



August 9, 2019

Dena Zavier, President
Many Rivers
deniselnorman@gmail.com

Dear Ms. Zavier,

I am writing regarding the recent financial investigation of Many Rivers. The report that we received based on this investigation has raised a number of questions that need to be resolved before we can engage in discussions concerning negotiating a Transfer Payment Agreement (TPA). Although Many Rivers has a new board, this board must assume responsibility for the actions of the previous board as the organization has remained the same. The consequences of the decisions made by previous board members remain with the society, and are for the new board members to deal with. In light of these facts, we would like to know how you are planning to address the debts your organization has incurred and is legally liable for, including whether it is the plan of Many Rivers to use any of the funding provided by the Government of Yukon under a proposed TPA to cover past debts.

To begin with, we would like to understand how funds from the last Government of Yukon (YG) payment to Many Rivers were used. We request that you provide Health and Social Services (HSS) with the 2018-19 fourth quarter financial variance report. We have received unaudited financial statements and note that Many Rivers has recorded an accounts receivable of \$519,368. Our conclusion is that the majority of this amount is based on the assumption that YG will be providing a 2018-19 fourth quarter payment. In an August 6 email to HSS, you indicated that you believed the \$519,368 was the amount the previous Many Rivers board anticipated to be received from HSS. YG has not committed to this funding and the statements need to be restated to reflect this.

The financial investigation highlighted a number of areas of concern, particularly when there was a comparison between budget and actual expenditures. In the following categories, the actual expenditures were more than 10% higher than the budget:

- Communications: the actual expenditures are 33% greater than budget
- Office Equipment/Repair: the actual expenditures are 30% greater than budget
- Contracts-bookkeeping/audit: the actual expenditures are 115% greater than budget
- Contracts-Blood Ties Staffing and Cleaning/snow removal: the actual expenditures are 436% greater than budget
- IT- Computer network and maintenance: the actual expenditures are 73% greater than budget
- Board expenses: the actual expenditures are 75% greater than budget

- Travel/transportation: the actual expenditures are 58% greater than budget

The 2018-19 TPA states the following in schedule B B2.2 Budget:

The recipient may reallocate dollar amounts up to 10% between eligible expenses within the approved budget as long as service deliverables are not affected. The recipient may reallocate dollar amounts in excess of 10% on prior written approval from YG, for great certainty, such reallocation does not constitute an amendment for the purpose of this agreement.

Furthermore, Schedule D Reporting Requirements states that quarterly variance reports and forecasts were to be submitted, and that these variance reports were to show actual expenditures to date compared against budget and would include explanations where any line item is forecasted to be +/- 10%. YG never received these variance reports. For example, the 2018-19 budgeted wages for the Executive Director were \$115,900; however, the total wages paid to the Executive Director were \$139,662.23, an increase of 20.5%. As there was no formal request to reallocate the budget increases, we require an explanation for these increases, why YG was not informed about these increases, and why no variance reports were received.

In addition to the above expenditures that exceeded budget amounts, we also have concerns regarding spending on professional development/training. We would like an explanation for the amounts paid to the Paris School of Business for a Doctorate in Business Administration program and the process for approving those expenses. We also would like an explanation for the actual expenditures of \$65,480 towards HR Contingency, even though there was no specific budget for this category. We would like to know how Many Rivers is planning to address these areas of concern and we require an explanation of your organization's governance of its activities.

Many Rivers has, in addition, retained leased vehicles and rental offices in communities that are no longer required, and we require an explanation for why this has occurred. The Government of Yukon paid the rent for Many Rivers' Whitehorse office as an emergency measure to ensure that there was a location to store these confidential files and we would like to know why the files were not brought there.

Until we receive answers to the questions I have outlined above we will not be able to begin discussions regarding a TPA. If you require any clarification about what we are asking please contact Mary Vanstone, Director, Mental Wellness and Substance Use, at Mary.Vanstone@gov.yk.ca or (867) 667-8343. I look forward to receiving your response to our questions and concerns.

Sincerely,



Stephen Samis

Deputy Minister, Health and Social Services