetes and diabetes registry working groups have been established to begin to address the identified priority initiatives. As part of the update on recommendations from the diabetes services environmental scan, a review of the diabetes services structure was completed. New recommendations to improve integration of services and support improved client/patient/resident outcomes were included in the Recommendations for Strategic Improvements: Prevention and Management of Diabetes in the Western Region document. A work plan has been developed for year two (2012-13) which focuses on completing work to prepare for the implementation of the priority initiatives in diabetes management. A regional diabetes steering committee will be established in year two (2012-13) to develop, implement and evaluate evidence based strategies to support achievement of the strategic goal and objectives.

Strategic Issue Two: Patient Safety in Infection Prevention and Control

In Canada, the emphasis on patient safety increased with the Canadian Adverse Events Study: The Incidence of Adverse Events Among Hospital Patients in Canada (Baker et al 2004). In Newfoundland and Labrador, the emphasis on patient safety increased with the Commission of Inquiry on Hormone Receptor Testing (Cameron) report (2009). Since 2007, Accreditation Canada has required participating organizations to make patient safety a part of their strategic and operational agendas. Accreditation Canada's required organizational practices direct Western Health to track infection rates, analyze and share the information and implement recommendations to prevent recurrence. Western Health is also required to implement a protocol to support the administration of the influenza and pneumococcal vaccines. Patient safety is enhanced through the implementation of best practices. In keeping with Government's strategic direction of improving accountability and stability in the delivery of health and community services, the implementation of priority initiatives, in infection prevention and control, to enhance patient safety is a strategic issue for Western Health.

Strategic Goal Two

By March 31, 2014, Western Health will have enhanced patient safety in infection prevention and control to lead to optimal patient outcomes in Western region.

Objective Year One (2011-12)

By March 31, 2012, Western Health will have identified the priority initiatives in infection prevention and control to enhance patient safety.

Measure Year One (2011-12)

Identified priority initiatives.

Planned and Actual Performance

INDICATORS FOR THE 2011-12 OBJECTIVE	ACCOMPLISHMENTS
Assessed practices in current programs and services.	An environmental scan was completed in 2011-12, which assessed practices, in current infection prevention and control programs and services, against identified standards.
Identified evidence based practices consistent with the national standards.	Evidence based practices were identified from provincial and national best practice documents, Accreditation Canada standards and provincial and national strategic plans.
Identified the priority initiatives to support evidence based practices.	From the assessment of practices in keeping with identified evidence based practices, the following priority initiatives were identified to support the regional infection prevention control programs to enhance patient safety: (a) reduce infection rates in high risk areas and populations; (b) improve hand hygiene and (c) improve compliance with infection prevention and control practices.

Objective Year Two (2012-13)

By March 31, 2013, Western Health will have established performance outcomes for selected priority initiatives to enhance patient safety in infection prevention and control.

Measure Year Two (2012-13)

Established performance outcomes.



CALDER HEALTH CARE CENTRE

Indicators for the Year Two Objective (2012-13)

Reviewed current performance.

Identified performance outcomes for priority initiatives.

Improved measurement and monitoring of priority initiatives.

Developed work plan for priority initiatives to support achievement of performance outcomes.

Objective Year Three (2013-14)

By March 31, 2014, Western health will have implemented priority initiatives in an infection and control work plan for enhanced patient safety.

Discussion of Results

An environmental scan was completed in 2011-12, which assessed practices, in current infection prevention and control programs and services, against identified standards. The assessment was completed using the results of: infection surveillance; infection prevention and control compliance audits and the 2010 accreditation report, and then comparing the results with: provincial and national best practice documents; Accreditation Canada standards; provincial and national strategic plans. The environmental scan recognized the strengths, weaknesses, opportunities for improvement and threats to regional programs and services. From this, the following priority initiatives, in infection prevention and control, were identified to enhance patient safety: (a) reduce infection rates in high risk areas and populations; (b) improve hand hygiene and (c) improve compliance with infection prevention and control practices. Identification of the actions required to support achievement of the three priority initiatives was begun. The actions included: enhanced targeted surveillance to improved tracking of infection and compliance rates; enhanced communication to support compliance with best practices; strategies to expand infection control education and the development of a more comprehensive hand hygiene program.

Strategic Issue Three: Health Promotion

Health promotion, according to the World Health Organization (1998), is the process of enabling people to increase control over, and to improve their health. Health promotion not only embraces actions directed at strengthening the skills and capabilities of individuals, but also actions directed towards changing social, environmental and economic conditions so as to alleviate their impact on public and individual health. Within Newfoundland and Labrador, the Department of Health and Community Services identified population health as a strategic direction. To achieve improved population health, the Department of Health and Community Services will focus on public health interventions that will promote healthy lifestyles and reduce health inequalities, prevent acute and chronic illness and injury, and protect people from health hazards. Achieving Health and Wellness: Provincial Wellness Plan for Newfoundland and Labrador (2006) provided a focus on improving the health of residents of Newfoundland and Labrador through the following key directions: strengthening partnerships and collaboration; developing and expanding wellness initiatives; increasing public awareness; enhancing capacity for health promotion and evaluating and monitoring progress. The incidence of chronic diseases, especially diabetes, heart disease and some cancers, contributes to poorer health outcomes for residents of Newfoundland and Labrador, and may be attributable to unhealthy behaviors and health practices. In the Community Health Needs and Resources Assessment of the Western region (2009), households identified the impact of lifestyle, including smoking, illegal drug abuse, unhealthy eating habits and alcohol abuse, among their top community health concerns. Western Health can implement priority initiatives in keeping with evidence based practices to enhance health promotion. To support Government's direction of improving population health, enhanced health promotion is a strategic issue for Western Health.

Strategic Goal Three

By March 31, 2014, Western Health will have enhanced health promotion through the implementation of priority initiatives in a health promotion plan to support improving population health.

Objective Year One (2011-12)

By March 31, 2012, Western Health will have identified the priority initiatives in a health promotion plan.

Measure Year One (2011-12)

Identified priority initiatives.

Planned and Actual Performance

INDICATORS FOR THE 2011-12 OBJECTIVE	ACCOMPLISHMENTS
Completed environmental scan.	An environmental scan of health promotion in Western Health was completed.
Identified priority initiatives.	The health promotion steering committee identified two priority initiatives from its review of the environmental scan. These priorities included: (a) healthy eating for children age 12 years and under and their families and (b) physical activity for children age 12 years and under and their families.

Objective Year Two (2012-13)

By March 31, 2013, Western Health will have developed a work plan for implementation of the priority initiatives in health promotion.

Measure Year Two (2012-13)

Developed a work plan for implementation of priority initiatives.

Indicators for the Year Two Objective (2012-13)

Work plan is developed.

Objective Year Three (2013-14)

By March 31, 2014, Western Health will have implemented priority initiatives in the health promotion plan.



Discussion of Results

An environmental scan of health promotion in Western Health was completed June 2011, and shared with the primary health care management team, health promotion network and senior management. The environmental scan document was posted on the Western Health intranet and website. The environmental scan identified Western Health's strengths, weaknesses, opportunities, and threats in six areas of the provincial wellness plan including: healthy eating, physical activity, injury prevention, tobacco control, mental health promotion, and child and youth development. The health promotion steering committee was established in November 2011, and met monthly to support the development of a regional health promotion plan to address priority areas. The committee identified two priority areas for health promotion efforts in Western Health over the next two years. These priorities include (a) healthy eating for children age 12 years and under and their families and (b) physical activity for children age 12 years and under and their families. The health promotion steering committee reviewed the strengths, weaknesses, opportunities and threats (SWOT) analysis in the environmental scan noting the challenges and opportunities in the current processes and capacity for health promotion. The steering committee identified existing working groups and committees that could contribute to actions in a work plan. The steering committee initiated development of a work plan for implementation in years two and three and identified working groups for priority areas.



OPPORTUNITIES AND CHALLENGES AHEAD FOR WESTERN HEALTH

Financial Health

Western Health continued to be challenged to maintain the financial health of the organization during the past fiscal year. Growing demands for service in areas such as home support, renal dialysis, chemotherapy, surgical programs, mental health and addictions and services to children including healthy beginnings and developmental psychology continue to challenge the organization to maintain a balanced budget. Emphasis on maintaining financial health will continue to be a priority.

Model of Nursing Care

Preliminary introduction to the new model of nursing care for implementation in the fall of 2012 is underway. The model is based on The Ottawa Hospital Model of Nursing Clinical Practice and is endorsed and funded for implementation through the Provincial Chief Nursing Office, Department of Health and Community Services. The major concepts of the model are based on care providers working to their full scope of practice with full autonomy and accountability.

Clinical online Documentation

Planning for implementation of clinical online documentation (COD) began in 2011 with a go live date for Western Memorial Regional Hospital scheduled for November 2012. COD is a large and complex undertaking that will include: capturing all clinical documentation (i.e., vital signs, assessments, care plans, notes) for all non-physician disciplines in all acute and long term care settings in the region. Implementation will include the introduction of new devices such as wireless carts and tablet computers to allow clinical staff to enter information into the electronic chart at the bedside.

Sick Leave

Sick leave usage among employees at Western Health continues to be a challenge. Employee sick leave has an impact on wait times, work load and increased overtime costs. Initiatives to enhance the monitoring of sick leave and the management of employee attendance were begun in 2011-12.

Health Human Resources

Western Health continues to experience challenges with the recruitment and retention of qualified staff in various disciplines throughout the organization. Key areas of concern relate to specialty staffing, as well as physician and nursing vacancies.

Timely Access to Emergency Rooms

The volume of patients presenting at emergency departments has consistently increased at both Western Memorial Regional Hospital and Sir Thomas Roddick Hospital. Under the leadership of the Department of Health and Community Services, a provincial review of all category A emergency departments throughout the province will commence in 2012, with the goal of improving access and wait times.

Population Health

The population health status in the Western region continues to be a major concern. In 2011-12, of 638 children screened at their three year nine month preschool check by public health, 132 (21 per cent) were identified as having a body mass index (BMI) that indicates over weight or obesity. As well, information from the Canadian Community Health Survey (2010) indicates that, in the Western region: 60.8 per cent of adults, over the age of 18, report being overweight and/or obese; 43.7 per cent of adults, over the age of 12, are inactive and 63 per cent of adults, over the age of 12, consume fruits and vegetables less than five times per day. Western Health has identified priority areas for health promotion efforts to help address population health status concerns.

New Regional Acute Care Facility

Western Health continued to partner with the Department of Transportation and Works and the Department of Health and Community Services to plan for the construction of a new regional acute care facility to be located and built in Corner Brook. Site development for the new facility, at the top of Wheeler's Road, advanced with the completion of site preparation and planning will continue in 2012.



FINANCIAL REPORTS

In keeping with the *Transparency and Accountability Act*, Western Health is pleased to share its audited financial statement for 2011-12.



Financial Statements

Western Regional Health Authority

March 31, 2012

Contents

	<u>Page</u>
Statement of responsibility	1
Independent auditor's report	2-3
Consolidated statement of financial position	4
Consolidated statement of operations	5-6
Consolidated statement of change in net debt	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9-22
Schedule 1 – Consolidated expenditures – operating/shareable	23-24
Schedule 1A – Consolidated expenditures – operating/shareable – DHCS	25-26
Schedule 1B – Consolidated expenditures – operating/shareable – CYFS	27
Schedule 2 – Consolidated revenue and expenditures for government reporting	28-29
Schedule 2A – Consolidated revenue and expenditures for government reporting – DHCS	30-31
Schedule 2B – Consolidated revenue and expenditures for government reporting – CYFS	32
Schedule 3 – Consolidated funding and expenditures for government reporting - capital transactions	33
Schedule 4A - Accumulated operating deficit for government reporting - excluding cottage operations	34
Schedule 4B – Reconciliation of consolidated accumulated operating deficit for government reporting	35

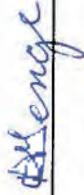
Statement of responsibility

The accompanying consolidated financial statements are the responsibility of the Board of Trustees of the Western Regional Health Authority (the "Board") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board met with management and its external auditors to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Girard Thornton LLP as the Board's appointed external auditors, have audited the consolidated financial statements. The auditor's report is addressed to the Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Board in accordance with Canadian public sector accounting standards.



Chair

Director



Independent auditors' report

Grant Thornton LLP
49-51 Park Street
Corner Brook, NL
A2H 2X1
T (709) 634-4382
F (709) 634-9168
www.GrantThornton.ca

To the Board of Trustees

Western Regional Health Authority

We have audited the accompanying consolidated financial statements of the Western Regional Health Authority, which comprise the consolidated statement of financial position as at March 31, 2012 and the statement of operations, changes in net debt 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 consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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 organization's preparation and fair presentation of the consolidated 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 organization'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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Western Regional Health Authority as at March 31, 2012 and the results of its consolidated operations and changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements which describes that Western Regional Health Authority adopted Canadian public sector accounting standards on April 1, 2011 with a transition date of April 1, 2010. These standards were applied retrospectively by management to the comparative information in these consolidated financial statements including the statement of financial position as at March 31, 2011 and April 1, 2010, and the consolidated statement of operations, consolidated statement of change in net debt and consolidated statement of cash flows for the year ended March 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

A stylized, handwritten-style signature of "Grant Thornton LLP" in a dark blue or black ink, set against a light, textured background.

Corner Brook, Canada

June 21, 2012

Chartered Accountants

Western Regional Health Authority

Consolidated statement of financial position

(Note 3)
April 1
2010

March 31	2012	2011 (Unaudited)	2010
Financial assets			
Cash and cash equivalents	\$ 1,777,676	\$ 621,361	\$ 1,102,857
Receivables (Note 4)	13,562,202	22,063,005	14,716,335
Trust funds on deposit (Note 5)	625,405	603,999	543,725
Replacement reserve fund	138,832	181,681	181,983
Restricted cash and investments	135,160	135,814	122,145
	<u>\$ 16,239,275</u>	<u>\$ 23,605,860</u>	<u>\$ 16,674,045</u>
Liabilities			
Bank indebtedness (Note 6)	\$ -	\$ 8,736,624	\$ 900,892
Payables and accruals	30,947,830	25,012,151	23,429,664
Vacation pay accrual	9,387,133	9,295,886	9,381,457
Severance pay accrual (Note 7)	28,384,639	24,869,388	22,222,884
Sick leave accrual (Note 7)	17,330,797	16,441,922	15,796,901
Deferred contributions			
- operating	2,826,418	3,552,043	5,564,064
Deferred contributions			
- capital	11,348,766	14,848,120	16,614,250
Long term debt (Note 8)	8,143,214	9,665,906	10,974,605
Trust funds payable	625,405	603,999	543,725
	<u>\$ 108,994,202</u>	<u>\$ 115,026,039</u>	<u>\$ 105,428,442</u>
Net debt	<u>\$ (92,754,927)</u>	<u>\$ (91,420,179)</u>	<u>\$ (88,754,397)</u>
Non-financial assets			
Tangible capital assets (Note 10)	\$ 78,691,420	\$ 78,028,240	\$ 75,472,441
Inventory (Note 11)	5,840,171	5,819,972	5,224,088
Prepaid expenses	6,897,859	7,510,416	6,899,254
	<u>91,429,450</u>	<u>91,358,628</u>	<u>87,595,783</u>
Accumulated deficit	<u>\$ (1,325,477)</u>	<u>\$ (61,551)</u>	<u>\$ (1,158,614)</u>

Contingencies and commitments (Note 12)

On behalf of the Board

De Engle

Member

John G. ...

Member

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of operations

Year ended March 31	Budget 2012	Actual 2012	Actual 2011 (Unaudited)
Revenue			
Provincial plan – operating grant	\$ 284,928,795	\$ 284,928,795	\$ 279,870,622
Capital grant – provincial	-	7,891,110	11,688,757
Capital grant – other	-	645,308	335,215
National Child Benefit	464,306	464,306	1,502,441
Early Childhood Development	358,996	358,996	1,406,226
Early Learning and Child Care	-	-	1,728,277
MCP physician revenue	17,906,944	17,906,944	17,188,620
Inpatient	1,430,900	1,247,255	1,968,001
Outpatient	1,655,900	1,532,606	1,670,204
Resident revenue – long term care	7,403,230	7,368,400	6,962,113
Mortgage interest subsidy	40,000	33,354	40,507
Food service	1,771,000	2,107,232	2,152,488
Other recoveries	8,451,793	9,618,578	8,657,592
Other	<u>6,049,724</u>	<u>6,712,493</u>	<u>8,231,833</u>
	<u>330,461,588</u>	<u>340,815,377</u>	<u>343,402,896</u>
Expenditures			
Administration	28,128,177	27,237,769	23,943,235
Support services	59,569,773	59,249,722	59,191,397
Nursing inpatient services	82,247,089	82,150,101	80,745,087
Medical services	21,257,705	21,281,022	19,997,452
Ambulatory care services	24,833,570	24,751,499	23,105,791
Diagnostic and therapeutic services	32,728,936	32,166,182	30,756,735
Community and social services	73,767,727	74,359,770	85,336,432
Educational services	5,885,714	5,569,623	5,319,850
Undistributed	<u>2,042,897</u>	<u>2,091,464</u>	<u>2,102,104</u>
	<u>330,461,588</u>	<u>328,857,152</u>	<u>330,498,083</u>
Surplus	\$ -	\$ 11,958,225	\$ 12,904,813

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of operations (cont'd)

Year ended March 31	Budget 2012	Actual 2012	Actual 2011 (Unaudited)
Adjustments for undernoted items			
– net expenses			
Amortization expense	\$ -	\$ 8,589,793	\$ 8,376,612
Accrued vacation expense-increase (decrease)	-	91,247	(85,571)
Accrued severance expense-increase	-	3,529,222	2,645,427
Accrued severance expense (cottages) - (decrease) increase	-	(13,971)	1,077
Accrued sick expense – increase	-	888,875	645,021
Cottages - deficit	-	<u>136,985</u>	<u>225,184</u>
Total adjustments for above noted items	-	<u>13,222,151</u>	<u>11,807,750</u>
Surplus(Deficit)	-	(1,263,926)	1,097,063
Accumulated deficit, beginning of year	-	<u>(61,551)</u>	<u>(1,158,614)</u>
Accumulated deficit, end of year	\$ -	<u>\$ (1,325,477)</u>	<u>\$ (61,551)</u>

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of changes in net debt

March 31	Actual 2012	Actual 2011 (Unaudited)
Net debt, beginning of year	\$ <u>(91,420,179)</u>	\$ <u>(88,754,397)</u>
Surplus (deficit) for the year	<u>(1,263,926)</u>	<u>1,097,063</u>
Changes in tangible capital assets		
Acquisition of tangible capital assets	(9,698,682)	(11,360,269)
Amortization of tangible capital assets	8,589,793	8,376,612
Amortization of tangible capital assets-Cottages	<u>445,709</u>	<u>427,858</u>
Decrease in net book value of tangible capital assets	<u>(663,180)</u>	<u>(2,555,799)</u>
Changes in other non-financial assets		
Acquisition of prepaid expense (net of usage)	612,557	(611,162)
Acquisition of inventories of supplies (net of usage)	<u>(20,199)</u>	<u>(595,884)</u>
Increase (decrease) in other non-financial assets	<u>592,358</u>	<u>(1,207,046)</u>
Decrease in net debt	<u>(1,334,748)</u>	<u>(2,665,782)</u>
Net debt, end of year	<u>\$ (92,754,927)</u>	<u>\$ (91,420,179)</u>

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Consolidated statement of cash flows

Year ended March 31	2012	2011 (Unaudited)
Operating		
Annual (deficit) surplus	\$ (1,263,926)	\$ 1,097,063
Add (deduct) non-cash items:		
Amortization of capital assets	8,589,793	8,376,612
Amortization of capital assets - cottages	445,709	427,858
Accrued vacation expense – increase (decrease)	91,247	(85,571)
Accrued severance expense – increase	3,529,222	2,645,427
Accrued severance expense cottages – increase	-	1,077
Accrued sick expense – increase	888,875	645,021
Changes in:		
Receivables	8,500,803	(7,346,670)
Inventory	(20,199)	(595,884)
Prepaid expenses	612,557	(611,162)
Deferred contributions - operating	(2,725,625)	(12,021)
Payables and accruals	5,935,679	1,582,487
Severance accrual – cottages	<u>(13,971)</u>	<u>-</u>
Net cash provided by operating transactions	<u>24,570,164</u>	<u>6,124,237</u>
Capital		
Acquisitions of tangible capital assets	<u>(9,698,682)</u>	<u>(11,360,269)</u>
Net cash applied to capital transactions	<u>(9,698,682)</u>	<u>(11,360,269)</u>
Financing		
Debt assumed	(8,736,624)	7,835,732
Repayment of long term debt	(1,522,692)	(1,308,699)
Capital contributions	<u>(3,499,354)</u>	<u>(1,766,130)</u>
Net cash (applied to) provided by financing transactions	<u>(13,758,670)</u>	<u>4,760,903</u>
Investing		
Restricted cash and investments	654	(6,669)
Replacement reserve fund	<u>42,849</u>	<u>302</u>
Net cash provided by (applied to) investing transactions	<u>43,503</u>	<u>(6,367)</u>
Net cash provided (applied)	<u>1,156,315</u>	<u>(481,496)</u>
Cash and cash equivalents - beginning of year	<u>621,361</u>	<u>1,102,857</u>
Cash and cash equivalents - end of year	<u>\$ 1,777,676</u>	<u>\$ 621,361</u>

See accompanying notes to the consolidated financial statements

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

1. Nature of operations

The Western Regional Health Authority (“Western Health”) is constituted under the Regional Health Authority’s Act (formerly known as the Hospital’s Act) Constitution Order and is responsible for the management and control of the operations of acute and long term care facilities as well as community health services in the western region of the Province of Newfoundland and Labrador.

Western Health is an incorporated not-for-profit with no share capital, and as such, is exempt from income tax.

Western Health controls Gateway Apartments, Emile Benoit House & Units, Interfaith Home and Cottages, Bay St. George Cottages and LHC Cottages. These entities were established to provide housing to senior citizens. These entities have been included in the consolidated financial statements.

2. Summary of significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

Basis of consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations which are controlled by Western Health including Gateway Apartments, Emile Benoit House & Units, Interfaith Home and Cottages, Bay St. George Cottages and LHC Cottages.

Use of estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include accrued severance, accrued sick leave, useful life of tangible capital assets, impairment of assets and allowance for doubtful accounts.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

2. Summary of significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks and short term deposits, with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Severance and sick pay liability

Upon termination, retirement or death, the organization provides their employees, with at least nine years of services with severance benefits equal to one week of pay per year of service up to a maximum of 20 weeks. An actuarially determined accrued liability for severance has been recorded in the statements. This liability has been determined using management's best estimate of employee retention, salary escalation, long term inflation and discount rates.

The organization provides their employees with sick leave benefits that accumulate but do not vest. The benefits provided to employees vary based upon classification within the various negotiated agreements. An actuarially determined accrued liability has been recorded on the statements for non-vesting sick leave benefits. The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long term inflation rates and discount rates

Vacation pay liability

An accrued liability for vacation pay is recorded in the accounts at year end for all employees who have a right to receive these benefits.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual deficit (surplus), provides the change in net financial debt for the year.

Inventory

Inventory is valued at average cost. Cost includes purchase price plus the non-refundable portion of applicable taxes.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

2. Summary of significant accounting policies (cont'd)

Tangible capital assets

Western Health has control over certain assets for which title resides with the Government of Newfoundland and Labrador. These assets have not been recorded in the financial statements of Western Health. Capital assets acquired after January 1, 1996 are recorded at cost. Assets are not amortized until placed in use. Assets in use are amortized over their useful life on a declining balance basis at the following rates:

Land improvements	2 1/2%
Buildings	6 1/4%
Parking lot	6 1/4%
Equipment	15%
Equipment under capital lease	15%
Motor vehicles	20%
Leasehold Improvements	20%

Capital and operating leases

A lease that transfers substantially all of the risks and rewards incidental to the ownership of property is accounted for as a capital lease. Assets acquired under capital lease result in a capital asset and an obligation being recorded equal to the lesser of the present value of the minimum lease payments and the property's fair value at the time of inception. All other leases are accounted for as operating leases and the related payments are expensed as incurred.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

Revenue recognition

Provincial plan revenues for operating and capital purposes are recognized in the period in which all eligibility criteria or stipulations have been met. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer from the Province of Newfoundland and Labrador is authorized.

Donations of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

2. Summary of significant accounting policies (cont'd)

Revenue recognition (cont'd)

Revenue from the sale of goods and services is recognized at the time the goods are delivered or the services are provided.

Western Health reviews outstanding receivables at least annually and provides an allowance for receivables where collection has become questionable.

Pension costs

Employees of Western Health are covered by the Public Service Pension Plan and the Government Money Pension Plan administered by the Province of Newfoundland and Labrador. Contributions to the plans are required from both the employees and Western Health. The annual contributions for pensions are recognized in the accounts on an accrual basis.

Funds and reserves

Certain amounts, as approved by the board are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Financial instruments

Western Health considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. Western Health accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- trust funds on deposit
- restricted cash and investments
- bank indebtedness
- payables and accruals
- long term debt
- trust funds payable

A financial asset or liability is recognized when Western Health becomes party to contractual provisions of the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

2. Summary of significant accounting policies (cont'd)

Measurement

The company initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with Western Health is in the capacity of management in which case they are accounted for in accordance with financial instruments.

Western Health initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Western Health subsequently measures its financial assets and financial liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in annual surplus.

Financial assets measured at cost include cash and cash equivalents, receivables, trust funds on deposit, and restricted cash and investments.

Financial liabilities measured at cost include bank indebtedness, payables and accruals, long term debt and trust funds payable.

Impairment

Western Health removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

3. Impact of the change in the basis of accounting

These consolidated financial statements are the first financial statements for which Western Health has applied Canadian public sector accounting standards ("PSA Standards"). The consolidated financial statements for the year ended March 31, 2012 were prepared in accordance with PSA standards. Comparative period information presented for the year ended March 31, 2011 was prepared in accordance with PSA standards and the provisions set out in Section *PS 2125 First-time adoption by government organizations*.

The date of transition to PSA standards is April 1, 2010. The adoption of the standards has resulted in a restatement of the Statement of Operations for the year ended March 31, 2011 and accumulated surplus as of April 1, 2010 and March 31, 2011. The significant impacts on the statement of operations and statement of financial position included:

- consolidation of the cottages into the financial statements of the organization
- write off of certain deferred capital contributions
- write off of deferred unamortized portion of capital asset grants
- adjustments to severance and sick leave accrual based upon actuarial valuation

(a) Adjustment to the statement of financial position as at April 1, 2010:

	As previously reported	Adjustment required	As restated
Financial assets			
Cash	\$ 851,658	\$ 251,199	\$ 1,102,857
Receivables	14,642,569	73,766	14,716,335
Replacement reserve fund	-	181,983	181,983
Inventory	5,224,088	(5,224,088)	-
Prepaid expenses	6,807,514	(6,807,514)	-
Trust funds on deposit	543,725	-	543,725
Restricted cash and investments	129,145	-	129,145
Due from associated funds	725,950	(725,950)	-
Capital Assets	68,561,950	(68,561,950)	-
	\$ 97,486,599	\$ (80,812,554)	\$ 16,674,045

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

3. Impact of the change in the basis of accounting (cont'd)

	As previously reported	Adjustment required	As restated
Financial liabilities			
Bank indebtedness	\$ 900,892	\$ -	\$ 900,892
Payables and accruals	23,315,659	114,005	23,429,664
Vacation pay accrual	9,381,457	-	9,381,457
Severance pay accrual	28,416,001	(6,193,117)	22,222,884
Sick leave accrual	-	15,796,901	15,796,901
Deferred contributions – operating	5,553,309	10,755	5,564,064
Deferred contributions – capital	18,283,370	(1,669,120)	16,614,250
Long term debt	4,363,848	6,610,757	10,974,605
Trust funds payable	543,725	-	543,725
Deferred contributions – unamortized			
Portion of capital asset grants	60,947,519	(60,947,519)	-

Non-financial assets			
Tangible capital assets	\$ 151,705,780	\$ (46,277,338)	\$ 105,428,442
Inventory	\$ -	\$ 75,472,441	\$ 75,472,441
Prepaid expenses	-	5,224,088	5,224,088
	-	6,899,254	6,899,254
Accumulated deficit	\$ -	\$ 87,595,783	\$ 87,595,783
	\$ (54,219,181)	\$ (53,060,567)	\$ (1,158,614)

(b) Reconciliation of previously reported annual surplus (deficit) for March 31, 2011 with the annual surplus (deficit) for March 31, 2011 shown in the financial statements:

	2011 (Unaudited)
Annual deficit, as previously reported at March 31, 2011	\$ (647,875)
Adjustment related to deferred capital contributions	663,702
Adjustment related to deferred contributions – unamortized portion of capital asset grants	11,360,270
Adjustment to amortization of deferred capital grants	(7,326,911)
Adjustment related to sick leave expense	(645,021)
Adjustment related to severance expense	(2,081,918)
Adjustment related to cottages net income	(225,184)
Annual surplus, as adjusted at March 31, 2011	\$ 1,097,063

Western Health has elected to use the following elections in respect to their transition:

- a) Retirement and post-employment benefits - the organization has elected to recognize all cumulative actuarial gains and losses at the date of transition directly in accumulated surplus/deficit.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

4. Receivables	2012	2011 (Unaudited)	2010 (Unaudited)
Province of Newfoundland and Labrador			
Capital contributions	\$ 168,176	\$ 1,357,196	\$ 669,945
Provincial plan	999,100	8,293,765	7,393,684
MCP	3,202,184	5,082,878	2,014,762
Patient services	2,765,158	1,994,430	1,224,515
Foundations	176,069	116,225	47,992
Employees' pay and travel advances	403,882	446,597	477,178
Harmonized sales tax rebate	419,212	315,629	611,610
Other	5,428,421	4,265,624	2,266,355
NLHC	-	190,661	10,294
	\$ 13,562,202	\$ 22,063,005	\$ 14,716,335

5. Trust funds

Funds belonging to patients of Western Health are being held in trust for the benefit of the patients.

6. Bank indebtedness

Western Health has access to a line of credit with the Bank of Montreal in the amount of \$17,500,000 (2011 - \$17,000,000; 2010 - \$21,500,000) in the form of revolving demand loans and/or bank overdrafts. The authorization to borrow has been approved by the Minister of Health and Community Services. The balance outstanding on this line of credit at March 31, 2012 is \$0 (2011 - \$8,736,624; 2010 - \$900,892). Interest is being charged at prime less 1.15% on any overdraft (March 31, 2012 - 1.85%; March 31, 2011 - 1.85%; March 31, 2010 - 1.85%).

7. Employee future benefits

The actuarial valuation was completed on June 8, 2012. The assumptions are based on future events. The economic assumptions used in the valuation are Western Health's best estimates of expected rates as follows:

	2012	2011 (Unaudited)	2010 (Unaudited)
Wages and salary escalation	4%	4%	4%
Interest	3.85%	4.65%	5.20%

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

7. Employee future benefits (cont'd)

The sick leave accrual as at March 31 are as follows:

	<u>2012</u>	<u>2011</u> (Unaudited)	<u>2010</u> (Unaudited)
Initial valuation	\$ -	\$ -	\$ 15,796,901
Accrued sick pay obligation beginning of year	16,441,922	15,796,901	
Current period benefit cost	1,817,169	1,697,026	-
Benefit payments	(2,453,126)	(2,358,776)	-
Interest on the accrued benefit sick leave obligations	749,763	804,233	-
Actuarial (gains)/losses	<u>775,069</u>	<u>502,538</u>	<u>-</u>
Accrued sick pay obligations end of year	<u>\$ 17,330,797</u>	<u>\$ 16,441,922</u>	<u>\$ 15,796,901</u>

The severance pay accrual as at March 31 are as follows:

	<u>2012</u>	<u>2011</u> (Unaudited)	<u>2010</u> (Unaudited)
Initial valuation	\$ -	\$ -	\$ 22,222,884
Accrued severance obligation beginning of year	24,869,388	22,222,884	-
Current period benefit cost	1,820,699	1,662,759	-
Benefit payments	(1,401,522)	(1,347,618)	-
Interest on the accrued Severance obligation	1,165,198	1,162,359	-
Actuarial (gains)/losses	<u>1,930,876</u>	<u>1,169,004</u>	<u>-</u>
Accrued severance obligation end of year	<u>\$ 28,384,639</u>	<u>\$ 24,869,388</u>	<u>\$ 22,222,884</u>

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

8. Long term debt	<u>2012</u>	<u>2011</u> (Unaudited)	<u>2010</u> (Unaudited)
4.26% mortgage on the Bay St. George Seniors Home, maturing in 2021, repayable in blended monthly payments of \$13,544	\$ 1,227,821	\$ 1,341,282	\$ 1,444,752
8% mortgage on the Bay St. George Seniors Home, maturing in 2026, repayable in blended monthly payments of \$9,523	990,982	1,025,588	1,057,741
7.875% mortgage on the Corner Brook Interfaith Home, repaid during the year	-	537,512	567,243
4.56% mortgage on the Woody Point Clinic, maturing in 2020, repayable in blended monthly payments of \$2,304	187,221	205,180	223,032
Obligations under capital lease, 5.83%, matured in 2011, repayable in blended monthly payments of \$61,759	-	373,445	1,071,080
4.63 % CMHC loan maturing in 2012, repayable in monthly principal and interest instalments of \$9,952, amortized to 2017	579,449	669,954	756,462
2.86% CMHC loan due in 2018, repayable in monthly blended instalments of \$6, 073 until December 1, 2013	447,037	506,255	563,842
10% CMHC loan due 2028, repayable in monthly principal and interest instalments of \$8,028	776,998	796,006	813,397
2.65% CMHC mortgage due 2019, amortized over 25 years, repayable in monthly principal and interest instalments of \$7, 370	619,227	690,278	759,545

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

8. Long term debt (cont'd)	<u>2012</u>	<u>2011</u> (Unaudited)	<u>2010</u> (Unaudited)
2.40% CMHC mortgage due 2020, amortized over 25 years, repayable in monthly principal and interest instalments of \$7,473	652,396	725,494	794,425
1.67% NLHC loan due in 2024, payable in monthly blended instalments of \$6,351 until March 2017	828,549	880,198	929,763
2.14% NLHC loan maturing in 2014 amortized to 2029, repayable in monthly principal and interest instalments of \$3,953 until March 2014	692,564	724,838	756,467
1.67% NLHC mortgage due 2028, repayable in monthly principal and interest instalments of \$2,726 until March 2017	371,131	387,716	403,677
1.67% NLHC mortgage due 2027 repayable in monthly principal and interest instalments of \$4,529 until March 2017	<u>769,839</u>	<u>802,160</u>	<u>833,179</u>
	\$ 8,143,214	\$ 9,665,906	\$ 10,974,605

As security for the mortgages, Western Health has provided a first mortgage over land and buildings at the Corner Brook Interfaith Home, Bay St. George Senior Citizens Home, Gateway Cottages, Cottages #1 & 2, NLHC and Woody Point Clinic having a net book value of 2012 - \$8,143,214 (2011 - \$9,292,461; 2010 - 9,903,525)

See Note 9 for five year principal repayment schedule.

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

9. Obligations under long term debt and leases

Western Health has acquired building additions and equipment under the terms of long term debt and capital leases. Payments under these obligations, scheduled to expire at various dates to 2017 are as follows:

Fiscal year ended	
2013	\$ 619,244
2014	649,073
2015	680,360
2016	713,538
2017	<u>747,847</u>
	<u>\$ 3,410,062</u>

10. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
	\$ 1,101,758		\$ 1,101,758
Land	435,092	\$ 248,313	186,779
Land improvements	65,650,825	31,600,969	34,049,856
Buildings	1,141,683	667,095	474,588
Parking lot	113,438,312	71,326,050	42,112,262
Equipment	7,162,767	7,040,715	122,052
Equipment under capital lease	1,460,756	834,746	626,010
Motor vehicles	<u>232,458</u>	<u>214,343</u>	<u>18,115</u>
Leasehold improvements	<u>\$ 190,623,651</u>	<u>\$ 111,932,231</u>	<u>\$ 78,691,420</u>

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

10. Tangible capital assets (cont'd)

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 1,009,977		\$ 1,009,977
Land improvements	526,873	243,523	283,350
Buildings	64,364,021	29,550,645	34,813,376
Parking lot	1,141,683	635,456	506,227
Equipment	105,390,961	64,887,750	40,503,211
Equipment under capital lease	7,162,767	6,645,731	517,036
Motor vehicles	1,096,229	723,810	372,419
Leasehold improvements	<u>232,458</u>	<u>209,814</u>	<u>22,644</u>
	<u>\$ 180,924,969</u>	<u>\$ 102,896,729</u>	<u>\$ 78,028,240</u>

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$ 1,009,977		\$ 1,009,977
Land improvements	526,872	238,608	288,264
Buildings	61,966,576	27,563,815	34,402,761
Parking lot	1,141,682	601,708	539,974
Equipment	96,579,527	58,911,591	37,667,936
Equipment under capital lease	7,162,767	5,922,756	1,240,011
Motor vehicles	944,842	649,628	295,214
Leasehold improvements	<u>232,458</u>	<u>204,154</u>	<u>28,304</u>
	<u>\$ 169,564,701</u>	<u>\$ 94,092,260</u>	<u>\$ 75,472,441</u>

Book value of capitalized items that have not been amortized is \$4,676,112 (2011 - \$6,172,115; 2010 - \$5,854,308)

11. Inventory

	<u>2012</u>	<u>2011 (Unaudited)</u>	<u>2010 (Unaudited)</u>
Dietary	\$ 154,166	\$ 140,018	\$ 119,995
Pharmacy	1,866,750	1,746,181	1,776,457
Supplies	<u>3,819,255</u>	<u>3,933,773</u>	<u>3,327,636</u>
	<u>\$ 5,840,171</u>	<u>\$ 5,819,972</u>	<u>\$ 5,224,088</u>

Western Regional Health Authority

Notes to the consolidated financial statements

March 31, 2012

12. Contingencies and commitments

Claims

As of March 31, 2012, there were a number of claims against Western Health in varying amounts for which no provision has been made. It is not possible to determine the amounts, if any, that may ultimately be assessed against Western Health with respect to these claims, but management believes any claim, if successful, will be covered by liability insurance.

Operating leases

Western Health has a number of agreements whereby it leases vehicles, office equipment and buildings, in addition to those disclosed under Note 8. These leases are accounted for as operating leases. Future minimum lease payments for the next five years are as follows:

Fiscal year ended		\$
2013	3,043,961	\$ 3,043,961
2014	2,084,930	2,084,930
2015	1,820,941	1,820,941
2016	761,111	761,111
2017	500,933	500,933
		\$ 8,211,876

13. Budget

The unaudited budget amounts included in these financial statements are the amounts approved by Western Health's Board for the current fiscal year. The budget would include all known services and program changes and enhancements for the coming year. Additional changes to services and programs that are initiated during the course of the year would be funded through budget adjustments and have been adjusted in the opening budget accordingly.

14. Comparative figures

Certain of the comparative figures have been restated to conform to the financial statement presentation used in the current year.

Western Regional Health Authority
Consolidated expenditures – operating/shareable
Schedule 1

Year ended March 31	2012	2011 (Unaudited)
Administration		
General administration	\$ 9,385,869	\$ 9,372,643
Finance	<u>3,039,310</u>	<u>3,222,147</u>
Personnel services	5,149,624	3,660,804
System support	4,036,973	2,670,617
Other administrative	<u>5,625,993</u>	<u>5,017,024</u>
	<u>27,237,769</u>	<u>23,943,235</u>
Support services		
Housekeeping	10,527,259	10,159,295
Laundry and linen	2,704,448	2,698,726
Plant services	21,033,565	21,902,283
Patient food services	11,524,627	11,330,207
Other support services	<u>13,459,823</u>	<u>13,100,886</u>
	<u>59,249,722</u>	<u>59,191,397</u>
Nursing inpatient services		
Nursing inpatient services – acute	54,494,361	54,678,474
Medical services	21,281,022	19,997,452
Nursing inpatient services – long term care	<u>27,655,740</u>	<u>26,066,613</u>
	<u>103,431,123</u>	<u>100,742,539</u>
Ambulatory care services	<u>24,751,499</u>	<u>23,105,791</u>
Diagnostic and therapeutic services		
Clinical laboratory	10,669,482	9,991,958
Diagnostic imaging	8,681,260	8,684,373
Other diagnostic and therapeutic	<u>12,815,440</u>	<u>12,080,404</u>
	<u>32,166,182</u>	<u>30,756,735</u>

Western Regional Health Authority
Consolidated expenditures – operating/shareable
Schedule 1 (cont'd)

Year ended March 31	2012	2011 (Unaudited)
Community and social services		
Mental health and addictions	7,522,270	6,709,567
Community support programs	55,827,830	49,019,442
Family support programs	2,949,427	19,263,192
Community youth corrections program	-	2,470,441
Health promotion and protection program	<u>8,060,243</u>	<u>7,873,790</u>
	<u>74,359,770</u>	<u>85,336,432</u>
Education	<u>5,569,623</u>	<u>5,319,850</u>
Undistributed	<u>2,091,464</u>	<u>2,102,104</u>
Shareable amortization	<u>542,171</u>	<u>880,841</u>
Total expenditures	<u>\$ 329,399,323</u>	<u>\$ 331,378,924</u>

Western Regional Health Authority
Consolidated expenditures – operating/shareable
Schedule 1A – DHCS

Year ended March 31

	2012	2011 (Unaudited)
Administration		
General administration	\$ 9,385,869	\$ 9,372,643
Finance	<u>3,039,310</u>	<u>3,222,147</u>
Personnel services	5,149,624	3,660,804
System support	4,036,973	2,670,617
Other administrative	<u>5,625,993</u>	<u>5,017,024</u>
	<u>27,237,769</u>	<u>23,943,235</u>
Support services		
Housekeeping	10,527,259	10,159,295
Laundry and linen	2,704,448	2,698,726
Plant services	21,033,565	21,623,363
Patient food services	11,524,627	11,330,207
Other support services	<u>13,459,823</u>	<u>13,100,886</u>
	<u>59,249,722</u>	<u>58,912,477</u>
Nursing inpatient services		
Nursing inpatient services – acute	54,494,361	54,678,474
Medical services	21,281,022	19,997,452
Nursing inpatient services – long term care	<u>27,655,740</u>	<u>26,066,613</u>
	<u>103,431,123</u>	<u>100,742,539</u>
Ambulatory care services	<u>24,751,499</u>	<u>23,105,791</u>
Diagnostic and therapeutic services		
Clinical laboratory	10,669,482	9,991,958
Diagnostic imaging	8,681,260	8,684,373
Other diagnostic and therapeutic	<u>12,815,440</u>	<u>12,080,404</u>
	<u>32,166,182</u>	<u>30,756,735</u>

Western Regional Health Authority
Consolidated Expenditures – operating/shareable
Schedule 1A – DHCS (cont'd)

Year ended March 31	2012	2011 (Unaudited)
Community and social services		
Mental health and addictions	7,522,270	6,709,567
Community support programs	55,827,830	49,019,442
Family support programs	2,949,427	2,365,789
Health promotion and protection program	<u>8,060,243</u>	<u>7,873,790</u>
	<u>74,359,770</u>	<u>65,968,588</u>
Education	<u>5,569,623</u>	<u>5,319,850</u>
Undistributed	<u>2,091,464</u>	<u>2,102,104</u>
Shareable amortization	<u>542,171</u>	<u>880,841</u>
Total expenditures	<u>\$ 329,399,323</u>	<u>\$ 311,732,160</u>

Western Regional Health Authority
Consolidated Expenditures – operating/shareable
Schedule 1B – CYFS

Year ended March 31	2012	2011 (Unaudited)
Support services		
Plant services	\$ -	\$ 278,920
Community and social services		
Family support programs	-	16,897,403
Community youth corrections program	-	2,470,441
	-	19,367,844
Total expenditures	\$ -	\$ 19,646,764

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting

Schedule 2

Year ended March 31

	2012	2011 (Unaudited)
Revenue		
Provincial plan – operating grant	\$ 284,928,795	\$ 279,870,622
Capital grant – provincial	7,891,110	11,688,757
Capital grant – other	645,308	335,215
MCP physician revenue	17,906,944	17,188,620
Early Learning and Child Care	-	1,728,277
National Child Benefit	464,306	1,502,441
Early Childhood Development	358,996	1,406,226
Inpatient	1,247,255	1,968,001
Outpatient	1,532,606	1,670,204
Resident Revenue – long term care	7,368,400	6,962,113
Mortgage interest subsidy	33,354	40,507
Food service	2,107,232	2,152,488
Other recoveries	9,618,578	8,657,592
Other	<u>6,712,493</u>	<u>8,231,833</u>
Total revenue	<u>340,815,377</u>	<u>343,402,896</u>
Expenditures		
Worked and benefit salaries and contributions	174,594,630	174,922,085
Benefit contributions	<u>30,584,183</u>	<u>29,929,004</u>
	<u>205,178,813</u>	<u>204,851,089</u>
Supplies – plant operations and maintenance	7,037,242	6,484,050
Supplies – drugs	8,474,482	7,946,415
Supplies – medical and surgical	11,972,497	11,122,657
Supplies – other	<u>13,962,810</u>	<u>13,467,103</u>
	<u>41,447,031</u>	<u>39,020,225</u>
Direct client costs – mental health and addictions	348,158	268,193
Direct client costs – community support	41,709,301	36,252,880
Direct client costs – family support	1,397,147	8,829,223
Direct client costs – community youth corrections	-	<u>9,740</u>
	<u>43,454,606</u>	<u>45,360,036</u>
Other shareable expenses	<u>38,640,219</u>	<u>41,030,135</u>

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting

Schedule 2 (cont'd)

Year ended March 31

	2012	2011 (Unaudited)
Expenditures (cont'd)		
Long term debt – interest	139,378	193,131
Long term debt – principal	168,726	183,206
Capital lease – interest	(2,895)	43,467
Capital lease – principal	<u>373,445</u>	<u>697,635</u>
	<u>678,654</u>	<u>1,117,439</u>
Total expenditures	<u>329,399,323</u>	<u>331,378,924</u>
Less: Capital grant – provincial	<u>7,891,110</u>	<u>11,688,757</u>
Less: Capital grant – other	<u>645,308</u>	<u>335,215</u>
Surplus for government reporting	2,879,636	-
Long term debt - principal	168,726	183,206
Capital lease – principal	<u>373,445</u>	<u>697,635</u>
Surplus inclusive of other operations	3,421,807	880,841
Shareable amortization	<u>542,171</u>	<u>880,841</u>
Surplus before non-shareable items	<u>2,879,636</u>	<u>-</u>
Non-shareable items		
Amortization expense	8,047,622	7,495,771
Accrued vacation expense (decrease) increase	91,247	(85,571)
Accrued severance expense - increase	3,515,251	2,646,504
Accrued sick expense – increase	888,875	645,021
Cottages	136,985	225,184
Capital grant – Provincial	(7,891,110)	(11,688,757)
Capital grant - Other	<u>(645,308)</u>	<u>(335,215)</u>
	<u>4,143,562</u>	<u>(1,097,063)</u>
(Deficit) surplus as per Statement of Operations	<u>\$ (1,263,926)</u>	<u>\$ 1,097,063</u>

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting

Schedule 2A – DHCS

Year ended March 31

	2012	2011 (Unaudited)
Revenue		
Provincial plan	\$ 284,928,795	\$ 264,753,998
Capital grant – provincial	7,891,110	11,688,757
Capital grant – other	645,308	335,215
MCP physician revenue	17,906,944	17,188,620
National Child Benefit	464,306	464,306
Early Childhood Development	358,996	285,802
Inpatient	1,247,255	1,968,001
Outpatient	1,532,606	1,670,204
Resident Revenue – long term care	7,368,400	6,962,113
Mortgage interest subsidy	33,354	40,507
Food service	2,107,232	2,152,488
Other recoveries	9,618,578	8,616,075
Other	<u>6,712,493</u>	<u>7,630,046</u>
Total revenue	<u>340,815,377</u>	<u>323,756,132</u>
Expenditures		
Worked and benefit salaries and contributions	174,594,630	168,190,492
Benefit contributions	<u>30,584,183</u>	<u>28,811,426</u>
	<u>205,178,813</u>	<u>197,001,918</u>
Supplies – plant operations and maintenance	7,037,242	6,484,050
Supplies – drugs	8,474,482	7,946,415
Supplies – medical and surgical	11,972,497	11,122,657
Supplies – other	<u>13,962,810</u>	<u>13,390,881</u>
	<u>41,447,031</u>	<u>38,944,003</u>
Direct client costs – mental health and addictions	348,158	268,193
Direct client costs – community support	41,709,301	36,252,880
Direct client costs – family support	<u>1,397,147</u>	<u>1,096,784</u>
	<u>43,454,606</u>	<u>37,617,857</u>
Other shareable expenses	<u>38,640,219</u>	<u>37,050,943</u>

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting Schedule 2A – DHCS (cont'd)

Year ended March 31	2012	2011 (Unaudited)
Expenditures (cont'd)		
Long term debt – interest	139,378	193,131
Long term debt – principal	168,726	183,206
Capital lease – interest	(2,895)	43,467
Capital lease – principal	<u>373,445</u>	<u>697,635</u>
	<u>678,654</u>	<u>1,117,439</u>
Total expenditures	<u>329,399,323</u>	<u>311,732,160</u>
Less: Capital grant – provincial	<u>7,891,110</u>	<u>11,688,757</u>
Less: Capital grant – other	<u>645,308</u>	<u>335,215</u>
Surplus for government reporting	2,879,636	-
Long term debt - principal	168,726	183,206
Capital lease – principal	<u>373,445</u>	<u>697,635</u>
Surplus inclusive of other operations	3,421,807	880,841
Shareable amortization	<u>542,171</u>	<u>880,841</u>
Surplus before non-shareable items	<u>2,879,636</u>	<u>-</u>
Non-shareable items		
Amortization expense	8,047,622	7,495,771
Accrued vacation expense increase (decrease)	91,247	(85,571)
Accrued severance expense - increase	3,515,251	2,646,504
Accrued sick expense – increase	888,875	645,021
Cottages - deficit	136,985	225,184
Capital grant – provincial	(7,891,110)	(11,688,757)
Capital grant – other	<u>(645,308)</u>	<u>(335,215)</u>
	<u>4,143,562</u>	<u>(1,097,063)</u>
(Deficit) surplus as per Statement of Operations	<u>\$ (1,263,926)</u>	<u>\$ 1,097,063</u>

Western Regional Health Authority

Consolidated revenue and expenditures for government reporting Schedule 2B – CYFS

Year ended March 31

	2012	2011 (Unaudited)
Revenue		
Provincial plan	\$ -	\$ 15,116,624
Early Learning and Child Care	-	1,728,277
National Child Benefit	-	1,038,135
Early Childhood Development	-	1,120,424
Other recoveries	-	41,517
Other	-	601,787
Total revenue	-	<u>19,646,764</u>
Expenditures		
Worked and benefit salaries and contributions	-	6,731,593
Benefit contributions	-	<u>1,117,578</u>
	-	7,849,171
Supplies – other	-	<u>76,222</u>
Direct client costs – family support	-	7,732,439
Direct client costs – community youth corrections	-	<u>9,740</u>
	-	7,742,179
Other shareable expenses	-	<u>3,979,192</u>
Total expenditures	-	<u>19,646,764</u>
Surplus (deficit) as per Statement of Operations	\$ -	\$ -

Western Regional Integrated Health Authority
 Consolidated funding and expenditures for government reporting
 Capital transactions

Schedule 3

Year ended March 31

	2012	2011 (Unaudited)
Sources of funds		
Provincial capital equipment grant for current year	\$ 6,582,816	\$ 7,776,061
Provincial facility capital grant in current year	1,952,233	6,145,900
Add: Deferred capital grant from prior year	14,848,120	16,614,250
Less: Capital facility grant reallocated for operating fund purchases	(4,143,293)	(3,999,334)
Less: Deferred capital grant from current year	<u>(11,348,766)</u>	<u>(14,848,120)</u>
	7,891,110	11,688,757
Other contributions		
Foundations, auxiliaries and other	<u>645,308</u>	<u>335,215</u>
Total funding	<u>8,536,418</u>	<u>12,023,972</u>
Capital expenditures		
Asset, building and land	1,286,804	2,397,445
Asset, equipment	<u>8,411,878</u>	<u>8,962,824</u>
	9,698,682	11,360,269
Total expenditures	<u>9,698,682</u>	<u>11,360,269</u>
(Deficit) surplus on capital purchases	<u>\$ (1,162,264)</u>	<u>\$ 663,703</u>

Western Regional Health Authority

Accumulated operating deficit for government reporting – excluding cottage operations

Schedule 4A

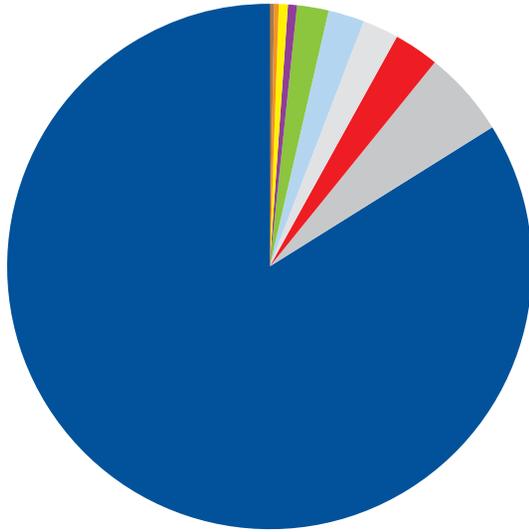
Year ended March 31	2012	2011
Accumulated operating deficit		
Current assets		
Cash and cash equivalents	\$ 1,610,125	\$ 226,542
Accounts receivable	13,546,546	21,822,960
Intercompany – cottages	953,752	1,304,909
Inventory	5,840,171	5,819,972
Prepaid expenses	6,797,631	7,413,904
Other	<u>(11,637)</u>	<u>(9,419)</u>
Total assets	<u>28,736,588</u>	<u>36,578,868</u>
Current liabilities		
Bank indebtedness	-	8,736,624
Accounts payable and accrued liabilities	30,867,926	24,937,325
Deferred contributions – operating	2,823,618	5,541,488
Deferred contributions - capital	<u>11,348,766</u>	<u>14,848,120</u>
Total current liabilities	<u>45,040,310</u>	<u>54,063,557</u>
Accumulated operating deficit	<u>\$ (16,303,722)</u>	<u>\$ (17,484,689)</u>
Reconciliation of operating deficit – operating fund only		
Accumulated operating deficit – beginning of year	\$ (17,484,689)	\$ (18,139,324)
Add: IFH mortgage settlement	(534,812)	
Add: Net operating income (loss) per schedule II	2,879,636	-
Add: Net surplus (deficit) on capital purchases per schedule III	(1,162,264)	663,703
Less: Restricted interest (income) loss	<u>(1,593)</u>	<u>(9,068)</u>
Accumulated operating deficit –end of year	<u>(16,303,722)</u>	<u>(17,484,689)</u>
Less: Net surplus (deficit) on capital purchases-2010	\$ 1,669,151	\$ 1,669,151
Less: Net surplus (deficit) on capital purchases -2011	663,703	663,703
Less: Net surplus (deficit) on capital purchases -2012	<u>(1,162,264)</u>	<u>-</u>
Accumulated operating deficit – per Department of Health and Community Services	<u>\$ (17,474,312)</u>	<u>\$ (19,817,543)</u>

Western Regional Health Authority
Reconciliation of consolidated accumulated operating deficit for
government reporting
Schedule 4B
Year ended March 31

	2012	2011
Accumulated operating deficit – end of year per Schedule IVA	\$ <u>(16,303,722)</u>	\$ <u>(17,484,689)</u>
Adjustments:		
Intercompany – cottages elimination	(953,752)	(1,304,909)
Cottages – current assets	283,435	731,376
Cottages – current liabilities	(82,704)	(85,381)
Other assets	11,637	9,419
Restricted cash and investments	135,160	135,814
Replacement reserve	138,832	181,681
Vacation pay accrual	(9,387,133)	(9,295,886)
Severance pay accrual	(28,384,639)	(24,869,388)
Sick pay accrual	(17,330,797)	(16,441,922)
Long term debt	(8,143,214)	(9,665,906)
Tangible capital assets	<u>78,691,420</u>	<u>78,028,240</u>
	<u>14,978,245</u>	<u>17,423,138</u>
Accumulated deficit per Statement of Financial Position	\$ <u>(1,325,477)</u>	\$ <u>(61,551)</u>

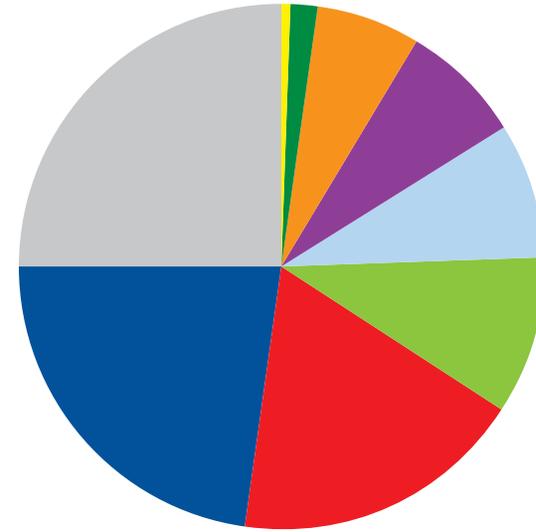


OPERATING REVENUE



 Provincial Plan \$284,928,795	 MCP Physician Revenue \$17,906,944	
 Other Recoveries \$9,618,578	 Capital Grant (Provincial) \$7,891,110	
 Resident Revenue (LTC) \$7,368,400	 Other \$6,712,493	 Food Service \$2,107,232
 Outpatient \$1,532,606	 Inpatient \$1,247,255	 Capital Grant (Other) \$645,308
 NCB \$464,306	 ECD \$358,996	 Mortgage Interest Subsidy \$33,354

EXPENSES



 Nursing Inpatient Services \$82,150,101	 Ambulatory Care Services \$24,751,499
 Community and Social Services \$74,359,770	 Medical Services \$21,281,022
 Support Services \$59,249,722	 Educational Services \$5,569,623
 Diagnostic and Therapeutic Services \$32,166,182	 Undistributed \$2,091,464
 Administration \$27,237,769	



WESTERN HEALTH REGIONAL MAP

Hospitals, Health Centres, Clinics and/or Offices, Ambulance Service, and Long Term Care Centres.



www.westernhealth.nl.ca

