

Yellowknife Health and Social Services Authority

Financial Statements

March 31, 2015

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Financial Statements

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Management's Responsibility for Financial Reporting

June 26, 2015

To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Board of Directors
Yellowknife Health and Social Services Authority

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

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

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

A handwritten signature in black ink, appearing to read 'Les Harrison'.

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

Independent Auditors' Report

**To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Board of Trustees
Yellowknife Health and Social Services Authority**

We have audited the accompanying financial statements of the Yellowknife Health and Social Services Authority as at March 31, 2015, which comprise the statement of financial position and the statements of operations, change in net financial resources, 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 with the Department of Health and Social Services which total \$250,000 or more 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.

Independent Auditors' Report (continued)

Basis for Qualified Opinion

Salaries and related benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources, and accumulated deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

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, 2015, and its financial operations, and changes in financial position for the year then ended in accordance with Canadian public sector accounting standards, applied on a basis consistent with the preceding year. Furthermore, except for the limitation relating to payroll as described above, Schedule F presents 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 for the year ended March 31, 2015, 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 29, 2015

Crowe MacKay LLP
Chartered Accountants

Yellowknife Health and Social Services Authority

STATEMENT I

Statement of Financial Position

As at March 31,

2015

2014

Financial Assets

Cash	\$ 1,732,661	\$ 1,108,886
Special purpose funds (Note)	140,190	125,442
Accounts receivable (Note 5)	1,962,438	2,318,534
	3,835,289	3,552,862

Liabilities

Accounts payable and accrued liabilities (Note 6)	1,529,348	1,723,647
Payroll liabilities (Note 7)	5,469,838	2,794,263
Deferred revenue (Note 8)	21,508	33,140
Contributions repayable (Note 9)	56,893	56,893
Employee future benefits (Note 10)	2,294,942	2,437,257
	9,372,529	7,045,200

Net Financial Resources	(5,537,240)	(3,492,338)
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Non-Financial Assets

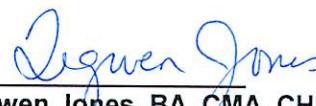
Prepaid expenses (Note 11)	697,584	471,670
Accumulated Deficit (Note 12)	\$ (4,839,656)	\$ (3,020,668)

Contingent Liabilities (Note 13)

Contractual Obligations (Note 14)

Approved on behalf of the Authority


Les Harrison, BSW, MSW, MBA
Chief Executive Officer


Tegwen Jones, BA, CMA, CHRP
Director of Finance and
Administration

Yellowknife Health and Social Services Authority**Statement of Operations****For the year ended March 31,**

		2015	2014
	(unaudited)		
	Budget	Actual	Actual
REVENUE			
Operating advances from the GNWT (Schedule A)	\$ 47,692,000	\$ 47,692,000	\$ 44,723,000
Other recoveries (Schedule B)	2,274,200	3,520,931	2,736,367
Other revenues (Schedule C)	2,370,354	2,732,899	4,189,302
Non-insured recoveries and expenses (Schedule E)	-	40,893	36,075
Interest revenue	70,000	72,277	76,456
	52,406,554	54,059,000	51,761,200
EXPENDITURES			
Administrative and support services (Schedule D)	3,931,065	4,792,943	4,383,875
Ambulatory care services (Schedule D)	16,507,752	18,128,577	16,637,876
Community health services (Schedule D)	8,500,541	8,656,304	8,692,783
Social services (Schedule D)	23,467,196	24,259,271	22,576,155
Non-insured recoveries and expenses (Schedule E)	-	40,893	36,075
	52,406,554	55,877,988	52,326,764
OPERATING DEFICIT	-	(1,818,988)	(565,564)
Prior year physician funding received (Note 15)	-	(361,000)	-
OPERATING DEFICIT BEFORE PRIOR YEAR FUNDING	-	(2,179,988)	(565,564)
UNFUNDED ITEM			
Change in employee future benefits (note 8)	-	(142,314)	99,828
SURPLUS (DEFICIT) BEFORE THE FOLLOWING	-	(2,322,302)	(465,736)
Rent expense - GNWT assets provided at no cost (note 16)	-	446,617	481,591
Grant-in-kind - GNWT assets provided at no cost (note 16)	-	(446,617)	(481,591)
ANNUAL DEFICIT	-	(2,322,302)	(465,736)
OPENING ACCUMULATED DEFICIT	-	(3,020,668)	(2,455,104)
CLOSING ACCUMULATED SURPLUS DEFICIT	\$ -	\$ (4,839,656)	\$ (3,020,668)

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

For the year ended March 31,

		2015	2014
	(unaudited) Budget	Actual	Actual
Operating deficit	\$ -	\$ (1,818,988)	\$ (565,564)
Adjustments:			
Decrease (increase) in prepaid expenses	-	(225,914)	32,223
INCREASE IN NET FINANCIAL RESOURCES	-	(2,044,902)	(533,341)
NET FINANCIAL RESOURCES, BEGINNING OF YEAR	-	(3,492,338)	(2,958,997)
NET FINANCIAL RESOURCES, END OF YEAR	\$ -	\$ (5,537,240)	\$ (3,492,338)

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

<u>For the year ended March 31,</u>	<u>2015</u>	<u>2014</u>
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Net inflow (outflow) of cash related to the following activities:**Operating transactions**

Operating deficit	\$ (1,818,988)	\$ (565,564)
Change in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	356,096	(264,501)
Decrease (increase) in prepaid expenses	(225,914)	32,223
Increase (decrease) in accounts payable and accrued liabilities	(194,300)	(95,399)
Increase (decrease) in payroll liabilities	2,675,575	94,432
Increase (decrease) in deferred revenue	(11,632)	(10,189)
Increase (decrease) contributions repayable	-	46,425
Increase in employee future benefits	(142,314)	99,828

Cash provided by operating transactions	638,523	(662,745)
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Increase (decrease) in cash and cash equivalent during the year	638,523	(662,745)
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Cash and cash equivalent at beginning of year	1,234,328	1,897,073
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Cash and cash equivalent at end of year	\$ 1,872,851	\$ 1,234,328
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Represented by

Cash	\$ 1,732,661	\$ 1,108,886
Special purpose funds	140,190	125,442
	\$ 1,872,851	\$ 1,234,328

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

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. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS"). 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) Special purpose funds

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.

Physician Reserve - the funds received in advance for physician liability.

(c) Employee future benefits

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

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(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.

(e) Non-financial assets

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

(f) Prepaid expenses

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

(g) Tangible capital assets

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

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

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

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

(h) Revenue recognition

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

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

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

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(h) Revenue recognition (continued)

Program recoveries

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

Government transfers

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

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

(i) Financial instruments

The Authority classifies its financial instruments at cost or amortized cost.

The Authority's accounting policy for this financial instrument category is as follows:

This category includes cash, special purpose funds, accounts receivable, accounts payable and accrued liabilities, payroll liabilities and contributions repayable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(j) Measurement uncertainty

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

3. Future accounting changes

a) Related party disclosures, Section PS 2200

In December of 2014, PSAB approved Section PS 2200, Related Party Disclosures. The new section defines related parties and establishes disclosures required for related party transactions. It is expected that reasonable efforts would be made to identify related party transactions. This may involve adopting policies and procedures designed to ensure that these transactions are appropriately identified, measured and disclosed in the financial statements. Not all related party relationships or transactions occurring between related parties are required to be disclosed. Disclosure is generally required when related party transactions have occurred at a value different from that which would have been arrived at if the parties were unrelated. However, not all of these transactions are reportable under this Section. Only those transactions that have or could have a material financial effect on the financial statements are disclosed.

The effective date for Section PS 2200 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been determined.

b) Inter-entity transactions, Section PS 3420

In December of 2014, PSAB approved Section PS 3420, Inter-entity Transactions. This Section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This section may be applied in conjunction with Related Party Disclosures, Section 2200.

The effective date for Section PS 3420 is April 1, 2017. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been determined.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

4. Special purpose funds

	2015	2014
Donation Reserve	\$ 51,327	\$ 63,599
Physician Reserve	27,020	-
Termination Benefit Reserve	61,843	61,843
	\$ 140,190	\$ 125,442

5. Accounts Receivables

	Gross	AFDA	Net	Net
Government of the Northwest Territories	\$ 689,160	\$ -	\$ 689,160	\$ 1,503,167
Government of Nunavut	505,774	-	505,774	209,797
Workers' Safety & Compensation				
Commission Northwest Territories	7,354	-	7,354	13,429
Other	818,619	(58,469)	760,150	592,141
	\$2,020,907	(58,469)	\$1,962,438	\$ 2,318,534

6. Accounts Payable and Accrued Liabilities

	2015	2014
Government of the Northwest Territories	\$ 149,709	\$ 151,727
Other	1,379,639	1,571,920
	\$ 1,529,348	\$ 1,723,647

7. Payroll liabilities

	2015	2014
Government of the Northwest Territories	\$ 5,469,838	\$ 2,794,263

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

8. 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.

	2015	2014
Government of Northwest Territories Professional Development Initiative	\$ 21,508	\$ 33,140

9. Contributions Repayable

	2015	2014
Government of the Northwest Territories	\$ 52,238	\$ 52,238
City of Yellowknife	4,655	4,655
	\$ 56,893	\$ 56,893

10. Employee Future Benefits

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

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

	2015	2014
Removal	\$ 770,028	\$ 763,623
Termination, severance, resignation, retirement	465,456	521,241
Leave	1,059,458	1,152,393
	2,294,942	2,437,257
Less: current portion	1,228,778	1,340,338
Long term portion	\$ 1,066,164	\$ 1,096,919

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

11. Prepaid Expenses

	2015	2014
Leases	\$ 11,262	\$ 3,540
Other	236,724	100,411
Physician signing bonus	449,598	367,719
	\$ 697,584	\$ 471,670

12. Accumulated Deficit

	2015	2014
Donations Reserve	\$ 51,327	\$ 63,599
Leave and Termination Fund	(2,517,727)	(2,375,413)
Operating Fund	(2,462,119)	(770,697)
Severance Reserve	61,843	61,843
Physician Reserve	27,020	-
	\$ (4,839,656)	\$ (3,020,668)

13. Contingent Liabilities

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.

14. 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	2016	2017 and thereafter	Total
Commercial and residential leases	2019	\$ 298,721	\$ 162,866	\$ 461,587
Equipment leases	2016	68,906	10,509	79,415
Total		\$ 367,627	\$ 173,375	\$ 541,002

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

15. Prior Year Funding Received

The Authority received funding for restricted physicians during the year. The funding is reported in Schedule A and then reversed out of the operating deficit in order to arrive at the annual deficit.

	2015	2014
Restricted Physician Funding	\$ 361,000	\$ -

16. GNWT Assets Provided at No Cost

	2015	2014		
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 5,715,699	\$(4,896,630)	\$ 819,069	\$ 1,002,364
Leasehold improvements	5,266,452	(1,250,782)	4,015,670	4,278,992
	\$ 8,802,163	\$(6,147,412)	\$ 4,834,739	\$ 5,281,356

Rent expense for 2015 is \$446,617 (2014 - \$481,591) with an offsetting grant-in-kind.

17. Pension payable

The Authority does not have pension payable as of March 31, 2015.

18. 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.

19. Comparative Figures

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

20. Economic Dependence

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

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

21. 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.

	2015	2014
Due from related parties:		
Accounts receivable:		
Beaufort-Delta Health and Social Services Authority	\$ 9,329	\$ 8,340
Fort Smith Health and Social Services Authority	4,780	-
Government of the Northwest Territories	689,160	1,503,167
NWT Power Corporation	-	75
NWT Housing Corporation	4,463	289
Stanton Territorial Health Authority	39,076	52,926
Tli Cho Community Services Agency	22,203	10,953
	\$ 769,011	\$ 1,575,750
Due to related parties:		
Accounts payable		
Aurora College	\$ 600	\$ 1,800
Beaufort-Delta Health and Social Services Authority	-	7,768
Government of the Northwest Territories	149,709	151,727
Hay River Health and Social Services	-	1,258
NWT Power Corporation	484	352
Stanton Territorial Health Authority	238,979	188,799
Employee and payroll-related liabilities		
Government of the Northwest Territories	5,469,838	2,794,263
Deferred revenue		
Government of the Northwest Territories	21,508	33,140
Contributions repayable		
Government of the Northwest Territories	52,238	52,238
	\$ 5,933,356	\$ 3,231,345

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

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

22. Expenses by Object

For the year ended March 31,	2015	2015	2014
	(Unaudited) Budget	Actual	Actual
Expenditures			
Grants and contributions			
Adult services	\$ 490,000	\$ 490,000	\$ 490,000
Community social services	345,026	345,026	345,026
Community wellness	200,000	200,000	200,000
Dementia care	3,663,000	3,633,000	3,633,000
Early intervention	250,000	250,000	250,000
Family violence shelter	668,923	668,923	668,923
Long-term care	3,642,223	3,803,512	3,642,223
Other	670,204	765,297	586,590
Withdrawal management	460,231	460,231	453,430
	10,389,607	10,615,989	10,269,192
Compensation			
Purchased services - fee for service	1,035,000	975,406	784,773
Purchased services - locum	660,000	2,634,966	1,944,889
Purchased services - management & operations	44,700	60,798	35,518
Purchased services - unit producing	126,165	345,184	163,581
Salaries/wages - management & operations	2,102,709	2,067,113	2,069,437
Salaries/wages - physicians	9,959,725	9,419,568	9,109,253
Salaries/wages - unit producing	17,247,081	18,271,899	17,096,305
	31,175,380	33,774,934	31,203,756
Operations and maintenance			
Advertising and promotion	85,300	76,747	79,152
Drugs and vaccines	321,800	419,491	407,043
Foster care	2,104,300	2,194,953	2,016,717
Groceries	124,300	172,975	126,532
Insurance	125,600	142,562	134,157
Maintenance	16,000	24,530	19,745
Medical supplies	199,158	208,995	206,898
Minor capital	335,500	394,297	394,919
Office and administration supplies	547,397	584,966	554,975
Professional services	248,455	243,586	216,896
Referred out and contracted services	5,109,439	5,171,418	5,048,785
Rent - equipment	225,200	264,597	224,815
Rent - land and buildings	376,320	404,032	350,573
Training and development	390,991	335,709	352,706
Travel	528,707	685,854	503,504
Utilities	19,100	34,477	23,150
Vehicle operations and maintenance	84,000	97,898	101,839
	10,841,567	11,457,087	10,762,406
Valuation allowance			
Bad debts (recovery)	-	(10,915)	55,335
Non-insured expenses	-	40,893	36,075
Total Expenditures	\$ 52,406,554	\$ 55,877,988	\$ 52,326,764

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

23. Risk Management

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its, cash, special purpose funds and accounts receivable.

The Authority holds its cash and trust asset deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash and trust asset deposits in trust accounts are insured up to \$100,000.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 5.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$ 3,835,289 (2014: \$ 3,552,862)

(ii) Concentration risk

Concentration risk is the risk that a customer(s) has a significant portion (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. The Authority does have concentration risk. At March 31, 2015, receivables from one customer comprised 55% of the total outstanding accounts receivables (2014 - 63%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk as deposits are held in one Canadian chartered bank.

(iii) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority does have a liquidity risk in accounts payable and accrued liabilities, payroll liabilities and contributions repayable \$7,056,079 (2014 - \$4,574,803). The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. All of the Authority's financial assets and financial liabilities at March 31, 2015 mature within the next six months. The authority has disclosed future financial liabilities and commitments in Note 14.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Yellowknife Health and Social Services Authority**Schedule of Operating Advances from the GNWT****For the year ended March 31,****2015****2014**

	(unaudited) Budget	Actual	Actual
Administration services	\$ 2,540,000	\$ 2,540,000	\$ 2,182,000
Authority social service delivery	4,855,000	4,855,000	4,706,000
Capital under \$50,000	45,000	45,000	45,000
Community wellness programs	1,325,000	1,325,000	1,319,000
Epistemology and disease registry	-	-	44,000
Family violence programs	825,000	825,000	665,000
Foster care	3,195,000	3,195,000	3,195,000
Health centres	4,594,000	4,594,000	4,342,000
Homecare	2,079,000	2,079,000	2,025,000
Intervention services	1,003,000	1,003,000	534,000
Mental health and addictions	175,000	175,000	-
Physicians services	14,253,000	13,892,000	12,854,000
Prevention and promotion	35,000	35,000	35,000
Prior year deficit funding	-	361,000	-
Residential care - alcohol and drug programs	850,000	850,000	850,000
Residential care - children	1,452,000	1,452,000	1,452,000
Residential care - elderly and handicapped	10,466,000	10,466,000	10,475,000
	\$ 47,692,000	\$ 47,692,000	\$ 44,723,000

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

For the year ended March 31,	2015	2014
	(unaudited) Budget	Actual
Other Recoveries from the GNWT		
11016 - Fee for service	1,374,500	1,115,460
11062 - Non residents self pay	-	42
11064 - Non residents reciprocal billing	490,000	769,502
11080 - Insured Residents self pay	-	1,435
11082 - Insured residents self pay	-	7,902
	1,864,500	1,894,341
		889,199
Other recoveries from Third Parties		
12050 - Drugs and Vaccines	\$ 90,000	\$ 102,658
12070 - Housing Rentals	25,200	36,213
12080 - Other Miscellaneous	22,000	623,066
12220 - Other Revenue	-	4,663
12060 - Parking Rentals	36,000	34,385
12010 - Physician chargeback	-	36,190
12031 - Meals on Wheels	5,000	1,080
12322 - WSCC	-	1,481
	178,200	839,736
		456,399
Other		
11050 - WSCC	75,000	173,716
12320 - Nunavut Recoveries	-	466,884
11070 - Uninsured residents	2,500	28,929
11080 - Insured residents self pay	35,000	2,776
11082 - Insured residents self pay	97,000	109,276
11062 - Non residents self pay	22,000	5,273
	231,500	786,854
		1,390,769
	\$ 2,274,200	\$ 3,520,931
		\$ 2,736,367

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

		2015	2014
	(unaudited)	Budget	Actual
Other Revenues from the GNWT			
Department of Health & Social Services - EMR	42,334	\$ 42,334	\$ -
Department of Health & Social Services - EHC	898,941	898,941	750,507
Department of Health & Social Services - Healthy Foods	21,079	18,287	-
Department of Health & Social Services - Grad SW	50,000	50,000	50,000
Department of Health & Social Services - Respite	250,000	250,000	250,000
Department of Health & Social Services - Mental health FA	-	17,879	2,074
Department of Health & Social Services - ASIT	-	2,122	-
Department of Health & Social Services - Day Shelter	250,000	115,000	218,750
Department of Health & Social Services - Other	-	-	1,814,170
GNWT Other Departments	-	162,246	83,260
GNWT - Department of Health & Social Services - Admin fees	3,000	2,813	41,084
	1,515,354	1,559,622	3,209,845
Other Revenues from the third parties			
Health and Social Services - Revenue from Other Boards	700,000	974,487	741,163
Revenue from Non Government Entities	155,000	186,857	221,972
Donations/Bequests	-	300	6,134
DI Surplus Revenue	-	11,633	10,188
	855,000	1,173,277	979,457
	\$ 2,370,354	\$ 2,732,899	\$ 4,189,302

Yellowknife Health and Social Services Authority

Schedule of Expenses by Functional Centre

For the year ended March 31,

2015

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	\$ -	\$ -	\$ 769,880	\$ 751,762	\$ 3,161,185	\$ 4,053,882	\$ -	\$ (12,701)	\$ 3,931,065	\$ 4,792,943
713 Ambulatory care services	-	-	1,369,152	1,353,618	15,138,600	16,774,959	-	-	16,507,752	18,128,577
715 Community health services	-	-	1,027,458	1,205,935	7,473,083	7,450,369	-	-	8,500,541	8,656,304
716 Social services	10,389,607	10,615,989	7,675,077	8,145,772	5,402,512	5,495,724	-	1,786	23,467,196	24,259,271
Total	\$ 10,389,607	\$ 10,615,989	\$ 10,841,567	\$ 11,457,087	\$ 31,175,380	\$ 33,774,934	\$ -	\$ (10,915)	\$ 52,406,554	\$ 55,837,095

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

<u>For the year ended March 31,</u>	<u>2015</u>	<u>2014</u>
	(unaudited) Budget	Actual
Recoveries		
Dental travel recoveries	\$ -	\$ 40,893
		\$ 36,075
Expenses		
Dental travel	-	40,893
		36,075
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,**2015**

	(unaudited) Budget	Actual
Revenue		
Tli'cho Community Services Agency	\$ 700,000	\$ 699,996
Expenditures		
Compensation	680,000	680,000
Travel - Physicians	20,000	20,000
	700,000	700,000
Excess of Revenue	\$ -	\$ (4)

See scope limitation in the Independent Auditors' Report.

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

For the year ended March 31, 2015

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 898,941	\$ 898,941
Expenditures		
Groceries and miscellaneous	47,000	47,000
Medical and surgical supplies	33,558	33,558
Salaries and benefits	759,290	759,290
Training and supplies	39,093	39,093
Travel	20,000	20,000
	898,941	898,941
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**

For the year ended March 31,**2015**

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 250,000	\$ 250,000
Expenditures		
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

March 31,	Physician Reserve		Leave and Termination Benefits Reserve		Donations Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance, beginning of year	\$ -	\$ -	\$ 61,843	\$ 61,843	\$ 63,598	\$ 60,925	\$ 125,441	\$ 122,768
Transfer from (to) operating fund	27,020	-	-	-	(12,271)	2,673	14,749	2,673
Balance, end of year	\$ 27,020	\$ -	\$ 61,843	\$ 61,843	\$ 51,327	\$ 63,598	\$ 140,190	\$ 125,441