

Financial Statements of

**HAY RIVER HEALTH &  
SOCIAL SERVICES AUTHORITY**

March 31, 2013

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Financial Statements

Year ended March 31, 2013

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#### **AUDITORS' 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, 2013 and the statements of operations, equity, and changes in financial position for the year then ended and a summary of significant accounting policies and other explanatory information. We have also audited the revenues and expenditures of all programs funded through contribution agreements by the Department of Health and Social Services which total \$250,000 or more, as listed in Schedule C and F.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

**Basis for Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2013 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, 2013, 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.

**Other Matter**

We draw attention to Note 14 to the financial statements which describes the reasons for the reissuance of this audit report.

  
ASHTON  
Chartered Accountants  
Business Advisors

Hay River, NT  
August 8, 2013

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Operating Fund Statement of Financial Position

March 31, 2013

	2013	2012
<b>Financial Assets</b>		
Bank	\$ 249,886	\$ 2,006,380
Accounts receivable	192,905	80,253
Due from GNWT	2,009,649	549,792
<b>Total Financial Assets</b>	<b>\$ 2,452,440</b>	<b>\$ 2,636,425</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,645,125	\$ 1,310,458
Due to GNWT	760,855	112,950
Unspent donations	21,906	20,814
Accountable capital advance, GNWT, Note 4	5,829	5,829
Repayable contributions, GNWT	997,477	1,078,245
Deferred revenue, Note 7	55,825	61,443
Accrued employee leave, Note 5	788,467	651,953
Accrued employee termination benefits, Note 5	1,645,430	1,557,973
Post-employment benefits payable, Note 10	896,000	950,000
<b>Total Liabilities</b>	<b>6,816,914</b>	<b>5,749,665</b>
<b>Net Financial Assets (Debt)</b>	<b>\$ (4,364,474)</b>	<b>\$ (3,113,240)</b>
<b>Non-Financial Assets</b>		
Inventory	\$ 225,237	\$ 196,629
Prepaid expenses and deposits	134,624	57,668
<b>Total Non-Financial Assets</b>	<b>\$ 359,861</b>	<b>\$ 254,297</b>
<b>Accumulated Surplus (Deficit)</b>	<b>\$ (4,004,613)</b>	<b>\$ (2,858,943)</b>
Contractual obligations, Note 11		
Represented by:		
Operating Fund Accumulated Surplus (Deficit)	(2,859,183)	(1,800,970)
Employee Termination Liability Fund, Notes 5 and 6	(1,645,430)	(1,557,973)
<u>Cash Reserve, Note 2 and Schedule G</u>	500,000	500,000
	<hr/>	<hr/>
	\$ (4,004,613)	\$ (2,858,943)

Approved:

\_\_\_\_\_  
Public Administrator

  
\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director, Finance and Support Services

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Operating Fund Statement of Operations

For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
<b>Revenue</b>			
Territorial Operating Advances, Schedule A	\$ 23,977,000	\$ 24,300,037	\$ 22,336,893
Other Recoveries, Schedule B	506,918	1,130,863	1,363,992
Other Revenues, Schedule C	1,008,662	1,097,118	1,399,477
Interest	50,000	46,804	70,670
	<b>25,542,580</b>	<b>26,574,822</b>	<b>25,171,032</b>
<b>Expenses</b>			
Administrative and Support Services, Schedule D	8,248,161	8,530,759	7,674,253
Nursing Inpatients/Resident Services, Schedule D	3,718,029	4,028,107	3,777,849
Ambulatory Care Services, Schedule D	3,880,689	3,912,171	3,533,107
Diagnostic and Therapeutic Services, Schedule D	2,595,889	2,613,897	2,595,354
Community Health Services, Schedule D	1,440,130	1,667,172	1,820,794
Social Services, Schedule D	6,784,813	6,944,788	7,086,241
Research, Schedule D	-	-	-
Education, Schedule D	-	23,598	150,158
<u>Non-insured Services, Schedule E</u>	-	-	-
	<b>26,667,711</b>	<b>27,720,492</b>	<b>26,637,756</b>
Operating surplus (deficit)	(1,125,131)	(1,145,670)	(1,466,724)
Prior year funding Received, Note 12	-	(650,000)	-
<u>Operating Surplus/(deficit) before prior year funding</u>	<u>(1,125,131)</u>	<u>(1,795,670)</u>	<u>(1,466,724)</u>
<b>Unfunded items</b>			
Change in employee termination benefits, Note 5	-	87,457	162,754
Adjusted operating surplus (deficit) before the undemoted	(1,125,131)	(1,708,213)	(1,303,970)
Tangible Capital Assets - Rent Expense, Note 13	-	(622,833)	(589,005)
Grant-In-Kind - GNWT assets provided at no cost, Note 13	-	622,833	589,005
<u>Adjusted operating surplus (deficit) for the year</u>	<u>\$ (1,125,131)</u>	<u>\$ (1,708,213)</u>	<u>\$ (1,303,970)</u>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Statement of Changes in Net Financial Assets (Debt)

For the year ended March 31, 2013

	2013	2012
<b>Annual surplus (deficit)</b>	\$ (1,708,213)	\$ (1,303,970)
Surplus repayment	-	(1,548,115)
Change in employee termination benefit	(87,457)	(162,754)
Prior year funding received	650,000	-
Adjustment to opening accumulated surplus	-	(757,000)
Change in inventory	(28,608)	(22,762)
<b>Change in prepaid expenses</b>	<b>(76,956)</b>	<b>22,684</b>
<b>Increase (Decrease) in net financial assets</b>	<b>(1,251,234)</b>	<b>(3,771,917)</b>
<b>Net financial assets (debt), beginning of year</b>	<b>(3,113,240)</b>	<b>658,677</b>
<b>Net financial assets (debt), end of year</b>	<b>\$ (4,364,474)</b>	<b>\$ (3,113,240)</b>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Statement of Cash Flows

For the year ended March 31, 2013

	2013	2012
<b>Operating Activities</b>		
Cash received from:		
GNWT	\$ 24,497,973	\$ 24,878,032
Other revenues and recoveries	1,020,147	1,196,695
Interest	46,804	70,670
Cash paid for:		
Compensation and benefits	(23,314,514)	(22,259,005)
Operations and maintenance	(4,006,904)	(4,080,722)
Cash from operations	(1,756,494)	(194,330)
<b>Financing Activities</b>		
<b>Investing Activities</b>		
Repayment of operating surplus	-	(1,548,115)
Change in cash during the year	(1,756,494)	(1,742,445)
Cash, beginning of year	2,006,380	3,748,825
Cash, end of year	\$ 249,886	\$ 2,006,380

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

### Statement of Accumulated Surplus (Deficit) from Operations

For the year ended March 31, 2013

	2013	2012
Opening Operating Fund Accumulated Surplus - as previously stated	\$ (1,800,970)	\$ 2,308,115
<u>Prior period adjustment, Note 9</u>	-	(757,000)
Opening Operating Fund Accumulated Surplus - restated	(1,800,970)	1,551,115
Adjusted operating surplus (deficit) for the year	(1,708,213)	(1,303,970)
Prior year funding received	650,000	-
Transfer to Cash Reserve, Schedule G	-	(500,000)
<u>Repayment of surplus to GNWT</u>	-	(1,548,115)
<u>Closing Operating Fund Accumulated Surplus (Deficit)</u>	<u>\$ (2,859,183)</u>	<u>\$ (1,800,970)</u>

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

### Statement of Change in Employee Termination Liability Fund

For the year ended March 31, 2013

	2013	2012
Opening Employee Termination Liability Fund	\$ (1,557,973)	\$ (1,395,219)
(Increase) Decrease in employee termination benefits, Note 5	(87,457)	(162,754)
<u>Closing Employee Termination Liability Fund</u>	<u>\$ (1,645,430)</u>	<u>\$ (1,557,973)</u>

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

### Statement of Change in Cash Reserve

For the year ended March 31, 2013

	2013	2012
Opening Employee Termination Liability Fund	\$ 500,000	\$ -
<u>Transfer to cash reserve</u>	-	500,000
<u>Closing Employee Termination Liability Fund</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

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

## **Notes to the Financial Statements**

For the year ended March 31, 2013

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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 and Public Health, Social Services and Supported Independent Living and provides financial and administrative support for community and regional programs.

### **Note 2. 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, 2013

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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 6. 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, 2013

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### 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 types. 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. 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.

	2013	2012
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, 2013

### Note 5. 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:

	2013	2012
<b>Current</b>		
Employee annual leave*	\$ 788,467	\$ 651,953
<b>Non-current</b>		
Employee severance	983,132	953,531
Employee removal	662,298	604,442
	1,645,430	1,557,973
<i>Comprised of:</i>		
HRHSSA portion - earned beyond August 31, 1996	\$ 1,493,020	\$ 1,399,226
GNWT portion - Earned to August 31, 1996	152,410	158,747
	\$ 1,645,430	\$ 1,557,973

#### \* Leave

- includes annual, lieu, stat holidays and mandatory 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.

### Note 6. Contingent Revenue

Revenue of \$152,410 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.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the Financial Statements

For the year ended March 31, 2013

### Note 7. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2013 as follows:

	2013	2012
Professional Development Initiative	\$ 55,330	\$ 61,201
Other	495	242
	<b>\$ 55,825</b>	<b>\$ 61,443</b>

### Note 8. Budget

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

### Note 9. Change in accounting policy

#### Post-employment benefits payable

Effective April 1, 2011, the Authority adopted section 3250 of the Public Sector Accounting Handbook with respect to the disclosure of post-employment benefits. Previously, the Authority disclosed the post-employment benefits payable in the notes to the financial statements. As of April 1, 2011, the statement of financial position reports the retirement benefit liability and the statement of operations reports the expenses for retirement benefits. They are reported on the basis of the value of the benefits attributed to employee service to the financial statement date.

### Note 10. Post-employment benefits payable

The authority sponsors a contributory defined benefit pension plan for substantially all of its employees.

Employees are required to contribute 5.55% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 7.5% 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 exceeds the accumulated assets available to fund the members' benefit entitlements in the plan.

	2013	2012
Accrued benefit obligation	\$ 30,351,000	\$ 31,387,000
Pension fund assets	28,292,000	24,993,000
	2,059,000	6,394,000
Unamortized actuarial gains / (losses)	(1,163,000)	(5,444,000)
Pension liability	\$ 896,000	\$ 950,000

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the Financial Statements

For the year ended March 31, 2013

### Note 10. Post-employment benefits payable (continued)

The retirement benefit liability includes the following components

	2013	2012
Pension liability - beginning of year	\$ 950,000	\$ 757,000
Cash items:		
Member contributions	(667,000)	(688,000)
Employer contributions	(3,023,000)	(2,162,000)
Benefit payments	(1,802,000)	(799,000)
Drawdown from plan assets	1,802,000	799,000
Net change to pension liability from cash items	(3,690,000)	(2,850,000)
Accrual items:		
Current period benefit cost	2,615,000	2,273,000
Amortization of actuarial gains/losses	2,217,000	538,000
Past service amendment	(1,477,000)	-
Interest on average accrued benefit obligation	1,526,000	1,306,000
Expected earnings on average pension fund assets	(1,245,000)	(1,074,000)
	3,636,000	3,043,000
Pension liability - end of year	\$ 896,000	\$ 950,000

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 over 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 group.

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:

	2013	2012
Date of actuarial valuation	1-Jan-13	1-Jan-12
Date of audited financial statements	31-Mar-13	31-Mar-12
Discount rate	5.10%	4.80%
Interest rate on pension fund assets	4.80%	4.80%
Interest rate on accrued benefit obligation	4.80%	4.80%
Future Inflation	2.00%	2.30%
Future compensation increases	2.50%	2.80%
Expected average remaining service life (years)	7.7	8.0

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Notes to the Financial Statements

For the year ended March 31, 2013

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### Note 10. Post-employment benefits payable (continued)

#### Plan Amendments:

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

- a) To increase required employee contributions - Effective April 1, 2013, the member required contributions will be increased to 6.85% (previously 5.5%) of earnings up to the YMPE plus 9.2% (previously 7.5% of earnings above the YMPE. The member required contribution rates will also increase effective April 1, 2014 and April 1, 2015.
- b) To cease offering portability at certain ages - The plan will be amended with effect from January 1, 2011 to cease offering portability for members who are eligible for immediate pension.
- c) To increase the eligibility period - Effective April 1, 2013, the eligibility waiting period will be changed two years from six months. This change does not affect any current plan members or employees hired prior to April 1, 2013.

### Note 11. Contractual Obligations

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

	Equipment	Vehicle	Commercial/ Residential	Total
2014	\$ 27,544	\$ 38,834	\$ 147,300	\$ 213,678
2015	24,080	33,619	21,000	78,699
2016	17,079	-	21,000	38,079
2017	8,668	-	10,500	19,168
2018	-	-	-	-
	\$ 77,371	\$ 72,453	\$ 199,800	\$ 349,624

### Note 12. Prior Year Funding Received

Funding for payroll benefits in the amount of \$650,000 was received in the 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

## Notes to the Financial Statements

For the year ended March 31, 2013

### Note 13. Assets provided by GNWT

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

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

	Cost	Accumulated Amortization	2013 Net Book Value	2012 Net Book Value
Land	\$ 30,325	\$ -	\$ 30,325	\$ 30,325
Buildings	11,873,890	4,656,244	7,217,646	7,517,754
Buildings Service Equipment	1,748,034	1,148,307	599,727	721,021
Equipment	3,173,261	2,354,726	818,535	1,041,633
	\$ 16,825,510	\$ 8,159,277	\$ 8,666,233	\$ 9,310,733

Amortization expense for 2012-2013 is \$622,833 (2011-2012 = \$589,005)

The Authority attempts to reconcile its carrying value of capital assets annually to the information provided by GNWT. Adjustments are determined through communication and exchange of information on the history and status of specific assets.

A discrepancy of \$132,396 exists between the cost of assets recorded by the Authority and the carrying value of assets recorded by GNWT at March 31, 2013, due primarily to purchases of capital assets purchased by the Authority out of operating funds in previous years. Some assets recorded in the GNWT's Asset Management System, known as 'Cedar', are no longer being used by the Authority. For details of this discrepancy see below:

Land	\$ 30,325	to be added to Cedar
Woodland Manor	190,015	assets purchased through Board funding
Woodland Manor Furniture	115,767	assets purchased through Board funding
Ultrasound Monitor and Printer	33,027	amounts in Cedar do not match asset cost
Holter Monitor	25,879	amounts in Cedar do not match asset cost
Hemoglobin A1C System	14,571	amounts in Cedar do not match asset cost
Endoscope	32,116	not yet added to Cedar
Operating/Surgical Table	(53,118)	asset disposed of, to be removed from Cedar
Incinerator	(50,071)	asset disposed of, to be removed from Cedar
Medical Air Compressor System	(50,477)	asset disposed of, to be removed from Cedar
1995 Ultrasound	(89,000)	traded in with purchase of new machine in 2003
1994 Diagnostic Analyzer	(86,638)	asset disposed of, to be removed from Cedar
	\$ 132,396	

### Note 14. Reissuance of audit report

This audit report replaces the original audit report dated June 26, 2013. The financial statement issued with the original report required reclassifications to conform with the presentation outlined by the Government of the Northwest Territories. The reclassification results in a decrease to the adjusted operating surplus (deficit) \$650,000 with an offsetting adjustment to Accumulated surplus (deficit). Additionally the cash reserve was adjusted to equal \$500,000.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Operating Advances from the GNWT

Schedule A

For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Hospital Services	\$ 11,332,000	\$ 11,782,000	\$ 11,258,000
Board Administration	2,407,000	2,932,000	1,841,000
Physician Services to NWT Residents	2,751,000	2,826,000	2,693,000
Medical Equipment under \$50,000	24,000	24,000	-
Intervention Services	32,000	32,000	-
Social Service Delivery	1,765,000	1,790,000	1,751,000
Residential Care - Elderly & Persons with Disabilities	4,069,000	4,209,000	3,957,000
Homecare	557,000	586,000	537,000
Family Violence	513,000	513,000	359,000
Foster Care	452,000	452,000	452,000
Human Resources Planning and Development	-	-	-
Children and Family Services	-	-	32,000
Community Wellness Programs	53,000	53,000	53,000
Medical Travel	22,000	22,000	22,000
Boards - Capital	-	-	24,000
	23,977,000	25,221,000	22,979,000
Physician Services	-	42,662	56,587
Less: Physician Services Repayable	-	(963,625)	(698,694)
	\$ 23,977,000	\$ 24,300,037	\$ 22,336,893

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Other Recoveries for Direct Charges for Services

Schedule B

For the year ended March 31, 2013

	2013	2013	2012
	Budget	Actual	Actual
<b>Other Recoveries from the GNWT</b>			
Patient Revenues	\$ 35,818	\$ 131,910	\$ 322,305
Services	37,000	35,038	33,150
Wages	-	-	10,148
Travel and Training	-	34,192	32,019
Other	10,000	21,336	18,013
	<b>82,818</b>	<b>222,476</b>	<b>415,635</b>
<b>Other Recoveries directly from Third Parties</b>			
Government of Canada			
Patient Revenues	1,000	3,188	6,175
Services	5,800	5,452	5,158
Other	-	520	71
	<b>6,800</b>	<b>9,160</b>	<b>11,404</b>
Workers' Safety and Compensation Commission			
Patient Revenues	8,100	26,547	66,404
Services	41,700	39,274	37,158
Wages	-	965	27,910
Other	-	26,240	-
	<b>49,800</b>	<b>93,026</b>	<b>131,472</b>
Hay River Dental Clinic			
Other	35,700	116,400	159,150
Other GNWT Health Authorities			
Wages	2,900	9,485	-
Travel and Training	-	5,754	18,157
Other	-	11,904	23,855
	<b>2,900</b>	<b>27,143</b>	<b>42,012</b>
Other Third Parties Insurance Companies			
Patient Revenues	800	2,464	2,826
Services	5,800	1,086	4,901
Other	-	-	9,148
	<b>6,600</b>	<b>3,550</b>	<b>16,875</b>
Other Third Parties			
Patient Revenues	129,600	422,607	365,825
Cafeteria	159,500	143,789	144,255
Services	33,200	36,120	30,300
Wages	-	5,733	2,151
Travel and Training	-	2,096	4,776
Other	-	48,763	40,137
	<b>322,300</b>	<b>659,108</b>	<b>587,444</b>
	<b>\$ 506,918</b>	<b>\$ 1,130,863</b>	<b>\$ 1,363,992</b>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Schedule of Other Revenues

## Schedule C

For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
<b>Other Revenues from the GNWT</b>			
Home and Community Care Enhancement	\$ 289,408	\$ 287,946	\$ 287,074
Integrated Service Delivery Model	40,140	32,070	32,218
Living with Type 2 Diabetes	103,763	74,109	96,420
Healthy Family Program	216,000	209,668	209,500
Professional Development Initiative - Group Deferred Revenue	-	5,871	30,370
Nurse Educator/Mentor Program	115,000	71,871	116,204
Victims Assistance Program	-	-	6,250
French Language Services	40,000	49,565	40,000
Laboratory Information Services	62,750	83,025	127,286
Behavioral Management Training	8,526	7,214	7,905
Nurse Practitioner Education Leave	-	-	28,612
Grad Placement Program	-	10,053	68,312
Family Violence - Shelter Improvement	-	-	163,049
Children Who Witness Violence	12,500	6,250	-
Relevant Experience Program	8,400	8,400	20,265
Baby feeding basics	7,475	9,494	-
Chronic Long-term Care Nursing	-	11,760	-
Other	25,200	6,502	6,459
	929,162	873,798	1,239,924
<b>Other Revenue directly from Third Parties</b>			
Fort Smith Health & Social Services Authority	37,500	77,100	90,000
Hay River Hospital Foundation - Restricted Donations	-	105,917	44,845
Federal Government	-	2,431	-
Internal Transfers	42,000	37,872	24,708
	79,500	223,320	159,553
	\$ 1,008,662	\$ 1,097,118	\$ 1,399,477

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D

For the year ended March 31, 2013

	Compensation			Other		Total 2013		2012	
	Budget	Actual	Budget	Actual	Budget	Actual	Actual	Actual	Actual
<b>Administrative and Support Services</b>									
General Administration/ Mailroom/ Board	\$ 25,000	\$ 20,070	\$ 111,350	\$ 87,437	\$ 136,350	\$ 107,507	\$ 106,201		
Executive Offices	854,995	916,181	52,950	63,865	907,945	980,046	977,770		
Quality Improvement/Risk Management	135,157	217,577	66,000	46,418	201,157	263,995	172,151		
Finance	530,865	512,787	141,650	65,596	672,515	578,383	610,188		
Employee Services	313,163	298,367	22,900	10,886	336,063	309,253	329,633		
Corporate Human Resources	1,847,600	2,082,318	354,350	213,829	2,201,950	2,296,147	1,473,477		
Information Services/telehealth	210,709	248,186	117,545	106,008	328,254	354,194	319,054		
Materials Management	194,300	154,074	33,100	7,725	227,400	161,799	238,078		
Supply, Process and Distribution	145,146	156,807	32,400	42,429	177,546	199,236	187,005		
Housekeeping and Laundry	665,806	731,499	70,800	55,389	736,606	786,888	821,320		
Engineering Services	572,869	542,854	249,550	193,382	822,419	736,236	732,756		
Registration	99,271	125,943	15,700	16,781	114,971	142,724	122,222		
Medical Records	233,432	239,150	13,250	10,888	246,682	250,038	273,259		
Dietary	792,653	844,862	315,650	320,249	1,108,303	1,165,111	1,193,852		
Contribution Agreements	-	55,079	30,000	144,123	30,000	199,202	117,287		
<b>Total Administrative and Support Services</b>	<b>6,620,966</b>	<b>7,145,754</b>	<b>1,627,195</b>	<b>1,385,005</b>	<b>8,248,161</b>	<b>8,530,759</b>	<b>7,674,253</b>		
<b>Nursing Inpatients/Resident Services</b>									
Acute Care	2,372,279	2,487,985	268,900	398,470	2,641,179	2,886,455	2,662,233		
Chronic Long-Term Care	1,026,800	1,067,486	50,050	13,506	1,076,850	1,080,992	999,412		
Contribution Agreements	-	58,644	-	2,016	-	60,660	116,204		
<b>Total Nursing Inpatients/Resident Services</b>	<b>3,399,079</b>	<b>3,614,115</b>	<b>318,950</b>	<b>413,992</b>	<b>3,718,029</b>	<b>4,028,107</b>	<b>3,777,849</b>		
<b>Ambulatory Care Services</b>									
Endoscopic Procedures	-	23,593	16,050	11,752	16,050	35,345	37,959		
Dialysis	308,946	349,446	160,100	124,220	469,046	473,666	392,101		
Dental Surgery	124,514	62,191	17,525	27,265	142,039	89,456	125,210		
Physicians	1,865,310	1,447,845	493,000	414,289	2,358,310	1,862,134	1,676,566		
Nurse practitioner services	-	452,692	-	77,194	-	529,886			
Medical Clinic Administration	798,144	854,547	97,100	67,137	895,244	921,684	1,301,271		
<b>Total Ambulatory Care Services</b>	<b>3,096,914</b>	<b>3,190,314</b>	<b>783,775</b>	<b>721,857</b>	<b>3,880,689</b>	<b>3,912,171</b>	<b>3,533,107</b>		

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D (continued)

For the year ended March 31, 2013

	Compensation		Other		Total 2013		2012
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
<b>Diagnostic and Therapeutic Services</b>							
Laboratory	417,479	470,130	424,700	399,737	842,179	869,867	891,508
Mammography	148,862	115,688	43,900	63,473	192,762	179,161	182,992
Diagnostic Imaging	423,992	430,579	89,600	101,059	513,592	531,638	486,308
Pharmacy	132,413	128,661	65,250	68,387	197,663	197,048	193,374
Physiotherapy	295,406	275,642	12,650	7,681	308,056	283,323	261,437
Occupational Therapy	225,509	218,257	8,450	11,873	233,959	230,130	201,255
Audiology and Speech Language Therapy	158,312	41,754	23,665	86,673	181,977	128,427	151,678
Recreation Therapy	121,101	112,803	4,600	3,997	125,701	116,800	99,516
Contribution Agreements	-	73,398	-	4,105	-	77,503	127,286
<b>Total Diagnostic and Therapeutic Services</b>	<b>1,923,074</b>	<b>1,866,912</b>	<b>672,815</b>	<b>746,985</b>	<b>2,595,889</b>	<b>2,613,897</b>	<b>2,595,354</b>
<b>Community Health Services</b>							
Public Health	506,885	468,227	84,950	79,470	591,835	547,697	557,430
Home Care	662,862	718,281	34,200	36,106	697,062	754,387	730,366
Environmental Health	124,233	15,495	15,000	975	139,233	16,470	145,811
Contribution Agreements (HCE/ADI/TCDT)	-	297,512	12,000	51,106	12,000	348,618	387,187
<b>Total Community Health Services</b>	<b>1,293,980</b>	<b>1,499,515</b>	<b>146,150</b>	<b>167,657</b>	<b>1,440,130</b>	<b>1,667,172</b>	<b>1,820,794</b>
<b>Social Services</b>							
Social Services	762,853	750,142	38,950	36,445	801,803	786,587	817,312
Foster Care	-	-	496,300	443,571	496,300	443,571	494,442
Family Violence	513,000	500,900	-	-	513,000	500,900	353,400
Community Counselling Services	716,670	421,288	112,260	112,987	828,930	534,275	724,215
Woodland Manor	1,617,922	1,736,929	34,300	32,143	1,652,222	1,769,072	1,719,271
Supported Independent Living	1,958,241	2,124,279	99,950	95,277	2,058,191	2,219,556	2,208,111
Supported Independent Living - Day	405,567	450,313	28,800	19,947	434,367	470,260	388,521
Contribution Agreements (VA/HF/KHS/SI/PDI)	-	173,971	-	46,596	-	220,567	380,969
<b>Total Social Services</b>	<b>5,974,253</b>	<b>6,157,822</b>	<b>810,560</b>	<b>786,966</b>	<b>6,784,813</b>	<b>6,944,788</b>	<b>7,086,241</b>
<b>Research</b>							
<b>Education</b>							
Contribution Agreements (PDI/NP/GP/BMT)	-	10,053	-	13,545	-	23,598	150,158
<b>Total Expenses</b>	<b>\$ 22,308,266</b>	<b>\$ 23,484,485</b>	<b>\$ 4,359,445</b>	<b>\$ 4,236,007</b>	<b>\$ 26,667,711</b>	<b>\$ 27,720,492</b>	<b>\$ 26,637,756</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, 2013

	Total 2013		2012	
	Budget	Actual	Actual	Actual
Recoveries	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -

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

Other Contributions

Schedule F

For the year ended March 31, 2013

	SC#	Budget	Actual
Home and Community Care Enhancement (F-1)	HSS01-000001640	\$ 289,408	\$ 287,946
		\$ 289,408	\$ 287,946

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Home and Community Care Enhancement

Schedule F-1

For the year ended March 31, 2013

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## Revenue

GNWT - Home and Community Care Enhancement	\$ 287,946
Other recoveries	2,994
	<hr/>
	290,940

## Expenditures

Salaries and benefits	253,860
Supplies	8,312
Sundry	13,480
Building and grounds	297
Telephone and fax	1,321
Vehicle expense	9,576
Minor equipment	4,151
<hr/>	
Total expenditures	290,997
<hr/>	
Surplus (Deficit)	\$ (57)

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Schedule of Reserves

## Schedule G

For the year ended March 31, 2013

	Surplus / Deficit		Cash Reserve	
	2013	2012	2013	2012
Balance, beginning of the year	\$ -	\$ -	\$ 500,000	\$ -
Change in employee termination benefits	-	-	-	-
Repayment of accumulated surplus to GNWT, Note 12	-	-	-	-
Transfers between reserves	-	(500,000)	-	500,000
Balance end of year	\$ -	\$ -	\$ 500,000	\$ 500,000

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Capital Assets

## Schedule H

March 31, 2013

	Cost
<b>Capital Assets owned and Financed by GNWT:</b>	
Land	\$ 30,325
Buildings	11,668,528
Buildings Service Equipment	1,748,034
Equipment	2,789,529
<b>Total Assets Financed by GNWT</b>	<b>\$ 16,236,416</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>\$ 16,825,510</b>
 <u>Assets purchased or disposed of during the year:</u>	
Purchased Capital Asset owned and financed by the GNWT:	
NA	\$ -
	\$ -