

**Sahtu Health & Social Services Authority
Financial Statements
Norman Wells, NT
Year End March 31, 2013**

Sahtu Health & Social Services Authority

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P.O. BOX 340
NORMAN WELLS, NT
X0E 0V0
Phone: (867) 587-3650
Fax: (867) 587-3436

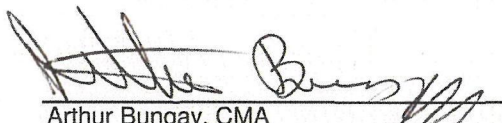
Sahtu Health Social Services Authority

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 public sector accounting standards, unless otherwise indicate in the notes to the financial statements. 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 systems 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 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.

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion of the financial statements in accordance with Canadian generally accepted auditing standards. The auditors' also considers whether the transactions that come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services, Government of the Northwest Territories.


Arthur Bungay, CMA
Director of Finance and Administration

June 28, 2013



VERY, COOPER & Co.

Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Sahtu Health and Social Services Authority, which comprise the Statement of Financial Position as at March 31, 2013, and the Statements of Operations, Changes in Net Financial Resources and Changes in Financial Position for the year then ended. We have also audited the revenue and expenditures of programs funded through contribution agreements by the Departments of Health and Social Services which total \$250,000 or more as listed in Schedule F.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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.

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 of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The GNWT is responsible for the calculation and distribution of the salaries and wages that appear on the statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Agency's records.

Qualified Opinion

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2013 and the results of operations, net debt and changes in financial position for the year then ended in accordance with Canadian public sector accounting standards.



VERY COOPER IS A MEMBER OF MSI, AN INTERNATIONAL ASSOCIATION OF INDEPENDENT PROFESSIONAL FIRMS

Report on Other Legal and Regulatory Requirements

We further report, in accordance with the Financial Administration Act, in our opinion, proper books of account have been kept by the Sahtu Health and Social Services Authority, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Authority.

Avery, Cooper & Co.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

June 28, 2013

Sahtu Health & Social Services Authority

Statement of Financial Position

As of March 31, 2013

FINANCIAL ASSETS

	2013	2012
Cash	312,764	356,137
Accounts Receivable	43,036	31,502
Accounts Receivable- GNWT	873,388	508,856
	<u>1,229,188</u>	<u>896,495</u>

LIABILITIES

Accounts Payable	463,319	386,673
Accounts Payable- GNWT	482,256	312,513
Wages & Benefits Payable - GNWT	624,486	540,727
Employee Leave and payroll related Liabilities-GNWT (Note 3)	589,668	452,848
	<u>2,159,729</u>	<u>1,692,761</u>

Net Financial Assets/(Debt)

<u>(930,541)</u>	<u>(796,266)</u>
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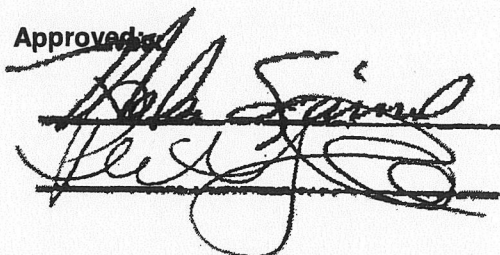
Non-Financial Assets

Inventory (Note 6)	82,403	-
Prepaid Expenses	10,865	42,270
	<u>93,268</u>	<u>42,270</u>

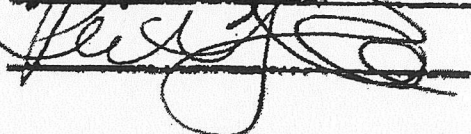
Accumulated Surplus/(Deficit)

<u>(837,272)</u>	<u>(753,996)</u>
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Approved:



Chairperson



Chief Executive Officer

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

Statement of Operations

For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
REVENUE			
Territorial Operating Advance (Schedule A)	\$ 11,739,000	\$ 11,593,631	\$ 10,752,420
Other Recoveries (Schedule B)	109,800	107,831	132,810
Other Revenues (Schedule C)	1,425,786	1,084,609	521,701
Non-insured Health Benefits (Schedule E)	164,900	245,663	198,202
Investment Revenue	18,000	16,460	22,135
	13,457,486	13,048,194	11,627,268
EXPENDITURES			
Administration (Schedule D)	1,550,905	1,473,701	1,421,148
Ambulatory Care Services (Schedule D)	931,000	785,631	794,062
Community Health Services (Schedule D)	7,954,906	7,955,664	7,194,334
Social Services (Schedule D)	2,585,440	2,492,326	2,315,773
Education (Schedule D)	270,335	178,486	28,291
Non-Insured Expenses (Schedule E)	164,900	245,663	198,202
	13,457,486	13,131,471	11,951,810
OPERATING SURPLUS (DEFICIT)	-	(83,277)	(324,542)
Unfunded Items			
Change in employee leave and termination benefits (Note 3)	-	136,820	23,393
ANNUAL SURPLUS (DEFICIT) Before the Following	-	53,544	(301,149)
Amortization of Building & Equipment	257,577	257,577	263,530
Grant-in-Kind - GNWT Assets provided at no cost	(257,577)	(257,577)	(263,530)
ANNUAL SURPLUS (DEFICIT)	-	53,544	(301,149)
Opening Accumulated Surplus	-	(753,996)	(4,556)
Prior Year's Adjusted Surplus transfer to DHSS		-	(424,898)
Closing Accumulated Surplus	-	(837,272)	(753,996)

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

Statement of Changes in Net Financial Resources (Debt)

For the year ended March 31, 2013

	2013	2012
Annual Surplus/(Deficit)	(83,277)	(324,543)
Acquisition of Prepaids	(10,865)	(42,270)
Acquisition of Inventory	(82,403)	-
Consumption of Inventory	-	-
Use of Prepaid Expenses	42,270	-
Prior Year's Adjusted Surplus transfer to DHSS	-	(424,898)
(Increase)/Decrease in net debt	(134,275)	(791,710)
Opening net financial resources	(796,266)	(4,556)
Closing net financial resources	(930,541)	(796,266)

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended March 31, 2013

	2013	2012
Annual Operating Surplus (deficit)	(83,277)	(324,543)
Pror year Adjusted Surplus Transfer to DHSS	-	(424,898)
Accounts Receivable	(376,067)	(8,710)
Accounts Payable and Accrued Liabilities	246,390	193,457
Employee and Payroll liabilities	83,759	52,269
Inventory	(82,403)	-
Prepaid	31,404	(42,270)
Employee Leave and Termination Benefits	136,821	23,392
Net Cash from Operations	(43,373)	(531,303)
Cash Provided by Investing Transactions	-	-
Cash Provided by Financing Transactions	-	-
Increase/(Decrease) in Cash and Cash Equivalents	(43,373)	(531,303)
Opening Cash and Cash Equivalents	356,137	887,440
Closing Cash and Cash Equivalents	312,764	356,137

See accompanying notes and schedules.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2013

1. NATURE OF OPERATIONS

The Sahtu Health & Social Services Authority (the "Authority") was established under the Hospital Insurance and Health and Social Services Administration Act on October 1, 2003 to manage, control and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services. Consequently the Authority is dependent upon funding from the Department of Health & Social Services.

2. SIGNIFICANT ACCOUNTING POLICIES

a) General

The financial statements are prepared in accordance with the Public Sector Accounting Standards and as directed by the Government of the Northwest Territories - Department of Health and Social Services. The accounting policies of the Authority are as follows:

b) Tangible capital assets

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA's over \$50,000 are amortized over the estimated useful lives of the assets at the rates established by the Financial Administration Manual of the GNWT. The amortization expense is recorded with an offsetting amount as Grant in Kind Revenue, representing the use of the assets that are owned by the GNWT.

c) Inventory

The Authority has established the policy of accounting for inventory at the lower of cost or replacement value.

d) Operating Surplus (Deficit)

The Operating Surplus (Deficit) section of the Statement of Financial Position reflects any accumulated excess expenditures over revenue (net of repayments from or to the Department of Health & Social Services). The Authority is funded using a block funding approach. Under this approach the authority is responsible for all deficits and is to return the "Adjusted Operating Surplus" to the Department of Health and Social. The Authority can request to retain up to 1% of the Audited revenues to a maximum of \$250,000 with certain stipulations. At March 31, 2013 the Authority had an accumulated Deficit of \$837,273.

e) Budget

The presented budget figures are those approved by the Department of Health & 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 contribution agreement prohibits the Authority from budgeting for a deficit.

f) Revenue Recognition

Revenue is recognized as per the Department of Health and Social Services directives. Other revenue is recognized when the service is performed or goods provided.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2013

g) Pension Contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan. These contributions represent the total liability to the Authority.

h) Use of Estimates

The preparation of these financial statements in conformity with Public Sector Accounting Standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. The actual results may differ from these estimates.

3. EMPLOYEE LEAVE AND TERMINATION BENEFITS

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn 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 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. Revenue is not accrued in the current period as funding from the Department of Health and Social Services is not directly linked to the employee leave and termination benefit and is not currently receivable.

Employee leave and termination benefits are comprised as follows:

	2013	2012
<i>Leave</i>	290,555	194,562
<i>Termination, Severance, Resignation, Retirement</i>	111,913	103,662
<i>Removal</i>	187,200	154,624
	589,668	452,848
<i>Less: portion included in current liabilities</i>	290,555	194,562
<i>Long term portion</i>	299,113	258,286

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2013

4. CONTRACTUAL OBLIGATIONS

The Authority has entered into agreements for, or is contractually committed to, the following expenses subsequent to March 31, 2013.

	Expires in Fiscal Year	2013	Remaining Obligation	Total
Commercial & Residential Leases				
Seamus Quigg	2014	21,300	27,000	48,300
Steven Rose	2014	21,600	27,000	48,600
Norman Wells Claimant Corporation I	2018	16,960	278,180	295,140
Northwest Territories Housing Corp	2014	2,300	13,800	16,100
Northwest Territories Housing Corp	2013	37,500	25,000	62,500
Equipment Leases				
Xerox Canada Limited	2017	7,895	39,475	47,370
Total		107,555	410,455	518,010

Responsibility of the Deline Wellness Centre Lease was assumed by the Department of Public Works on April 1, 2013

5. EXPENSES SET OFF WITH GRANTS IN KIND

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates:

Buildings	40 Years
Computer & Software	7 Years
Furniture, Fixtures & Equipment	15 years

			2013	2012
	Cost (unaudited)	Accumulated Amortization (unaudited)	Net Book Value (unaudited)	Net Book Value (unaudited)
Buildings	7,777,795	(4,886,043)	2,891,752	3,144,931
Furniture, Fixtures & Equipment	66,955	(60,358)	6,597	10,995
Computer & Software	46,728	(46,728)	-	-
	7,891,478	(4,993,129)	2,898,349	3,155,926

The above information was provided by the Government of the Northwest Territories.

Amortization expense for 2012-13 is \$257,577 (\$263,530 2011-12).

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2013

6. INVENTORY

Inventories, consisting of medical supplies and drugs and vaccines are held for consumption as part of the provision of service and not for re-sale. Items are expensed when taking out inventory. Previously years inventory levels and costs were such that it was not material to be recorded on the prior Audited Statements.

	2013	2012
Medical Supplies	69,604	-
Pharmacy	12,799	-
	82,403	-

7. ECONOMIC DEPENDENCE

The Authority is dependent on funding from the Government of the Northwest Territories. Management acknowledges that the operations would be negatively affected if funding agreements were to change.

8. EXPENSES BY OBJECT

	2013	2012
Compensation	9,421,379	8,430,805
Other	3,967,669	3,784,535
	13,389,048	12,215,340

9. FINANCIAL INSTRUMENTS

The Authority's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Authority is not exposed to significant interest, or credit risks arising from these instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying value.

10. RELATED PARTY TRANSACTIONS

There are no further transactions with related parties and balances at year end then already disclosed elsewhere in the financial Statements,

11. PRIOR YEAR FIGURES

The prior years figures have been modified to conform with current year presentation

Sahtu Health & Social Services Authority
SCHEDULE A
Schedule of Territorial Operating Advances
For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
<i>Authority Administration</i>	1,124,000	1,124,000	1,043,000
<i>Equipment (under \$50,000)</i>	13,000	13,000	13,000
<i>Health Centres</i>	5,533,000	5,533,000	5,136,000
<i>Physician Services to NWT Residents</i>	931,000	785,631	794,062
<i>Intervention Services</i>	52,000	52,000	52,000
<i>Foster Care</i>	768,000	768,000	768,000
<i>Prevention & Promotion</i>	276,000	276,000	225,000
<i>Authority Social Services Delivery</i>	2,090,000	2,090,000	1,863,000
<i>Family Violence</i>	122,000	122,000	122,000
<i>Community Wellness Programs</i>	106,000	106,000	67,000
<i>Home Care</i>	724,000	724,000	669,357
	11,739,000	11,593,631	10,752,420

Sahtu Health & Social Services Authority
SCHEDULE B
Schedule of Other Recoveries directly from Third Parties
For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
Other Recoveries directly from Third Parties			
<i>RCMP</i>	4,200	6,000	13,125
<i>WSCC</i>	18,600	21,330	31,430
<i>Private Insurance Plans</i>	-	-	495
<i>Other Provincial Plans</i>	76,800	68,864	77,169
<i>Co-payment Users</i>	10,200	11,093	8,546
<i>Other Payment Sources</i>	-	544	2,045
	<u>109,800</u>	<u>107,831</u>	<u>132,810</u>

Sahtu Health & Social Services Authority
SCHEDULE C
Schedule of Other Revenues
For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
Other Revenue from the GNWT			
<i>Enhanced Home Care</i>	606,084	597,879	395,219
<i>Nutrition North</i>	86,048	30,875	25,649
<i>Community Wellness Program</i>	84,840	42,089	-
<i>Healthy Family Program</i>	248,634	108,049	-
<i>Diabetes Awareness</i>	67,776	67,776	7,353
<i>Mental Health First Aid</i>	22,930	6,897	-
<i>Community Health Nurse Development</i>	270,335	178,486	-
<i>PDI</i>	-	-	28,291
<i>Other</i>	-	-	4,175
	<u>1,386,646</u>	<u>1,032,050</u>	<u>460,687</u>

Sahtu Health & Social Services Authority
SCHEDULE C
Schedule of Other Revenues
For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
<i>Grants</i>	3,200	750	5,061
<i>NIHB Administration Fee</i>	-	1,488	-
<i>Compensation Recoveries</i>	-	-	13,058
<i>Donations - Unrestricted</i>	-	1,650	8,200
<i>Transient Accommodation</i>	35,940	48,670	34,695
	<u>39,140</u>	<u>52,558</u>	<u>61,014</u>
	<u>1,425,786</u>	<u>1,084,609</u>	<u>521,701</u>

Sahtu Health & Social Services Authority

SCHEDULE D

Schedule of Expenses by Functional Services

For the year ended March 31, 2013

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowances		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Administrative and Support Services	-	-	334,419	373,521	1,216,486	1,074,413	-	25,767	1,550,905	1,473,701
Ambulatory Care Services	-	-	144,305	237,947	786,695	547,684	-	-	931,000	785,631
Community Health Services	1,093,381	846,667	1,505,458	1,653,784	5,356,067	5,455,213	-	-	7,954,906	7,955,664
Social Services	22,930	6,897	726,864	793,177	1,835,646	1,692,251	-	-	2,585,440	2,492,326
Education	270,335	178,486	-	-	-	-	-	-	270,335	178,486
	<u>1,386,646</u>	<u>1,032,050</u>	<u>2,711,046</u>	<u>3,058,430</u>	<u>9,194,894</u>	<u>8,769,560</u>	<u>-</u>	<u>25,767</u>	<u>13,292,586</u>	<u>12,885,808</u>

For the year ended March 31, 2012

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowances		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Administrative and Support Services	-	-	291,711	305,729	1,299,225	1,118,308	-	(2,889)	1,590,936	1,421,148
Ambulatory Care Services	-	-	144,305	229,193	724,404	564,869	-	-	868,709	794,062
Community Health Services	535,342	432,397	1,276,488	1,514,686	5,162,254	5,247,251	-	-	6,974,084	7,194,334
Social Services	-	-	752,937	815,397	1,343,416	1,500,376	-	-	2,096,353	2,315,773
Education	42,015	28,291	-	-	-	-	-	-	42,015	28,291
	<u>577,356</u>	<u>460,687</u>	<u>2,465,441</u>	<u>2,865,005</u>	<u>8,529,299</u>	<u>8,430,805</u>	<u>-</u>	<u>(2,889)</u>	<u>11,572,096</u>	<u>11,753,608</u>

Sahtu Health & Social Services Authority
SCHEDULE E
Schedule of Non-Insured Recoveries and Expenses
For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
<i>Recoveries</i>	164,900	245,663	198,202
<u>Expenses</u>			
<i>Transportation</i>	-	-	-
<i>Vision</i>	-	-	-
<i>Drugs</i>	21,000	21,398	20,811
<i>Medical Supplies</i>	-	-	-
<i>Dental</i>	143,900	224,265	177,392
<i>Medical Equipment</i>	-	-	-
	164,900	245,663	198,202
 Net Expenditures	 -	 -	 -

Sahtu Health & Social Services Authority

SCHEDULE F

Contribution Agreement

Home Care Enhancement Program

SC-407330

For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
Funding			
GNWT			
Department of Health & Social Services	606,084	597,879	395,219
Expenditures			
Compensation and Benefits			
Regional			4,896
Norman Wells	45,055	36,762	35,974
Tulita	37,654	32,795	21,844
Fort Good Hope	152,118	154,540	149,090
Deline	208,517	235,321	147,516
Colville Lake	18,308	8,475	5,000
Compensation and Benefits Total	461,652	467,893	364,320
Operations & Maintenance			
Regional	15,787	10,923	24,916
Tulita	43,598	45,213	3,458
Fort Good Hope	36,433	29,292	2,525
Deline	44,500	40,443	-
Colville Lake	4,114	4,114	-
Operations & Maintenance Total	144,432	129,986	30,899
Expenditure Total	606,084	597,879	395,219
Excess Funding Over Expenditures	-	-	-

Sahtu Health & Social Services Authority
SCHEDULE K
Schedule of Reserves
For the year ended March 31, 2013

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