



First Nations Health Authority  
Health through wellness

# Annual Report 2015-2016 Highlights

**First Nations Health Authority**  
**August, 2016**



# ANNUAL REPORT 2015 - 2016



First Nations Health Authority  
Health through wellness





# GOAL ONE



Enhance First Nations Health Governance

# GOAL 1

Enhance First Nations  
Health Governance

## Highlights

### Enhanced Regional Capacity

- Building Regional Teams
- Regional Investments in Health and Wellness

### Regional Engagement

- Gathering Wisdom VII
- Regional Caucuses
- Regional Branding

### FNHC-FNHDA-FNHA Collaboration

### Tripartite Committee on First Nations Health





# GOALTWO



Promote and Implement BC First Nations Perspective on Health and Wellness

## GOAL 2

Promote and Implement  
BC First Nations Perspective  
on Health and Wellness

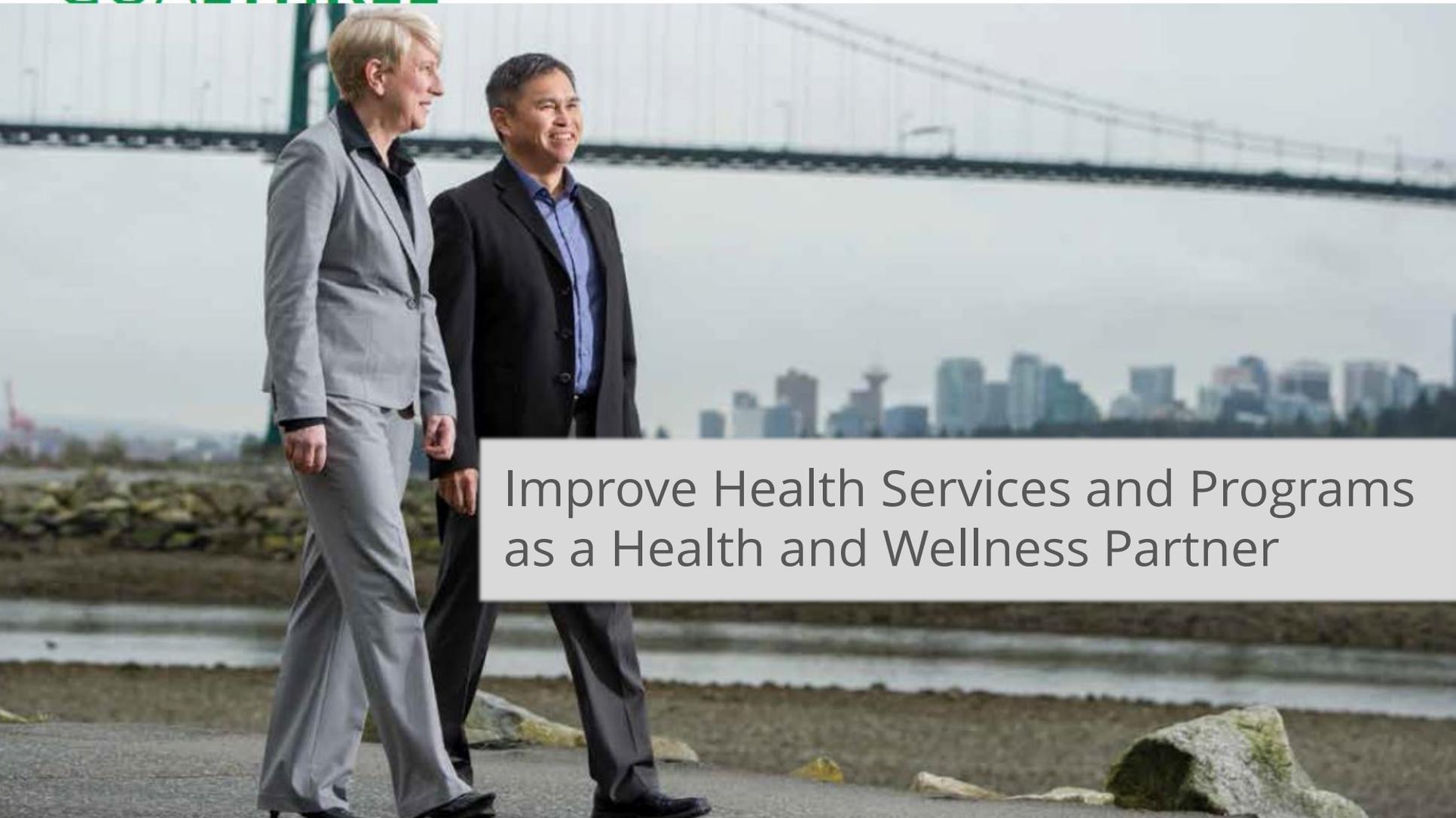
## Highlights

- Cultural Safety and Humility Declaration
- Building Health Capacity
- Health Screenings
- Data Governance and Research
- Tobacco Cessation
- Elders and Youth Engagement
- Summer and Winter Wellness
- Surveys: RHS and FNREEES





# GOAL THREE

A photograph of two people, a woman in a grey suit and a man in a dark suit, walking along a paved path on a waterfront. In the background, there is a large suspension bridge and a city skyline across the water.

Improve Health Services and Programs  
as a Health and Wellness Partner

## GOAL 3

Improve Health Services and Programs as a Health and Wellness Partner

## Highlights

**Joint Project Board Projects**

**Partnership with BC Coroners Service**

**Program Reviews**

**Mental Wellness and Substance Use Investments**

**Contribution Agreements**

**Health Protection**

**First Nations Health Benefits**

**Environmental Public Health**

**FNHA Nursing**





# GOALFOUR



Strengthen the FNHA as a Sustainable and Effective First Nations Health Organization



## GOAL 4

Strengthen the FNHA  
as a Sustainable and Effective  
First Nations Health  
Organization

## Highlights

**Employee Engagement**

**FNHA Orientation**

**FNHA Leadership Statement**

**Historic Collective Agreements  
Ratified**

**Quality Improvement (QI)**

**Health and Safety Management**

**87% Flu Policy Compliance**

**Change Day BC**

**Organizational Redesign**





First Nations Health Authority  
Health through wellness

# Presentation on Financial results for year ended March 31, 2016

Annual General Meeting  
August 19, 2016



## Audit firm and audit results

- **Members of the Society appointed KPMG LLP** to audit the financial statements of the FNHA for Fiscal 2015/16. This was year 3 of a 5 year agreement.
- KPMG presented their **Audit Planning Report** for Fiscal 2015/16 to Finance & Risk Management Committee at their October 29, 2015 meeting.
- Auditors presented their **Audit Findings Report** to the FNHA Finance & Risk Management Committee on June 16, 2016.
- Auditors have issued an **unqualified or clean audit opinion** that the financial statements prepared by management are presented fairly in all material respects.
- Performance Improvement and Observations (page 8 of KPMG Audit Findings Report):
  - No new observations
  - Whistleblower Process – identified last fiscal year was resolved
- The FNHA **Board approved** the audited financial statements at their June 24, 2016 meeting; motion for **Members to accept** the audited financial statements.



## Audited financial statements vs Annual Report

Audited Financial Statements	Financial Statement in Annual Report
Prepared in accordance with Canadian Accounting Standards for not-for-profit organizations	Prepared to comply with Canada Funding Agreement
Fiscal 2016 Actual results compared to Prior Fiscal Year (2015) Actual results	Fiscal 2016 Actuals compared to Budget and associated variances on each line item.
Complete set of audited financial statements are posted on FNHA website	Annual report is posted on FNHA website



## Audited financial statements

## Annual Report: 2016 Financial Report

### FIRST NATIONS HEALTH AUTHORITY

Statement of Operations  
(Expressed in thousands of dollars)

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Health Canada	\$ 433,603	\$ 413,771
Province of British Columbia	15,576	12,353
Interest and miscellaneous income (note 4)	2,915	2,325
Health Authorities of British Columbia	707	660
First Nations Information Governance Centre ("FNIGC")	665	491
	<u>453,466</u>	<u>429,600</u>
<b>Expenses:</b>		
Corporate operations	34,569	31,378
<b>Governance and First Nations Engagement (note 9):</b>		
First Nations Health Council	1,457	1,333
First Nations Health Directors Association	954	919
First Nations Engagement	2,440	1,057
Regional operations	4,563	2,440
	<u>9,414</u>	<u>5,749</u>
<b>Program services:</b>		
Health benefits	148,612	137,699
Direct community services funding	183,606	168,481
Health services and programs	60,871	51,620
	<u>393,089</u>	<u>357,800</u>
	<u>437,072</u>	<u>394,927</u>
<b>Excess of revenues over expenses</b>	<b>\$ 16,394</b>	<b>\$ 34,673</b>

### First Nations Health Authority

Statement of Operations

For the 12 months ended March 31, 2016

	2016			2015	Actuals as % of Expenses	
	YTD Actuals	Annual Budget	Variance Actuals vs Budget fav/(unfav)		2016	2015
<b>Revenues</b>						
Health Canada	433,603	435,727	(2,124)	413,771		
Province of British Columbia	15,576	14,541	1,035	12,353		
Interest and miscellaneous Income	2,915	2,961	(46)	2,325		
Health Authorities of British Columbia	707	658	49	660		
First Nations Information Governance Centre	665	1,000	(335)	491		
	<u>453,466</u>	<u>454,886</u>	<u>(1,421)</u>	<u>429,600</u>		
<b>Expenses</b>						
<b>Operations</b>						
Corporate Operations	34,569	42,609	8,040	31,378	7.9%	7.9%
	<u>34,569</u>	<u>42,609</u>	<u>8,040</u>	<u>31,378</u>	<u>7.9%</u>	<u>7.9%</u>
<b>Governance and First Nations Engagement:</b>						
First Nations Health Council	1,457	1,464	7	1,333	0.3%	0.3%
First Nations Health Directors Association	954	1,231	277	919	0.2%	0.2%
First Nations Engagement	2,440	2,789	349	1,057	0.6%	0.3%
Regional Operations	4,563	6,246	1,683	2,440	1.0%	0.6%
	<u>9,414</u>	<u>11,729</u>	<u>2,316</u>	<u>5,749</u>	<u>2.2%</u>	<u>1.5%</u>
<b>Program Services:</b>						
Health Benefits	148,612	157,775	9,163	137,699	34.0%	34.9%
Direct Community Services Funding	183,606	179,379	(4,227)	168,481	42.0%	42.7%
Health Services and Programs	60,871	71,487	10,616	51,620	13.9%	13.1%
	<u>393,089</u>	<u>408,642</u>	<u>15,552</u>	<u>357,800</u>	<u>89.9%</u>	<u>90.6%</u>
	<u>437,072</u>	<u>462,979</u>	<u>25,908</u>	<u>394,927</u>	<u>100.0%</u>	<u>100.0%</u>
<b>Excess (deficiency) of revenues over expenses, current period</b>	<b>16,394</b>	<b>(8,093)</b>	<b>24,487</b>	<b>34,673</b>		



## First Nations Health Authority

### Statement of Operations: Explanation of categories

<b>Financial Statement Structure</b>	
<b>Operations:</b>	
Corporate Operations	Includes Salary, Benefits, and Operations and Maintenance costs for Operating cost centres (Board, CEO Office, Finance, Human Resources, IMIT (not E-Health expenditures), Corporate Services (not community O&M costs), Implementation costs + Amortization of assets.
<b>Governance and Community Engagement:</b>	
First Nation Health Council	Salary, benefits, director remuneration and travel and operations costs for FNHC
First Nations Health Directors Association	Salary, benefits, director remuneration and travel and operations costs for FNHDA
First Nations Engagement	Caucus session costs, Regional Tables, Gathering Wisdom, and contract payments to community coordinators.
Regional Operations	Salary, benefits, travel and operations costs for regional departments
<b>Program Services:</b>	
Health Benefits	Includes all Health Benefits related costs: Salary, Benefits, Operations and Maintenance, MSP, Health Benefit expenditures and Dental Therapy costs. Contribution Agreement payments to communities are reflected in Direct Community Services funding
Direct Community Services Funding	Contribution Agreements and grants payable directly to the communities. This includes Health Actions community funding, CEH community agreements and non-CEH regional community funding.
Health Services and Programs	Includes: 1) Salary, Benefits, Operations and Maintenance for Chief Operating Officer (PPCS, Health Services and Nursing Services), the Chief Medical Officer, and EHealth/Telehealth; 2) Contribution Agreements and grants payable to non-community recipients and treatment centres and 3) Community operation and maintenance cost (non-salary related)



## Fiscal 2016 Budget Development and variances

- Budget for each fiscal year is approved by FNHA Board in January preceding the start of each fiscal year; budget is required to be included in MYHP.
- Budget development process commences in October of previous fiscal year to meet the January board approval deadline
- Regional engagement and regional health and wellness plans are used as inputs in budget development.
- The Fiscal 2016 budget reflects an organization that continues to learn, develop capacity, stabilize as well as transform.
- A conservative spending approach is utilized to ensure that the organization has resources available to meet financial obligations and can respond to requirements and demand both during the fiscal year as well as be financially stable in the future.
- The financial results and the variances to budget reflect the fiscal responsibility and conservative approach that yielded an excess of revenue over expenses and a favourable variance compared to budget.



## Statement of operations - revenues

	2016			2015	Actuals as % of Revenue		\$ Change F2016 vs F2015 increase/ (decrease)
	YTD Actuals	Annual Budget	Variance Actuals vs Budget fav/(unfav)		2016	2015	
	\$	\$	\$	\$			\$
<b>Revenues</b>							
Health Canada	433,603	435,727	(2,124)	413,771	95.6%	96.3%	19,832
Province of British Columbia	15,576	14,541	1,035	12,353	3.4%	2.9%	3,223
Interest and miscellaneous Income	2,915	2,961	(46)	2,325	0.6%	0.5%	590
Health Authorities of British Columbia	707	658	49	660	0.2%	0.2%	47
First Nations Information Governance Centre	665	1,000	(335)	491	0.1%	0.1%	174
	453,466	454,886	(1,421)	429,600	100.0%	100.0%	23,866

### Health Canada

- 2016: \$433.6 million – 95.6% of revenues; 2015 \$413.8 million – 96.3% of revenues
- Internally restricted \$1.6 million of HC revenue targeted for specific purposes

### Province

- 2016: \$15.6 million – 3.4% of revenues; 2015 \$12.4 million – 2.9% of revenues
- TFNHP: \$11 million received for 2016 (internally restricted \$3.2 million); 9 year commitment from 2011/12 to 2019/20 total \$83.5 million; 4 years left
- MSP Project Board ongoing component \$2 million
- Telehealth expansion \$2.4 million



## Statement of operations - expenses

	2016			2015	Actuals as % of Expenses		\$ Change F2016 vs F2015 increase/ (decrease)
	YTD Actuals	Annual Budget	Variance Actuals vs Budget fav/(unfav)		2016	2015	
<b>Expenses</b>							
<b>Operations</b>							
Corporate Operations	34,569	42,609	8,040	31,378	7.9%	7.9%	3,191
	34,569	42,609	8,040	31,378	7.9%	7.9%	
<b>Governance and First Nations Engagement:</b>							
First Nations Health Council	1,457	1,464	7	1,333	0.3%	0.3%	124
First Nations Health Directors Association	954	1,231	277	919	0.2%	0.2%	35
First Nations Engagement	2,440	2,789	349	1,057	0.6%	0.3%	1,383
Regional Operations	4,563	6,246	1,683	2,440	1.0%	0.6%	2,123
	9,414	11,729	2,316	5,749	2.2%	1.5%	3,665
<b>Program Services:</b>							
Health Benefits	148,612	157,775	9,163	137,699	34.0%	34.9%	10,913
Direct Community Services Funding	183,606	179,379	(4,227)	168,481	42.0%	42.7%	15,125
Health Services and Programs	60,871	71,487	10,616	51,620	13.9%	13.1%	9,251
	393,089	408,642	15,552	357,800	89.9%	90.6%	35,289
<b>Total Expenses</b>	<b>437,072</b>	<b>462,979</b>	<b>25,908</b>	<b>394,927</b>	<b>100.0%</b>	<b>100.0%</b>	<b>42,145</b>



# Statement of financial position

Statement of Financial Position  
(Expressed in thousands of dollars)

March 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
Current assets:		
Cash	\$ 64,060	\$ 69,230
Short-term investments (note 4)	46,330	24,268
Accounts receivable	7,665	3,338
Prepaid expenses	2,103	1,224
	120,158	98,060
Security deposits	140	141
Property and equipment (note 5)	4,388	5,277
	\$ 124,686	\$ 103,478
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 30,968	\$ 25,201
Deferred contributions (note 6)	3,854	4,807
	34,822	30,008
<b>Net Assets</b>		
Invested in property and equipment	4,388	5,277
Internally restricted (note 11)	57,669	48,224
Unrestricted	27,807	19,969
	89,864	73,470
	\$ 124,686	\$ 103,478

**Total Assets:** \$124.7 million (2015: \$103.5 million)

**Cash and Short term investments:** \$110.4 million (2015: \$93.5 million)

The cash and investment balance is reflective of the “**money in the bank**” from excess of revenues over expenditures and the deferred contributions balance of \$3.9 million (2015 \$4.8 million).

**Total Liabilities:** \$34.8 million (2015 \$30 million)

**Deferred contributions** are revenues received from funding agencies for restricted purposes. The revenues are recognized as income to match expenditures incurred for the restricted purpose as set out in the funding agreement. Note 6 in audited financial statements provides more detail on each restricted funding grant received.

**Net Assets** balance at March 31, 2015 is \$89.9 million (2015 \$73.5 million); made up of investments in property and equipment that have already been purchased and will be amortized over life of asset, and the “**money in the bank**” which is divided into internal restrictions and unrestricted balance.



## Internally Restricted Net Assets

### 11. Internally Restricted Net Asset Balance:

Internally restricted net asset balance of \$57,669 (2015 - \$48,224) represents funding restricted by the Board for specific purposes related to transformational plans and initiatives.

	2016	2015
<b>Province of BC Internally Restricted:</b>		
Medical Service Plan Project Board	\$ 10,310	\$ 7,929
Health Actions Initiatives	3,224	2,268
<b>Health Canada Internally Restricted:</b>		
Federal Tobacco Control Strategy Funding	664	390
Prescription Drug Abuse Funding	604	257
Victims Family Violence Funding	162	-
Brighter Futures Funding	172	-
<b>FNHA Reserves:</b>		
Health Transformation Reserve	9,380	9,380
Health Service Enhancement Reserve	13,000	13,000
Infrastructure Reserve	14,700	15,000
Regional Transformation Reserve	4,838	-
Doula Reserve	615	-
	<b>\$ 57,669</b>	<b>\$ 48,224</b>

**Note 11 in the Audited financial statements** was added this fiscal year to provide more clarity on each category of the internal restrictions by funding source.



The FNHA Board of Directors has reviewed and approved:

- FNHA 2015-16 Annual Report
- FNHA 2015-16 Audited Financial Statements