

Financial Statements of

**HAY RIVER HEALTH &
SOCIAL SERVICES AUTHORITY**

March 31, 2014

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Financial Statements

Year ended March 31, 2014

Auditors' Report	1 - 2
Operating Fund Statement of Financial Position	3
Operating Fund Statement of Operations	4
Statement of Changes in Net Financial Resources	5
Statement of Cash Flow	6
Statement of Accumulated Surplus (Deficit) from Operations	7
Statement of Change in Employee Termination Liability Fund	7
Statement of Change in Cash Reserve	7
Notes to the Financial Statements	8 - 15
Schedule of Operating Advances from GNWT	Schedule A 16
Schedule of Other Recoveries for Direct Charges for Services	Schedule B 17
Schedule of Other Revenues	Schedule C 18
Schedule of Expenses by Functional Centre	Schedule D 19 - 20
Schedule of Non-insured Recoveries and Expenses	Schedule E 21
Other Contributions	Schedule F 22 - 24
Schedule of Reserves	Schedule G 25
Capital Assets	Schedule H 26



Hay River Health & Social Services Authority

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MANAGEMENT REPORT

The Public Administrator, which is responsible for, among other things, the financial statements of the Hay River Health & Social Services Authority, delegates to Administration the responsibility for the financial statements. The Administrator appoints independent auditors to examine and report directly to them on the financial statements. The financial statements were prepared by Administration. Accounting principles have been followed as recommended by the Department of Health and Social Services, based upon the general requirements of the Financial Administration Act of the Northwest Territories, and the Public Sector Accounting Recommendations of the Canadian Institute of Chartered Accountants.

Administration maintains a system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. There are limits inherent in all systems based on the recognition that the cost of such systems should not exceed the benefits to be derived. Administration believes its system provides the appropriate balance in this respect.

The Public Administrator carries out his responsibility for review of the financial statements primarily through the Administration. The Administration reports regularly to the Public Administrator on financial matters, including the results of audit examinations and any other matters necessary for his consideration in approving the financial statements for issuance.

The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Al Woods
Al Woods
Chief Executive Officer
Hay River Health & Social Services Authority

July 1, 2014
Date

Merle Engel
Merle Engel
Director of Finance
Hay River Health & Social Services Authority

July 17, 2014
Date

AUDITOR'S REPORT

To the Minister of Health and Social Services and
the Chief Executive Officer

Report on the Financial Statements

We have audited the operating fund balance sheet of the Hay River Health & Social Services Authority as at March 31, 2014 and the statements of operations, equity, and changes in financial position for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures of all programs funded through contribution agreements by the Department of Health and Social Services which total \$250,000 or more, as listed in Schedule C and F.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the standards set forth by the Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2014 and the results of its operations and cash flow for the year then ended in accordance with the standards set forth by the Public Sector Accounting Board. Furthermore, in our opinion, these statements present fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more in Schedule C and F for the year ended March 31, 2014, in accordance with the provisions established by the individual contribution agreements.

We further report, in accordance with the Financial Administration Act of the Northwest Territories, that, in our opinion, proper books of account have been kept by the Authority, the financial statements are in agreement therewith and the transactions that came under our examination were, in all significant respects, within the statutory powers of the Authority.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
June 25, 2014

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Operating Fund Statement of Financial Position

March 31, 2014

	2014	*2013
Financial Assets		
Bank	\$ 1,444,509	\$ 249,886
Accounts receivable, Note 4	718,531	2,202,641
Post-employment benefits - accrued benefit asset, Note 12	1,002,000	-
Total Financial Assets	\$ 3,165,040	\$ 2,452,527
Liabilities		
Accounts payable and accrued liabilities, Note 4	2,410,632	1,886,024
Employee and payroll-related liabilities	1,157,096	1,053,547
Patient trust liability, Note 9	53,106	41,236
Accountable capital advance, GNWT, Note 5	5,829	5,829
Deferred revenue, Note 8	56,633	55,825
Accrued employee leave, Note 6	810,591	801,820
Accrued employee termination benefits, Note 6	1,768,949	1,645,430
Post-employment benefits - pension liability, Note 12	-	896,000
Total Liabilities	6,262,836	6,385,711
Net Financial Assets (Debt)	\$ (3,097,796)	\$ (3,933,184)
Non-Financial Assets		
Inventory, Note 10	\$ 183,101	\$ 225,237
Prepaid expenses and deposits	105,660	134,624
Total Non-Financial Assets	\$ 288,761	\$ 359,861
Accumulated Surplus (Deficit)	\$ (2,809,035)	\$ (3,573,323)

* Reclassified for comparative purposes

Contractual obligations, Note 13

Represented by:

Operating Fund Accumulated Surplus (Deficit)	(1,540,086)	(2,427,893)
Employee Termination Liability Fund, Notes 6 and 7	(1,768,949)	(1,645,430)
Cash Reserve, Note 2 and Schedule G	500,000	500,000
	\$ (2,809,035)	\$ (3,573,323)

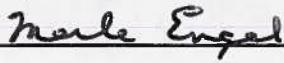
Approved:



Public Administrator



Chief Executive Officer



Director of Finance

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Operating Fund Statement of Operations

For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenue			
Territorial Operating Advances, Schedule A	\$ 24,902,000	\$ 25,911,000	\$ 24,731,327
Other Recoveries, Schedule B	1,313,480	1,374,906	1,134,274
Other Revenues, Schedule C	1,248,282	979,202	1,094,687
Non-insured Services, Schedule E	-	-	-
<u>Interest</u>	50,000	38,276	46,804
	27,513,762	28,303,384	27,007,092
Expenses			
Administrative and Support Services, Schedule D	8,297,221	9,296,618	8,584,759
Nursing Inpatients/Resident Services, Schedule D	3,781,011	4,074,107	4,028,107
Ambulatory Care Services, Schedule D	3,760,866	4,263,376	3,912,171
Diagnostic and Therapeutic Services, Schedule D	2,578,468	2,650,496	2,613,897
Community Health Services, Schedule D	1,771,081	1,762,945	1,667,172
Social Services, Schedule D	7,094,723	7,253,353	6,945,768
Research, Schedule D	-	-	-
Education, Schedule D	230,389	136,201	23,598
<u>Non-insured Services, Schedule E</u>	-	-	-
	27,513,759	29,437,096	27,775,472
Operating surplus (deficit)	3	(1,133,712)	(768,380)
Prior year funding Received, Note 19	-	-	(650,000)
Operating Surplus/(deficit) after prior year funding	3	(1,133,712)	(1,418,380)
Unfunded Items			
Change in employee termination benefits, Note 6	-	123,519	87,457
Adjusted operating surplus (deficit) before the undernoted	3	(1,010,193)	(1,330,923)
Increase (Decrease) in post-employment benefits	-	1,898,000	54,000
Tangible Capital Assets - Rent Expense, Note 14	-	(631,340)	(622,833)
Grant-in-Kind - GNWT assets provided at no cost, Note 14	-	631,340	622,833
Adjusted operating surplus (deficit) for the year	\$ 3	\$ 887,807	\$ (1,276,923)
Opening Operating Fund Accumulated Surplus (Deficit)		(2,427,893)	(1,800,970)
Prior year funding received		-	650,000
Closing Operating Fund Accumulated Surplus (Deficit)	\$	(1,540,086)	\$ (2,427,893)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Financial Resources

For the year ended March 31, 2014

	2014	2013
Annual surplus (deficit)	\$ 887,807	\$ (1,276,923)
Adjustments		
Change in employee termination benefit	(123,519)	(87,457)
Prior year funding received	-	650,000
Consumption of inventories used	993,034	903,898
Acquisition of inventories used	(950,898)	(932,506)
Use of prepaid expenses	187,199	144,317
<u>Acquisition of prepaid expenses</u>	<u>(158,235)</u>	<u>(221,273)</u>
Increase (Decrease) in net financial assets	835,388	(819,944)
<u>Net financial resources, beginning of year</u>	<u>(3,933,184)</u>	<u>(3,113,240)</u>
Net financial resources, end of year	\$ (3,097,796)	\$ (3,933,184)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Cash Flow

For the year ended March 31, 2014

	2014	2013
Operating Activities		
Cash received from:		
GNWT	\$ 28,633,130	\$ 24,497,973
Other revenues and recoveries	1,088,952	1,021,127
Interest	38,276	46,804
Cash paid for:		
Compensation and benefits	(25,161,749)	(23,314,514)
Operations and maintenance	(3,403,986)	(4,007,884)
Cash from operations	1,194,623	(1,756,494)
Financing Activities		
Investing Activities		
Change in cash during the year	1,194,623	(1,756,494)
Cash, beginning of year	249,886	2,006,380
Cash, end of year	\$ 1,444,509	\$ 249,886
Total Interest paid	\$ 4,735	\$ 6,122

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Accumulated Surplus (Deficit) from Operations

For the year ended March 31, 2014

	2014	2013
Opening Operating Fund Accumulated Surplus (Deficit)	\$ (2,427,893)	\$ (1,800,970)
Adjusted operating surplus (deficit) for the year	887,807	(1,276,923)
Prior year funding received, Note 19	-	650,000
Transfer to Cash Reserve, Schedule G	-	-
Closing Operating Fund Accumulated Surplus (Deficit)	\$ (1,540,086)	\$ (2,427,893)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Change in Employee Termination Liability Fund

For the year ended March 31, 2014

	2014	2013
Opening Employee Termination Liability Fund	\$ (1,645,430)	\$ (1,557,973)
(Increase) Decrease in employee termination benefits, Note 6	(123,519)	(87,457)
Closing Employee Termination Liability Fund	\$ (1,768,949)	\$ (1,645,430)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Change in Cash Reserve

For the year ended March 31, 2014

	2014	2013
Opening Cash Reserve	\$ 500,000	\$ 500,000
Transfer to (from) cash reserve	-	-
Closing Cash Reserve	\$ 500,000	\$ 500,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 1. Hay River Health & Social Services Authority

The Hay River Health & Social Services Authority, formerly the Hay River Community Health Board, which was incorporated under the Societies Act, is continued under the Hospital Insurance and Health and Social Services Administration Act as a Board of Management, effective November 1, 2003.

The Authority administers the operations of H.H. Williams Memorial Hospital, Woodland Manor, Hay River Medical Clinic, Public Health, Social Services and Supported Independent Living and provides financial and administrative support for community and regional programs.

Note 2. Significant Accounting Policies

General

The financial statements of the Authority are the representations of the administration. They are prepared in accordance with policies prescribed by the Financial Administrations Act of the Northwest Territories and by the Department of Health and Social Services of the Government of the Northwest Territories ("GNWT").

Fund Accounting

The accounts of the Authority are maintained in accordance with fund accounting procedures. The operations of the Authority are segregated into the following funds:

Operating Fund - activities associated with the Authority's daily operations.

Employee Termination Liability Fund - activities associated with the employee termination benefits liability.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recorded as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Revenue and Expenditure Recognition

The basis of accounting followed in the financial statement presentation includes revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimating is impracticable.

Expenditures recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 2. Accounting Policies (continued)

Financial Instruments

All significant financial assets, liabilities and equity instruments of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk, credit risk and actuarial risk. Where practicable the fair values of financial assets and liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

Inventory

Inventory is recorded at the lower of cost and replacement value. Cost is determined on a first-in, first-out basis using average cost.

Capital Assets

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCAs are amortized over the estimated useful lives of the assets at the rates established in the Financial Administration Manual of the GNWT.

Accrued Employee Leave and Termination Benefits

Consistent with accounting policies used by Government of the Northwest Territories entities, the Authority charges employee leave and termination benefits to the period in which they are earned. Employee leave and termination benefit liabilities are not funded until incurred, therefore no revenue is accrued for these liabilities.

For benefits earned prior to September 1, 1996 but still outstanding, no accrual is made for contingent revenue as described in Note 7. The GNWT portion is reported as a separate unfunded liability on the balance sheet and is also reported in the accumulated deficit in the Leave and Termination Liability Fund. The revenue is expected to be received and recorded in the year that the outstanding liability falls due.

Reserves

The cash reserve was established for the purpose of assisting with any future short-term cash deficiency. Withdrawals from the reserve will be made only when an insufficient cash balance exists to make necessary payments. Appropriations to this reserve will be done to maintain the \$500,000 balance as approved by the GNWT.

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 extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets (debt) for the year.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 2. Accounting Policies (continued)

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Segmented Information

The Hay River Health & Social Services Authority segments its operations for financial reporting purposes based upon areas of service type. This information is provided in Schedule D.

Prior year balance

Some comparative figures have been reclassified to conform with current year's presentation.

Note 3. Credit Risk

The Authority is subject to financial risk that arises from the creditworthiness of the individuals and entities that it provides goods and services to. Credit risk arises from the possibility those parties may experience financial difficulty and may not be able to fulfill their obligations to the Authority.

An allowance for doubtful accounts included in accounts receivable represents management's best estimate of the credit risk exposure at year end.

Note 4. Accounts Receivable

	Receivables 2014	AFDA 2014	Net 2014	Net 2013
Due from GNWT	\$ 564,543	-	\$ 564,543	\$ 2,009,649
Due from Government of Canada	682	-	682	4,197
GST rebate receivable	26,722	-	26,722	13,114
Due from WSCC	10,639	-	10,639	17,243
Other accounts receivable	150,302	(34,357)	115,945	158,438
	\$ 752,888	(34,357)	\$ 718,531	2,202,641

Accounts Payable

	2014	2013
Accounts payable and accrued liabilities	\$ 1,089,628	\$ 537,076
Unspent donations	23,298	21,906
Due to GNWT	26,077	108,828
Repayable contributions, GNWT	1,271,629	1,218,214
	\$ 2,410,632	\$ 1,886,024

Note 5. Accountable Capital Advances from GNWT

The Authority has received advances from GNWT under capital contribution agreements for purchases of capital assets. These advances are deferred by the Authority and purchases which fall under the agreements reduce the balance carried forward.

	2014	2013
Beginning balance	\$ 5,829	\$ 5,829
Capital purchases paid out of advanced funds	-	-
Ending balance	\$ 5,829	\$ 5,829

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 6. Accrued Employee Leave and Termination Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn severance remuneration based upon the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. Payment of severance and relocation amounts is dependent upon the date the employee leaves the Authority.

These liabilities are to be funded in the year they become due through regular annual budget allocations. Liabilities outstanding at March 31 are as follows:

	2014	2013
Current		
Employee annual leave*	\$ 810,591	\$ 801,820
Non-current		
Employee severance	1,057,407	983,132
Employee removal	711,542	662,298
	1,768,949	1,645,430
<i>Comprised of:</i>		
HRHSSA portion - earned beyond August 31, 1996	\$ 1,602,561	\$ 1,493,020
GNWT portion - Earned to August 31, 1996	166,388	152,410
	\$ 1,768,949	\$ 1,645,430

* Leave

- Includes annual, lieu, stat holidays, mandatory and deferred salary leave
- includes leave banks as well as leave accruals and leave payouts due
- is considered to be a short-term liability for the purposes of distinguishing employee leave and termination benefits not short-term and long-term categories.

At the end of the 2014 fiscal year the Authority has insufficient cash to show an amount of restricted cash equal to the balance in the employee liability termination fund.

Note 7. Contingent Revenue

Revenue of \$166,388 representing accrued leave benefits for employees on August 31, 1996 and which, in management's view, pursuant to the terms of the transfer agreement on that date between the GNWT and the Town of Hay River, is owed to the Authority by GNWT, has not been recorded in these financial statements. Recognition of this amount is contingent upon GNWT agreeing to payment terms.

Note 8. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2014 as follows:

	2014	2013
Professional Development Initiative, GNWT	\$ 56,633	\$ 55,330
Other	-	495
	\$ 56,633	\$ 55,825

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 9. Patient Trust Liability

The amount held in patient trust liabilities are funds held on behalf of the patients in residential care. The funds are included in the bank balance of the Authority, but do not belong to the Authority as they are restricted for those patients.

Note 10. Inventories

	2014	2013
General	\$ 15,440	\$ 16,218
Medical and surgical	135,316	178,079
Laboratory	8,033	8,500
Pharmaceutical	24,312	22,440
	<hr/> \$ 183,101	<hr/> 225,237

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal fee.

Note 11. Accounting error

During the year the Authority identified an error in the prior year value of contributions repayable to the GNWT. There was a calculation error in the return of the Restricted Physician Services Funding from the core Territorial Operating Advance. The financial statement amounts that are presented for comparative purposes have been restated to correct this error as follows:

Decrease in contributions repayable to the GNWT	\$ 431,290
Increase in Net Income from the increase in Territorial operating advance on Schedule 'A'	\$ 431,290

Note 12. Post-employment benefits

The authority sponsors a contributory defined benefit pension plan for substantially all of its employees. The net value of the plan asset and liability is recorded on the statement of financial position based on a going concern valuation performed by an independent actuarial.

Employees are required to contribute 6.85% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 9.2% of their earnings, if any, in excess of the YMPE. The Authority contributes to the plan and provides additional funding when the present value of the obligation under the solvency method, exceeds the accumulated assets available to fund the members' benefit entitlements in the plan.

	2014	2013
Accrued benefit obligation	\$ 30,404,000	\$ 30,351,000
Market value of pension fund assets	31,728,000	28,292,000
	<hr/> (1,324,000)	<hr/> 2,059,000
Unamortized actuarial gains / (losses)	322,000	(1,163,000)
Pension liability (accrued benefit asset)	\$ (1,002,000)	\$ 896,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 12. Post-employment benefits (continued)

The post-employment benefits liability (asset) includes the following components:

	2014	2013
Pension liability - beginning of year	\$ 896,000	\$ 950,000
Cash items:		
Member contributions	(813,000)	(667,000)
Employer contributions	(3,694,000)	(3,023,000)
Benefit payments	(2,511,000)	(1,802,000)
Drawdown from plan assets	2,511,000	1,802,000
Net change to pension liability from cash items	(4,507,000)	(3,690,000)
Accrual items:		
Current period benefit cost	2,385,000	2,615,000
Amortization of actuarial gains/losses	173,000	2,217,000
Past service amendment	-	(1,477,000)
Interest on average accrued benefit obligation	1,545,000	1,526,000
Expected earnings on average pension fund assets	(1,494,000)	(1,245,000)
	2,609,000	3,636,000
Pension liability (accrued benefit asset) - end of year	\$ (1,002,000)	\$ 896,000

The pension expense is included in the statement of operations as a component of compensation for Corporate HR.

Actuarial Assumptions:

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The net unamortized actuarial loss is to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the government's best estimates. The significant actuarial assumptions and rates are listed below:

	2014	2013
Date of actuarial valuation	1-Jan-14	1-Jan-13
Date of audited financial statements	31-Mar-14	31-Mar-13
Discount rate	5.70%	5.10%
Interest rate on pension fund assets	5.10%	4.80%
Interest rate on accrued benefit obligation	5.10%	4.80%
Future Inflation	2.00%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	7.7	7.7

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 12. Post-employment benefits payable (continued)

Plan Amendments:

As at the valuation date, the Authority has decided to revise the pension plan provisions as follows:

- a) To increase required employee contributions - Effective April 1, 2014, the member required contributions will be increased to 7.5% (previously 6.85%) of earnings up to the YMPE plus 9.8% (previously 9.2%) of earnings above the YMPE. The member required contribution rates will also increase effective April 1, 2015 to 8.15% (2015) of earnings up to the YMPE plus 10.4% (2015) for earnings above the YMPE.
- b) To cease offering portability at certain ages - The plan will be amended with effect from January 1, 2018, to cease offering portability for members who are eligible for immediate pension.
- c) To increase the eligibility period - Effective April 1, 2013, the eligibility waiting period was changed to two years from six months. This change does not affect any current plan members or employees hired prior to April 1, 2013.

Note 13. Contractual Obligations

The Authority has entered into agreements extending beyond one year for the use of equipment, vehicles, and residential housing which require periodic payments. The minimum payments under existing agreements over the next three years are as follows:

	Equipment	Vehicle	Residential	Total
2015	\$ 23,884	\$ 34,157	\$ 126,300	\$ 184,341
2016	17,080	-	126,300	143,380
2017	11,804	-	-	11,804
	\$ 52,768	\$ 34,157	\$ 252,600	\$ 339,525

Note 14. Assets provided by GNWT

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over their estimated useful lives in accordance with the guidelines of the Financial Administration Manual policies 2201-2210.

Land	Not amortized
Buildings	Straight-line (40 yrs)
Buildings Service Equipment	Straight-line (5-15 yrs)
Equipment	Straight-line (5-15 yrs)

	Cost	Accumulated Amortization	2014 Net Book Value	2013 Net Book Value
Land	\$ 30,325	\$ -	\$ 30,325	\$ 30,325
Buildings	11,873,890	4,956,352	6,917,538	7,217,646
Buildings Service Equipment	1,748,034	1,269,601	478,433	599,727
Equipment	3,606,632	2,564,215	1,042,417	818,535
	\$ 17,258,881	\$ 8,790,168	\$ 8,468,713	\$ 8,666,233

Amortization expense for 2014 is \$631,340 (2013 = \$622,833)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 15. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. The Authority is defending actions brought against them and management does not believe a significant loss will occur.

The Authority's operations are affected by federal, territorial and local laws and regulations regarding Environmental protection. The Authority is committed to meeting these existing laws and regulations. Management is not aware of any material environmental liabilities.

With any employer, especially those with a union there are always risk of employee grievances. At the end of the fiscal year a number of grievances were awaiting arbitration. In the opinion of management and legal council, a \$50,000 accrued liability has been established. Should any further loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

Note 16. Economic Dependence

The Authority received its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Authority operations would be significantly affected.

Note 17. Related Party Transactions

The Authority is related in term of common ownership to all GNWT created departments, agencies and corporations. The Authority enters into transactions with these entities in the normal course of business. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance and internal audit services provided by the Financial Management Board Secretariat.

Transactions with related parties and balances at year-end are included in the financial statements as follows:

Accounts Receivable:

GNWT, Note 4	\$ 564,543
Beaufort Delta Health and Social Services Authority	\$ 3,165
Fort Resolution Health Centre	\$ 1,798
NWT Housing Corporations	\$ 120
Stanton Territorial Health Authority	\$ 46

Accountable capital advance, GNWT, Note 5

	\$ 5,829
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Accounts Payable:

GNWT, Note 4	\$ 1,297,706
Fort Smith Health and Social Services Authority	\$ 9,120
Stanton Territorial Health Authority	\$ 28,217

Accrued employee termination benefits, Note 6

Deferred revenue, GNWT, Note 8

Note 18. Budget

The budget figures are those provided by Management and are unaudited.

Note 19. Prior Year Funding Received

Funding for payroll benefits in the amount of \$650,000 was received during the prior year and is restricted to offset the 2011/2012 operating deficit. As such, these contributions have not been shown to impact the operating deficit for the year ended March 31, 2013.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Operating Advances from the GNWT

Schedule A

For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013* Actual
Hospital Services	\$ 12,562,000	\$ 13,571,000	\$ 11,782,000
Board Administration	2,575,000	2,575,000	2,932,000
Physician Services to NWT Residents	2,169,000	2,169,000	2,826,000
Medical Equipment under \$50,000	24,000	24,000	24,000
Intervention Services	32,000	32,000	32,000
Social Service Delivery	1,716,000	1,716,000	1,780,000
Residential Care - Elderly & Persons with Disabilities	4,159,000	4,159,000	4,209,000
Homecare	577,000	577,000	586,000
Family Violence	513,000	513,000	513,000
Foster Care	452,000	452,000	452,000
Primary Community & Acute Care Services	41,000	41,000	-
Community Wellness Programs	53,000	53,000	53,000
Medical Travel	22,000	22,000	22,000
Epidemiology and Disease Registries	7,000	7,000	-
	24,902,000	25,911,000	25,221,000
Physician Services	-	-	42,862
Less: Physician Services Repayable	-	-	(532,335)
	\$ 24,902,000	\$ 25,911,000	\$ 24,731,327

* Restated - see Note 11

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Other Recoveries for Direct Charges for Services

Schedule B

For the year ended March 31, 2014

	2014 Budget	2014 Actual	*2013 Actual
Other Recoveries from the GNWT			
Patient Revenues	\$ 290,000	\$ 158,300	\$ 131,910
Services	98,000	116,998	35,038
Wages	-	9,486	-
Travel and Training	-	15,896	34,192
Other	-	82,604	21,336
	388,000	383,284	222,476
Other Recoveries directly from Third Parties			
Government of Canada			
Patient Revenues	3,000	1,795	5,619
Services	-	1,452	5,452
Other	-	1,115	520
	3,000	4,362	11,591
Workers' Safety and Compensation Commission			
Patient Revenues	60,000	32,812	26,547
Services	-	87,910	39,274
Wages	20,000	30,230	965
Other	-	160	26,240
	80,000	151,112	93,026
Hay River Dental Clinic			
Other	180,000	143,100	116,400
Other GNWT Health Authorities			
Patient Revenues	-	7,926	-
Wages	-	8,211	9,485
Travel and Training	-	1,769	5,754
Other	-	10,813	11,904
	-	28,719	27,143
Other Third Parties Insurance Companies			
Patient Revenues	-	1,448	2,464
Services	-	3,444	1,086
Other	-	1,774	-
	-	6,666	3,550
Other Third Parties			
Patient Revenues	474,480	403,830	422,607
Cafeteria	141,500	149,708	143,789
Services	20,000	48,981	36,120
Wages	-	2,353	5,733
Travel and Training	-	3,502	2,096
Other	26,500	49,289	49,743
	662,480	657,663	660,088
	\$ 1,313,480	\$ 1,374,906	\$ 1,134,274

* Restated for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Other Revenues

Schedule C

For the year ended March 31, 2014

	2014 Budget	2014 Actual	*2013 Actual
Other Revenues from the GNWT			
Home and Community Care Enhancement	\$ 363,097	\$ 303,851	\$ 287,946
Healthy Family Program	256,000	235,820	209,668
Grad Placement Program	230,387	134,860	10,053
Living with Type 2 Diabetes	103,763	103,763	74,109
Nurse Educator/Mentor Program	121,569	57,972	71,871
French Language Services	95,000	55,000	49,565
Collective Kitchen	13,640	13,640	-
Children Who Witness Violence	12,500	12,500	6,250
Other	10,326	4,862	6,502
Integrated Service Delivery Model	-	-	32,070
Professional Development Initiative - Group Deferred Revenue	-	-	5,871
Laboratory Information Services	-	-	83,025
Behavioral Management Training	-	-	7,214
Relevant Experience Program	-	-	8,400
Baby Feeding Basics	-	-	9,494
Chronic Long-term Care Nursing	-	-	11,760
	1,206,282	922,268	873,798
Other Revenue directly from Third Parties			
Fort Smith Health & Social Services Authority	-	-	77,100
Hay River Hospital Foundation - Restricted Donations	-	15,149	105,917
Internal Transfers	42,000	41,785	37,872
	42,000	56,934	220,889
	\$ 1,248,282	\$ 979,202	\$ 1,094,687

* Restated for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

For the year ended March 31, 2014

Schedule D

		Budget	Compensation Actual	Budget	Other Actual	Budget	Total 2014 Actual	2013 Actual
Administrative and Support Services								
General Administration/ Mailroom/ Board	\$ 24,000	\$ 18,398	\$ 138,400	\$ 80,798	\$ 162,400	\$ 99,194	\$ 107,507	
Executive Offices	\$ 1,011,943	\$ 593,859	\$ 50,800	\$ 36,420	\$ 1,062,743	\$ 630,279	\$ 980,046	
Quality Improvement/Risk Management	\$ 261,863	\$ 228,740	\$ 43,550	\$ 20,789	\$ 305,213	\$ 249,529	\$ 263,995	
Finance	\$ 533,592	\$ 482,945	\$ 145,850	\$ 152,798	\$ 679,442	\$ 635,743	\$ 578,383	
Employee Services	\$ 310,592	\$ 344,374	\$ 21,900	\$ 12,933	\$ 332,492	\$ 357,307	\$ 309,253	
Corporate Human Resources	\$ 1,361,598	\$ 2,727,234	\$ 303,000	\$ 377,735	\$ 1,854,598	\$ 3,104,989	\$ 2,350,147	
Information Services/telehealth	\$ 243,417	\$ 273,232	\$ 116,000	\$ 113,698	\$ 359,417	\$ 386,930	\$ 354,194	
Materials Management	\$ 193,041	\$ 159,980	\$ 20,350	\$ 9,655	\$ 213,391	\$ 169,845	\$ 161,799	
Supply, Process and Distribution	\$ 139,432	\$ 154,530	\$ 36,850	\$ 41,134	\$ 176,282	\$ 195,664	\$ 199,236	
Housekeeping and Laundry	\$ 746,149	\$ 848,167	\$ 57,200	\$ 56,930	\$ 802,349	\$ 904,097	\$ 786,888	
Engineering Services	\$ 545,635	\$ 268,150	\$ 229,942	\$ 817,367	\$ 775,577	\$ 736,236		
Registration	\$ 84,557	\$ 106,039	\$ -	\$ 17,209	\$ 84,557	\$ 123,248	\$ 142,724	
Medical Records	\$ 209,467	\$ 232,779	\$ 26,750	\$ 11,926	\$ 236,217	\$ 244,705	\$ 250,038	
Electronic Medical Records	\$ 210,491	\$ 118,842	\$ 21,700	\$ 17,915	\$ 232,191	\$ 136,757	\$ -	
Dietary	\$ 740,113	\$ 879,701	\$ 303,450	\$ 319,528	\$ 1,043,563	\$ 1,189,229	\$ 1,165,111	
Contribution Agreements	\$ 102,303	\$ 60,355	\$ 32,696	\$ 23,390	\$ 134,999	\$ 83,745	\$ 199,202	
Total Administrative and Support Services	\$ 6,710,575	7,774,820	1,586,646	1,521,798	8,297,221	9,286,618	8,584,759	
Nursing Inpatients/Resident Services								
Acute Care	\$ 2,388,943	\$ 2,449,173	\$ 258,800	\$ 329,931	\$ 2,597,743	\$ 2,779,104	\$ 2,886,455	
Chronic Long-Term Care	\$ 1,005,289	\$ 1,163,846	\$ 15,400	\$ 12,394	\$ 1,020,699	\$ 1,176,240	\$ 1,080,992	
Midwifery	\$ -	\$ -	\$ 41,000	\$ 32,541	\$ 41,000	\$ 32,541	\$ -	
Contribution Agreements	\$ 115,369	\$ 85,812	\$ 6,200	\$ 410	\$ 121,569	\$ 86,222	\$ 60,660	
Total Nursing Inpatients/Resident Services	3,459,611	3,698,831	321,400	375,276	3,781,011	4,074,107	4,028,107	
Ambulatory Care Services								
Endoscopic Procedures	\$ -	\$ 18,630	\$ 16,050	\$ 8,171	\$ 16,050	\$ 26,801	\$ 35,345	
Dialysis	\$ 321,468	\$ 364,996	\$ 121,350	\$ 100,623	\$ 442,818	\$ 456,619	\$ 473,666	
Dental Surgery	\$ 60,000	\$ 86,985	\$ 27,325	\$ 30,572	\$ 87,325	\$ 117,557	\$ 89,456	
Physicians	\$ 1,311,936	\$ 2,020,459	\$ 466,000	\$ 404,360	\$ 1,777,936	\$ 2,424,819	\$ 1,862,134	
Nurse practitioner services	\$ 402,020	\$ 287,106	\$ 70,000	\$ 20,786	\$ 472,020	\$ 307,892	\$ 529,886	
Medical Clinic Administration	\$ 891,417	\$ 881,478	\$ 73,300	\$ 49,210	\$ 984,717	\$ 930,688	\$ 921,684	
Total Ambulatory Care Services	2,986,841	3,649,654	774,025	613,722	3,760,866	4,263,376	3,912,171	

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

For the year ended March 31, 2014

Schedule D (continued)

	Budget	Compensation Actual	Budget	Other Actual	Budget	Total 2014 Actual	Budget	Total 2014 Actual	Budget	Total 2013 Actual
Diagnostic and Therapeutic Services										
Laboratory	416,094	421,810	453,600	410,086	869,694	831,896	869,697	869,697	193,323	179,161
Mammography	91,016	135,626	59,400	57,697	150,416	150,416				
Diagnostic Imaging	400,238	521,372	104,050	95,784	504,288	617,156				
Pharmacy	146,229	129,697	66,300	65,083	212,529	194,780				
Physiotherapy	317,182	249,025	11,000	17,431	328,182	266,456				
Occupational Therapy	224,636	247,084	10,400	15,624	235,036	262,708				
Audiology and Speech Language Therapy	146,785	96,676	5,575	56,272	152,360	152,948				
Recreation Therapy	121,363	128,866	4,600	2,373	125,963	131,229				
Contribution Agreements	-	-	-	-	-	-				
Total Diagnostic and Therapeutic Services	1,863,543	1,930,146	714,926	720,350	2,578,468	2,650,496	2,613,897	2,613,897		
Community Health Services										
Public Health	461,725	478,841	82,850	91,019	544,575	569,880	547,697	547,697	777,793	754,387
Home Care	718,070	740,909	35,250	36,884	763,320	763,320				
Environmental Health	-	-	-	53	-	-	53	53		16,470
Contribution Agreements (HCE/ADIT/CDT)	392,030	358,284	81,156	56,955	473,186	415,239	348,618	348,618		
Total Community Health Services	1,571,825	1,578,034	199,256	184,911	1,771,081	1,762,945	1,667,172	1,667,172		
Social Services										
Social Services	768,796	762,635	32,350	42,683	799,146	805,318	787,567	787,567		
Foster Care	-	-	506,000	456,549	506,000	456,549	443,571	443,571		
Family Violence (Contribution Agreement)	525,500	525,500	-	-	525,500	525,500	500,900	500,900		
Community Counselling Services	708,902	738,478	30,150	23,084	739,052	761,562	534,275	534,275		
Woodland Manor	1,668,611	1,773,578	32,250	28,837	1,700,861	1,802,415	1,769,072	1,769,072		
Supported Independent Living	2,003,815	2,070,010	97,100	87,275	2,100,915	2,157,285	2,219,566	2,219,566		
Supported Independent Living - Day	430,808	471,201	22,800	16,481	453,608	487,682	470,260	470,260		
Contribution Agreements (VA/HF/KHS/S/PPD)	173,601	184,951	96,040	72,091	269,641	257,042	220,567	220,567		
Total Social Services	6,278,033	6,526,363	816,690	727,000	7,094,723	7,253,353	6,945,768	6,945,768		
Research	-	-	-	-	-	-	-	-		
Education	-	-	-	-	-	-	-	-		
Contribution Agreements (PD/NP/GP/BMT)	230,389	136,201	-	-	-	-	-	-	136,201	23,598
Total Expenses	\$ 23,100,817	\$ 25,294,039	\$ 4,412,942	\$ 4,143,057	\$ 27,513,759	\$ 29,437,096	\$ 27,775,472	\$ 27,775,472		

* Restated for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Non-Insured Recoveries and Expenses

Schedule E

For the year ended March 31, 2014

	Budget	Total 2014 Actual	2013 Actual
Recoveries	\$ -	\$ -	\$ -
Expenditures	-	-	-
Surplus (Deficit)	\$ -	\$ -	\$ -

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Other Contributions

Schedule F

For the year ended March 31, 2014

	SC#	Budget	Actual
Home and Community Care Enhancement (F-1)	HSS01-0000002218am1	\$ 363,097	\$ 303,851
Healthy Family Program (F-2)	HSS01-0000002455	\$ 256,000	\$ 235,820
		\$ 619,097	\$ 539,671

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Home and Community Care Enhancement

Schedule F-1

For the year ended March 31, 2014

Revenue	
<u>GNWT - Home and Community Care Enhancement</u>	\$ 303,851
<hr/>	
Expenditures	
Salaries and benefits	267,864
Supplies	10,309
Sundry	10,622
Referred out services	2,167
Vehicle expense	8,000
Minor equipment	4,091
Telephone and fax	1,095
	<hr/>
	304,148
<u>Surplus (Deficit)</u>	\$ (297)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Healthy Family Program

Schedule F-2

For the year ended March 31, 2014

Revenue

GNWT - Healthy Family Program	\$ 235,820
Other recoveries	6,805
	<hr/>
	242,625

Expenditures

Salaries and benefits	184,951
Supplies	22,077
Sundry	9,043
Building and grounds	-
Telephone and fax	2,399
Vehicle expense	8,000
Minor equipment	16,932
	<hr/>
	243,402

Surplus (Deficit)	\$ (777)
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HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Reserves

Schedule G

For the year ended March 31, 2014

	Surplus / Deficit		Cash Reserve	
	2014	2013	2014	2013
Balance, beginning of the year	\$ -	\$ -	\$ 500,000	\$ 500,000
Transfers between reserves	-	-	-	-
Balance end of year	\$ -	\$ -	\$ 500,000	\$ 500,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Capital Assets

Schedule H

March 31, 2014

	Cost
Capital Assets owned and Financed by GNWT:	
Land	\$ 30,325
Buildings	11,668,528
Buildings Service Equipment	1,748,034
Equipment	3,222,900
Total Assets Financed by GNWT	\$ 16,669,787
 Capital Assets owned by GNWT and Financed by Other Funds:	
Buildings	\$ 205,362
Equipment	383,732
Total Assets Financed by Other Funds	\$ 589,094
Total Capital Assets	\$ 17,258,881
 <u>Assets purchased or disposed of during the year:</u>	
Purchased Capital Asset owned and financed by the GNWT:	
NA	\$ -
	\$ -