



Affaires indiennes et du Nord Canada Indian and Northern Affairs Canada

# Year End Financial Reporting Handbook

February 2010



Canada 

# Year-End Financial Reporting Handbook

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## 1.0 INTRODUCTION

This handbook replaces the *Year-end Reporting Handbook for First Nations, Tribal Councils and First Nation Political Organizations* dated February 2009. It provides direction to Indian and Northern Affairs Canada (INAC) funding recipients that are First Nations, Tribal Councils or First Nation Political Organizations and their Agencies regarding their annual financial reporting requirements. Reporting to community members and Canadians on the use of public funds remains an essential element of the management control framework for transfer payments. INAC receives and reviews financial information in conjunction with non-financial information and undertakes compliance activities in order to: determine whether funds have been expended for the purposes intended; ensure terms and conditions of funding agreements have been met; and ensure that the recipient's financial situation is sufficiently stable in order to assure continued delivery of funded services.

In the case of Recipients other than First Nations, Tribal Councils or First Nation Political Organizations, this handbook should not be used as the specific reporting requirements for this Recipient type are found in Appendix A of the Recipient's Funding Agreement.

This handbook must be read in conjunction with the Recipient's funding agreement. Terms and conditions of the funding agreement specify that the Recipient must submit consolidated audited financial statements prepared in accordance with this handbook to INAC and make it available to members of the organization as appropriate. Recipients' annual financial reporting of INAC funding shall be prepared in accordance with generally accepted accounting principles (GAAP). The financial statements shall be audited and shall consolidate the activities of the entire reporting entity as defined in GAAP.

The Public Sector Accounting Board decided to eliminate the local government standards. As a result, there is now only one common reporting model for local, provincial, territorial and federal governments (*Common Government Reporting Model*). The change, effective for fiscal years beginning on or after January 1, 2009, applies to First Nations with fiscal years beginning April 1, 2009. The Year-End Financial Reporting Handbook does not detail public sector GAAP requirements. It only details specific annual financial reporting requirements for purposes of accountability for Federal Transfer Payments. It should be noted that this handbook is updated to reflect the 2009 changes to CICA recommendations. The Recipient is responsible for ensuring that all annual financial reporting requirements are met. It is therefore recommended that Recipients provide the Year End Financial Reporting Handbook to their auditors and to any Agencies to which they have transferred any Transfer Payments in order to assist them in understanding the Recipient's and their funded Agencies' annual financial reporting requirements.

## **2.0 SCOPE OF HANDBOOK**

This handbook applies to First Nations, Tribal Councils and First Nation Political Organizations that are funded through an INAC funding agreement. It also applies to the Agencies that have received funding from these Recipients.

Recipients other than First Nations, Tribal Councils or First Nation Political Organizations, should not use this handbook as the specific reporting requirements for this Recipient type are found in the Recipient's Funding Agreement.

## **3.0 REFERENCES**

Financial Administration Act of Canada

Indian Act

Indian Bands Revenue Money Regulations

Indian Oil and Gas Act

Canadian Institute of Chartered Accountants (CICA) Handbooks

Treasury Board of Canada Secretariat Policy on Transfer Payments

Funding Agreement between the Recipient and its Agency

Funding Agreement between the Recipient and INAC

INAC Manual for the Administration of Band Moneys

## 4.0 DEFINITIONS

For purposes of this handbook:

**“Agency”** means an authority, board, committee or other entity authorized to act on behalf of the Council where the Council is a First Nation OR an authority, board, committee, Member First Nation or other entity authorized to act on behalf of the Council where the Council is a Tribal Council.

**“First Nation”** means a “band” within the meaning of the *Indian Act*.

**“First Nation Political Organization”** means an organization established by a number of First Nations with common interests who voluntarily join together in view of carrying on political type activities. These organizations are typically led by the Chiefs of the Member First Nations and/or by individuals chosen by the Member First Nations to represent their community in the organization.

**“Recipient”** means an entity that has received Transfer Payments under the terms and conditions of an INAC funding agreement.

**“Transfer Payments”** means payments made from budgetary appropriations for which no goods or services are received by the Crown.

**“Tribal Council”** means an organization established by a number of First Nations with common interests who voluntarily join together to provide advisory and/or program services to Member First Nations.

## 5.0 GENERAL ANNUAL FINANCIAL REPORTING REQUIREMENTS

### 5.1 Annual Financial Statements - Recipients

The Recipient shall provide INAC with consolidated financial statements in accordance with GAAP. They shall be audited in accordance with generally accepted auditing standards.

### 5.2 Annual Financial Statements - Agencies

In certain instances INAC may provide Transfer Payments to a Recipient that in turn further distributes payments to an Agency for the delivery of programs and services funded under the terms and conditions of a Funding Agreement. Where the Recipient has transferred funding to an Agency, the Recipient remains accountable to INAC for the performance of its obligations as set out in the Funding Agreement. Therefore, where the Recipient has transferred funding to an Agency, the Agency shall provide its financial statements to the Recipient. Also, upon written request from INAC to the Recipient, a copy of the Agency’s financial statements shall be made available to INAC.

For the purposes of accounting for Transfer Payments, Agencies shall prepare their financial statements in accordance with the requirements set out in this handbook.

### **5.3 Generally Accepted Accounting Principles - First Nations**

The Public Sector Accounting Board, the organization that sets accounting standards in Canada for governments, decided to eliminate the local government standards so that there is only one common reporting model for local, provincial, territorial and federal governments. As a result, the PSA Handbook contains new accounting standards that apply to all levels of government, including local governments, effective for all fiscal years beginning on or after January 1, 2009. INAC's fiscal year begins April 1, meaning the new standards are applied to First Nations with fiscal years beginning on or after April 1, 2009.

First Nations are, and should be, considered governments from an accounting perspective. The CICA Public Sector Accounting Handbook (PSA Handbook) applies to all forms of government in Canada.

The CICA Financial Reporting by First Nations Study Group discussed, researched and consulted on the appropriate GAAP for First Nations. The *Financial Reporting by First Nations Report* has been published. This report recommends that First Nations adopt full accrual accounting and the Common Government Reporting Model as prescribed by the Public Sector Accounting Board.

### **5.4 Generally Accepted Accounting Principles - Tribal Councils and First Nation Political Organizations**

Tribal Councils and First Nation Political Organizations must adhere to the PSA Handbook accounting recommendations of the Common Government Reporting Model unless GAAP definitions and recommendations deem them to be more profit-oriented enterprises or not-for-profit organizations. If the recipient is deemed to be a profit-oriented enterprise or a not-for profit organization, the new standards do not apply and the Recipient should follow the relevant recommendations found in the CICA Handbook. It is the Recipients' responsibility with the help of its auditor to determine what recommendations are relevant to their organization.

## **6.0 INDIAN AND NORTHERN AFFAIRS CANADA ANNUAL FINANCIAL REPORTING REQUIREMENTS FOR RECIPIENTS**

### **6.1 Program / Service/ Project Revenues and Expenditures Schedules (see Annex A for examples)**

In addition to the consolidated financial statements required by GAAP, INAC requires that Recipients prepare separate schedules of revenues and expenditures for programs, services and projects specified in the funding agreement.

At minimum, the Program/Service/Project Revenue and Expenditure Schedules shall:

- present the information for the Programs/Services/Projects identified as a Contribution in the Funding Agreement separately and individually and shall not combine the information for the Programs/Services/Projects identified as Flexible Transfer Payments or Block Funding with the information for the Programs/Services/ Projects identified as Contribution;
- account for revenues (examples 1, 2 and 3 of Annex A) and capital funding received (example 4 of Annex A) by source;
- disclose all expenditures by object for each program, service or project specified in the funding agreement. Objects of expenditures represent items such as employee salaries and benefits, travel, material and supplies, and professional fees;
- include the budget figures for revenue;
- present cumulative surpluses (deficits); and
- detail opening and closing balances of deferred revenue.

Although Program/Service/ Project and Revenue and Expenditure Schedules need not be individually audited, the overall balances must be audited as part of the auditor's attestation to the summary/consolidated financial statements.

### **6.2 Capital Project Schedule (Annex A, Example 4)**

INAC requires that Recipients prepare a separate schedule of capital funding received and costs incurred specified in the funding agreement.

At minimum, the Capital Project Schedule shall:

- present the information for the capital funding identified as a Contribution in the Funding Agreement separately and individually and shall not



combine the information for the funding identified as Flexible Transfer Payments or Block Funding;

- account for capital funding by source;
- disclose all costs incurred by object for each project specified in the funding agreement. Objects of costs incurred represent items such as employee salaries and benefits, travel, material and supplies, and professional fees;
- include the budget figures for capital funding;
- present cumulative surpluses (deficits); and
- detail opening and closing balances of deferred funding.

Although the Capital Project Schedule need not be individually audited, the overall balances must be audited as part of the auditor's attestation on the summary/consolidated financial statements.

### **6.3 Funds Held in Trust**

There are two categories of Funds Held In Trust (FHIT) – those held by INAC in the Government of Canada's Consolidated Revenue Fund (CRF) and those held in private trusts outside of the CRF. These two types of trusts should be disclosed separately in the recipient's financial statements. Payroll deductions and employer's share for employee benefits should be held in private trusts and be disclosed separately in the recipient's financial statements.

FHIT withdrawn from the CRF in accordance with sections 64, 66 and 69 of the *Indian Act* must be accounted for and reported on in the financial statements. A "Statement of Receipt and Expenditure of Indian Moneys - Capital Trust Moneys" (see Annex B) or a "Statement of Receipt and Expenditure of Indian Moneys - Revenue Trust Moneys" (see Annex C) must be completed. These statements are to be audited by the auditor and form part of the audited financial statements to be submitted to INAC. This requirement is based on the *Indian Act* and on the *Indian Bands Revenue Money Regulations*.

FHIT withdrawn from the CRF can only be withdrawn based on the *Indian Act* and the *Indian Bands Revenue Moneys Regulations* by way of a Band Council Resolution (BCR). First Nations submit BCRs to INAC requesting the release of their Band Capital and Revenue Trust funds. These funds are to be expended for the purposes outlined in the BCR. The BCR should be used as the source document to ensure the expenditures reported in Annexes B and C have been expended for the purposes intended and in the appropriate service or program area. Where First Nation Trust Funds have been

released to a First Nation, the level of detail contained in the audited financial statements must be sufficient to enable departmental officials to confirm that these moneys were used for the purpose for which they were authorized. Therefore, withdrawals from Trust funds must be separately identified as being a source of revenue within the particular program or service schedule (see Annex A). It should be noted that INAC provides recipients with a monthly statement of accounts detailing the transactions of their FHIT in the CRF.

These schedules (Annexes B and C) must be audited by the auditor and where applicable, form part of the audited financial statements to be submitted to INAC.

## **6.4 Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration (Annexes D - E - F)**

### **6.4.1 Requirement for Schedules of Salaries, Honoraria, Travel and Other Remuneration**

The recipient must disclose to members of the organisation and to INAC compensation earned or accrued by elected or appointed officials and by unelected senior officials. At a minimum, the schedules must include the information described below in the *Elected or Appointed Officials* (Annex D) and *Unelected Senior Officials* (Annexes E - F) sections.

### **6.4.2 Elected or Appointed Officials (Annex D)**

A “Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration” must be prepared in accordance with Annex D.

The amounts to be disclosed must be from all sources within the recipient’s financial reporting entity including amounts from, but not limited to, economic development and other types of business corporations. The amounts included in this schedule must have been paid on behalf of, earned or accrued by elected or appointed officials and could include amounts such as travel expenses, debt write-offs, salaries and benefits from other employment in the reporting entity, and dividends or other such amounts received from businesses included in the recipient’s reporting entity.

For the purposes of this section, the elected or appointed officials are:

- The elected Chief and Council;
- In organizations with a Board of Directors, either the elected and/or appointed representatives in charge of the organization; and
- In instances where additional amounts are earned or accrued by any other elected Chiefs and Councils, that are not elected officials of the reporting entity, then the amounts earned or accrued by these individuals should also be disclosed.

### **6.4.3 Unelected Senior Officials (Annexes E - F)**

A “Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration”, must be prepared in accordance with either Annex E or Annex F.

NOTE: Those annexes shall NOT include information on elected or appointed officials as required in 6.4.2 above.

#### Option 1 - Annex E

The schedule in Annex E must disclose salary, honoraria, travel and other remuneration that have been earned or accrued by the Recipient’s unelected officials such as Executive Directors, Band Managers, Senior Program Directors and Managers by virtue of the position held.

#### Option 2 - Annex F

This option may only be used when approved salary ranges are in place. The schedule in Annex F requires disclosure of the approved salary range and the actual expenses for honoraria, travel and other remuneration that have been paid on behalf of, earned or accrued by the Recipient’s unelected officials such as Executive Directors, Band Managers, Senior Program Directors and Managers by virtue of the position held, for each position.

### **6.4.4 Auditor’s Attestation**

The schedules described above (Annexes D-E-F) must be accompanied by one of the following auditor’s attestations:

- an auditor’s report; or
- an auditor’s review engagement report.

### **6.5 Auditor’s Management Letter**

The CICA Handbook assurance recommendation 5220.07 states that “The auditor should communicate to the audit committee or equivalent, significant weaknesses in internal control which the auditor identifies during the course of the financial statement audit”. This communication is either referred to as an “Auditor’s Management Letter” or an “Internal Control Letter”. These letters and the recommendations contained therein are valuable management tools to help build recipient financial and administrative capacity.

It is strongly recommended that the “Auditor’s Management Letter” or “Internal Control Letter” be provided to INAC in all instances. However, this becomes a mandatory requirement in the following cases:

1. when a recipient is already under intervention (a continuation of a previously imposed intervention)
2. when a recipient is in default of its Funding Agreement and INAC deems that an intervention is required. INAC will request the "Auditor's Management Letter" or "Internal Control Letter" upon communication of the intervention to the recipient

**Note:** It is possible that not all First Nations will have fully implemented the required changes under the Common Government Reporting Model by the end of the 2009-10 fiscal year. If this result in a qualified opinion and all other requirements under the recipient's agreement are met, Indian and Northern Affairs Canada will not require the recipient to prepare a Remedial Management Plan.

## 6.6 Funding Reconciliation (Mandatory)

INAC must be able to reconcile funds provided to the Recipient. As a result, the following reconciliation must be submitted as part of the Audited Financial Statement package:

INAC Revenue per Financial Statements	\$ x
less: prior year deferred revenue - detailed by program/service	(\$ x )
add: current year deferred revenue - detailed by program/service	<u>\$ x</u>
INAC Revenue per funding confirmation	<u>\$ x</u>

In addition, the following information shall be included in the funding reconciliation:

- amounts due to / from INAC;
- detailed explanation of the discrepancies between the amounts stated in the agreement and the amounts in the financial statements;
- references to the corresponding page/notes in the Financial Statements;
- for Block Funded or Core Funded Services, details regarding transfers of INAC funding between Block Funded or Core Funded services; and
- other adjustments as applicable.

Annex G provides an example of a more informative reconciliation which details the amounts for clarification to members, program directors, and other financial statement users.

## **7.0 FEDERAL GOVERNMENT FUNDING – ANNUAL FINANCIAL REPORTING REQUIREMENTS (ANNEXES H - I - J - K)**

### **7.1 Scope**

The requirement to provide INAC with a Schedule of Federal Government Funding applies to First Nations, Tribal Councils and First Nation Political Organizations.

The following Transfer Payments are to be included in the Schedule:

- Transfer Payments directly received from any federal government department; and
- Transfer Payments that have flowed through another organization and that have ultimately been transferred to a Recipient. This funding must be traceable to a federal government funding source.

The amounts transferred to recipients for Comprehensive, Specific and other claims settlements are not to be included in the Schedule.

### **7.2 Background**

The Government of Canada acknowledges and respects the confidentiality of the Recipient's consolidated audited financial statements.

However, Canada is accountable for the public funds it administers. The release of the following information to the general public respecting where public funds have been spent will serve to inform of the many programs and services delivered by the recipient. Therefore, all recipients referred to in Section 7.1 that receive Transfer Payments must report on and disclose their use of federal government funding in the format described in sections 7.3 or 7.4. The option described in Section 7.4 is considered the minimum level of disclosure respecting the use of public funds.

### **7.3 Disclosure with Consolidated Financial Statements**

If a recipient prefers full disclosure to the public of its consolidated financial statements prepared in accordance with the Year-End Financial Reporting Handbook (YEFRH) instead of preparing a separate financial schedule as outlined in 7.4, then the recipient must accompany its financial statements with a signed Band Council Resolution, Chief's Resolution or other similar document authorizing the Government of Canada to disclose the information to the general public.

The information requirements set out in Sections 6.2, 6.3, 6.4 and 6.5 of the YEFRH are not mandatory for public disclosure using this option. The choice to omit this information must be identified through the signed Band Council Resolution, Chief's Resolution or other similar document that is submitted to INAC.

#### **7.4 Instructions for Preparing the Schedule**

The schedule contained in Annex H must be prepared in the following manner:

- 1) Amounts must be broken out by each individual federal government department which funds the recipient.
- 2) For the purposes of this schedule, amounts relating to each of the federal government departments may be presented using the federal government program and service categories set out in Annexes I through K. A similar level of detailed program reporting framework may also be used if it is considered a more accurate description of the Recipient's activities. For federal government departments that are not detailed in Annexes I through K, only the total amounts relating to that federal government department may be presented. Recipients who wish to expand on the detail or explanation of the funding and related expenditures may do so. This expanded detail may include reporting by types of expenditures under each program area or explanatory notes to the Schedule.
- 3) The Schedule must contain all of the following categories:
  - Column A - Federal Funding Received: Total federal government funding received in the current year for that specific program or service category. In instances where funding is provided to a recipient under a "block funded transfer payment", the amount should be presented in the program or service area where it has been budgeted/allocated by the recipient.
  - Column B - Unexpended Federal Funding - Beginning of Year: Total of unexpended amounts of federal government funding received in prior years. This amount may include surplus amounts retained by recipients, amounts due to the federal government that have not yet been reimbursed at the beginning of the year or deferred revenue at the beginning of the year, where permitted under the funding agreement.
  - Column C - Adjustments/Transfers: Amounts of funding received that have been transferred from/to eligible programs and services where permitted under the funding agreement. This column may also include amounts that have been reimbursed to / by the federal government.
  - Column D - Total Funding Available: Total of "Federal Funding Received", "Unexpended Federal Funding - Beginning of Year" and "Adjustments/Transfers".

- Column E - Expenditures are to be presented using either the “Federal Funding Expended” or the “Total Expenditures from All Sources” options detailed below. This presentation must be consistently applied to all programs and the option should be clearly identified.
  - Option 1 - When using the “Federal Funding Expended” option to present expenditures, the “Federal Funding Expended” should be equivalent to the total federal government funding spent in the program or service area. When using this option, the total amount of “Federal Funding Expended” must never exceed the “Total Federal Funding Available”.
  - Option 2 - When using the “Total Expenditures from All Sources” option to present expenditures, the “Total Expenditures from All Sources” must be equivalent to the recipient’s total yearly expenditures for each program and service area in which federal government funding was received. When using this option, there are instances where the “Total Expenditures from All Sources” will exceed the “Total Federal Funding Available” since some own-source revenue may have been used to fund the program or service.
- Column F - Unexpended Federal Funding - End of Year: Total of unexpended amounts of federal government funding at the end of the year i.e. “Total Federal Funding Available” minus “Federal Funding Expended” This amount may include surplus amounts retained by recipients, amounts due to the federal government at the end of the fiscal year or deferred revenue, where permitted under the funding agreement. When using the option of “Total expenditures from All Sources” detailed above, this column is not required.

4) The Schedule must be accompanied by one of the following auditor’s attestations:

- a separate auditor’s report; or
- an auditor’s review engagement report.

The auditor’s attestation should not limit in any way the Government of Canada’s ability to publicly disclose the Schedule of Federal Government Funding to the general public.

## 8.0 SUMMARY OF YEAR-END FINANCIAL REPORTING REQUIREMENTS

### Check List

The following must be provided to INAC as part of a Recipient’s year-end submission:

- Auditor’s report
- Consolidated (Summary) Statement of Financial Position\* - **audited**
- Consolidated (Summary) Statement of Operations\* (including budget figures) - **audited**

- Consolidated (Summary) Statement of Changes in Net Debt\* - **audited**
- Consolidated (Summary) Statement of Cash Flows\* - **audited**
- Notes to financial statements – **audited**
- Program/Service Revenues and Expenditures Schedules (including budget figures - Annex A) – **unaudited**
- Capital Project Schedule (Annex A, Example 4) - **unaudited**
- Statements of Receipt and Expenditure of Indian Moneys (Annexes B-C) – **audited**
- Schedules of Salaries, Honoraria, Travel Expenses and Other Remuneration (Annexes D - E - F) - **auditor's attestation (as per Section 6.4.4)**
- Auditor's Management Letter - **(as required in Section 6.5)**
- Funding Reconciliation (Annex G)
- Schedule of Federal Government Funding (Annexes H-I-J-K)\*\* - **auditor's attestation (as per Section 7.4)**

### **Explanatory Notes:**

The financial statements must be approved by the recipient. This approval will be in the form of a signature on the Statement of Financial Position and may include a Management Report acknowledging management's responsibility for the financial statements. The scope of the audit should be clear to the reader of the financial statements. The detail of which information has been audited is typically detailed in the introductory first paragraph of the auditor's report. All information contained in a note to the audited financial statements is also considered audited information.

\* : If the recipient is either a Tribal Council or a First Nation Political Organization which through the application of GAAP definitions and recommendations should adhere to CICA accounting recommendations for profit oriented enterprises or not-for-profit organizations, then the equivalent consolidated financial statements should be provided.

\*\* : A BCR which permits the public disclosure of the audited financial statements may be accepted instead of this Schedule.



**ANNEX A**  
**Examples of Program and Service Revenues and Expenditures Schedules**

**Revenues and Expenditures Schedule – Example 1**

Sample First Nation  
 Revenues and Expenditures Schedule  
 Program and Service XXX  
 For the Year Ended March 31, 20XX

	Budget 20(XX) <u>    </u> \$	20(XX) <u>    </u> \$	20(XX-1) <u>    </u> \$
<b>Revenues</b>			
INAC			
Band trust funds released			
- Revenue trust moneys			
- Capital trust moneys			
Province			
User fees			
Plus: Deferred revenue beginning of year			
Less: Deferred revenue end of year			
Total Revenues	_____	_____	_____
<b>Expenditures</b>			
Wages and salaries			
Hydro			
Maintenance and repairs			
Materials and supplies			
Professional fees			
Telephone			
Interest and bank charges			
Total Expenditures	_____	_____	_____
<b>Surplus</b>			
Cumulative Surplus - beginning of year	_____	_____	_____
Cumulative Surplus - end of year	_____	_____	_____

**Example 2** - Suggested format for the Social Development Program Revenue and Expense schedule. Please note the separate accounts for the revenue (by source) and the expenditure (by object).

**EXAMPLE 2**

Recipient's Name  
 Revenues and Expenditures Schedule  
 Program/Service - Social Development  
 For the Year Ended March 31, 20XX

	Budget 20(XX) \$	20(XX) \$	20(XX-1) \$
<b>Revenues</b>			
INAC Funding			
Social Services - Basic Needs			
Social Services - Special Needs			
Social Services - In Home Care			
Social Services – National Child Benefit (NCB) Reinvestment			
Social Services - Service Delivery			
Band trust funds released			
Revenue trust moneys			
Capital trust moneys			
Province			
User fees			
Plus: Deferred revenue beginning of year			
Less: Deferred revenue end of year			
<b>Total Revenues</b>	_____	_____	_____
<b>Expenditures</b>			
<u>Income Support Assistance</u>			
Basic Needs			
Special Needs			
Children out of Parental Homes			
Income Support Expenditures	_____	_____	_____

<u>In Home Care</u>			
Salaries and wages			
Supplies			
Adult placement			
In Home Care Expenditures	_____	_____	_____
<u>NCB Reinvestment</u>			
Training projects			
In school program			
Clothing allowance			
NCB Reinvestment Expenditures	_____	_____	_____
<u>Administration</u>			
Salaries and wages			
Travel			
Office Supplies			
Utilities			
Other (specify)			
Administration Expenditures	_____	_____	_____
<b>Total Expenditures</b>	_____	_____	_____
<b>Operating Deficit/Surplus</b>	_____	_____	_____
Cumulative Surplus - beginning of year	_____	_____	_____
Cumulative Surplus - end of year	_____	_____	_____

**Example 3** - Suggested format for the Education Program Revenue and Expense schedule. Please note the separate accounts for the revenue (by source) and the expense (by object).

**EXAMPLE 3**  
 Recipient's Name  
 Revenue and Expenditure Schedule  
 Program/Service - Education  
 For the Year Ended March 31, 20XX

	Budget 20(XX) \$	20(XX) \$	20(XX-1) \$
<b>Revenues</b>			
INAC Funding			
Education - Band Operated Schools			
Education - Minor Capital Program			
Education - Provincial Tuition			
Education - Special Education			
Education - Transportation			
Education - Post Secondary Education			
Band trust funds released			
Revenue trust moneys			
Capital trust moneys			
Province			
User fees			
Plus: Deferred revenue beginning of year			
Less: Deferred revenue end of year			
<b>Total Revenues</b>	_____	_____	_____
<b>Expenditures</b>			
<u>Band Operated Schools</u>			
Certified Teacher's Salaries & Benefits			
Support Staff Salaries & Benefits			
Materials/Supplies			
Minor Capital			
Other (specify)			
Band Operated School	_____	_____	_____

<u>Provincial Tuition</u>			
Tuition Payments			
Other (specify)			
Provincial Tuition Expenditures	_____	_____	_____
<u>Special Education</u>			
Special Education Expenditures			
Other (specify)			
Special Education Expenditures	_____	_____	_____
<u>Transportation</u>			
Transportation Expenditures			
Other (specify)			
Transportation Expenditures	_____	_____	_____
<u>Post Secondary</u>			
Tuition			
Supplies			
Living Allowances			
Salaries and wages			
Travel			
Office Supplies			
Other (specify)			
Post Secondary Expenditures	_____	_____	_____
<b>Total Expenditures</b>	_____	_____	_____
<b>Operating Deficit/Surplus</b>	_____	_____	_____
Cumulative Surplus - beginning of year	_____	_____	_____
Cumulative Surplus - end of year	_____	_____	_____

**Example 4 – Capital Project Schedule**

**EXAMPLE 4**

Recipient's Name  
 Capital Project Schedule  
 For the Year Ended March 31, 20XX

**Project:** Community Infrastructure – FN Water Management Strategy

	Budget		
	20(XX)	20(XX)	20(XX-1)
	\$	\$	\$
<b>Capital Funding</b>			
INAC Funding			
Own source Funding			
User fees			
Plus: Deferred funding beginning of year			
Less: Deferred funding end of year			
<b>Total Capital Funding</b>	_____	_____	_____
<b>Capital Costs Incurred</b>			
Wages and salaries			
Hydro			
Maintenance and repairs			
Materials and supplies			
Professional fees			
<b>Total Capital Costs Incurred</b>	_____	_____	_____
<b>Operating Deficit/Surplus</b>	_____	_____	_____
Cumulative Surplus - beginning of year	_____	_____	_____
Cumulative Surplus - end of year	_____	_____	_____

## ANNEX B

### Statement of Receipt and Expenditure of Indian Moneys Capital Trust Moneys (Audited)

.....First Nation  
For the Year Ended .....

BCR			Receipt and Expenditure of Funds			
Date and No. of BCR	Date Funds Released to FN	Purpose for Release of Funds per BCR	Unexpended Prior Years Withdrawals from Trust Funds - Beginning of Year	Amount Received from Trust Funds	Actual Amount Spent	Unexpended Withdrawals from Trust Funds - End of Year

The format identified above is the minimum standard for reporting. First Nations who wish to expand on the detail or explanation of funding and related expenditures may do so. This expanded detail may include reporting by type(s) of expenditures and/or providing notes to the schedule. The intent of this clarification is not intended to limit the presentation options but rather to clarify that the minimum requirements may be expanded upon.

## ANNEX C

### Statement of Receipt and Expenditure of Indian Moneys Revenue Trust Moneys (Audited)

.....First Nation  
For the Year Ended .....

BCR			Receipt and Expenditure of Funds			
Date and No. of BCR	Date Funds Released to FN	Purpose for Release of Funds per BCR	Unexpended Prior Years Withdrawals from Trust Funds - Beginning of Year	Amount Received from Trust Funds	Actual Amount Spent	Unexpended Withdrawals from Trust Funds - End of Year

The format identified above is the minimum standard for reporting. First Nations who wish to expand on the detail or explanation of funding and related expenditures may do so. This expanded detail may include reporting by type(s) of expenditures and/or providing notes to the schedule. The intent of this clarification is not intended to limit the presentation options but rather to clarify that the minimum requirements may be expanded upon.







**ANNEX F**

**Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration  
Unelected Senior Officials  
(Option 2)**

Recipient's Name .....  
For the Year Ended .....

Name of individual	Position Title	Number of Months *	Approved Salary Range		Honoraria Expense	Other Remuneration	Travel Expenses
			From	To			

\* The number of months during the fiscal year that the individual was on staff

**ANNEX G**

Recipient's Name  
Funding Reconciliation Detail  
For the Year Ended March 31, 20XX

<u>INAC Funding</u>	<u>First Nation Programs</u>	<i>INAC *</i>	<i>Stmt.</i>
<u>Description</u>	<u>Schedule Name</u>	<u>Amount</u>	<u>Amt</u>
Teacher Salaries	Community School	XXXX	XXXX
Tuition Agreements	Provincial Tuition Education Admin	XXXX <u>XXXX</u>	XXXX XXXX
New Paths Projects	Community School	XXXX	XXXX
Basic Needs	Social Services	XXXX	XXXX
Children out of Parental Homes	Social Services	XXXX	XXXX
Special Needs	Social Services	XXXX	XXXX
In Home Care	Social Services	XXXX	XXXX
National Child Benefit Reinv.	Social Services	XXXX	XXXX
Band Op Special Ed	Community School	XXXX	XXXX
Instructional Services	Community School	XXXX	XXXX
Student Transport	Community School	XXXX	XXXX
Advice & Assistance	Education Admin	XXXX	XXXX
Service Delivery	Social Services	XXXX	XXXX
Roads & Bridges	Ops & Maintenance	XXXX	XXXX
Water Systems	Ops & Maintenance	XXXX	XXXX
Comm. Buildings	Ops & Maintenance Community School	XXXX <u>XXXX</u>	XXXX XXXX
Reconciling Statement Amount			XXXX
Reconciling INAC Amount		<u>XXXXX</u>	<u>XXXXX</u>
Reconciled Funding Totals		<u>XXXXX</u>	<u>XXXXX</u>
* Funding per the INAC Funding Confirmation			

**ANNEX H**  
**Schedule of Federal Government Funding**  
**Format**

Federally Funded Programs and Services Directly / Indirectly Funded by the Government of Canada	Federal Funding Received  A	Unexpended Federal Funding Beginning of Year B	Adjustments / Transfers  C	Total Federal Funding Available  A + B + C = D	Federal Funding Expended	Unexpended Federal Funding End of Year
					E <b>(OPTION 1)</b>	D – E = F <b>(OPTION 1)</b>
					Total Expenditures from All Sources <b>(OPTION 2)</b>	N/A  <b>(OPTION 2)</b>
<b>Indian and Northern Affairs Canada</b>  - Claims and Indian Government - Community Development - Economic Development - Education - Indian Government Support - Land Management - Social Development - Indian Registration - Governance and Institutions of Government - Northern Affairs - Other  <b>Sub-total for INAC</b>						

<p><b>Health Canada</b></p> <ul style="list-style-type: none"> <li>- Children and Youth</li> <li>- Mental Health and Addictions</li> <li>- Chronic Disease and Injury Prevention</li> <li>- Communicable Disease Control</li> <li>- Environmental Health and Research Component</li> <li>- Primary Care</li> <li>- Non-Insured Health Benefits</li> <li>- Health Governance and Infrastructure</li> <li>- Capital</li> <li>- Treatment Centre</li> <li>- Aboriginal Health Transition Fund</li> <li>- Headquarter projects</li> </ul> <p><b>Sub-total for Health Canada</b></p>						
---	--	--	--	--	--	--

<b>Canada Mortgage and Housing Corporation</b>  - Non-Profit On-Reserve Housing - Residential Rehabilitation Assistance Program (RRAP) Homeowner and Persons with Disabilities Programs - RRAP Rental (including Secondary and Garden Suites) - RRAP Conversions - Home Adaptations for Seniors Independence Program - Shelter Enhancement Program - Housing Internship Initiative for FN and Inuit Youth  <b>Sub-total for CMHC</b>						
<b>Human Resources and Skills Development</b>						
<b>Fisheries and Oceans Canada</b>						
<b>Canadian Heritage</b>						
<b>Public Safety Canada</b>						
<b>Industry Canada</b>						
<b>Natural Resources Canada</b>						
<b>Department of Justice Canada</b>						
<b>Privy Council Office</b>						
<b>National Defence</b>						
<b>Canada Revenue Agency</b>						
<b>Other</b>						
<b><u>Grand Total</u></b>						

**ANNEX I**  
**Schedule of Federal Government Funding**  
**INAC Programs and Services Categories**

The following eleven program and service categories may be used to account for the INAC funding provided to recipients. These categories are based on the accountability structure in INAC's Recipient Reporting Guide 2009-2010. These categories are to be used by all recipients regardless of the type of funding agreement i.e., Comprehensive Funding Arrangement, Alternative Funding Arrangement, Canada / DIAND First Nations Funding Agreement.

1- Claims and Indian Government: Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements. This category includes:

- Researching of claims
- Negotiation (Claims and Self-Government) process
- Implementation of claim agreements
- Other specific projects

2- Community Development: Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments. This category includes:

- Infrastructure - includes Housing Support, Water & Sewer and Other Facilities
- Education Facilities
- Acquisition & Construction of Infrastructure - includes Housing Support, Water & Sewer and Other Capital
- First Nations Water Management Strategy
- Gathering Strength - Infrastructure Facilities
- Implementing Immediate Investment in FN Housing on Reserve (Lot Servicing)
- Safe Drinking Water
- Acquisition & Construction of Education Capital
- School Construction (only Alberta)
- Off Reserve Housing
- Community-Based On-Reserve Housing
- Housing Service Delivery
- Implementing Immediate Investment in FN Housing on Reserve (New Constructions / Renovations)
- Gathering Strength - Housing
- Recreation Programs
- Community Capital Facilities Service Delivery
- Technical Services
- Comprehensive Community Based Planning
- Other specific projects



**3 - Economic Development:** Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy. This category includes:

- Community Economic Development Program
- Community Economic Opportunities Program
- Aboriginal Business Canada Programs
- Other specific projects

**4 - Education:** Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counseling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.. This category includes:

- Elementary/Secondary Instructional Services:
  - Band Operated Schools
  - Provincial Schools
  - Federal Schools
- Elementary/Secondary Student Support Service
- Teacher Recruitment and Retention
- Parental & Community Engagement Strategy
- New Paths for Education
- First Nations and Inuit Youth Employment Strategy
- First Nations SchoolNet
- Special Education Program
- Post-Secondary Education - Indian Studies Support
- Post-Secondary Education
- Cultural Education Centers
- National Aboriginal Achievement Foundation
- Other specific projects

**5 - Indian Government Support:** Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also,

costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council. This category includes:

- Indian Government Support Alternative Funding Arrangement
- Band Support Funding
- Band Employee Benefits
- Indian Government Support
- Tribal Council Funding
- Band Advisory Services
- Inuit Art
- Other specific projects

**6 - Land Management:** Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the *Indian Act*. This category includes:

- Land Management
- Implementation of the *First Nations Land Management Initiative Act*
- Other specific projects

**7- Social Development:** First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc. This category includes:

- Assisted Living
- Child & Family Services
- Family Violence
- Income Assistance:
  - Basic Needs
  - Special Needs
  - Service Delivery
- National Child Benefit Reinvestment
- Other Social Services
- Early Childhood Development
- Gathering Strength - Social Development
- Other specific projects

**8- Indian Registration:** Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the *Indian Act*. This category includes:

- Registration and membership
- Management of individual monies
- Estate Management
- Treaty annuities

9- Governance and Institutions of Government: Costs associated with Governance and Institution of Government activities. This category includes:

- Band Governance (Elections and By-Laws)
- Professional and Institutional Development Program
- Governance Activities:
  - National Centre for First Nations
  - Consultation and Policy Development
  - Gathering Strength
- Institutions:
  - First Nations Tax Commission
  - First Nations Financial Management Board
  - First Nations Financial Authority
  - Gathering Strength
- Other specific projects

10- Northern Affairs: Costs associated with supporting northern political and economic development through the management of federal interests and promoting sustainable development of the North's natural resources and northern communities. This category includes:

- Climate Change
- Sustainable Development
- Northern Economic Development
- Hospital and Physician Services
- Northern Contaminants Program
- Other Northern Affairs Programs / Services

11- Other: All other programs and services that are not described in above categories.

**ANNEX J**  
**Schedule of Federal Government Funding**  
**Health Canada First Nations and Inuit Health**  
**Programs and Services Categories**

The following twelve program and service categories may be used to account for the Health Canada First Nations and Inuit Health programs funding provided to recipients.

1- Children and Youth:

- Aboriginal Head Start On-Reserve
- Canada Prenatal Nutrition Program
- Fetal Alcohol Spectrum Disorder
- Maternal Child Health
- Generic / Project (as required)

2- Mental Health and Addictions

- Building Healthy Communities - Mental Health Crisis Management
- Building Healthy Communities - Solvent Abuse Program
- Brighter Futures
- Indian Residential Schools Resolution Health Support Program
- National Aboriginal Youth Suicide Prevention Strategy
- National Native Alcohol and Drug Abuse Program
- Generic / Project (as required)

3- Chronic Disease and Injury Prevention

- Aboriginal Diabetes Initiative
- Community Health Promotion and Injury/Illness Prevention
- Generic / Project (as required)

4- Communicable Disease Control

- Communicable Disease Control
- HIV/AIDS Strategy
- Enhanced Tuberculosis Control
- Generic / Project (as required)

5- Environmental Health and Research Component

- Environmental Health - Environmental Health Program
- Environmental Health - Drinking Water Safety Program
- Environmental Health - First Nations Environmental Contaminants
- Environmental Health - Transportation of Dangerous Goods
- Generic / Project (as required)

## 6- Primary Care

- Community Health Primary Care
- First Nations and Inuit Home and Community Care
- Oral Health Strategy - Children's Oral Health Initiative
- Generic / Project (as required)

## 7- Non-Insured Health Benefits

- Medical Transportation
- Crisis Intervention Mental Health Counseling
- Dental Care Benefits
- Drug Benefits
- Medical Supplies and Equipment
- Vision Care
- Community Dental Benefits
- Visiting Health Care Professional Services
- Generic / Project (as required)

## 8- Health Governance and Infrastructure

- Aboriginal Health Human Resources Initiative
- Accreditation
- Health Careers
- Health Consultation
- Health Liaison - Health Board and Health Coordinators
- Security Services in Health Facilities
- Generic / Project (as required)

## 9- Capital

- Capital Facilities – Operation and Maintenance

## 10- Treatment Centre

- National Native Alcohol and Drug Abuse Program
- National Youth Solvent Abuse Program

## 11- Aboriginal Health Transition Fund

## 12- Headquarter projects

**ANNEX K**  
**Schedule of Federal Government Funding**  
**Canada Mortgage and Housing Corporation**  
**Programs and Services Categories**

The following seven program and service categories may be used to account for the Canada Mortgage and Housing Corporation funding provided to recipients.

1- Non-Profit On-Reserve Housing Program (Section 95): Any funding received for the on-going operations of on-reserve rental housing projects committed under the National Housing Act (NHA) Section 95.

2- Residential Rehabilitation Assistance Program (RRAP) - Homeowner and Persons with Disabilities Programs: Any contributions received in the form of a forgivable loan by a First Nation for the repair or rehabilitation of existing substandard housing to a minimum level of health and safety and to build special access for persons with disabilities.

3- Residential Rehabilitation Assistance Program (RRAP) - Rental: Any contributions received in the form of a forgivable loan by a private landlord for the repair or rehabilitation of existing substandard rental housing units to a minimum level of health and safety. The program also assists in the creation of secondary or garden suites by converting/developing existing residential properties to accommodate a secondary self-contained unit for low-income seniors or adults with a disability.

4- Residential Rehabilitation Assistance Program (RRAP) - Conversions: Any contributions received in the form of a forgivable loan by a First Nation for the conversion of non-residential properties into self-contained rental housing units or beds.

5- Home Adaptations for Seniors' Independence Program (HASI): Any contributions received by a First Nation to adapt housing to make it easier for seniors to continue living in their home.

6- Shelter Enhancement Program: Any contributions received in the form of a forgivable loan by a First Nation for the repair and upgrade of existing shelters for victims of family violence or the construction of new units.

7- Housing Internship Initiative for First Nations and Inuit Youth: Any funding received by a First Nation for the financial support of wages of a First Nations or Inuit youth employed on housing related projects.