Stanton Territorial Health Authority

Financial Statements

March 31 2011

CHARTERED
ACCOUNTANTS
MacKay LLP

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Independent Auditors' Report

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

We have audited the accompanying financial statements of the Stanton Territorial Health Authority as at March 31, 2011, which comprise the operating fund balance sheet and the operating fund's statements of equity, operations and changes in financial position and the endowment and special fund balance sheet and statement of revenue, expenditures and surplus for the year then ended.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of these financial statements in accordance with the basis of accounting required by the Government of the Northwest Territories applied on a basis consistent with the preceding year, 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 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 of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion
Salaries and benefits paid to employees of the Authority are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories. Our audit scope was limited as we were instructed not to audit the components of salaries and benefits expenditures. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenditures, accounts payable and accrued liabilities, surplus (deficit), and employee leave and termination 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 Stanton Territorial Health Authority as at March 31, 2011, and its financial operations, and changes in financial position for the year then 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.

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Independent Auditors' Report (continued)

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 my notice have, in all material aspects, been within the statutory powers of the Authority.

We have also audited the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total $50,000 or more, as listed in Schedule C and F. Except for the limitation already described in the Basis for Qualified Opinion paragraph, these statements are prepared, in all material respects, the funding and expenditures of all Health and Social Services funded programs of $50,000 or more per Schedule C and F for the year ended March 31, 2011, in accordance with the provisions established by the individual contribution agreements.

Basis of Accounting and Restriction on Use
Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to report the activities of Stanton Territorial Health Authority, and will be consolidated into the financial statements of the Government of the Northwest Territories. As a result, the financial statements may not be suitable for any other purpose. Our report is intended solely for Stanton Territorial Health Authority and the Government of the Northwest Territories.

MacKay LLP

Chartered Accountants

Yellowknife, Northwest Territories
July 14, 2011

STATEMENT I

Stanton Territorial Health Authority

Operating Fund - Balance Sheet

As at March 31	2011	2010
Assets		
Current		
Cash	$ 2,944,956	$ 2,911,073
Restricted cash (capital advance) (Note 4 and Note 7)	705,977	332,347
Accounts receivable (Note 5)	16,037,135	16,067,485
Inventory (Note 6)	1,233,239	1,314,827
Prepaid expenses	481,176	423,015
	$ 21,402,483	$ 21,048,747
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 36,267,716	$ 34,265,204
Deferred revenue (Note 8)	39,524	179,992
Current portion of employee leave and termination benefits (Note 9)	2,091,108	2,004,538
	38,398,348	36,449,734
Long Term		
Employee leave and termination benefits (Note 9)	**2,619,235**	2,550,831
	41,017,583	39,000,565
Equity		
Operating Fund	**(14,904,757)**	(13,396,449)
Leave and Termination Liability Fund	**(4,710,343)**	(4,555,369)
	(19,615,100)	(17,951,818)
	$ 21,402,483	$ 21,048,747

Contingent Liabilities (Note 10)
Contractual Obligations (Note 11)

Approved on behalf of the Authority

Rob Grey A/Chief Executive Officer

Public Administrator

STATEMENT II

Stanton Territorial Health Authority

Operating Fund - Statement of Operations

For the year ended March 31,		2011	2010
	(unaudited) Budget	Actual	Actual
REVENUE			
Operating advances from the GNWT (Schedule A)	$ 69,112,000	$ 72,988,000	$ 69,930,000
Other recoveries (Schedule B)	18,970,304	20,302,703	19,373,618
Other revenues (Schedule C)	5,906,121	5,997,471	2,628,844
Non-insured recoveries and expenses (Schedule E)	8,244,500	9,384,874	8,418,316
Investment revenue	20,000	75,989	21,686
	102,252,925	**108,749,037**	100,372,464
EXPENDITURES			
Administration and support services (Schedule D)	36,598,807	37,963,923	37,138,803
Nursing Inpatients / Residents (Schedule D)	19,840,685	19,582,310	19,245,464
Ambulatory care services (Schedule D)	21,906,424	22,720,437	22,189,782
Diagnostic and Therapeutic Services (Schedule D)	19,107,247	18,685,584	17,482,578
Community health services (Schedule D)	767,374	757,734	1,387,129
Education (Schedule D)	1,469,478	1,317,457	1,534,687
Non-insured recoveries and expenses (Schedule E)	8,244,500	9,384,874	8,418,316
	107,934,515	**110,412,319**	107,396,759
OPERATING DEFICIT	**(5,681,590)**	**(1,663,282)**	(7,024,295)
UNFUNDED ITEM:			
Change in employee leave and termination benefits	-	**154,974**	(210,120)
DEFICIT BEFORE THE FOLLOWING	**(5,681,590)**	**(1,508,308)**	(7,234,415)
Rent expense - GNWT assets provided at no cost (note 12)	-	**(2,114,299)**	(2,938,533)
Grant-in-kind - GNWT assets provided at no cost (note 12)	-	**2,114,299**	2,938,533
DEFICIT	**$ (5,681,590)**	**$ (1,508,308)**	$ (7,234,415)

STATEMENT III

Stanton Territorial Health Authority

Operating Fund - Statement of Changes in Financial Position

For the year ended March 31,	2011	2010
Operating activities		
Cash received from:		
Government of the Northwest Territories	$100,795,105	$ 93,646,636
Government of Canada	896,560	489,898
Recoveries and general revenue	2,214,167	2,424,643
Projects for Canada, Nunavut, and others	4,165,959	1,786,448
Recovery of costs incurred for related parties	743,851	1,366,739
	108,815,642	99,714,364
Cash paid for:		
Compensation and benefits	(68,938,141)	(50,128,046)
Grants and contributions	(50,000)	(50,000)
Operations and maintenance	(39,290,805)	(47,811,797)
Projects for Canada, Nunavut and others	2,133	(1,800)
Direct costs incurred for related parties	(131,316)	232,868
	(108,408,129)	(97,758,775)
Net cash inflow (outflow) from operating activities	**407,513**	1,955,589
Increase in cash and short term investments during the year	**407,513**	1,955,589
Cash and short term investments, beginning of year	**3,243,420**	1,287,831
Cash and short term investments, end of year	**$ 3,650,933**	$ 3,243,420
Represented by		
Cash	$ 2,944,956	$ 2,911,073
Restricted cash (capital advance)	705,977	332,347
	$ 3,650,933	$ 3,243,420

Stanton Territorial Health Authority

Operating Fund - Statement of Equity

For the year ended March 31,			2011	2010
	Operating Fund	Leave and Termination Liability Fund	Total Equity	Total Equity
Balance beginning of year	$ (13,396,449)	$ (4,555,369)	**$ (17,951,818)**	$ (10,927,523)
Operating deficit	(1,663,282)	-	**(1,663,282)**	(7,024,295)
Change in leave and termination benefits	154,974	(154,974)	**-**	-
Balance, end of year	**$ (14,904,757)**	**$ (4,710,343)**	**$ (19,615,100)**	$ (17,951,818)

STATEMENT V

Stanton Territorial Health Authority

Endowment and Special Purpose Fund
Balance Sheet

As at March 31	2011	2010
Assets		
Cash	$ 89,747	$ 86,159
Accounts receivable	-	24
	$ 89,747	$ 86,183
Surplus		
Accounts payable	$ 450	$ -
Endowment and special purpose funds surplus	89,297	86,183
	$ 89,747	$ 86,183

Approved on behalf of the Authority

A/Chief Executive Officer

Public Administrator

Stanton Territorial Health Authority

Endowment and Special Purpose Fund
Statement of Revenue, Expenditures and Surplus

For the year ended March 31	Unrestricted	Equipment	Comfort	Elks	2011 Total	2010 Total
Surplus, beginning of year	$ 19,759	$ 31,611	$ 17,680	$ 17,133	**$ 86,183**	$ 61,909
Revenue						
Donations and grants	158	-	-	12,500	12,658	29,211
Patient funds	-	-	8,045	-	8,045	15,453
Other	424	-	-	-	424	131
Interest	188	-	25	-	213	3
	770	-	8,070	12,500	**21,340**	44,798
Expenditures						
Equipment	-	-	-	3,449	3,449	10,396
Patient funds	-	-	13,745	-	13,745	9,040
Other	1,032	-	-	-	1,032	1,088
	1,032	-	13,745	3,449	**18,226**	20,524
Net change in funds	**(262)**	-	**(5,675)**	**9,051**	**3,114**	24,274
Surplus, end of year	**$ 19,497**	**$ 31,611**	**$ 12,005**	**$ 26,184**	**$ 89,297**	$ 86,183

1. Authority

The Stanton Territorial Health 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 wide range of hospital services to the Northwest Territories.

2. Accounting Policies and Reporting Procedures

Basis of presentation

These financial statements have been prepared in accordance with the directives of the Department of Health and Social Services ("DHSS"). The following is a summary of the significant accounting policies used by management in the preparation of the financial statements.

(a) Other organizations

The financial statements do not include the assets, liabilities and activities of any organizations that are related to the Authority, such as the Ladies Auxiliary or the Stanton Territorial Hospital Foundation.

(b) Funds

The accounts of the Authority are maintained in separate funds.

Operating Fund - reflecting activities associated with the Authority's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments, bequests and trust funds made available to the Authority under conditions specified by donors or the legal representatives of fund held in trust.

(c) Surplus reserves

The DHSS policy requires the Authority to establish the following reserves:

Deficit Reserve - reflects 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 GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

The Authority does not have sufficient funds to establish these reserves.

2. Accounting Policies and Reporting Procedures (continued)

(d) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

(e) Capital assets

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

(f) Territorial operating advance

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.

(g) Inventories

Inventories are valued at the lower of cost and current replacement value

(h) Accrued employee leave and termination benefits

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

(i) 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 MD Management. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis

(j) Revenue recognition

Territorial Health Insurance Service funding is recognized as dictated by the DHSS. The revenue is recognized on a straight-line basis throughout the fiscal year.

Billings processed through the ICORE system by the medical centre's billing clerks are recognized as revenue upon receipt of payment from the DHSS Administration Office in Inuvik.

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

2. Accounting Policies and Reporting Procedures (continued)

(k) Use of estimates

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

3. Changes to Significant Accounting Policies

Public Sector Accounting Standards

Government NFPO's

In October 2010, the Public Sector Accounting Board ("PSAB") decided that, effective for fiscal years beginning on or after January 1, 2012, government not-for-profit organizations ("GNPO's") that have been preparing their financial statements in accordance with accounting standards for not-for-profit organizations contained in Section 4400 of the CICA Handbook, must report in accordance with the CICA's Public Sector Accounting Handbook into which Section 4400 will be incorporated. Alternatively, such GNPO's may adopt International Financial Reporting Standards ("IFRS"), for fiscal years beginning on or after January 1, 2012. Early adoption of either framework is permitted.

The Authority, as a publicly accountable GNPO receiving the majority of its funding from the GNWT will adopt Public Sector Accounting Standards effective April 1, 2012. The DHSS and the Authority have begun high level discussions on the impact of the transition, but the full extent of the impact has not yet been determined.

Government Transfers – Section PS 3410

In March 2011, PSAB revised and replaced Section PS 3410 – Government Transfers. The following changes have been made to the Section:

- A transferring government recognizes an expense when the transfer is authorized and recipients have met the eligibility criteria.
- Authorization by the transferring government can occur either by the date of the financial statements or during the period between the date of the financial statements and the issuance of those statements provided that the exercise of that authority occurred at the financial statement date.
- If a transferring government provides the transfer prior to the recipient meeting eligibility criteria, the transferring government cannot recognize a prepaid asset.
- A recipient government recognizes the transfer as revenue when the transfer was authorized by the transferring government, unless a liability is created for the recipient.
- For a recipient, the transferring government's authorization must be in place by the financial statement date.
- A liability related to the transfer for the recipient may result from:
  - receiving a transfer prior to the recipient meeting eligibility criteria;
  - specific stipulations contained in the transfer agreement; and
  - stipulations that are unclear but the recipient creates a liability through its own actions and communications that are related to the terms of the transfer by the financial statement date.
- Revenue is recognized as the liability is settled.

3. **Changes to Significant Accounting Policies (continued)**

Government Transfers – Section PS 3410 (continued)

- A liability may also result from the recipient's own actions and communications that are unrelated to the terms of the transfer by the financial statement date. In this case, an asset and revenue and a liability and expense would be recognized.

The Section applies to fiscal years beginning on or after April 1, 2012 and may be applied retroactively or prospectively.

The impact of the transition to these accounting standards has not yet been determined.

Liability for Contaminated Sites - Section PS 3260

In June 2010 PSAB released a Section PS 3260 – Liability for Contaminated Sites. This new Section establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites of governments and those organizations applying the CICA Public Sector Accounting Handbook. The main features of the new Section are as follows:
- A liability should be recognized when contamination exceeds an accepted environmental standard and the entity is directly responsible, or accepts responsibility for, the damage.
- A liability should be measured at the entity's best estimate of the costs directly attributable to remediation of the contamination.
- Outstanding site assessments do not negate the requirement to assess whether a liability exists.

This Section is effective for fiscal periods beginning on or after April 1, 2014.

The Authority does not believe the transition to this new accounting standard will have a material effect on their operations as they do not hold ownership interests in the properties on which they operate.

Financial Instruments - Section PS 3450 and related amendments to Financial Statement Presentation - Section PS 1200

In March 2011 PSAB approved a new Section PS 3450 - Financial Instruments, and related amendments to existing Section PS 1200, Financial Statement Presentation. The effective date for Section PS 3450 is April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. Governments and government organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

The impact of the transition to these accounting standards has not yet been determined.

4. **Restricted Cash (Capital Advance)**

The Authority received advances from the DHSS for purchase of capital assets for the Authority and other health authorities in the Northwest Territories. This amount represents the unexpended funds.

5. Accounts Receivable

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2011	Net 2010
Clinical	$ 105,497	$ 8,593	$ 96,904	$ 217,644
Government of Nunavut	2,462,909	1,500,416	962,493	2,861,167
Grants receivable	275,000	-	275,000	1,060,000
GST receivable	160,085	-	160,085	164,465
Inpatient	4,882,221	391,064	4,491,157	3,184,555
Medical travel	5,152,018	435,088	4,716,930	4,084,009
Miscellaneous	4,476,548	78,635	4,397,913	3,379,332
Outpatient	993,608	77,510	916,098	1,111,460
Travel advances	20,555	-	20,555	4,853
	$ 18,528,441	$ 2,491,306	**$ 16,037,135**	$ 16,067,485

6. Inventories

	2011	2010
General	$ 62,441	$ 80,247
General plant	233,200	300,448
Laboratory	141,654	122,482
Medical/Surgical	580,602	596,117
Pharmacy	215,342	215,533
	$ 1,233,239	$ 1,314,827

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal charge.

7. Accounts Payable and Accrued Liabilities

Accountable Capital Advances

The following accountable capital advances are included in accounts payable and accrued liabilities:

		2011		2010
Opening balance	$	332,347	$	545,884
Additions - GNWT		-		26,000
Additions - Stanton Foundation		400,000		-
		732,347		571,884
Disbursements		(26,370)		(239,537)
Closing balance	$	**705,977**	$	332,347

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, or an operating advance from the DHSS for the upcoming fiscal year. These amounts will be recognized in revenue as expenditures are incurred or conditions of funding are satisfied.

		2011		2010
Canadian breast cancer screening database	$	12,000	$	12,000
Cancer patient navigator project		-		44,568
Miscellaneous		27,524		-
Professional development initiative		-		123,424
	$	**39,524**	$	179,992

9. Employee Leave and Termination Benefits

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

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

	2011	2010
Removal	$ 1,231,592	$ 1,129,593
Termination	1,779,233	1,738,871
Leave	1,684,201	1,677,386
Other	15,317	9,519
	4,710,343	4,555,369
Less: portion included in current liabilities	**(2,091,108)**	(2,004,538)
Long term portion	**$ 2,619,235**	$ 2,550,831

10. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. The Authority is defending actions brought against them and management does not believe a significant loss will occur.

The Authority's operations are affected by federal, territorial and local laws and regulations regarding environmental protection. The Authority is committed to meeting these existing laws and regulations. Management is not aware of any material environmental liabilities.

11. Contractual Obligations

The Authority has commitments for office space leases, contractual agreements for services and purchases, and program contribution agreements which will require payment in upcoming years. The minimum annual payments for these commitments are as follows:

Fiscal Year	**Leased Space**	**Service Contracts**	**Total**
2012	$ 880,895	$ 20,899,865	$ 21,780,760
2013	650,664	12,413,443	13,064,107
2014	616,712	995,060	1,611,772
2015	279,274	162,439	441,713
2016 and thereafter	-	678,304	678,304
Total	**$ 2,427,545**	**$ 35,149,111**	**$ 37,576,656**

12. GNWT Assets Provided

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority. The GNWT charges the Authority annual rent expense for the use of the assets equal to the amortization expense of those assets to the GNWT. The GNWT provides the Authority with an annual grant-in-kind equal to the rent expenses to offset the expenditure.

Tangible Capital Assets are amortized over the estimated useful life of the assets at the following rates:

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

			2011	2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 44,356,552	$ 24,544,973	$ 19,811,579	$ 20,998,307
Mainframe and software systems	910,561	751,466	159,095	286,284
Medical equipment	8,015,060	5,132,088	2,882,972	3,587,149
Furniture and fixtures	412,400	360,031	52,369	114,544
	$ 53,694,573	$ 30,788,558	$ 22,906,015	$ 24,986,284

Rent expense for 2011 is $(2,114,299) (2010: $(2,938,533)) with an offsetting grant-in-kind.

13. Budget

Budget figures were those approved by the Authority's Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

14. Economic Dependence

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

15. 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 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 provided by Department of Human Resources, and internal audit services provided by the Financial Management Board Secretariat.

The Authority also controls the Stanton Territorial Hospital Foundation (the "Foundation"). The Foundation raises funds to be contributed to the acquisition of assets for the Authority. The Foundation is incorporated under the *Societies Act* of the Northwest Territories and is registered as a charity under the *Income Tax Act*.

The Foundation has not been consolidated in the Authority's financial statements. Financial statements of the Foundation are available upon request. A financial summary of this unconsolidated entity is as follows:

Financial Position as at March 31,	**2011**	2010
Total assets	$ 1,356,281	$ 1,942,458
Total liabilities (1)	811,042	1,131,703
Net assets (2)	**$ 545,239**	$ 810,755

Results of Operations for the year ended March 31,	**2011**	2010
Total revenues (3)	$ 730,758	$ 557,231
Total expenditures	570,033	472,103
Excess of revenue	**$ 160,725**	$ 85,128

Cash Flows as at March 31,	**2011**	2010
Cash from operations	$ (366,880)	$ 13,097
Cash generated by (used in) financing and investing activities	25,309	123,033
Change in cash position	**$ (341,571)**	$ 136,130

(1) At March 31, 2011 the Foundation owed $400,000 (2010 - $0) to the Authority.
(2) All of the Foundation's net assets must be provided to the Authority or be used for the Authority's benefit. In accordance with donor imposed restrictions, a surplus of $380,411 (2010 - $400,341) and a surplus of $51,109 (2010 - $45,254) is restricted for Run for Our Lives Fund and Capital Acquisition Fund respectively as designated by the donors.
(3) The Authority provided $50,000 (2010 - $50,000) to the Foundation as an operating contribution. The Authority also provides office space to the Foundation at no charge.

16. Financial Instruments

The following sections describe the Authority's financial risk management objectives and policies and the Authority's financial risk exposures.

Financial risk management objectives and policies:
The Authority has a formalized risk management position that adheres to the risk management objectives and policies as set by the GNWT. Risks identified are addressed by in-house counsel as well as by the GNWT - Department of Justice.

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

(a) Credit risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The Authority is exposed to credit risk from its customers. However, the Authority's customers are the GNWT as well as other Health Authorities in the territory, therefore credit risk is mitigated. The Authority's customers also include the Government of Nunavut and credit risk for this customer is mitigated as there are agreements between the territorial governments regarding service provision and payments. The Authority also has a significant number of individual customers which help to minimize the concentration of credit risk.

17. Capital Disclosure

The Authority's objective when managing capital is:

To safeguard the Authority's ability to continue as a going concern, so that it can continue to provide services to the community.

In the management of capital, the Authority includes all current assets and current liabilities as well as the operating fund.

The Authority manages the capital structure and makes changes to it in light of changes to the operating surplus/deficit and cash flow requirements. The Authority monitors capital on the basis of working capital calculation. This is calculated as current assets minus current liabilities as follows:

	2011	2010
Current Assets	$ 21,402,483	$ 21,048,747
Current Liabilities	(38,398,348)	(36,449,734)
	$ (16,995,865)	$ (15,400,987)

The Authority's working capital is determined primarily by the operating surplus/deficit. During the year, the Authority reported an operating deficit before the changes in employee leave and termination benefits which worsened the working capital calculation. The supplemental funding of $3,601,000 in the current year had allowed the Authority to report less of a deficit than originally intended. This supplemental funding was not received in the prior year.

SCHEDULE A

Stanton Territorial Health Authority

Schedule of Operating Advances from the GNWT

For the year ended March 31,	2011 (unaudited) Budget	2011 Actual	2010 Actual
Application systems	$ 100,000	$ 100,000	$ -
Authority administration	1,684,000	1,684,000	1,021,000
HR planning and development	-	-	64,000
Hospital services	43,377,500	43,652,500	44,645,500
Medical equipment	69,000	69,000	69,000
Medical travel	12,665,500	12,665,500	12,665,500
Medical travel prior year deficit	-	3,601,000	-
Physician services to NWT residents	11,125,000	11,125,000	11,374,000
Social service delivery	91,000	91,000	91,000
	$ 69,112,000	**$ 72,988,000**	$ 69,930,000

SCHEDULE B

Stanton Territorial Health Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2011	2010
	Actual	Actual
Other Recoveries from GNWT Departments	$13,352,607	$12,261,270
Other Recoveries from other GNWT Related Parties	1,444,371	1,317,962
	14,796,978	13,579,232
Other Recoveries Directly from Third Parties	**5,505,725**	5,794,386
	$ 20,302,703	$19,373,618

SCHEDULE C

Stanton Territorial Health Authority

Schedule of Other Revenues

For the year ended March 31,	2011	2010
	Actual	Actual
Other Revenues from the GNWT	$ 5,948,386	$ 2,582,069
Other Revenues from GNWT Related Parties	49,085	46,775
	5,997,471	2,628,844
Other Revenues Directly from Third Parties	-	-
	$ 5,997,471	$ 2,628,844

Stanton Territorial Health Authority

Schedule of Expenses by Functional Centre - Yellowknife

For the year ended March 31, 2011

	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowances		Total	
Functional Centre	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual
711 Administrative and support services	$ 50,000	$ 50,000	$17,734,075	$18,384,969	$18,814,732	$19,528,954	$ -	$ -	$36,598,807	$37,963,923
712 Nursing inpatients and residential services	-	-	1,995,777	1,732,694	17,844,908	17,849,616	-	-	19,840,685	19,582,310
713 Ambulatory care services	-	-	2,009,367	1,859,678	19,897,057	20,860,759	-	-	21,906,424	22,720,437
714 Diagnostic and therapeutic services	-	-	8,801,513	8,586,998	10,305,734	10,098,586	-	-	19,107,247	18,685,584
715 Community health services	-	-	156,443	74,648	610,931	683,086	-	-	767,374	757,734
718 Education	-	-	840,058	559,991	629,420	757,466	-	-	1,469,478	1,317,457
Total	$50,000	$50,000	$31,537,233	$31,198,978	$68,102,782	$69,778,467	$-	$-	$99,690,015	$101,027,44

SCHEDULE E

Stanton Territorial Health Authority

Schedule of Non-Insured Recoveries and Expenses

For the year ended March 31,	2011 (unaudited) Budget	2011 Actual	2010 Actual
Recoveries	**$ 8,244,500**	**$ 9,384,874**	$ 8,418,316
Expenditures			
Eye team	1,142,000	1,160,714	1,142,853
Eyeglasses	360,000	371,030	330,398
Medical travel	6,576,500	7,682,902	6,780,878
Patient aides	166,000	170,228	164,187
	8,244,500	**9,384,874**	8,418,316
Surplus	**$ -**	**$ -**	**$ -**

Stanton Territorial Health Authority

SCHEDULE F-1

Schedule of Contributions

Aboriginal Diabetes Initiative (HSS01-481)

For the year ended March 31	2011	
	Actual	(Unaudited) Budget
Funding		
Government of Northwest Territories	$ 36,805	$ 182,227
Expenditures		
Community outreach programs	35	40,900
Continuing education	4,078	15,000
Management fee	1,753	8,677
Personnel	30,609	116,000
Practical Diabetes Management	330	1,650
	36,805	182,227
Surplus	$ -	$ -

Stanton Territorial Health Authority

SCHEDULE F-2

Schedule of Contributions (continued)
French Language Services (HSS01-873)

For the year ended March 31,	2011	
	Actual	**(Unaudited) Budget**
Funding		
Government of Northwest Territories	$ 108,879	$ 116,700
Yellowknife Health and Social Services Authority	49,085	48,400
	157,964	165,100
Expenditures		
Bilingual bonus	5,162	8,000
Salary and benefits for relief	10,800	10,226
Salary and benefits for coordinator	98,006	96,800
Stand-by pay	27,828	33,000
Programs		
Travel and transportation	409	500
Services		
Advertising	15,165	14,000
Signage	-	200
Materials, supplies and equipment	594	600
	157,964	163,326
Surplus	$ -	$ 1,774

Schedule of Contributions (continued)
Graduate Nurse Placements Program (HSS01-126)

For the year ended March 31,	2011	
	Actual	(Unaudited) Budget
Funding		
Government of Northwest Territories	$ **198,456**	$ 198,456
Expenditures		
Compensation	244,555	197,911
Training	-	545
	244,555	198,456
Deficit	$ **(46,099)**	$ -

Stanton Territorial Health Authority

SCHEDULE F-4

Schedule of Contributions (continued)
Graduate Nurse Placement Program (HSS01-740)

For the year ended March 31,	2011	
	Actual	**(Unaudited) Budget**
Funding		
Government of Northwest Territories	**$ 114,649**	$ 120,000
Expenditures		
Compensation	**114,649**	120,000
Surplus	**$ -**	$ -

Stanton Territorial Health Authority **SCHEDULE F-5**

Schedule of Contributions (continued)
Graduate Nurse Placement Program (HSS01-544)

For the year ended March 31,	2011	
	Actual	**(Unaudited) Budget**
Funding		
Government of Northwest Territories	$ 15,560	$ 15,560
Expenditures		
Compensation	76,807	15,560
Deficit	$ (61,247)	$ -

Schedule of Contributions (continued)
Nurse Practitioner Training (SC417961)

For the year ended March 31,	2011 Actual	2011 (Unaudited) Budget
Funding		
Government of Northwest Territories	$ **56,661**	$ 56,661
Expenditures		
Compensation	**56,661**	56,661
Surplus	$ **-**	$ -

Stanton Territorial Health Authority

SCHEDULE F-7

Schedule of Contributions (continued)
Relocation to Centre Ice Plaza (HSS01-265am1)

For the year ended March 31,	2011	
	Actual	**(Unaudited) Budget**
Funding		
Government of the Northwest Territories	**$ 145,829**	$ 145,829
Expenditures		
Furniture and equipment	**145,829**	145,829
Surplus	**$ -**	$ -

Schedule of Contributions (continued)
THSSI - Physician Resident Program (SC-416621am1)

For the year ended March 31,	2011	
	Actual	(Unaudited) Budget
Funding		
Government of Northwest Territories	$ **54,000**	$ 54,000
Expenditures		
Accommodation	38,040	32,000
Miscellaneous	-	2,000
Travel	1,584	20,000
	39,624	54,000
Surplus	$ **14,376**	$ -

Schedule of Contributions (continued)
THSSI - Dialysis Program (SC-416623)

For the year ended March 31,	2011 Actual	2011 (Unaudited) Budget
Funding		
Government of Northwest Territories	$ **98,000**	$ 98,000
Expenditures		
Compensation	**98,000**	98,000
Surplus	$ **-**	$ -

Stanton Territorial Health Authority

SCHEDULE F-10

Schedule of Contributions (continued)
Establishing Diagnostic Capacity with FASD (HSS01-323am1)

For the year ended March 31,		2011
	Actual	**(Unaudited) Budget**
Funding		
Government of Northwest Territories	**$ 98,513**	$ 126,947
Expenditures		
Compensation	79,356	96,463
Equipment	2,037	3,000
Sundry	12,230	16,243
Training	47	-
Travel	4,843	11,241
	98,513	126,947
Surplus	**$ -**	$ -

Schedule of Contributions (continued)
REP Summer Student Funding (HSS01-902)

For the year ended March 31,	2011	
	Actual	(Unaudited) Budget
Funding		
Government of Northwest Territories	$ 55,335	$ 55,335
Expenditures		
Compensation	55,335	55,335
Surplus	$ -	$ -

Stanton Territorial Health Authority

SCHEDULE F-12

Schedule of Contributions (continued)
NWT Wide Laboratory Information System Co-ordinator (HSS01-1026)
and Laboratory Information System (HSS01-997)

For the year ended March 31,	2011 Actual	2011 (Unaudited) Budget
Funding		
Government of Northwest Territories - Co-ordinator	$ 71,593	$ 71,593
Government of Northwest Territories - System	27,453	25,471
	99,046	97,064
Expenditures		
Co-ordinator		
Compensation	71,593	71,593
System		
Compensation	29,071	25,471
Training	206	-
Travel	1,776	-
	102,646	97,064
Deficit	**$ (3,600)**	$ -

Stanton Territorial Health Authority

Schedule of Reserves

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Special Projects Reserve		Total	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
Balance, beginning of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

This is not used by the Authority