

Financial Statements of
Dehcho Health and Social Services Authority
Year End March 31, 2015

Dehcho Health and Social Services Authority
Financial Statements

Year End March 31, 2015

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian generally accepted accounting principles for Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Dehcho Health and Social Services Authority's management recognizes its responsibility for conducting the organization'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 Health and Services Authority.

The Auditor annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian auditing standards. The Auditor also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Government of Northwest Territories.

A handwritten signature in blue ink, appearing to read "P. H. Allen".

Chief Executive Officer
Dehcho Health and Social Services Authority

June 29, 2015



**YELLOWKNIFE
ACCOUNTING
PROFESSIONAL
CORPORATION**

**CERTIFIED GENERAL
ACCOUNTANTS**

P.O. Box 20072
4921-49th Street,
4th Floor
NWT Commerce
Place
Yellowknife, NT
X1A 3X8
Tel: (867) 669-0242
Fax: (867) 669-7242
Website:
www.chakrabarty.ca

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INDEPENDENT AUDITORS' REPORT

**To the Minister of Health & Social Services
Government of the Northwest Territories and
To the Public Administrator
Dehcho Health and Social Services Authority,**

We have audited the accompanying financial statements of Dehcho Health and Social Services Authority, which comprise the statement of financial position as at **March 31, 2015**, the statement of operations, statement of changes in net financial debt, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. These statements have been prepared to comply with requirements of the Department of Health and Social Services. We have also audited the revenues and expenditures of the programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed in Schedules 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 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.

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 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 auditor's 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 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.



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P.O. Box 20072
4921-49th Street,
4th Floor
NWT Commerce
Place
Yellowknife, NT
X1A 3X8
Tel: (867) 669-0242
Fax: (867) 669-7242
Website:
www.chakmbanty.ca

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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 expenses and related balances. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of salary and benefits in the Authority as at March 31, 2015. 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 effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Dehcho Health and Social Services Authority as at March 31, 2015 and its financial performance and its cash flows for the year ended in accordance with the basis of accounting required by the Government of the Northwest Territories, applied on a basis consistent with the preceding year. Furthermore, these statements present fairly, in all material respects, the funding and expenditures of all Health and Social Services funded programs of \$250,000 or more in Schedules C and F for the year ended March 31, 2015 in accordance with the provisions established by the individual Contribution Agreements.

Report on other legal and regulatory requirements

We further report in accordance with the Financial Administration Act of the Northwest Territories, 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 significant respects, have been within the statutory powers of the Authority.

*EPR Yellowknife Accounting
Prof. Corp.*

EPR Yellowknife Accounting Professional Corporation
Yellowknife, Northwest Territories
June 26, 2015

Dehcho Health and Social Services Authority
Statement of Financial Position
As at March 31, 2015

Statement I

	2015 Actual	2014 Actual
Financial Assets		
Cash (Note 4)	\$ 145,878	\$ 508,654
Accounts receivable (Note 8)	628,742	633,874
Trust Assets (Note 2(k)) & (Note 4)	1,067	4,848
Total Financial Assets	775,687	1,147,376
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	2,991,291	3,119,241
Payroll Liabilities	318,240	344,693
Employee Leave and Termination Benefits (Note 16)	1,057,954	1,102,640
Contributions repayable (Note 12)	108,223	108,223
Trust Liabilities (Note 2(k)) & (Note 4)	1,067	4,848
Total Liabilities	4,476,775	4,679,645
Net Financial Debts	(3,701,088)	(3,532,269)
Non - Financial Assets		
Tangible capital assets (Note 18)	-	1
Prepaid expenses (Note 19)	4,700	-
Total Non - Financial Assets	4,700	1
Accumulated Deficit (Note 20)	\$ (3,696,388)	\$ (3,532,268)

Approved on behalf of the Dehcho Health and Social Services Authority:

 Public Administrator

 Chief Executive Officer

 Director of Finance

The accompanying notes and schedules form an integral part of the financial statements.

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Dehcho Health and Social Services Authority
Statement of Operations
For the year ended March 31, 2015

Statement II

	2015		2014
	Budget (Unaudited)	Actual	Actual
Revenue			
Operating Advance from GNWT (Schedule A)	\$ 15,651,000	\$ 15,651,000	\$ 15,420,641
Other Recoveries (Schedule B)	646,250	631,317	542,245
Other Revenues (Schedule C)	814,955	786,465	823,516
Non-insured recoveries (Schedule E)	75,640	117,788	123,522
Investment revenue	20,000	19,460	15,980
Total Revenue	17,207,845	17,206,030	16,925,904
Expenses			
Administrative and Support Services (Schedule D)	3,056,915	2,815,473	4,153,294
Ambulatory Care Services (Schedule D)	1,285,000	1,285,000	1,383,000
Community Health Services (Schedule D)	6,798,884	7,352,381	6,836,999
Social Services (Schedule D)	6,067,046	5,799,508	5,835,854
Non- Insured Expenses (Schedule E)	-	117,788	123,522
Total Expenses	17,207,845	17,370,150	18,332,669
Operating Deficit for the year	-	(164,120)	(1,406,765)
Operating Deficit before Prior Year Funding	-	(164,120)	(1,406,765)
Unfunded Items			
Change in Employee Leave and Termination Benefits	-	(44,686)	105,796
Deficit Before the Following	-	(208,806)	(1,300,969)
Rent expense - GNWT Assets provided at no cost (Note 22)	-	429,687	441,880
Grant - in - kind - GNWT Assets provided at no cost (Note 22)	-	(429,687)	(441,880)
Annual Deficit	-	(208,806)	(1,300,969)
Opening Accumulated Deficit	-	(3,532,268)	(2,125,503)
Operating deficit for the year	-	(164,120)	(1,406,765)
Closing, Accumulated Deficit	\$ -	\$ (3,696,388)	\$ (3,532,268)

The accompanying notes and schedules form an integral part of the financial statements.

Dehcho Health and Social Services Authority
Statement of Changes in Net Financial Debt
For the year ended March 31, 2015

Statement III

	2015	2014
Annual deficit for the year	\$ (164,120)	\$ (1,406,765)
Adjustments:		
- Write off of Tangible capital assets	1	-
- Acquisition of Prepaid Expense	(4,700)	-
(Increase) / decrease in net debt	(168,819)	(1,406,765)
Opening net financial debt	(3,532,269)	(2,125,504)
Closing net financial debt	\$ (3,701,088)	\$ (3,532,269)

Dehcho Health and Social Services Authority
Statement of Cash Flows
For the year ended March 31, 2015

Statement IV

	2015	2014
Cash provided by (used in)		
Operating activities		
Operating deficit for the year	\$ (164,120)	\$ (1,406,765)
Item not affecting cash:		
Increase (decrease) in employee leave and termination benefits	(44,686)	105,796
Adjusted annual deficit	(208,806)	(1,300,969)
Changes in non-cash working capital balances:		
Decrease (increase) in accounts receivable	5,132	448,600
Increase (decrease) in accounts payable and accrued liabilities	(127,949)	2,457,000
Increase (decrease) in payroll liabilities	(26,453)	45,320
Decrease (increase) in prepaid	(4,700)	-
Increase (decrease) in Contribution repayable	-	45,648
Increase (decrease) in trust liabilities	(3,781)	4,848
Net change in non-cash working capital balances	(157,751)	3,001,416
Net cash provided by (used in) operating activities	(366,557)	1,700,447
Net increase (Decrease) in cash position	(366,557)	1,700,447
Cash, beginning of year	513,502	(1,186,945)
Cash, end of year	146,945	513,502
Cash consists of :		
Cash	145,878	508,654
Trust asset	1,067	4,848
	\$ 146,945	\$ 513,502

Dehcho Health and Social Services Authority
Notes to Financial Statements
For the year ended March 31, 2015

1. AUTHORITY AND OPERATION

Dehcho 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 Territories. Consequently, the Authority is dependent upon funding from the Department of Health and Social Services. Certain operating and capital expenditures incurred directly by the Department of Health and Social Services and are not reflected in the Authority's accounts.

The Authority is a public body performing a function of government of 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. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Authority are as follows:

2(a) Basis of accounting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles of the public sector as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants.

2(b) Revenue and Expenditure Recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the Department of Health and Social Services. 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 the billing clerks are recognized as revenue on an accrual basis.

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

2(c) Cash and Cash equivalents

Cash and cash equivalents are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than investing.

2(d) Inventory

The Authority has established the policy of accounting for inventories of materials and supplies by expensing them in the period of acquisition.

2(e) Tangible Capital assets

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

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

2(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Items requiring the use of significant estimates include accounts receivable, accounts payable and accrued liabilities, estimated useful lives of tangible capital assets, and estimated employee benefits.

Estimates are based on the best information available at the time of preparation of financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

2(g) Reserves

The Department of Health and Social Services policy requires the Authority to establish the following reserves:

Deficit Reserve - reflects the funds maintained in a reserve according to the Department of Health 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.

2(h) Agency Contract Surplus (Deficit)

According to contracts with social service agencies in the communities, any contract surplus is to be recovered by the Authority and any contract deficit is to be retained by the agency. Financial Statements of the agencies have not been reviewed by the Authority and are not available in some cases. Accordingly, any adjustments as a result of the review will similarly be accounted for in the new year.

2(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 are expensed.

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

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, employee leave and termination benefits, contributions repayable and trust liabilities.

At the end of each reporting period, management assesses whether there are any indications that financial asset 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.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

2(j) Government transfers

Revenues are recognized in the period in which the transactions or events occur that give 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 stimulations give rise to a liability. Transfer revenue is recognized in the statements 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 recognised as required or built.

2(k) Trust Funds and Liability

Funds are received on behalf of patients by the Authority and recorded in these financial statements.

2(l) Insurance

Insurance on the operations and assets are included in the Government of the Northwest Territories program at no cost to the Authority. It is to be noted that the limit of General Liability (with medical malpractice) is \$5,000,000 per occurrence.

2(m) First Time Adoption of PS 3260

PSAB approved Section 3260, Liability for Contaminated Sites in March 2010. The new standard requires a government or government organization to recognize a liability for a contaminated site when an environmental standard exists, the contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility for remediation of the contaminated site, and a reasonable estimate of the amount can be made. The Authority has assessed the implications of this new accounting policy on their operations and has determined that PS3260 has no impact. Therefore, the new accounting policy PS3260 has no effect on the Authority's financial statements.

3. FUTURE ACCOUNTING CHANGES

PSAB approved Section PS2200, Related Party Disclosure, on December 16, 2014. This new standard defines a related party and establishes disclosure for related party transactions. Disclosures of information about significant related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated. Section PS2200 applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PSAB also approved Section PS 3420, Inter-entity Transactions, on December 16, 2014. This new section establishes standards on how to account for and report transactions between public sector entities from both a provider and recipient perspective. PS 3420 applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

4. CASH AND CASH EQUIVALENTS

	2015	2014
Cash	\$ 145,878	\$ 508,654
Trust Assets	1,067	4,848
Total	\$ 146,945	\$ 513,502

5. SPECIAL PURPOSE FUNDS

The Authority doesn't have special purpose funds for the year ending March 31, 2015.

6. RESTRICTED ASSETS

The Authority doesn't have restricted assets for the year ending March 31, 2015.

7. PORTFOLIO INVESTMENTS

The Authority doesn't have portfolio investments for the year ending March 31, 2015.

8. ACCOUNTS RECEIVABLE

	Accounts Receivable 2015	Allowance for Doubtful Debt	Net 2015	Net 2014
Due from GNWT	\$ 577,900	\$ -	\$ 577,900	\$ 593,862
Due from Third Parties	99,066	60,318	38,748	34,272
WSCC - NWT	11,519	-	11,519	5,166
WCB - Alberta	575	-	575	574
	\$ 689,060	\$ 60,318	\$ 628,742	\$ 633,874

9. INVENTORY

The Authority doesn't have inventory for the year ending March 31, 2015.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Due to GNWT	\$ 2,726,091	\$ 2,864,802
Due to Third Parties	265,200	254,152
WCB-Alberta	-	287
	\$ 2,991,291	\$ 3,119,241

11. DEFERRED REVENUE

The Authority doesn't have deferred revenue for the year ending March 31, 2015.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

12. CONTRIBUTIONS REPAYABLE

Government of The Northwest Territories	2015	2014
Healthy Family Choices	\$ 67,803	\$ 67,803
Homecare Enhancement 2013 refund of surplus funds	1,133	1,133
Homecare Enhancement 2014 refund of surplus funds	39,287	39,287
	\$ 108,223	\$ 108,223

13. DUE FROM AND TO THE GOVERNMENT OF CANADA

The Authority doesn't have due from and to the Government of Canada for the year ending March 31, 2015.

14. CAPITAL LEASE OBLIGATIONS

The Authority doesn't have capital lease obligation for the year ending March 31, 2015.

15. PENSIONS

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Authority's contribution are charged as an expense on a current year basis and represent the total pension obligations. The Authority is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan. There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2015 (no changes in 2014).

16. EMPLOYEE FUTURE BENEFITS

Under the conditions of employment, employees qualify for annual leave of varying lengths 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 of return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of other amounts is dependant on employees leaving the Authority

These liabilities are to be funded in the year they become due through regular annual budget allocations receivable from the Government of Northwest Territories. Revenue is not accrued in the current period because funding from the Department of Health and Social Services is not directly linked to the employee leave and termination benefits and is not currently receivable.

	2015	2014
Leave	\$ 432,470	\$ 442,790
Termination	334,036	390,689
Removal	291,448	269,161
Total Employee Leave and Termination Benefits	1,057,954	1,102,640
Less: Current portion	588,841	607,752
Long Term Portion	\$ 469,113	\$ 494,888

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

17. TRUST ASSETS UNDER ADMINISTRATION

The Authority maintains a bank balance for the amount held in patient trust liabilities. These are funds held on behalf of the patients in residential care. These funds does not belong to the Authority as they are restricted for those patients.

18. TANGIBLE CAPITAL ASSETS

The Authority doesn't have tangible capital assets for the year ending March 31, 2015.

19. PREPAID EXPENSES

	2015	2014
Rent	\$ 4,700	\$ -

20. ACCUMULATED DEFICIT

	2015	2014
Operating fund	\$ (4,754,342)	\$ (4,634,908)
Leave and termination fund	1,057,954	1,102,640
	\$ (3,696,388)	\$ (3,532,268)

21. CAPITAL ADVANCES

The Authority doesn't have capital advances for the year ending March 31, 2015.

22. GNWT ASSETS PROVIDED AT NO COST

Tangible Capital Assets are owned by the Government and are amortized over the estimated useful life of the assets at the rate shown below. Amortization expense is \$429,687 (2014 \$441,880) and presented as rent expenses with an offsetting grant-in-kind. Amounts are provided by the Department of Health and Social Services and are unaudited.

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Buildings	15,397,374	7,718,539	7,678,835	7,956,495
Leasehold Improvements	147,071	85,791	61,280	75,987
Vehicle	51,588	11,751	39,837	43,277
	\$ 15,596,033	\$ 7,816,081	\$ 7,779,952	\$ 8,075,759

23. CONTRACTUAL OBLIGATIONS

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2015.

	Expires in Fiscal Year	2016	2017-2019	Total
Residential leases	2016	\$ 145,785	\$ -	\$ 145,785
Equipment leases	2018	24,272	15,171	39,443
Vehicles	2016	14,825	-	14,825
Total		\$ 184,882	\$ 15,171	\$ 200,053

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

24. CONTINGENCIES

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2015, 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.

25. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Authority is related in terms of common ownership to all GNWT created departments, agencies and corporation. 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 Human Resources, and internal audit services by the Department of Finance.

Accounts receivable	2015	2014
GNWT-Department	\$ 577,900	\$ 593,862
GNWT-Stanton Health	2,042	-
Total	\$ 579,942	\$ 593,862

Accounts payable	2015	2014
GNWT payable	\$ 2,726,091	\$ 2,864,802
GNWT- contribution payable	108,223	108,223
GNWT- payroll liabilities	318,240	344,693
Stanton Territorial Health	229	19,694
Hay River Health and Social Authority	87	-
NWT Power	1,167	1,252
Departments of Public Works	197	197
Total	\$ 3,154,234	\$ 3,338,861

26. BUDGET FIGURES

The presented budget figures have been provided for comparison purposes and are those approved by the Department of Health and Social Services. These figures represent the Authority's original fiscal plan for the year and reflect subsequent changes arising from amendments by the Department. The budget figures are unaudited.

27. ECONOMIC DEPENDENCE

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

28. 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.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

28. FINANCIAL INSTRUMENTS....(continued)

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 \$628,742 (2014 - \$633,874). 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 some concentration risk. At March 31, 2015, receivables from one customer comprised of 86% of the total outstanding accounts receivable (2014 - 93%). The Authority reduces this risk by monitoring overdue balances. This risk has not changed from the prior year.

c) 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 \$1,057,954.00 (2014 - \$1,102,640.00). The Authority reduces its exposure to this risk by monitoring its budget and cash flows. This risk has not changed from the prior year.

d) Fair value measurement hierarchy

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritises the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

Level 1 - Financial instruments are considered level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Financial instruments are considered level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets are not active, or models using inputs that are observable.

Level 3 - Financial instruments are considered level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy of financial assets and liabilities at March 31, 2015 is as follow:

	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash	\$ 145,878	-	- \$	145,878
Account Receivable	628,742	-	-	628,742
Trust Assets	1,067	-	-	1,067
Financial Liabilities:				
Accounts Payable and Accrued Liabilities	2,991,291	-	-	2,991,291
Payroll Liabilities	318,240	-	-	318,240
Employee Leave and Termination Benefits	1,057,954	-	-	1,057,954
Contributions Repayable	108,223	-	-	108,223
Trust Liability	\$ 1,067	-	- \$	1,067

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

29. EXPENSE BY OBJECT

Description	Amount
Advertising	\$ 11,589
Audit Fee	28,855
Board Honoraria	112,875
Compensation	12,374,118
Contracted Out	459,014
Dietary Food and Non-Food	97,971
Foster Care	268,260
Freight	92,559
Gasoline	35,321
Locum	1,043,951
Medical Supplies	128,682
Membership	39,195
Minor Equipments less than 5000	14,301
Other	868,392
Purchased Services: Travel	241,049
Rental	130,910
Supplies	305,484
Support agreement per diem	44,080
Telephone	177,475
Training and Development	56,835
Travel	433,732
TSC Support	273,453
Vaccines	42,845
Vehicle lease and maintenance	89,204
Total	\$ 17,370,150

30. SUBSEQUENT EVENTS

There were no subsequent events identified that might affect or require disclosure in the Authority's financial statement.

31. COMPARATIVE FIGURES

Certain prior year's figures have been reclassified for comparative purposes to conform with current year presentation.

Unspent portion of the funding for Physician Services has been reclassified from operating advance from GNWT to Ambulatory Care service for the amount of \$64,417 (2014 - 107,175).

Dehcho Health and Social Services Authority
Schedule of Operating Advances from the GNWT
For the year ended March 31, 2015

Schedule A

	2015		2014
	Annual Budget	Actual	Actual
Health Promotion	\$ 9,000	\$ 9,000	\$ 9,000
Authority Administration	1,601,000	1,601,000	1,585,641
Health Centres	6,382,000	6,382,000	6,377,000
Physicians Services to NWT Residents	1,285,000	1,285,000	1,383,000
Equipment (under \$50,000)	20,000	20,000	26,000
Intervention Services	170,000	170,000	167,000
Foster Care	631,000	631,000	631,000
Mental Health & Addictions - Youth on the Land	234,000	234,000	-
Residential Care - Elderly & persons with Disabilities	1,656,000	1,656,000	1,611,000
Authority Social Service Delivery	2,892,000	2,892,000	2,871,000
Family Violence	46,000	46,000	46,000
Community Wellness Programs	47,000	47,000	47,000
Homecare	678,000	678,000	667,000
Total Advances	\$ 15,651,000	\$ 15,651,000	\$ 15,420,641

Dehcho Health and Social Services Authority
Schedule of Other Recoveries for Direct Charges for Services
For the year ended March 31, 2015

Schedule B

	2015		2014
	Annual Budget	Actual	Actual
Other Recoveries from the GNWT			
Training recoveries	\$ 3,850	30,448	\$ 43,645
Programs - Youths on the Land	134,900	134,668	-
Other Recoveries	65,000	46,936	-
Non Residents of Territories	100,000	71,071	101,251
Total	303,750	283,123	144,896
Other Recoveries directly from Third Parties:			
Staff Rent	80,000	47,876	67,520
Physician's Services	30,000	5,659	-
Extended Care Services	162,000	156,845	156,520
Meals on Wheels	1,200	860	-
Vaccines	3,000	2,889	2,295
Other	24,500	25,909	107,422
Workers Compensation	32,300	58,883	56,867
Government of Canada	9,500	25,092	-
Insurance Companies	-	700	6,725
Other GNWT Health Authorities	-	23,481	-
Total	342,500	348,194	397,349
Grand Total	\$ 646,250	\$ 631,317	\$ 542,245

Dehcho Health and Social Services Authority
Schedule of Other Revenues
For the year ended March 31, 2015

Schedule C

	2015		2014
	Annual Budget	Actual	Actual
Other Recoveries from the GNWT:			
Homecare Enhancement Program	\$ 489,287	\$ 489,287	\$ 533,271
DHR CHN Development (CS)	32,775	24,871	-
Healthy Family Choices	250,000	246,677	252,690
Healthy Family Baby Feeding Collective Kitchen	39,533	22,283	28,066
Safety for Victims of Family Violence	3,360	3,347	2,593
Youth Tobacco		-	3,363
French Language		-	3,533
Other Revenue directly from Third Parties:			
None	-	-	-
Total Recoveries	814,955	786,465	823,516
Transferred from (to) deferred revenue	-	-	-
Adjusted Total	\$ 814,955	\$ 786,465	\$ 823,516

Dehcho Health and Social Services Authority
Schedule of Expenses by Functional Centre
For the year ended March 31, 2015

Schedule D

	Grants and Contribution		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
711 Administrative and Support Services	\$ 320,212	\$ -	\$ 945,586	\$ 883,490	\$ 1,791,117	\$ 1,931,983	\$ -	\$ -	\$ 3,056,915	\$ 2,815,473
712 Nursing Inpatient/Resident Services	-	-	-	-	-	-	-	-	-	-
713 Ambulatory Care Services	-	-	195,049	241,049	1,089,951	1,043,951	-	-	1,285,000	1,285,000
714 Diagnostic & Therapeutic Services	-	-	-	-	-	-	-	-	-	-
715 Community Health Services	494,750	-	692,549	1,384,337	5,611,585	5,968,044	-	-	6,798,884	7,352,381
716 Social Services	292,891	278,686	1,041,070	1,046,731	4,733,085	4,474,091	-	-	6,067,046	5,799,508
717 Research	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,107,853	\$ 278,686	\$ 2,874,254	\$ 3,555,607	\$ 13,225,738	\$ 13,418,069	\$ -	\$ -	\$ 17,207,845	\$ 17,252,362

Dehcho Health and Social Services Authority
Schedule of Non - Insured Recovery and Expense
For the year ended March 31, 2015

Schedule E

	2015		2014
	Budget	Actual	Actual
Recovery	\$ 117,788	\$ 117,788	\$ 123,522
Expense:			
Dental services travel	117,788	117,788	123,522
Excess of Recovery Over Expense	\$ -	\$ -	\$ -

Dehcho Health and Social Services Authority
Schedule of Detailed Contribution Funding and Expenditures - Home Care
For the year ended March 31, 2015

Schedule F

	HomeCare Enhancement SC# HSS01 - 2614	
	Budget	Actual
Revenue:		
Department of Health and Social Services	\$ 489,287	\$ 489,287
Total Revenue	489,287	489,287
Expenses:	-	-
Compensation	428,477	476,004
Training and Development	20,810	18,958
Travel Expense Staff	5,000	3,625
Contracted Out Community Services	35,000	35,000
Total Expenses	489,287	533,587
Excess of Revenue Over Expenses	\$ -	\$ (44,300)

Dehcho Health and Social Services Authority
Schedule of Detailed Contribution Funding and Expenditures - Healthy Families
Healthy Families
For the year ended March 31, 2015

Schedule F-1

	Healthy Families Program SC# HSS01 - 2616	
	Budget	Actual
Revenue:		
Department of Health and Social Services	\$ 250,000	\$ 246,677
Billable		6,378
Total Revenue	250,000	253,055
Expenses:		
Compensation	224,000	216,501
Office Supplies	4,600	2,501
Supplies and Services	11,000	8,298
Travel	7,600	5,801
Staff Training		620
Vehicle Lease and Maintenance & Fuel	2,800	12,910
Telephone and Fax		46
Billable expenses		6,378
Total Expenses	250,000	253,055
Excess of Revenue Over Expenses		

Dehcho Health and Social Services Authority
Schedule of Surplus (Deficit) and Reserves
For the year ended March 31, 2015

Schedule G

	General Operations		Surplus (Deficit) Reserve		Unfunded Leave and Termination Benefits Reserve		Special Project Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Balance, Opening	\$ (4,634,908)	\$ (3,122,347)	\$ -	\$ -	\$1,102,640	\$ 996,844	\$ -	\$ -	\$ (3,532,268)	\$ (2,125,503)
Repayment of Surplus	-	-	-	-	-	-	-	-	-	-
Operating Surplus (Deficit)	(164,120)	(1,406,765)	-	-	-	-	-	-	(164,120)	(1,406,765)
	(4,799,028)	(4,529,112)	-	-	1,102,640	996,844	-	-	(3,696,388)	(3,532,268)
Interfund transfers	44,686	(105,796)	-	-	(44,686)	105,796	-	-	-	-
Balance, Closing	\$ (4,754,342)	\$ (4,634,908)	\$ -	\$ -	\$1,057,954	\$ 1,102,640	-	-	\$ (3,696,388)	\$ (3,532,268)

Dehcho Health and Social Services Authority
Schedule of Reserves in Departmental Format
For the year ended March 31, 2015

Schedule G-1

	Surplus/Deficit Reserve		Unfunded Leave and Termination Benefits Reserve		Special Project Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance, Opening	\$ -	\$ -	\$ 1,102,640	\$ 996,844	\$ -	\$ -	\$ 1,102,640	\$ 996,844
Repayment of Surplus	-	-	-	-	-	-	-	-
Operating Surplus	-	-	-	-	-	-	-	-
	-	-	1,102,640	996,844	-	-	1,102,640	996,844
Interfund transfers	-	-	(44,686)	105,796	-	-	(44,686)	105,796
Balance, Closing	-	-	1,057,954	1,102,640	-	-	1,057,954	1,102,640