

**Yellowknife Health and Social Services Authority**  
**Financial Statements**

**March 31, 2014**

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# Yellowknife Health and Social Services Authority

## Financial Statements

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March 31, 2014

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## **Management's Responsibility for Financial Reporting**

**June 24, 2014**

**To the Minister of Health and Social Services  
Government of the Northwest Territories  
and  
To the Public Administrator  
Yellowknife Health and Social Services Authority**

The accompanying financial statements were prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent with the information contained in the financial statements.

Yellowknife Health and Social Services Authority maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Authority acts in accordance with the laws of the Northwest Territories. The Authority's management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a territorial Authority of Health and Social Services.

The external auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements. They also consider whether transactions which come to their notice in the course of this audit are, in all significant respect, in accordance with the specified legislation.



Les Harrison, BSW, MSW, MBA  
Chief Executive Officer  
Yellowknife Health and Social Services Authority



## Management Discussion and Analysis

Mar 31, 2014

The Yellowknife Health and Social Services Authority (YHSSA) works with people to optimize wellbeing through the provision of collaborative and culturally appropriate health and social services. The Authority accomplishes their mission by delivering public-funded health and social services under the Hospital Insurance and Health and Social Services Administration Act through community-based health and social services programs delivered to 20,000+ residents of Dettah, Fort Resolution, Lutsel K'e, Ndilo and Yellowknife.

YHSSA operates in a transparent, accountable and ethical manner through effective leadership and governance, managing its structures, people and other resources in a financially prudent and accountable manner to:

- Support people to achieve optimal independence and wellness;
- Develop, implement and sustain an integrated range of high quality health and social programs;
- Build, nurture and improve partnerships to deliver effective and efficient programs;
- Recruit, develop and retain skilled staff and provide a safe and healthy workplace.

To accomplish the YHSSA's vision of "Healthy people, healthy family and healthy communities", the Executive of YHSSA works under the direction of our Board of Directors to establish and implement a strategic plan for the authority. The Board of Directors is comprised of public representatives appointed by the Minister of Health and Social Services. There are five representatives from Yellowknife, one representative from Dettah and Ndilo, one representative from Fort Resolution and one representative from Lutsel K'e. Board members are appointed for a three year term and extensions can be granted by the Minister of Health and Social Services to a maximum of three terms. The Board Chair is selected by the Minister of Health and Social Services.

YHSSA provides a broad range of health and social services to the residents of the region. Some of our key programs include Home and Community Care, Public Health, Primary Care Clinics, Health Centers, Child and Family Services, and Community Mental Health and Adult Services. YHSSA contracts with several non-government organizations to ensure the effective delivery of a variety of health and social programs in the community.

The Authority has a dedicated work force of approximately 185 employees along with 31 physicians which deliver our programs and services. Our Authority relies on community based partners which deliver programs and services to support our clients through a number of partnership agreements.

As of March 31, 2014, YHSSA incurred an operating deficit of (\$565,564) prior to adjustment for the change in unfunded liabilities. The net result from operations after accounting for these adjustments is an operating deficit of (\$465,736).

The net deficit will increase the YHSSA net accumulated operating deficit to (\$707,098) at March 31, 2014.

YHSSA had been successful in balancing or coming closer to balancing its budget in recent years even during a period of fiscal challenges and restraint in the health and social services system. However, this past year as we continued to make the provision of timely client care a priority, we were unable to do so.

Some of our current fiscal challenges include the following:

1. The Authority continues to be under funded for the actual costs of contract physicians and locum coverage required to support the demands for General Practitioners to provide 24/7 services required for specific programs operated at the Stanton Regional Hospital in Yellowknife. The current funding model does not include adequate funding for coverage of leave and a number of benefits included in the approved contract negotiated with the NWT Medical Association.
2. Recoveries for independent living and shelter services provided to Nunavut residents declined due to the opening of shelters in Nunavut regions and repatriation of Independent living clients. This trend is likely to continue as the Nunavut government is currently requesting a transfer of client responsibility to the GNWT.
3. In the Child and Family Services area, demand for and reduced costs in foster care services experienced over the past three fiscal years are not projected to continue based on current and projected caseloads as well as the resources anticipated in order for the Authority to appropriately respond to the Auditor General's review/report on Child Protection services in the NWT.

4. Realignment of contracting arrangements for independent and group supported living services provided for clients with intellectual disabilities, brain injury and/or mental illness, resulting in increased costs but more effective service delivery moving forward.
5. Limited availability for staff housing options in communities is creating challenges in the recruitment and retention of allied Health and Social Services staff for the Authority.

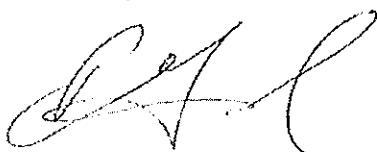
YHSSA has seen significant growth, expansion and the integration of services over the past number of years and it is expected that this trend will continue in the coming years.

The Department of Health and Social Services has delegated YHSSA the authority to be the Lead Agency for the implementation of the Territorial Electronic Medical Record (EMR) and we successfully completed the first phase of EMR integration with the Hay River Health and Social Services Authority.

YHSSA's major success has been the continued effective and reliable provision of health and social services programs for our regional communities. In the provision of these services we have maintained significant partnerships with the Stanton Territorial Hospital Authority, the Department of Health and Social Services, other GNWT departments, boards, agencies, non-government organizations and various stakeholders.

The Authority will remain committed to our mission of assisting and encouraging wellbeing through the provision of collaborative and culturally appropriate health and social services, while monitoring results and outcomes, to ensure that people achieve optimal independence and wellness.

Sincerely,



Paul Gard, CGA  
Director, Finance and Administration

## **Independent Auditors' Report**

**To the Minister of Health and Social Services  
Government of the Northwest Territories  
and  
To the Public Administrator  
Yellowknife Health and Social Services Authority**

We have audited the accompanying financial statements of the Yellowknife Health and Social Services Authority as at March 31, 2014, which comprise the statement of financial position and the statements of operations, change in net financial debt, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures for all programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed on Schedule 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 Canadian 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. Management is also responsible for the preparation of the revenues and expenditures of all programs funded through contribution agreements in accordance with the financial guidelines of the Department of Health and Social Services.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 Authority'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 qualified audit opinion.



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## **Independent Auditors' Report (continued)**

### *Basis for Qualified Opinion*

Salaries and benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories audit. Our audit scope was limited as we did not audit the components of salaries and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenditures, employee and payroll-related liabilities, employee leave and termination benefits, net financial debt, and accumulated deficit.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Yellowknife Health and Social Services Authority as at March 31, 2014, and its financial operations, and changes in financial position for the year then ended in accordance with Canadian public sector accounting standards, applied on a basis consistent with the preceding year. Furthermore, except for the limitation relating to payroll as described above, these financial 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 as per Schedule F for the year ended March 31, 2014, in accordance with the financial guidelines of the Department of Health and Social Services.

### *Report on Other Legal and Regulatory Requirements*

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 have come under our notice have, in all material aspects, been within the statutory powers of the Authority.

Yellowknife, Northwest Territories  
June 24, 2014

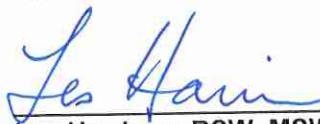
*Crowe MacKay LLP*  
Chartered Accountants

## Yellowknife Health and Social Services Authority

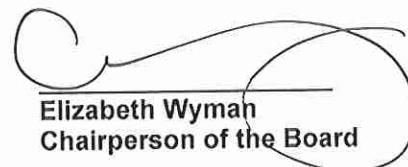
## Statement of Financial Position

As at March 31,	2014	2013
<b>Financial Assets</b>		
<b>Cash</b>		
Cash	\$ 1,108,886	\$ 1,774,305
Restricted cash (Note 3)	125,442	122,768
Accounts receivable (Note 4)	2,318,534	2,054,033
	<b>3,552,862</b>	<b>3,951,106</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 3,934,229	\$ 4,029,628
Employee and payroll-related liabilities	583,681	489,249
Deferred revenue (Note 6)	33,140	43,329
Contributions repayable (Note 7)	56,893	10,468
Employee leave and termination benefits (Note 8)	2,437,257	2,337,429
	<b>7,045,200</b>	<b>6,910,103</b>
<b>Net Financial Debt</b>	<b>\$ (3,492,338)</b>	<b>\$ (2,958,997)</b>
<b>Non-Financial Assets</b>		
Prepaid expenses (Note 9)	<b>471,670</b>	<b>503,893</b>
Accumulated Deficit (Note 10)	<b>\$ (3,020,668)</b>	<b>\$ (2,455,104)</b>
Contingent Liabilities (Note 11)		
Contractual Obligations (Note 12)		

Approved on behalf of the Authority



Les Harrison, BSW, MSW, MBA  
Chief Executive Officer



Elizabeth Wyman  
Chairperson of the Board

**Yellowknife Health and Social Services Authority****Statement of Operations**

For the year ended March 31,		2014	2013
	(unaudited)		
	Budget	Actual	Actual
<b>REVENUE</b>			
Operating advances from the GNWT (Schedule A)	\$ 44,723,000	\$ 44,723,000	\$ 44,840,000
Out of territory revenue	1,215,000	1,169,659	1,228,579
Patient services	1,590,000	1,110,308	1,467,216
Other recoveries (Schedule B)	145,800	456,400	246,410
Other revenues (Schedule C)	3,952,258	4,189,302	3,813,344
Non-insured recoveries and expenses (Schedule E)	-	36,075	27,815
Investment revenue	60,000	76,456	73,212
	<b>51,686,058</b>	<b>51,761,200</b>	<b>51,696,576</b>
<b>EXPENDITURES</b>			
Administrative and support services (Schedule D)	3,723,128	4,383,875	5,270,446
Ambulatory care services (Schedule D)	15,587,872	16,637,876	16,700,600
Community health services (Schedule D)	9,113,693	8,692,783	8,509,556
Social services (Schedule D)	23,261,365	22,576,155	21,269,620
Non-insured recoveries and expenses (Schedule E)	-	36,075	27,815
	<b>51,686,058</b>	<b>52,326,764</b>	<b>51,778,037</b>
<b>OPERATING DEFICIT</b>			
UNFUNDED ITEM			
Change in employee leave and termination benefits	-	<b>99,828</b>	138,591
<b>SURPLUS (DEFICIT) BEFORE THE FOLLOWING</b>			
Prior year deficit funded in 2013	-	-	(19,000)
Rent expense - GNWT assets provided at no cost (note 13)	-	<b>481,591</b>	535,192
Grant-in-kind - GNWT assets provided at no cost (note 13)	-	<b>(481,591)</b>	(535,192)
<b>SURPLUS (DEFICIT)</b>	\$ -	\$ <b>(465,736)</b>	\$ 38,130
<b>OPENING ACCUMULATED SURPLUS (DEFICIT)</b>	\$ -	\$ <b>(2,455,104)</b>	\$ (2,373,643)
<b>CLOSING ACCUMULATED SURPLUS (DEFICIT)</b>	\$ -	\$ <b>(3,020,668)</b>	\$ (2,455,104)

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**STATEMENT III****Yellowknife Health and Social Services Authority****Statement of Change in Net Financial Debt**

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For the year ended March 31,		2014	2013
	(unaudited) Budget	Actual	Actual
Annual operating deficit	\$ -	\$ (565,564)	\$ (81,461)
Adjustments:			
Use of prepaid expenses	-	506,154	387,070
Acquisition of prepaid expenses	-	(473,931)	(503,593)
<b>INCREASE IN NET FINANCIAL DEBT</b>	-	(533,341)	(197,984)
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	-	(2,958,997)	(2,761,013)
<b>NET FINANCIAL DEBT, END OF YEAR</b>	\$ -	\$ <b>(3,492,338)</b>	\$ <b>(2,958,997)</b>

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**STATEMENT IV****Yellowknife Health and Social Services Authority****Statement of Cash Flows**

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<u>For the year ended March 31,</u>	<u>2014</u>	<u>2013</u>
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**Net inflow (outflow) of cash related to the following activities:**

<b>Operating transactions</b>	<b>\$</b>	<b>(565,564)</b>	<b>\$</b>	<b>(81,461)</b>
Operating deficit				
<b>Non-cash charges to operations</b>				
Accounts receivable		(264,501)		(409,356)
Prepaid expenses		32,223		(116,523)
Accounts payable and accrued liabilities		(95,399)		662,306
Employee and payroll-related liabilities		94,432		(6,241)
Deferred revenue		(10,189)		-
Contributions repayable		46,425		10,468
Employee leave and termination benefits		99,828		138,590
<b>Cash provided by operating transactions</b>		<b>(662,745)</b>		<b>197,783</b>
<b>Increase (decrease) in cash and restricted cash during the year</b>		<b>(662,745)</b>		<b>197,783</b>
<b>Cash and restricted cash, beginning of year</b>		<b>1,897,073</b>		<b>1,699,290</b>
<b>Cash and restricted cash, end of year</b>	<b>\$</b>	<b>1,234,328</b>	<b>\$</b>	<b>1,897,073</b>

**Represented by**

<b>Cash</b>	<b>\$</b>	<b>1,108,886</b>	<b>\$</b>	<b>1,774,305</b>
<b>Restricted cash</b>		125,442		122,768
	<b>\$</b>	<b>1,234,328</b>	<b>\$</b>	<b>1,897,073</b>

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## Yellowknife Health and Social Services Authority

## Statement of Expenses by Object

For the year ended March 31,	2014 (Unaudited) Budget	2014 Actual	2013 Actual
<b>Expenditures</b>			
Grants and contributions			
Adult services	\$ 490,000	\$ 490,000	\$ 490,000
Community social services	370,000	345,026	345,026
Community wellness	200,000	200,000	200,000
Dementia care	3,633,000	3,633,000	3,565,000
Early intervention	250,000	250,000	247,368
Family violence shelter	669,000	668,923	668,923
Long-term care	3,642,223	3,642,223	2,979,223
Other	534,859	586,590	519,679
Withdrawal management	441,000	453,430	433,559
	10,230,082	10,269,192	9,448,778
Compensation			
Purchased services - fee for service	1,000,000	784,773	1,106,910
Purchased services - locum	1,620,985	1,944,889	2,321,234
Purchased services - management & operations	68,000	35,518	52,283
Purchased services - unit producing	286,294	163,581	132,251
Salaries/wages - management & operations	1,887,534	2,069,437	2,070,707
Salaries/wages - physicians	8,467,110	9,109,253	7,633,034
Salaries/wages - unit producing	17,158,640	17,096,305	16,557,534
	30,488,563	31,203,756	29,873,953
Operations and maintenance			
Advertising and promotion	75,962	79,152	75,168
Drugs and vaccines	340,800	407,043	364,995
Foster care	2,671,932	2,016,717	2,257,638
Groceries	71,700	126,532	103,956
Insurance	82,200	134,157	41,636
Maintenance	17,900	19,745	13,211
Medical supplies	225,320	206,898	169,070
Minor capital	360,500	394,919	413,721
Office and administration supplies	603,894	554,975	560,854
Professional services	206,350	216,896	200,324
Referred out and contracted services	5,013,939	5,048,785	4,643,987
Rent - equipment	170,500	224,815	213,188
Rent - land and buildings	240,000	350,573	2,578,788
Training and development	368,355	352,706	248,466
Travel	443,461	503,504	462,487
Utilities	-	23,150	21,080
Vehicle operations and maintenance	73,600	101,839	82,913
	10,966,413	10,762,406	12,451,482
Valuation allowance			
Bad debts (recovery)	-	55,335	(23,991)
Non-insured expenses	1,000	36,075	27,815
<b>Total Expenditures</b>	<b>\$ 51,686,058</b>	<b>\$ 52,326,764</b>	<b>\$ 51,778,037</b>

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2014

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### 1. Authority

The Yellowknife Health and Social Services Authority (the "Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority provides a full range of health and social services to the communities of Dettah, Deninu, Lutsel K'e, Ndilo and Yellowknife.

The Authority is a public body performing a function of government in Canada. Paragraph 149(1)(c) of the federal *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

### 2. Summary of Significant Accounting Policies

#### Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Authority are as follows:

##### (a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

##### (b) Reserves

The DHSS policy requires the Authority to establish the following reserves:

Deficit Reserve - reflects the funds maintained in a reserve according to the DHSS Surplus/Deficit Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the Government of the Northwest Territories (GNWT). These liabilities will be reduced as employees are paid out upon termination of employment with the Authority.

##### (c) Employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

##### (d) Pension contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the accounts on a current basis.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Government of Canada. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2014

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### 2. Summary of Significant Accounting Policies (continued)

#### (e) Non-financial assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

#### (f) Prepaid expenses

Prepaid expenses include payments made in advance of receipt of services or goods and are charged to expense in the periods when the services or goods are consumed.

#### (g) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

Buildings	40 years
Mainframe and software systems	5 - 10 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

The TCAs used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the financial statements.

The statement of operations reflects the amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

#### (h) Revenue recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangements, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Billings processed through ICORE system by the medical centre's billing clerks are recognized as revenue upon submission of claim to the DHSS's Health Services Administration in Inuvik.

Other revenue is recognized when the service is performed or the goods are provided.

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# Yellowknife Health and Social Services Authority

## **Notes to Financial Statements**

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**March 31, 2014**

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### **2. Summary of Significant Accounting Policies (continued)**

#### **(h) Revenue recognition (continued)**

##### **Program recoveries**

The Authority has established program delivery contribution agreements with various non-governmental organizations for which the Authority receives funding from the territorial and federal governments. Excess revenues or expenditures on the program delivery are reported to the Authority when audited financial statements of the non-governmental organizations become available. Excess revenues on program delivery contribution agreements are recorded as recoveries when received. Excess expenditures are funded by the non-governmental organizations and do not impact the accompanying financial statements.

##### **Government transfers**

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined.

#### **(i) Financial instruments**

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value expensed.

Financial assets subsequently measured at amortized cost include cash, restricted cash, and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and employee and payroll-related liabilities, and contributions repayable.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

March 31, 2014

### 2. Summary of Significant Accounting Policies (continued)

#### (j) Measurement uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. Actual results could differ from these estimates.

### 3. Restricted Cash - Reserves

	2014	2013
Donation Reserve	\$ 63,599	\$ 60,925
Termination Benefit Reserve	61,843	61,843
	<b>\$ 125,442</b>	<b>\$ 122,768</b>

### 4. Accounts Receivables

	2014	2013		
	Gross	AFDA	Net	Net
Government of the Northwest Territories	\$ 1,503,167	\$ -	\$ 1,503,167	\$ 1,670,576
Government of Nunavut	209,797	-	209,797	192,839
Other	680,483	(74,913)	605,570	190,618
	<b>\$ 2,393,447</b>	<b>(74,913)</b>	<b>\$ 2,318,534</b>	<b>\$ 2,054,033</b>

### 5. Accounts Payable and Accrued Liabilities

	2014	2013
Government of the Northwest Territories	\$ 2,362,308	\$ 2,114,777
Subtotal	2,362,308	2,114,777
Other	1,571,921	1,914,851
	<b>\$ 3,934,229</b>	<b>\$ 4,029,628</b>

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## Yellowknife Health and Social Services Authority

### **Notes to Financial Statements**

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**March 31, 2014**

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#### **6. Deferred Revenue**

Deferred revenue consists of amounts received for which project completion dates extend beyond the fiscal year end, or conditions attached to the use of the funds have not yet been met. These amounts will be recognized in revenue as expenditures are incurred or conditions of funding are satisfied.

	<b>2014</b>	<b>2013</b>
Government of Northwest Territories Professional Development Initiative	\$ 33,140	\$ 43,329

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#### **7. Contributions Repayable**

	<b>2014</b>	<b>2013</b>
Government of the Northwest Territories	\$ 52,238	\$ 10,468
City of Yellowknife	4,655	-
	<b>\$ 56,893</b>	<b>\$ 10,468</b>

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

March 31, 2014

### 8. Employee Leave and Termination Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on their length of service. Certain employees earn severance remuneration based on the number of years of service. All employees will also receive assistance with removal costs to return to their point of recruitment depending on the number of years of service. Annual leave is payable within one fiscal year. The payment of the other amounts is dependent on employees leaving the Authority.

These liabilities are to be funded in the year they become due through regular annual budget allocations.

	2014	2013
<b>Resignation and retirement</b>		
<i>Obligations for benefits, opening</i>	\$ 538,643	\$ 497,936
Net change during the year	(17,403)	40,707
<i>Obligations for benefits, closing</i>	521,240	538,643
Less: portion included in current liabilities	(50,288)	(47,131)
Long term portion	\$ 470,952	\$ 491,512
<b>Removal</b>		
<i>Obligations for benefits, opening</i>	\$ 760,905	\$ 648,678
Net change during the year	2,719	112,227
<i>Obligations for benefits, closing</i>	763,624	760,905
Less: portion included in current liabilities	(137,658)	(58,973)
Long term portion	\$ 625,966	\$ 701,932
<b>Leave</b>		
<i>Obligations for benefits, opening</i>	\$ 1,037,881	\$ 1,052,225
Net change during the year	114,512	(14,344)
<i>Obligations for benefits, closing</i>	1,152,393	1,037,881
Less: portion included in current liabilities	(1,152,393)	(1,037,881)
Long term portion	\$ -	\$ -
<b>Total obligations for benefits</b>		
Long term portion	1,096,918	1,193,444
Current portion	1,340,339	1,143,985
	<b>\$ 2,437,257</b>	<b>\$ 2,337,429</b>

# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

March 31, 2014

### 9. Prepaid Expenses

	2014	2013
Leases	\$ 3,540	\$ 4,400
Other	100,411	90,000
Physician signing bonus	367,719	409,493
	<b>\$ 471,670</b>	<b>\$ 503,893</b>

### 10. Accumulated Deficit

	2014	2013
Donations Reserve	\$ 63,599	\$ 60,925
Leave and Termination Fund	(2,375,413)	(2,275,585)
Operating Fund	(770,697)	(302,287)
Severance Reserve	61,843	61,843
	<b>\$ (3,020,668)</b>	<b>\$ (2,455,104)</b>

### 11. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2014, there were no claims pending against the Authority.

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.

### 12. Contractual Obligations

The Authority has commitments for office space leases, contractual agreements for services and purchases, and program contribution agreements which will require payment in upcoming years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2015	2016 and thereafter	Total
Commercial and Residential Leases	2019	\$ 221,213	\$ 162,798	\$ 384,011
Equipment leases	2016	101,572	73,730	175,302
<b>Total</b>		<b>\$ 322,785</b>	<b>\$ 236,528</b>	<b>\$ 559,313</b>

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## Yellowknife Health and Social Services Authority

### **Notes to Financial Statements**

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**March 31, 2014**

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#### **13. GNWT Assets Provided at No Cost**

			<b>2014</b>	<b>2013</b>
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Net Book Value</b>
Buildings	\$ 5,715,699	\$ (4,713,335)	\$ 1,002,364	\$ 1,220,632
Leasehold improvements	5,266,452	(987,460)	4,278,992	4,542,315
Medical equipment	-	-	-	525,710
	<b>\$10,982,151</b>	<b>\$(5,700,795)</b>	<b>\$ 5,281,356</b>	<b>\$ 6,288,657</b>

Rent expense for 2014 is \$481,591 (2013: \$535,192) with an offsetting grant-in-kind.

#### **14. Budget**

Budget figures were those approved by the Authority's board of directors and DHSS. The budget figures are not audited and are intended for information purposes only.

#### **15. Comparative Figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

#### **16. Economic Dependence**

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

# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

March 31, 2014

### 17. Related Party Transactions

The Authority is related in terms 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 with 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, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

	2014	2013
<b>Due from related parties:</b>		
Accounts receivable:		
Beaufort-Delta Health and Social Services Authority	\$ 8,340	\$ 7,980
Dehcho Health and Social Services Authority	-	2,658
Government of the Northwest Territories	1,503,167	1,670,576
NWT Power Corporation	75	-
NWT Housing Corporation	289	-
Stanton Territorial Health Authority	52,926	9,073
Tli Cho Community Services Agency	10,953	-
WSCC	13,429	-
	<b>\$ 1,589,179</b>	<b>\$ 1,690,287</b>

	2014	2013
<b>Due to related parties:</b>		
Accounts payable		
Aurora College	\$ 1,800	\$ 1,725
Beaufort-Delta Health and Social Services Authority	7,768	-
Government of the Northwest Territories	2,362,308	2,114,777
Hay River Health and Social Services	1,258	110
NWT Power Corporation	352	-
Stanton Territorial Health Authority	188,799	169,661
WSCC	-	33,337
Employee and payroll-related liabilities		
Government of the Northwest Territories	583,681	489,249
Deferred revenue		
Government of the Northwest Territories	33,140	43,329
Contributions repayable		
Government of the Northwest Territories	52,238	10,468
	<b>\$ 3,231,344</b>	<b>\$ 2,862,656</b>

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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## Yellowknife Health and Social Services Authority

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### Notes to Financial Statements

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March 31, 2014

#### 18. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority does have credit risk in accounts receivable of \$2,318,534 (2013 - \$2,054,033). The Authority reduces this risk by regularly assessing the credit risk and monitoring overdue balances. This risk has not changed from the prior year.

(b) Concentration risk

Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default of these customer(s). The Authority does have concentration risk. At March 31, 2014, receivables from one customer comprised 63% of the total outstanding accounts receivables (2013 - 81%). The Authority reduces this risk by monitoring overdue balances. This risk has not changed from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Authority would not repay its obligations as they become due. The Authority does have liquidity risk in accounts payable and accrued liabilities, employee and payroll related liabilities, and employee leave and termination benefits \$6,412,789 (2013 - \$6,856,306). The Authority reduces its exposure to this risk by monitoring its budget and cash flows. This risk has not changed from the prior year.

## Yellowknife Health and Social Services Authority

## Schedule of Operating Advances from the GNWT

For the year ended March 31,	2014	2013	
	(unaudited)		
	Budget	Actual	Actual
Administration services	\$ 2,182,000	\$ 2,182,000	\$ 2,597,692
Authority social service delivery	4,706,000	4,706,000	4,547,494
Capital under \$50,000	45,000	45,000	45,000
Community wellness programs	1,319,000	1,319,000	1,278,203
Epistemology and disease registry	44,000	44,000	-
Family violence programs	665,000	665,000	665,000
Foster care	3,195,000	3,195,000	3,195,000
Health centres	4,342,000	4,342,000	4,332,326
Homecare	2,025,000	2,025,000	1,974,852
Intervention services	534,000	534,000	534,000
Physicians services	12,854,000	12,854,000	13,580,433
Prevention and promotion	35,000	35,000	35,000
Prior year deficit funding	-	-	19,000
Residential care - alcohol and drug programs	850,000	850,000	816,000
Residential care - children	1,452,000	1,452,000	1,484,000
Residential care - elderly and handicapped	10,475,000	10,475,000	9,736,000
	<b>\$ 44,723,000</b>	<b>\$ 44,723,000</b>	<b>\$ 44,840,000</b>

## Yellowknife Health and Social Services Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2014	2013	
	(unaudited) Budget	Actual	Actual
<b>Other recoveries from Third Parties</b>			
12050 - Drugs and Vaccines	\$ 90,000	\$ 109,835	\$ 98,040
12070 - Housing Rentals	12,200	14,265	13,600
12080 - Other Miscellaneous	15,000	243,268	42,520
12220 - Other Revenue	-	6,628	4,694
12060 - Parking Rentals	28,600	31,925	30,775
12010 - Physician chargeback	-	40,821	51,496
12031 - Meals on Wheels	-	5,025	5,285
12322 - WSCC	-	4,633	-
	<b>\$ 145,800</b>	<b>\$ 456,400</b>	<b>\$ 246,410</b>

**Yellowknife Health and Social Services Authority****Schedule of Other Revenues**

For the year ended March 31,

		2014	2013
	(unaudited) Budget	Actual	Actual
<b>Other Revenues from the GNWT</b>			
11019 - Department of Health and Social Services	3,120,958	\$ 3,085,501	\$ 2,940,880
11020 - GNWT Other Departments	-	83,260	(25,486)
11021 - Admin fees - GNWT - Department of Health and Social Services	-	41,084	32,080
	<b>3,120,958</b>	<b>3,209,845</b>	<b>2,947,474</b>
<b>Other Revenues from the third parties</b>			
11018 - Health and Social Services - Revenue from Other Boards	681,300	741,163	679,289
11030 - Federal Government Revenue	-	-	4,254
11035 - Revenue from Non Government Entities	150,000	221,972	166,327
14020 - Donations/Bequests	-	6,134	-
17060 - DI Surplus Revenue	-	10,188	-
11090 - Other payment source	-	-	16,000
	<b>831,300</b>	<b>979,457</b>	<b>865,870</b>
	<b>\$ 3,952,258</b>	<b>\$ 4,189,302</b>	<b>\$ 3,813,344</b>

**SCHEDULE D****Yellowknife Health and Social Services Authority****Schedule of Expenses by Functional Centre****For the year ended March 31,****2014**

		Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
		(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual
Functional Centre											
711	Administrative and support services	\$ -	\$ -	\$ 713,094	\$ 717,841	\$ 3,010,034	\$ 3,611,926	\$ -	\$ 54,108	\$ 3,723,128	\$ 4,383,875
713	Ambulatory care services	-	-	1,183,415	1,340,644	14,404,457	15,296,004	-	1,228	15,587,872	16,637,876
715	Community health services	58,500	14,625	1,132,937	1,170,751	7,922,256	7,507,407	-	-	9,113,693	8,692,783
716	Social services	10,171,582	10,254,566	7,937,967	7,533,170	5,151,816	4,788,419	-	-	23,261,365	22,576,155
<b>Total</b>		<b>\$ 10,230,082</b>	<b>\$ 10,269,191</b>	<b>\$ 10,967,413</b>	<b>\$ 10,762,406</b>	<b>\$ 30,488,563</b>	<b>\$ 31,203,756</b>	<b>\$ -</b>	<b>\$ 55,335</b>	<b>\$ 51,686,058</b>	<b>\$ 52,290,689</b>

## Yellowknife Health and Social Services Authority

## Schedule of Non-Insured Recoveries and Expenses

For the year ended March 31,	2014	2013	
	(unaudited) Budget	Actual	Actual
<b>Recoveries</b>			
Dental travel recoveries	\$ -	\$ 36,075	\$ 27,815
<b>Expenses</b>			
Dental travel	-	36,075	27,815
<b>Excess of Recoveries</b>	\$ -	\$ -	\$ -

## Yellowknife Health and Social Services Authority

## Other Contributions

## Primary Physician Care - Behchoko, Gameti, Whati and Wekweeti

For the year ended March 31,

2014

	(unaudited) Budget	Actual
<b>Revenue</b>		
Tli'cho Community Services Agency	\$ 681,300	\$ 681,300
<b>Expenditures</b>		
Compensation	661,300	661,300
Travel - Physicians	20,000	20,000
	681,300	681,300
<b>Excess of Revenue</b>	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

## Yellowknife Health and Social Services Authority

## Other Contributions (continued)

Department of Health and Social Services - THSSI (HSS01-1879)

For the year ended March 31,

2014

	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services:		
Nurse practitioners	\$ 112,220	\$ 112,219
Physicians	553,000	553,000
Resident support	53,000	53,000
	<b>718,220</b>	<b>718,219</b>
<b>Expenditures</b>		
Compensation	112,220	137,096
Rent	45,000	44,366
Purchased services	553,000	553,000
Services Contracts	8,000	8,000
	<b>718,220</b>	<b>742,462</b>
<b>Excess of Revenue (expenditures)</b>	<b>\$ -</b>	<b>\$ (24,242)</b>

See scope limitation in the Independent Auditors' Report.

**Yellowknife Health and Social Services Authority****Other Contributions (continued)**  
**Healthy Family Program (HSS01-2211)**For the year ended March 31,2014

	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services - program	\$ 462,000	\$ 462,000
Other	- 150	
	<b>462,000</b>	<b>462,150</b>
<b>Expenditures</b>		
Compensation	376,756	377,499
Equipment	35,500	26,300
Referred out services	7,800	7,566
Sundry	7,742	12,973
Supplies	12,258	14,712
	<b>440,056</b>	<b>439,050</b>
<b>Operating surplus</b>	<b>21,944</b>	<b>23,100</b>
<b>Administrative expense allocation</b>	<b>21,944</b>	<b>23,100</b>
<b>Excess of Revenue</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

**Yellowknife Health and Social Services Authority****Other Contributions (continued)**  
**Homecare Enhancement Yellowknife (HSS01-2217)**

For the year ended March 31,	2014	
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 750,507	\$ 750,507
<b>Expenditures</b>		
Compensation	705,187	726,000
Equipment	15,000	-
Groceries and miscellaneous	5,000	1,545
Sundry	25,320	22,962
	750,507	750,507
<b>Excess of Revenue</b>	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

**Yellowknife Health and Social Services Authority****Other Contributions (continued)****Respite Services for Persons With Disabilities (HSS01-2213)****For the year ended March 31,****2014**

	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 250,000	\$ 250,000
Unspent funding recoveries- Miscellaneous	-	(52,238)
	<b>250,000</b>	<b>197,762</b>
<b>Expenditures</b>		
Compensation	250,000	250,000
Recoveries- Miscellaneous	-	(52,238)
	<b>250,000</b>	<b>197,762</b>
<b>Excess of Revenue</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

**Yellowknife Health and Social Services Authority****Other Contributions (continued)**  
**Community Wellness Initiatives (HSS01-2317)**

For the year ended March 31,	2014	
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 327,841	\$ 327,841
<b>Expenditures</b>		
Compensation	228,543	246,022
Supplies	33,000	27,819
Staff Training and Development	27,619	27,089
Travel	19,868	3,370
Sundry	3,200	7,928
	312,230	312,228
<b>Excess revenue from operations</b>	<b>15,611</b>	<b>15,613</b>
Administrative expense allocation	15,611	15,613
<b>Excess of Revenue</b>	<b>\$ -</b>	<b>\$ -</b>

**Yellowknife Health and Social Services Authority****Other Contributions (continued)**  
**Yellowknife Day Shelter (HSS01-2453 and HSS01-2427)****For the year ended March 31, 2014**

	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 250,000	\$ 218,750
City of Yellowknife	50,000	45,345
	<b>300,000</b>	<b>264,095</b>
<b>Expenditures</b>		
Contracted our - John Howard Society	300,000	262,500
Service contracts	-	1,595
	<b>300,000</b>	<b>264,095</b>
<b>Excess of Revenue</b>	<b>\$ -</b>	<b>\$ -</b>

Yellowknife Health and Social Services Authority

## Schedule of Reserves

	Surplus / Deficit Reserve			Leave and Termination Benefits Reserve			Donations Reserve			Total
	2014	2013	2014	2013	2014	2013	2014	2013	2014	
March 31,										2013
Balance, beginning of year	\$ -	\$ -	\$ -	\$ 61,843	\$ 88,198	\$ 60,925	\$ 64,937	\$ 122,768	\$ 153,135	
Transfer from (to) operating fund	-	-	-	(26,355)	-	2,673	(4,012)	-	2,673	(30,367)
Balance, end of year	\$ -	\$ -	\$ -	\$ 61,843	\$ 61,843	\$ 63,598	\$ 60,925	\$ 125,441	\$ 122,768	

**SCHEDULE G**