

Yellowknife Health and Social Services Authority

Financial Statements

March 31, 2013

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Financial Statements

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Management's Responsibility for Financial Reporting

June 25, 2013

**To Minister of Health and Social Services
Government of the Northwest Territories**

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.

A handwritten signature in blue ink that reads 'Les Harrison'.

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

"A caring community working together to achieve physical, mental, spiritual and emotional well-being."



Management Discussion and Analysis

March 31, 2013

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, LutselK'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 vision of healthy people, healthy family and healthy communities, the Executive of YHSSA works under 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 Ndilo and Dettah, 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 services to the residents of the region including Healthy Living, Diabetes Education, Home and Community Care, Public Health, Primary Care Clinics and Health Centres.

Under the Social Services umbrella, YHSSA provides Child Protection, Adoption, Family Violence, Foster Care, Mental Health and Addictions Counseling for Children, Youth and Adults.

The Authority has a dedicated work force of approximately 180 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, 2013, YHSSA incurred an operating deficit of (\$81,461) prior to adjustment for unfunded liabilities of \$138,591 and one time supplementary funding to cover the net operating deficit of (\$19,300) for 2011-12. The net result from operations after accounting for these adjustments is an operating surplus of \$38,130.

The net surplus will reduce the net accumulated operating deficit to (\$241,362) at March 31, 2013. When combined with the funded and unfunded employee long term benefits, as well as the reserves, the Authority's accumulated deficit at March 31, 2013 is (\$2,455,104).

YHSSA has been successful in balancing its budget, during a time of fiscal restraint in the health and social services system. However, as we continue to prioritize client care, we anticipate increased challenges in balancing our budget as we move forward into future fiscal years. 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 Territorial Health Authority in Yellowknife. The current funding model does not include funding for coverage of leave and a number of benefits included in the recently approved contract negotiated with the NWT Medical Association.
2. YHSSA received a passive restraint target reduction in the amount of \$275,000 during the 2012-13 fiscal year. This type of initiative is expected to continue as well but specific target reduction amounts have yet to be determined for 2013-14.
3. 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.
4. Demands for and reduced costs in foster care services experienced over the past two fiscal years are not projected to continue based on current and projected case loads.
5. Realignment of and new 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.
6. Limited availability for staff housing options in communities is creating challenges in the recruitment and retention of allied Health and Social Services staff for our authority.

Our authority has seen great growth and expansion and integration of services over the past number of years and expectations are this trend will continue in the coming years.

YHSSA's major success has been the continued effective and reliable provision of health and social services programs for our regional communities, including, child and family services, community mental health and adult services, health centre and social programs services in small communities, home and community care, primary health care clinic services, public health. In the provision of these services we have maintained significant partnerships with Stanton Territorial Health Authority, the Department of Health and Social Services, our non-government stakeholders and other departments, boards and agencies.

The Authority will remain committed to 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,

A handwritten signature in blue ink, appearing to read "Paul Gard".

Paul Gard, CGA
Director, Finance and Administration
Yellowknife Health and Social Services Authority

Independent Auditor's Report

To the Minister of Health and Social Services Government of the Northwest Territories

We have audited the accompanying financial statements of the Yellowknife Health and Social Services Authority as at March 31, 2013, 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.

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. 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.

Independent Auditors' Report (continued)

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, 2013, and its financial operations, and changes in financial position for the year then ended in accordance with 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, 2013, 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 25, 2013

MacKay LLP
Chartered Accountants

Yellowknife Health and Social Services Authority

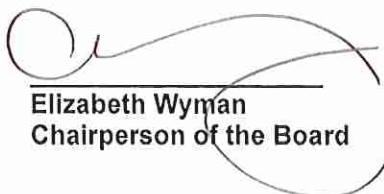
Statement of Financial Position

As at March 31,	2013	2012
Financial Assets		
Cash	\$ 1,774,305	\$ 1,546,155
Restricted cash (Note 4)	122,768	153,135
Accounts receivable (Note 5)	2,054,033	1,644,677
	3,951,106	3,343,967
Liabilities		
Accounts payable and accrued liabilities	\$ 4,040,096	\$ 3,367,322
Employee and payroll-related liabilities	489,249	495,490
Deferred revenue (Note 6)	43,329	43,329
Employee leave and termination benefits (Note 7)	2,337,429	2,198,839
Total liabilities	6,910,103	6,104,980
Net Financial Debt	\$ (2,958,997)	\$ (2,761,013)
Non- Financial Assets		
Prepaid expenses (Note 8)	503,893	387,370
Accumulated Deficit (Note 9)	\$ (2,455,104)	\$ (2,373,643)
Contingent Liabilities (Note 10)		
Contractual Obligations (Note 11)		

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,

2013

2012

	(unaudited) Budget	Actual	Actual
REVENUE			
Operating advances from the GNWT (Schedule A)	\$ 44,840,000	\$ 44,840,000	\$ 43,710,000
Out of territory revenue	825,000	671,850	964,993
Patient services	2,167,990	2,023,945	2,405,375
Other recoveries (Schedule B)	154,733	246,410	788,630
Other revenues (Schedule C)	3,800,969	3,813,344	3,974,641
Non-insured recoveries and expenses (Schedule E)	-	27,815	25,685
Investment revenue	50,000	73,212	81,889
	51,838,692	51,696,576	51,951,213
EXPENDITURES			
Administrative and support services (Schedule D)	5,280,568	5,270,446	5,393,907
Ambulatory care services (Schedule D)	16,024,257	16,722,501	17,108,022
Community health services (Schedule D)	8,391,626	8,487,655	8,308,540
Social services (Schedule D)	22,142,241	21,269,620	21,176,660
Non-insured recoveries and expenses (Schedule E)	-	27,815	25,685
	51,838,692	51,778,037	52,012,814
OPERATING DEFICIT			
	-	(81,461)	(61,601)
UNFUNDED ITEM			
Change in employee leave and termination benefits	-	138,591	42,290
SURPLUS (DEFICIT) BEFORE THE FOLLOWING			
	-	57,130	(19,311)
Prior year deficit funded in 2013	-	(19,000)	-
Rent expense - GNWT assets provided at no cost (note 12)	-	535,192	239,772
Grant-in-kind - GNWT assets provided at no cost (note 12)	-	(535,192)	(239,772)
SURPLUS (DEFICIT)	\$ -	\$ 38,130	\$ (19,311)
OPENING ACCUMULATED SURPLUS (DEFICIT)	\$ -	\$ (2,373,643)	\$ (2,312,042)
CLOSING ACCUMULATED SURPLUS (DEFICIT)	\$ -	\$ (2,455,104)	\$ (2,373,643)

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

<u>For the year ended March 31,</u>		2013	2012
	(unaudited) Budget	Actual	Actual
Annual operating deficit	\$ -	\$ (81,461)	\$ (61,601)
Change in prepaid expenses	-	(116,523)	(94,326)
INCREASE IN NET FINANCIAL DEBT	-	(197,984)	(155,927)
<u>NET FINANCIAL DEBT, BEGINNING OF YEAR</u>	-	(2,761,013)	(2,605,086)
<u>NET FINANCIAL DEBT, END OF YEAR</u>	\$ -	\$ (2,958,997)	\$ (2,761,013)

Yellowknife Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2013	2012
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Net inflow (outflow) of cash related to the following activities:

Operating transactions	\$	(81,461)	\$	(61,601)
Operating deficit	\$	(81,461)	\$	(61,601)
Non-cash charges to operations				
Accounts receivable		(409,356)		102,715
Prepaid expenses		(116,523)		(94,326)
Accounts payable and accrued liabilities		672,774		(1,347,299)
Employee and payroll-related liabilities		(6,241)		(14,668)
Deferred revenue		-		(46,680)
Employee leave and termination benefits		138,590		42,291
Cash provided by operating transactions		197,783		(1,419,568)
Increase (decrease) in cash and restricted cash during the year		197,783		(1,419,568)
Cash and restricted cash, beginning of year		1,699,290		3,118,858
Cash and restricted cash, end of year		\$ 1,897,073		\$ 1,699,290
 Represented by				
Cash	\$	1,774,305	\$	1,546,155
Restricted cash		122,768		153,135
		\$ 1,897,073		\$ 1,699,290

Yellowknife Health and Social Services Authority

Statement of Expenses by Object

For the year ended March 31,	2013 (Unaudited) Budget	2013 Actual	2012 Actual
Expenditures			
Grants and contributions			
Adult services	\$ 490,000	\$ 490,000	\$ 487,443
Community social services	370,000	345,026	345,026
Community wellness	200,000	200,000	200,000
Dementia care	3,565,000	3,565,000	3,502,998
Early intervention	250,000	247,368	250,000
Family violence shelter	669,000	668,923	668,923
Long-term care	2,979,223	2,979,223	2,805,223
Other	531,859	519,679	781,513
Withdrawal management	441,001	433,559	432,000
	9,496,083	9,448,778	9,473,126
Compensation			
Purchased services - fee for service	1,100,000	1,106,910	1,145,670
Purchased services - locum	665,300	2,321,234	2,058,465
Purchased services - management & operations	147,119	52,283	100,227
Purchased services - unit producing	102,400	132,251	98,374
Salaries/wages - management & operations	2,000,259	2,070,707	2,402,633
Salaries/wages - physicians	8,847,261	7,633,034	8,039,341
Salaries/wages - unit producing	16,462,603	16,557,534	15,836,053
	29,324,942	29,873,953	29,680,763
Operations and Maintenance			
Advertising and promotion	63,062	75,168	80,689
Drugs and vaccines	272,800	364,995	419,708
Foster care	2,850,931	2,257,638	2,535,282
Groceries	79,903	103,956	108,991
Insurance	72,900	41,636	94,382
Maintenance	96,400	13,211	20,038
Medical supplies	204,378	169,070	179,469
Minor capital	391,555	413,721	535,104
Office and admin supplies	602,495	560,854	513,552
Professional development initiatives	25,000	-	20,123
Professional services	164,780	200,324	199,659
Referred out and contracted services	4,711,630	4,643,987	4,590,121
Rent - equipment	169,300	213,188	193,545
Rent - land and buildings	2,446,392	2,578,788	2,537,569
Training and development	378,461	248,466	286,267
Travel	435,180	462,487	460,021
Utilities	-	21,080	17,362
Vehicle operations and maintenance	52,500	82,913	74,601
	13,017,667	12,451,482	12,866,483
Valuation Allowance			
Bad debts (recovery)	-	(23,991)	(33,243)
Non-insured expenses	-	27,815	25,685
Total Expenditures	\$ 51,838,692	\$ 51,778,037	\$ 52,012,814

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

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

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

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) Inventories of supplies

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies.

(h) 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.

(i) 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 receipt of payment from the DHSS's Health Services Administration in Inuvik

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

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

2. Summary of Significant Accounting Policies (continued)

(j) 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.

(k) Government transfers

Revenues are recognized in the period 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 estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorised 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.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital asset is recognized as acquired or built.

(l) Financial instruments

Initial measurement

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 transactions costs that are directly related to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Subsequent measurement

Financial assets measured at amortized cost include cash, restricted and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, employee and payroll-related liabilities, foundation donations, and contributions repayable.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

2. Summary of Significant Accounting Policies (continued)

(l) Financial instruments (continued)

Impairment

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 net income.

Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal is recognized in net income.

(m) 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. Changes in Accounting Policies

The Authority adopted the following new accounting policies:

Government Transfers

On April 1, 2012, the Authority adopted the PSA Handbook Section 3410 "Government Transfers". The standard includes the requirement for recognition, measurement, presentation, and disclosure of transfers received from government and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

Financial Instruments

On April 1, 2012, the Authority adopted the PSA Handbook section 3450 "Financial Instruments". This standard includes the requirement for recognition, measurement, presentation, and disclosure of financial instruments and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

4. Restricted Cash - Reserves

	2013	2012
Donation Reserve	\$ 60,925	\$ 64,938
Termination Benefit Reserve	61,843	88,197
	\$ 122,768	\$ 153,135

5. Accounts Receivables

	2013	2012		
	Gross	AFDA	Net	Net
Beaufort-Delta Health and Social Services\$	7,980	\$ -	7,980	\$ 9,039
Dehcho Health and Social Services	2,658	-	2,658	-
Government of the Northwest Territories	1,670,576	-	\$ 1,670,576	\$ 1,046,944
Government of Nunavut	192,839	-	192,839	218,932
Stanton Territorial Health Authority	9,073	-	9,073	2,045
Other	191,712	(20,805)	170,907	367,717
	2,074,838	(20,805)	\$ 2,054,033	\$ 1,644,677

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.

	2013	2012
Government of Northwest Territories - DHSS Professional Development Initiative	\$ 43,329	\$ 43,329

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

7. Employee Leave and Termination Benefits

Under the conditions of employment, employees qualify for annual leave of varying hours depending on length of service. Employees also earn retirement and severance remuneration based on 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. The payment of the other amounts is dependent on employees leaving the employment of the Authority.

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

	2013	2012
Removal	\$ 760,905	\$ 648,678
Termination	538,643	497,936
Leave	1,037,881	1,052,225
	<hr/> \$ 2,337,429	<hr/> \$ 2,198,839

8. Prepaid Expenses

	2013	2012
Leases	\$ 4,400	\$ 4,400
Other	90,000	97,833
Physician signing bonus	409,493	285,137
	<hr/> \$ 503,893	<hr/> \$ 387,370

9. Accumulated Deficit

	2013	2012
Donations Reserve	\$ 60,925	\$ 64,938
Leave and Termination Fund	(2,275,585)	(2,110,641)
Operating Fund	(302,287)	(416,137)
Severance Reserve	61,843	88,197
	<hr/> \$ (2,455,104)	<hr/> \$ (2,373,643)

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

10. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2013, 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.

11. 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	2014	2015 and thereafter	Total
Commercial and Residential Leases	2019	\$ 128,703	\$ 174,199	\$ 302,902
Equipment leases	2015	99,218	103,870	203,088
Total		\$ 227,921	\$ 278,069	\$ 505,990

12. GNWT Assets Provided at No Cost

		2013	2012
	Cost	Accumulated Amortization	Net Book Value
Buildings	\$ 5,715,699	\$ (4,495,067)	\$ 1,220,632
Leasehold improvements	5,266,452	(724,137)	4,542,315
Medical equipment	643,727	(118,017)	525,710
	\$11,625,878	\$ (5,337,221)	\$ 6,288,657
			\$ 6,823,850

Rent expense for 2013 is \$535,192 (2012: \$239,772) with an offsetting grant-in-kind.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2013

13. 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.

14. Comparative Figures

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

15. 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 operations would be significantly affected.

16. 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.

17. Financial Instruments

Financial instruments consist of recorded amounts of cash, restricted cash, and accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, employee and payroll related liabilities, and contributions repayable which will result in future cash outlays.

The Authority is exposed to the following risks in respect to certain financial instruments held:

(a) Credit risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The Authority is exposed to credit risk from its customers. However, the Authority's customers are the Government of the Northwest Territories as well as other Health Authorities in the Territory, therefore credit risk is mitigated. The Authority also has a significant number of individual customers which minimized the concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Authority reduces its exposure to liquidity risk by monitoring budgets and cash flows.

Yellowknife Health and Social Services Authority**Schedule of Operating Advances from the GNWT**

For the year ended March 31,	2013	2012	
	(unaudited) Budget	Actual	Actual
Administration services	\$ 2,397,000	\$ 2,597,692	\$ 2,256,692
Authority social service delivery	4,580,000	4,547,494	4,547,494
Capital under \$50,000	45,000	45,000	45,000
Community wellness programs	1,316,000	1,278,203	1,275,203
Family violence programs	665,000	665,000	665,000
Foster care	3,195,000	3,195,000	3,195,000
Health centres	4,473,000	4,332,326	4,404,326
Homecare	1,994,000	1,974,852	1,876,852
Intervention services	537,000	534,000	444,000
Physicians services	13,557,000	13,580,433	13,165,433
Prevention and promotion	35,000	35,000	35,000
Prior year deficit funding	-	19,000	-
Residential care - alcohol and drug programs	850,000	816,000	816,000
Residential care - children	1,452,000	1,484,000	1,484,000
Residential care - elderly and handicapped	9,744,000	9,736,000	9,500,000
	\$ 44,840,000	\$ 44,840,000	\$ 43,710,000

Yellowknife Health and Social Services Authority**Schedule of Other Recoveries for Direct Charges for Services**

For the year ended March 31,	2013	2012
	(unaudited) Budget	Actual
Other recoveries from Third Parties		
12050 - Drugs and Vaccines	\$ 90,000	\$ 98,040
12070 - Housing Rentals	19,600	13,600
12080 - Other Miscellaneous	15,000	42,520
12220 - Other Revenue	-	4,694
12060 - Parking Rentals	30,133	30,775
12010 - Physician chargeback	-	51,496
12031 - Meals on Wheels	-	5,285
	<hr/> \$ 154,733	<hr/> \$ 246,410
		<hr/> \$ 788,630

Yellowknife Health and Social Services Authority

Schedule of Other Revenues

For the year ended March 31,		2013	2012
	(unaudited) Budget	Actual	Actual
Other Revenues from the GNWT			
11019 - Department of Health and Social Service	2,931,857	\$ 2,940,880	\$ 2,924,350
11020 - GNWT Other Departments	-	(25,486)	75,716
11021 - Admin fees - GNWT - Department of Health and Social Services	31,003	32,080	44,180
	2,962,860	2,947,474	3,044,246
Other Revenues from the third party			
11018 - Health and Social Services - Revenue from Other Boards	669,800	679,289	649,693
11030 - Federal Government Revenue	-	4,254	80,462
11035 - Revenue from Non Government Entities	126,309	166,327	151,524
14000 - Donations	-	-	450
14020 - Donations/Bequests	-	-	17,720
17060 - DI Surplus Revenue	-	-	30,546
17000 - Revenue from other funds (inter fund transfers)	25,000	-	-
11090 - Other payment source	17,000	16,000	-
	838,109	865,870	930,395
	\$ 3,800,969	\$ 3,813,344	\$ 3,974,641

Yellowknife Health and Social Services Authority

Schedule of Expenses by Functional Centre

For the year ended March 31,

SCHEDULE D

2013

Functional Centre	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
711 Administrative and support services	\$ -	\$ -	\$ 1,958,440	\$ 1,838,062	\$ 3,322,128	\$ 3,473,981	\$ -	\$ (41,597)	\$ 5,280,568	\$ 5,270,446
713 Ambulatory care services	-	-	2,265,441	2,188,036	13,758,816	14,516,859	-	17,606	16,024,257	16,722,501
715 Community health services	58,500	58,500	948,591	1,084,056	7,384,535	7,345,099	-	-	8,391,626	8,487,655
716 Social services	9,437,583	9,390,278	7,845,195	7,341,328	4,859,463	4,538,014	-	-	22,142,241	21,269,620
Total	\$ 9,496,083	\$ 9,448,778	\$ 13,017,667	\$ 12,451,482	\$ 29,324,942	\$ 29,873,953	\$ -	\$ (23,991)	\$ 51,838,692	\$ 51,750,222

SCHEDULE E**Yellowknife Health and Social Services Authority****Schedule of Non-Insured Recoveries and Expenses**

<u>For the year ended March 31,</u>	<u>2013</u>	<u>2012</u>
	<u>(unaudited)</u> <u>Budget</u>	<u>Actual</u>
Recoveries		
Dental travel recoveries	\$ -	\$ 27,815
		\$ 25,685
Expenses		
Dental travel	-	27,815
		25,685
Excess of Recoveries	\$ -	\$ -
		\$ -

Yellowknife Health and Social Services Authority**Other Contributions****Primary Physician Care - Behchoko, Gameti, Whati and Wekweeti****For the year ended March 31,****2013**

	(unaudited) Budget	Actual
Revenue		
Tli'cho Community Services Agency	\$ 665,300	\$ 665,304
Expenses		
Compensation	665,300	665,304
Excess of Revenue	\$ -	\$ -

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,

2013

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services:		
Nurse practitioners	\$ 112,220	\$ 112,220
Physicians	553,000	553,000
Resident support	53,000	53,000
	718,220	718,220
Expenses		
Compensation	665,220	674,535
Rent	45,000	45,000
Sundry	8,000	8,000
	718,220	727,535
Excess of Revenue (expenditures)	\$ -	\$ (9,315)

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Other Contributions (continued)
Healthy Family Program (HSS01-1842)

For the year ended March 31,

2013

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services - program	\$ 381,434	\$ 374,247
Department of Health & Social Services - admin fee	11,566	18,753
Other	-	5,693
	393,000	398,693
Expenses		
Compensation	348,234	350,271
Equipment	14,800	11,608
Referred out services	7,800	7,566
Sundry	7,500	8,635
Supplies	3,100	2,328
	381,434	380,408
Operating surplus (deficit)	11,566	18,285
Administrative expense allocation	11,566	-
Excess of Revenue	\$ -	\$ 18,285

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority**Other Contributions (continued)**
Homecare Enhancement Yellowknife (HSS01-1634)**For the year ended March 31, 2013**

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 731,837	\$ 731,837
Expenses		
Compensation	699,852	699,852
Equipment	22,607	22,607
Sundry	9,378	9,378
	731,837	731,837
Excess of Revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Other Contributions (continued)

Respite Services for Persons With Disabilities (HSS01-1740)

For the year ended March 31,

2013

	(unaudited)	
	Budget	Actual
Revenue		
Department of Health & Social Services	\$ 250,000	\$ 250,000
Expenses		
Compensation	250,000	250,000
Excess of Revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Schedule of Reserves

	Surplus / Deficit Reserve	Leave and Termination Benefits Reserve	Donations Reserve	Total
March 31,	2013	2012	2013	2012
Balance, beginning of year	\$ -	\$ 88,198	\$ 94,034	\$ 64,937
Transfer from (to) operating fund	-	-	(26,355)	(5,836)
Balance, end of year	\$ -	\$ 61,843	\$ 88,198	\$ 60,925
				\$ 64,937
				\$ 122,768
				\$ 153,135
				\$ 145,553
				7,582

SCHEDULE G