

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**

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



# 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.

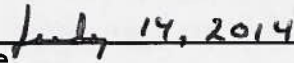
The Public Administrator carries out his responsibility for review of the financial statements primarily through the Administration. The Administration reports regularly to the Public Administrator on financial matters, including the results of audit examinations and any other matters necessary for his 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  
Chief Executive Officer  
Hay River Health & Social Services Authority

  
\_\_\_\_\_  
Date July 7, 2014

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

  
\_\_\_\_\_  
Date July 14, 2014

## **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 risks 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
<b>Financial Assets</b>		
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	-
<b>Total Financial Assets</b>	<b>\$ 3,165,040</b>	<b>\$ 2,452,527</b>
<b>Liabilities</b>		
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
<b>Total Liabilities</b>	<b>6,262,836</b>	<b>6,385,711</b>
<b>Net Financial Assets (Debt)</b>	<b>\$ (3,097,796)</b>	<b>\$ (3,933,184)</b>
<b>Non-Financial Assets</b>		
Inventory, Note 10	\$ 183,101	\$ 225,237
Prepaid expenses and deposits	105,660	134,624
<b>Total Non-Financial Assets</b>	<b>\$ 288,761</b>	<b>\$ 359,861</b>
<b>Accumulated Surplus (Deficit)</b>	<b>\$ (2,809,035)</b>	<b>\$ (3,573,323)</b>



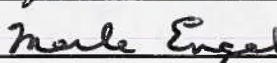
\* Reclassified for comparative purposes

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
	<b>\$ (2,809,035)</b>	<b>\$ (3,573,323)</b>

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
<b>Revenue</b>			
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	-	-	-
Interest	50,000	38,276	46,804
	<b>27,513,762</b>	<b>28,303,384</b>	<b>27,007,092</b>
<b>Expenses</b>			
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
Non-Insured Services, Schedule E	-	-	-
	<b>27,513,759</b>	<b>29,437,096</b>	<b>27,775,472</b>
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)
<b>Unfunded items</b>			
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
<b>Adjusted operating surplus (deficit) for the year</b>	<b>\$ 3</b>	<b>\$ 887,807</b>	<b>\$ (1,276,923)</b>
Opening Operating Fund Accumulated Surplus (Deficit)		(2,427,893)	(1,800,970)
Prior year funding received		-	650,000
<b>Closing Operating Fund Accumulated Surplus (Deficit)</b>		<b>\$ (1,540,086)</b>	<b>\$ (2,427,893)</b>

# **HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

## **Statement of Changes in Net Financial Resources**

For the year ended March 31, 2014

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



# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Statement of Cash Flow

For the year ended March 31, 2014

	2014	2013
<b>Operating Activities</b>		
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)
<b>Financing Activities</b>		
	-	-
<b>Investing Activities</b>		
	-	-
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
<b>Total Interest paid</b>	\$ 4,735	\$ 6,122

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY****Statement of Accumulated Surplus (Deficit) from Operations**

For the year ended March 31, 2014

	<b>2014</b>	<b>2013</b>
Opening Operating Fund Accumulated Surplus (Deficit)	\$ (2,427,893)	\$ (1,800,970)
Adjusted operating surplus (deficit) for the year	<b>887,807</b>	(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

	<b>2014</b>	<b>2013</b>
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

	<b>2014</b>	<b>2013</b>
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

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### **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

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### **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
Comprised of:		
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
	\$ 183,101	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
	(1,324,000)	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

## Notes to the Financial Statements

**Note 12. Post-employment benefits payable (continued)**

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

- ### Note 13. Contractual Obligations

	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

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

14

# 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

<u>Accountable capital advance, GNWT, Note 5</u>	\$	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

<u>Accrued employee termination benefits, Note 6</u>	\$	166,388
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<u>Deferred revenue, GNWT, Note 8</u>	\$	56,633
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### 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	1,790,000
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	-	-	42,662
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
<b>Other Recoveries from the GNWT</b>			
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
	<b>388,000</b>	<b>383,284</b>	<b>222,476</b>
<b>Other Recoveries directly from Third Parties</b>			
<b>Government of Canada</b>			
Patient Revenues	3,000	1,795	5,619
Services	-	1,452	5,452
Other	-	1,115	520
	<b>3,000</b>	<b>4,362</b>	<b>11,591</b>
<b>Workers' Safety and Compensation Commission</b>			
Patient Revenues	60,000	32,812	26,547
Services	-	87,910	39,274
Wages	20,000	30,230	965
Other	-	160	26,240
	<b>80,000</b>	<b>151,112</b>	<b>93,026</b>
<b>Hay River Dental Clinic</b>			
Other	180,000	143,100	116,400
<b>Other GNWT Health Authorities</b>			
Patient Revenues	-	7,926	-
Wages	-	8,211	9,485
Travel and Training	-	1,769	5,754
Other	-	10,813	11,904
	<b>-</b>	<b>28,719</b>	<b>27,143</b>
<b>Other Third Parties Insurance Companies</b>			
Patient Revenues	-	1,448	2,464
Services	-	3,444	1,086
Other	-	1,774	-
	<b>-</b>	<b>6,666</b>	<b>3,550</b>
<b>Other Third Parties</b>			
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
	<b>662,480</b>	<b>657,663</b>	<b>660,088</b>
	<b>\$ 1,313,480</b>	<b>\$ 1,374,906</b>	<b>\$ 1,134,274</b>

\* 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
<b>Other Revenues from the GNWT</b>			
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
	<b>1,206,282</b>	<b>922,268</b>	<b>873,798</b>
<b>Other Revenue directly from Third Parties</b>			
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
	<b>42,000</b>	<b>56,934</b>	<b>220,889</b>
	<b>\$ 1,248,282</b>	<b>\$ 979,202</b>	<b>\$ 1,094,687</b>

\* Restated for comparative purposes

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D

For the year ended March 31, 2014

	Compensation		Other		Total 2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Administrative and Support Services</b>								
General Administration/ Mailroom/ Board	\$ 24,000	\$ 18,398	\$ 138,400	\$ 80,796	\$ 162,400	\$ 98,194	\$	107,507
Executive Offices	1,011,943	593,859	50,800	36,420	1,062,743	630,279	980,046	980,046
Quality Improvement/Risk Management	261,863	228,740	43,550	20,789	305,213	249,529	263,995	263,995
Finance	533,592	482,945	145,950	152,798	679,442	635,743	578,383	578,383
Employee Services	310,592	344,374	21,900	12,933	332,492	357,307	309,253	309,253
Corporate Human Resources	1,351,598	2,727,234	303,000	377,735	1,654,598	3,104,969	2,350,147	2,350,147
Information Services/telehealth	243,417	273,232	116,000	113,698	359,417	386,930	354,194	354,194
Materials Management	193,041	159,990	20,350	9,655	213,391	169,645	161,799	161,799
Supply, Process and Distribution	139,432	154,530	36,850	41,134	176,282	195,664	199,236	199,236
Housekeeping and Laundry	745,149	848,167	57,200	55,930	802,349	904,097	786,888	786,888
Engineering Services	549,217	545,635	268,150	229,942	817,367	775,577	736,236	736,236
Registration	84,557	106,039	-	17,209	84,557	123,248	142,724	142,724
Medical Records	209,467	232,779	26,750	11,926	236,217	244,705	250,038	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	1,199,229	1,165,111	1,165,111
Contribution Agreements	102,303	60,355	32,696	23,390	134,999	83,745	199,202	199,202
<b>Total Administrative and Support Services</b>	<b>6,710,575</b>	<b>7,774,820</b>	<b>1,586,646</b>	<b>1,521,798</b>	<b>8,297,221</b>	<b>9,298,618</b>	<b>8,584,759</b>	<b>8,584,759</b>
<b>Nursing Inpatients/Resident Services</b>								
Acute Care	2,338,943	2,449,173	258,800	329,931	2,597,743	2,779,104	2,886,455	2,886,455
Chronic Long-Term Care	1,005,289	1,163,846	15,400	12,394	1,020,689	1,176,240	1,080,992	1,080,992
Midwifery	-	-	41,000	32,541	41,000	32,541	-	-
Contribution Agreements	115,399	85,812	6,200	410	121,599	86,222	60,660	60,660
<b>Total Nursing Inpatients/Resident Services</b>	<b>3,459,611</b>	<b>3,698,831</b>	<b>321,400</b>	<b>375,276</b>	<b>3,781,011</b>	<b>4,074,107</b>	<b>4,028,107</b>	<b>4,028,107</b>
<b>Ambulatory Care Services</b>								
Endoscopic Procedures	-	18,630	16,050	8,171	16,050	26,801	35,345	35,345
Dialysis	321,468	364,996	121,360	100,623	442,818	455,619	473,666	473,666
Dental Surgery	60,000	86,985	27,325	30,572	87,325	117,557	89,456	89,456
Physicians	1,311,936	2,020,459	466,000	404,360	1,777,936	2,424,819	1,862,134	1,862,134
Nurse practitioner services	402,020	287,106	70,000	20,786	472,020	307,892	529,886	529,886
Medical Clinic Administration	891,417	881,478	73,300	49,210	964,717	930,688	921,584	921,584
<b>Total Ambulatory Care Services</b>	<b>2,986,841</b>	<b>3,649,654</b>	<b>774,025</b>	<b>613,722</b>	<b>3,760,866</b>	<b>4,263,376</b>	<b>3,912,171</b>	<b>3,912,171</b>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D (continued)

For the year ended March 31, 2014

	Compensation		Other		Total 2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Diagnostic and Therapeutic Services</b>								
Laboratory	416,094	421,810	453,800	410,086	869,894	831,896	869,867	869,867
Mammography	91,016	135,626	59,400	57,697	150,416	193,323	179,161	179,161
Diagnostic Imaging	400,238	521,372	104,050	95,784	504,288	617,156	531,638	531,638
Pharmacy	146,229	129,697	66,300	65,083	212,529	194,780	197,048	197,048
Physiotherapy	317,182	249,025	11,000	17,431	328,182	266,456	283,323	283,323
Occupational Therapy	224,636	247,084	10,400	15,624	235,036	262,708	230,130	230,130
Audiology and Speech Language Therapy	148,785	96,676	5,575	56,272	152,360	152,948	128,427	128,427
Recreation Therapy	121,363	128,856	4,600	2,373	125,963	131,229	116,800	116,800
Contribution Agreements	-	-	-	-	-	-	77,503	77,503
<b>Total Diagnostic and Therapeutic Services</b>	<b>1,863,543</b>	<b>1,930,146</b>	<b>714,925</b>	<b>720,350</b>	<b>2,578,468</b>	<b>2,650,496</b>	<b>2,613,897</b>	<b>2,613,897</b>
<b>Community Health Services</b>								
Public Health	461,725	478,841	82,850	91,019	544,575	569,860	547,697	547,697
Home Care	718,070	740,909	35,250	36,884	753,320	777,793	754,387	754,387
Environmental Health	-	-	-	53	-	53	16,470	16,470
Contribution Agreements (HCE/ADI/TCDT)	392,030	358,284	81,156	56,955	473,186	415,239	348,618	348,618
<b>Total Community Health Services</b>	<b>1,571,825</b>	<b>1,578,034</b>	<b>199,256</b>	<b>184,911</b>	<b>1,771,081</b>	<b>1,762,945</b>	<b>1,667,172</b>	<b>1,667,172</b>
<b>Social Services</b>								
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/DPDI)	173,601	184,951	96,040	72,091	269,641	257,042	220,567	220,567
<b>Total Social Services</b>	<b>6,278,033</b>	<b>6,526,353</b>	<b>816,690</b>	<b>727,000</b>	<b>7,094,723</b>	<b>7,253,353</b>	<b>6,945,768</b>	<b>6,945,768</b>
<b>Research</b>								
Research	-	-	-	-	-	-	-	-
<b>Education</b>								
Contribution Agreements (PDI/NP/GP/BMT)	230,389	136,201	-	-	230,389	136,201	23,598	23,598
<b>Total Expenses</b>	<b>\$ 23,100,817</b>	<b>\$ 25,294,039</b>	<b>\$ 4,412,942</b>	<b>\$ 4,143,057</b>	<b>\$ 27,513,769</b>	<b>\$ 29,437,096</b>	<b>\$ 27,775,472</b>	<b>\$ 27,775,472</b>

\* 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

		Total 2014		2013
	Budget	Actual		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

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## **Revenue**

<b>GNWT - Home and Community Care Enhancement</b>	<b>\$ 303,851</b>
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## **Expenditures**

<b>Salaries and benefits</b>	<b>267,864</b>
<b>Supplies</b>	<b>10,309</b>
<b>Sundry</b>	<b>10,622</b>
<b>Referred out services</b>	<b>2,167</b>
<b>Vehicle expense</b>	<b>8,000</b>
<b>Minor equipment</b>	<b>4,091</b>
<b>Telephone and fax</b>	<b>1,095</b>

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**304,148**

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<b>Surplus (Deficit)</b>	<b>\$ (297)</b>
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# **HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

Healthy Family Program

Schedule F-2

For the year ended March 31, 2014

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## **Revenue**

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

## **Expenditures**

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

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<b>Surplus (Deficit)</b>	<b>\$</b>	<b>(777)</b>
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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
<b>Capital Assets owned and Financed by GNWT:</b>	
Land	\$ 30,325
Buildings	11,668,528
Buildings Service Equipment	1,748,034
Equipment	3,222,900
<b>Total Assets Financed by GNWT</b>	<b>\$ 16,669,787</b>
<b>Capital Assets owned by GNWT and Financed by Other Funds:</b>	
Buildings	\$ 205,362
Equipment	383,732
<b>Total Assets Financed by Other Funds</b>	<b>\$ 589,094</b>
<b>Total Capital Assets</b>	<b>\$ 17,258,881</b>

### Assets purchased or disposed of during the year:

#### Purchased Capital Asset owned and financed by the GNWT:

NA	\$ -
	\$ -