



**REPORTING AND AUDITING GUIDELINES  
FOR HEALTH SERVICES TRANSFER AGREEMENTS**

June 2000

# REPORTING AND AUDITING GUIDELINES FOR HEALTH SERVICES TRANSFER AGREEMENTS

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## 1 INTRODUCTION

Under a Health Funding Arrangement, the accountability relationship between Chiefs and Councils and the Minister of Health, reflect an approach based on the community having greater program and financial flexibility within a framework requiring more visibility and accountability to community members, and to Parliament. In its accountability to Parliament, the federal government reports on all activities that it has funded in every Department and on the results achieved. Similarly, in its accountability to community members, a First Nation's Council and administration are to report on where funds have been spent and what community members are getting in return.

## 2 PURPOSE

The purpose of these guidelines is to describe the reporting and auditing requirements for Health Canada.

## 3 DEFINITIONS

In the context of these Guidelines, relevant terms are defined as follows:

**"Audit"** means an audit, with an opinion expressed on:

- fairness of the financial statements;
- adequacy of financial controls in place; and
- compliance with the terms and conditions of the agreement

**"Band"** means an organization that has entered into a Health Services Agreement (including: an Indian Band, a district or Tribal Council, an

Indian or Inuit health board, an Indian or Inuit organization, or a corporation).

**"Financial Statements"** means statements which are prepared to provide their users with reliable information concerning the financial affairs of an organization. In the case of First Nations, users of the statements can be banks, the federal government, other funding agencies and First Nations members. The statements also provide the First Nation with financial information concerning organizations that are accountable to the First Nation. "Financial statements should demonstrate the accountability of a First Nation for the financial affairs and resources entrusted to it". (Source: A First Nation Guide to Generally Accounting Principles prepared by AFN-CGA Working Group).

**"Fiscal Year"** means the Band's fiscal year.

**"Minister"** means the Minister of Health.

**"Moveable Assets Reserve (MAR)"** means a one-time lump sum representing the accumulated depreciation of all moveable assets and an amount representing the annual depreciation of all moveable assets listed in the inventory included in the health transfer arrangement.

Funds for replacing items valued at less than \$1,000 are included as part of regular annual operating funds transferred to communities. Funds for replacing items which have been transferred to the community and have a replacement value of \$1,000 or more, are kept in a separate reserve call the Moveable Assets Reserve.

**"Region"** means the office of the Regional Director, First Nations and Inuit Health Branch, Health Canada.

## 4 REPORTING REQUIREMENTS

The following documents will be provided by the Band to meet accountability requirements for both the community members and Health Canada:

- Audit Report
- Annual Report to Community Members
- Annual Report to the Minister
- Reports on Mandatory Programs
- Evaluation Report

### 4.1 Audit Report

Funds received from Health Canada must be audited by an independent accredited auditor. An audit report examines the adequacy of financial controls and certifies that sound accounting principles have been followed, and that the terms and conditions of the Agreement have been met.

The auditor's report will include the following:

- an opinion on the adequacy of financial controls and on the Band's compliance with the "Terms and Conditions" of the Agreement (Attachment "1"); and
- the following two schedules:
  - \* Report on Health Expenditures (Attachment "1-1"); and
  - \* Report on Moveable Assets Reserve (Attachment "1-2").

**Note: These two schedules provide disclosure and visibility in the Band's audit report as to funds expended on health programs and services. Some Bands provide consolidated audit reports for their entire operation and Health Canada's revenue and expenditures are highlighted but in a summary manner. For a completed sample of the Auditor's**

**Derivative Report see attachment 6. Another option is for the Band to provide a full audit report solely for Health Canada's programs with the appropriate details (see attachment 7).**

#### 4.1.1 Report on Health Expenditures (Attachment 1-1)

This schedule will show total health program transfer expenditures for the past fiscal year under the program/services outlined in the Band's Community Health Plan.

As a second option, Bands may choose to use the existing FNIHB reporting format as the basis for completing the "Report on Health Expenditures", (Attachment 1-1). As such, for information purposes only, Attachment 2, lists the Programs/Services.

The last section of the "Report on Health Expenditures" is a disclosure, for the same fiscal period, of the funds received from other organizations and governments for health purposes.

**Note: The "Report on Health Expenditures" (Attachment 1-1) will be incorporated in the auditor's report as a schedule.**

#### 4.1.2 Report on Moveable Assets Reserve (Attachment 1-2)

This report describes the various financial transactions which have affected the Moveable Assets Reserve (MAR), funded through Health Canada, during the past year. The following details are to be provided by the Band:

- opening balance in the Reserve;
- annual amount included in the Transfer Agreement for the Moveable Assets Reserve;

- interest or other revenues generated from the Reserve;
- expenditures for the addition and replacement of moveable assets during the year; and
- closing balance in the Reserve.

**Note: The "Report on Moveable Assets Reserve" (Attachment 1-2) will be incorporated in the auditor's report as a schedule.**

#### 4.1.3 The Auditor's Contract

The Band will enter into a contract with an individual or a firm to obtain auditing services. The audit contract should include:

- a summary of the Band's responsibilities;
- a summary of the Auditor's responsibilities;
- the purpose and nature of the audit;
- the limitation of the audit;
- the scope of the audit, including specifics to be addressed and reports to be produced;
- the conditions for additional audit or financial services to be provided; and
- a copy of these Reporting and Auditing Guidelines.

#### 4.1.4 Qualifications of the Auditor

The Band's auditor must be:

- independent and must not be an employee of the Band; and
- qualified and recognized in the appropriate province or territory.

#### 4.1.5 Auditor's Responsibilities

The Auditor will be responsible:

- to conduct the audit and prepare a report in accordance with generally accepted auditing

standards of the Canadian Institute of Chartered Accountants (CICA) Handbook;

- to provide an opinion (Attachment 1) on the Band's compliance with the "Terms and Conditions" of the Agreement and to certify based on attest audits that:

- financial and other reports required under the Transfer Agreement were completed and are accurate;
- all resources expended were used for health related activities;
- the MAR has been used only for the purpose stated in the Agreement;
- the Band has a Community Health Plan which is updated on a regular basis to reflect changes to program priorities and objectives of the community;
- immunization reports have been sent to the Region;
- communicable diseases cases have been reported to provincial authorities and the Region;
- where these services form part of the transfer agreement that:
- the services of a Medical Health Officer (MHO) have been obtained where services are not provided by FNIHB (if applicable);
- nurses are registered with their provincial nurses associations;
- personnel providing Environmental Health Services are certified as Public Health Inspectors by the Board of Certification, Canadian Institute of Public Health Inspectors.

#### 4.1.6 Band Responsibilities

The Band will be responsible for:

- accurately recording program information and financial transactions and preparing all reports and statements described above, in accordance with the instructions in these guidelines;
- making program, financial and administrative records and reports available to the Auditor and providing assistance to the Auditor, as necessary;
- avoiding duplication of effort and resources, by coordinating and planning this audit with all other audits being conducted for other federal departments;
- forwarding a copy of the audit report to the Region within ninety (90) days following the end of the fiscal year; and
- making available to members a copy of the audit report, as well as the annual report to community members.

#### 4.1.7 Health Canada Responsibilities

The FNIHB region is responsible for answering any questions concerning these guidelines, and ensuring that the auditing requirements are well understood by Bands and their auditors. Once an audit report has been received, the region is responsible for reviewing it, including any attachments and ensuring that proper follow-up action is taken with respect to the opinion and observations expressed by the auditor by:

- communicating with the Band concerning the auditor's opinions and observations;
- developing a plan for corrective action with the Band, if required; and
- monitoring on a regular basis, and through subsequent audits, if corrective action has

been taken by the Band.

#### 4.1.8 Audit Default

In cases where the Band defaults in its obligation to provide the Minister with an audit report, the Minister may:

- require that an independent auditor, recognized in the province in which the Agreement was executed, be appointed immediately by the Band, at the Band's cost, and that the audited financial statements be delivered within a reasonable time as the Minister may determine; or
- appoint an independent auditor recognized in the province in which the agreement was executed and in which case:
  - the Band will provide the auditor, appointed by the Minister, with full access to its financial records and provide such other information as the auditor may require to perform the audit; and
  - the Band will reimburse Health Canada for all costs incurred in having the audit conducted.

## **4.2 Reports prepared by the Band**

### 4.2.1 Annual Report to Community Members

Under a Health Services Transfer Agreement, the Chief and Council, or their designated representatives are accountable to their members for delivering the health programs and services, and for the use of the resources transferred to them in accordance with the health priorities and objectives in the Community Health Plan.

To satisfy the reporting requirements to community members, the Chief and Council will produce and make available to all members, an

Annual Report. This Annual Report, which will be based on the goals and objectives of the Community Health Plan, will summarize programs and financial information, provide data on services, operations and results, and will explain any deviations from the Community Health Plan.

Copies of the Annual Report shall be made available to community members within ninety (90) days following the end of the fiscal year.

#### 4.2.2 Annual Report to the Minister

The Band shall, on an annual basis, and within ninety (90) days of the end of each fiscal year, provide the Minister with the following:

- an audit report by an independent accredited auditor;
- a summary report on the provision of mandatory programs, according to the requirements of the Transfer Agreement; and
- a copy of the annual report to the community members.

#### 4.2.3 Reports on Mandatory Programs

The Band will prepare reports on the provision of the following mandatory programs, if they are applicable, and included as part of the Health Services Transfer Agreement:

- Communicable Disease Control;
- Environmental Health; and,
- Treatment Services.

"Mandatory Programs and their Reporting Requirements" (Attachment 3) describes the type of information, and the method and frequency of reporting required on all mandatory programs included in the Health Services Transfer Agreement. A copy of these Mandatory Reports will be provided to the Provincial authorities and

to the Regions, where appropriate.

#### 4.2.4 Evaluation Report

The evaluation provides valuable information for the community for planning new programs or modifying existing programs. This information includes any changes in the health status of the members of the community.

The Transfer Agreement requires that the community complete an evaluation of its health programs and services for every five-year period of the transfer. The evaluation is conducted during the fourth year of the Transfer period. To assist the community in the completion of the evaluation, resources are provided to complete and submit an evaluation plan to FNIHB during the first year of the Transfer Agreement. The evaluation plan outlines a proposed strategy for conducting the evaluation, including a time frame. For more information on evaluation, see Handbook 2 and A Guide for First Nations on Evaluating Health Programs, available from FNIHB.

The evaluation is designed to assess the effectiveness of community health programs and objectives, and to determine any changes in the health status of community members. The CHP must be updated regularly to reflect changes made to program priorities and objectives. The evaluation must be based on the current CHP.

#### 4.2.5 Summary of Reporting Requirements

Refer to Attachment 4 for a description of all reporting requirements.

## **5 OTHER ACCOUNTING INFORMATION**

Listing of Moveable Assets (Attachment 5)

This listing is a sample format of information for moveable assets and is to be maintained by the Band or First Nation organization as part of its accounting system. The format and the system used to maintain a moveable asset listing and to track the assets is at the discretion of the Band.

A complete "Inventory", by facility, of all moveable assets initially transferred to the Band is normally attached to the Health Services Transfer Agreement. This listing shows the model, date of purchase, and the cost of each moveable asset and vehicle acquired during the last completed fiscal year.

To be consistent with sound financial management practices, the "moveable assets inventory" should be amended on a regular basis by the Band when there are changes.

The list will be used to determine the value of the MAR at the time of any expansion or reconstruction of the existing health facility. Unless there is a current listing of MAR, financial adjustments to MAR may not be considered.

The "Listing of Moveable Assets" report will be made available by the Band to the Band's auditor, for audit purposes.

**Note: The "Listing of Moveable Assets" need not be sent as a separate report to the Regional Offices, First Nations and Inuit Health Branch, since the Band's auditor will be reviewing the listing as part of his audit responsibilities and will be expressing an opinion on the Band meeting the Terms and Conditions of the Agreement.**



**ATTACHMENT 1 - Auditor's Derivative Report**

**Auditor's Derivative Report**

**Sample Only**

To the Minister of Health  
c/o Regional Director  
\_\_\_\_\_ Region  
First Nations and Inuit Health Branch  
Health Canada

At the request of the \_\_\_\_\_ First Nation and in accordance with the Reporting and Auditing Guidelines established by your department, we have reviewed the financial information contained in The Report on Health Expenditures and in The Report on Moveable Assets Reserve. This information was found to be consistent with the audited financial statements for the year ended \_\_\_\_\_ .

We have also reviewed the terms and conditions of your agreement with \_\_\_\_\_ First Nation and during the course of our audit did not encounter any instances where the terms and conditions were not met.

In addition, we have certified that the services of a Medical Officer of Health are available, that nurses are registered with their provincial association, that the Environmental Health Officer is certified as a Public Health Inspector and that mandatory reporting concerning immunization and communicable diseases has been completed and sent to the Province.\*

This report is provided solely for the purpose of assisting Health Canada in discharging its responsibilities and should not be referred to or used for any other purpose.

**\*NOTE: The mandatory program requirements listed in this opinion may or may not be applicable depending on the programs transferred.**

**ATTACHMENT 1-1 - Schedule - Report on Health Expenditures**

**Schedule - Report on Health Expenditures**

BAND: \_\_\_\_\_

FISCAL YEAR: 1999/200\_\_

**FUNDS AVAILABLE**

Surplus/Deficit from previous years \$ \_\_\_\_\_

Funds from Health Services Transfer Agreement \$ \_\_\_\_\_

**TOTAL FUNDS AVAILABLE** \$ \_\_\_\_\_

**EXPENDITURES (By program or activity described in the Community Health Plan)**

1. \_\_\_\_\_ \$ \_\_\_\_\_

2. \_\_\_\_\_ \$ \_\_\_\_\_

3. \_\_\_\_\_ \$ \_\_\_\_\_

4. \_\_\_\_\_ \$ \_\_\_\_\_

5. \_\_\_\_\_ \$ \_\_\_\_\_

6. \_\_\_\_\_ \$ \_\_\_\_\_

7. \_\_\_\_\_ \$ \_\_\_\_\_

8. \_\_\_\_\_ \$ \_\_\_\_\_

9. \_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL EXPENDITURES** \$ \_\_\_\_\_

**CLOSING BALANCE AT YEAR-END** \$ \_\_\_\_\_

**FUNDS FROM OTHER SOURCES (for information only) (specify organization)**

1. \_\_\_\_\_ \$ \_\_\_\_\_

2. \_\_\_\_\_ \$ \_\_\_\_\_

**ATTACHMENT 1-2- Schedule - Report on Moveable Assets Reserve (MAR)**

**Schedule - Report on Moveable Assets Reserve (MAR)**

BAND: \_\_\_\_\_

FISCAL YEAR: 1999 /200\_\_

Balance at the beginning of Fiscal Year		\$ _____
	PLUS	
Amount provided in Agreement for MAR		\$ _____
	PLUS	
Revenues Generated		\$ _____
	MINUS	
Replacements during the Year		\$ _____
Balance at the end of the Fiscal Year		\$ _____

## ATTACHMENT 2 - List of FNIHB Programs/Services

**NOTE:** This Attachment is a sample list provided to assist the Band choosing to utilize the FNIHB activity reporting format to complete the "Report on Health Expenditures" (Attachment "1-1"). The Band should group the programs and services in accordance with the priorities and resources identified in the Community Health Plan.

- Management and Support Services;
- Health Facility Operations;
- Health Education Services;
- Community Health Representative Services;
- Mental Health Services;
- Nutrition Services;
- Nursing Services;
- Communicable Disease Control;
- Health Liaison;
- Dental Therapy Services;
- NNADAP - Prevention;
- NNADAP - Treatment;
- Environmental Health;
- Brighter Futures;
- Health Careers;
- Home Nursing;
- Solvent Abuse;
- Prenatal Services;
- Other (specify).

**ATTACHMENT 3 - Mandatory Programs and Their Reporting Requirements**

**Mandatory Programs and Their Reporting Requirements**

**NOTE:** The mandatory program requirements listed in this opinion may or may not be applicable depending on the programs transferred.

The community shall report to the Minister on the provision of mandatory programs, according to the following schedule:

PROGRAM	INFORMATION REQUIRED	METHOD/FREQUENCY OF REPORTING
Communicable Disease Control	Immunization Level (by age, sex, antigen)  Report on Communicable disease as required by Provincial Regulation; including contact-tracing and follow-up	Annual according to the federal or provincial immunization schedule identified in the Community Health Plan  Notification to Province and Department within 24 hours on diseases with epidemic potential  Annual Summary
Environmental Health	Total number and percentage of facilities meeting Provincial/Federal and environmental standards; food services; water supply; sewage and garbage; pollution; and hazardous substances	Annual Summary  Notification within 24 hours of environmental hazards or condition which may have any significant environmental impact; including steps taken to remedy the situation.
Treatment Services *	Total number of patients seen in diagnostic categories as specified in the Community Health Plan.	Annual Summary

\* Include only if treatment services are part of the Transfer Agreement

**ATTACHMENT 4 - Summary of Reporting Requirements**

**Summary of Reporting Requirements**

Report	Information Required	Method/Frequency of Reporting
Annual Report to Community Members	<ul style="list-style-type: none"> <li>• summary of programs and services</li> <li>• data on services, operations and results</li> <li>• challenges and changes in members health status</li> <li>• explanations for deviations from the CHP</li> <li>• audit report</li> </ul>	<ul style="list-style-type: none"> <li>• report from Health Authority available each year to the entire community and FNIHB within 90 days after the end of the Band's fiscal year</li> <li>• copy as part of the Annual Report to the Minister</li> </ul>
Reports on the Provision of Mandatory Programs	<ul style="list-style-type: none"> <li>• separate requirements for communicable disease control, environmental health and treatment services; details provided in CHP-3, Handbook 2.</li> </ul>	<ul style="list-style-type: none"> <li>• periodic reports to the provinces with copies to FNIHB as required by provincial and federal authorities for each mandatory program</li> <li>• annual summary as part of the Annual Report to the Minister</li> </ul>
Audit Report	<ul style="list-style-type: none"> <li>• auditor's opinion of Band's financial statements</li> <li>• compliance with terms and conditions of Agreement</li> <li>• report on health expenditures</li> <li>• report on Moveable Assets Reserve</li> </ul>	<ul style="list-style-type: none"> <li>• report to FNIHB Regional Office within 90 days after the end of the Band's fiscal year</li> <li>• copy as part of the Annual Report to the Minister and of the Annual Report to community members.</li> </ul>
Evaluation Report	<ul style="list-style-type: none"> <li>• evaluation to be conducted in accordance with the Evaluation Plan during 4<sup>th</sup> year of transfer period to allow report to be completed in 5<sup>th</sup> year of transfer period</li> <li>• assessment of the effectiveness of community health programs and objectives</li> <li>• determination of any changes in health status of community members</li> </ul>	<ul style="list-style-type: none"> <li>• report to community members and FNIHB for every 5-year period of transfer.</li> </ul>
Annual Report to the Minister	<ul style="list-style-type: none"> <li>• includes copy of Annual Report to community members, a summary of reports on mandatory programs, and a copy of the audit report</li> </ul>	<ul style="list-style-type: none"> <li>• annually to FNIHB within 90 days after the end of the Band's fiscal year</li> </ul>

**ATTACHMENT 5 - Listing of Moveable Assets**

LISTING OF MOVEABLE ASSETS			
FISCAL YEAR: 1999 /200__			
BAND:			
FACILITY			
Description	Model	Date of Purchase	Cost

\* This listing is to be maintained by the Band.

**ATTACHMENT 6 - Sample Auditor's Derivative Report**



**ATTACHMENT 6-1 - Sample: Auditor's Derivative Report**

**GLASGOW & BROWN  
CHARTERED ACCOUNTANTS**

**Peter Glasgow, CA  
Sue Brown, CA**

**125 Main Street  
Ottawa, Ontario K1A 0L3  
Telephone: (613) 945-1234  
Fax: (613) 922-4567**

**Sample: Auditor's Derivative Report**

To the Minister of Health  
c/o Regional Director  
Alberta Region  
First Nations and Inuit Health Branch  
Health Canada

At the request of the Earth First Nation and in accordance with the Reporting and Auditing Guidelines established by your department, we have reviewed the financial information contained in The Report on Health Expenditures and in The Report on Moveable Assets Reserve. This information was found to be consistent with the audited financial statements for the year ended March 31, 2000.

We have also reviewed the terms and conditions of your agreement with Earth First Nation and during the course of our audit did not encounter any instances where the terms and conditions were not met.

In addition, we have certified that the services of a Medical Officer of Health are available, that nurses are registered with their provincial association, that the Environmental Health Officer is certified as a Public Health Inspector and that mandatory reporting concerning immunization and communicable diseases has been completed and sent to the Province.

This report is provided solely for the purpose of assisting Health Canada in discharging its responsibilities and should not be referred to or used for any other purpose.

**Ottawa, Ontario**

**June 15, 2000**

**Glasgow and Brown**

**Chartered Accountants**

**ATTACHMENT 6-2- Schedule - Report on Health Expenditures**

**SAMPLE ONLY**

SCHEDULE - REPORT ON HEALTH EXPENDITURES

BAND: Earth First Nation

FISCAL YEAR: 1999/2000

**FUNDS AVAILABLE**

Surplus/Deficit from previous years	\$ 5,000
Funds from Health Services Transfer Agreement	<u>\$ 615,000</u>
<b>TOTAL FUNDS AVAILABLE</b>	<b><u>\$620,000</u></b>

**EXPENDITURES**

Administration	\$ 195,000
Nursing Services	\$ 105,000
Building Health Communities	\$ 165,000
Health Transfer Evaluation	\$ 20,000
Health Facilities Operations	<u>\$ 125,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$610,000</u></b>

**CLOSING BALANCE AT YEAR-END** **\$ 10,000**

**FUNDS FROM OTHER SOURCES** (for information only)

Provincial Government Wellness Program	\$65,000
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**ATTACHMENT 6-3 - Schedule - Report on Moveable Assets Reserve (MAR)**

SAMPLE ONLY

SCHEDULE - REPORT ON MOVEABLE ASSETS RESERVE (MAR)

BAND: Earth First Nation

FISCAL YEAR: 1999 /2000

Balance at the beginning of Fiscal Year		\$ 75,000
	PLUS	
Amount provided in Agreement for MAR		\$ 15,000
	PLUS	
Revenues Generated (interest income)		<u>\$ 1,200</u>
<b>SUB TOTAL</b>		<b><u>\$91,200</u></b>
	MINUS	
Replacements during the Year		<u>\$ 6,708</u>
<b>BALANCE AT THE END OF THE FISCAL YEAR</b>		<b><u>\$ 83,292</u></b>

**ATTACHMENT 7 - Sample Audit Report  
for Health Services Transfer**

**ATTACHMENT 7-1 - Sample Audit Report for Health Services Transfer**

Contents of Audit Report

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**ATTACHMENT 7-2 - Auditor's Report**

**SAMPLE ONLY**

**Dent and Associates  
CHARTERED ACCOUNTANTS**

**Peter Dent, CA  
Sue Black, CA**

**130 Cushion Street  
Ottawa, Ontario K1A 0L3  
Telephone: (613) 123-4567  
Fax: (613)123-4568**

**Auditor's Report**

To the Board of the Sun First Nation

We have audited the balance sheet of Sun First Nation as at March 31, 2000, and the statements of moveable assets reserve, revenue, expenditure and accumulated surplus (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Sun First Nation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted are audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements presented fairly, in all material respects, the financial position of Sun First Nation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

We have also reviewed the terms and conditions of the agreement between Health Canada and Sun First Nation and during the course of our audit did not encounter any instances where the terms and conditions were not met.

In addition, we have certified that the services of a Medical Officer of Health are available, that nurses are registered with their provincial association, that the Environmental Health Officer is certified as a Public Health Inspector and that mandatory reporting concerning immunization and communicable diseases has been completed and sent to the Province.

**Ottawa, Ontario**

**June 15, 2000**

**Dent and Associates**

**Chartered Accountants**

**ATTACHMENT 7-3 - Sample Balance Sheet**

Sun First Nation  
BALANCE SHEET  
AS AT MARCH 31, 2000

ASSETS			
CURRENT ASSETS	2000	1999	
Prepaid Expenses	\$ 10,500	\$ 9,800	
Accounts receivable, Schedule 1	<u>\$ 389,500</u>	<u>\$ 385,700</u>	
	<u>\$ 400,000</u>	<u>\$ 395,500</u>	
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable, Schedule 1	<u>\$ 36,500</u>	<u>\$ 2,000</u>	
EQUITY			
ACCUMULATED SURPLUS (DEFICIT)	\$ 276,000	\$ 320,000	
MOVEABLE ASSETS RESERVE, Attachment 7-4	<u>\$ 87,500</u>	<u>\$ 73,500</u>	
EQUITY AS AT MARCH 2000	<u>\$ 364,000</u>	<u>\$ 394,000</u>	
	<u>\$ 400,000</u>	<u>\$ 395,500</u>	

Approved By:

\_\_\_\_\_ Chief

\_\_\_\_\_ Councillor

**ATTACHMENT 7-4 - Statement of Moveable Assets Reserve**

Sun First Nation

STATEMENT OF MOVEABLE ASSETS RESERVE

FOR THE PERIOD ENDING MARCH 31, 2000

	<b>2000</b>	<b>1999</b>
BALANCE AT BEGINNING OF YEAR	\$ 71,500	\$ 50,500
AMOUNT PROVIDED IN AGREEMENT FOR MAR	<u>\$ 16,000</u>	<u>\$ 17,000</u>
	\$ 87,500	\$ 67,500
EXPENDITURES		<u>\$ 6,000</u>
<b>BALANCE OF END OF YEAR</b>	<b><u>\$ 87,500</u></b>	<b><u>\$ 73,500</u></b>



**ATTACHMENT 7-5 - Sample Combined Statement of Revenue, Expenditure and Accumulated Surplus**

Sun Fist Nation

COMBINED STATEMENT OF REVENUE, EXPENDITURE AND ACCUMULATED SURPLUS

FOR THE PERIOD ENDING MARCH 31, 2000

	2000	1999
REVENUE		
Health Services Transfer	\$ 875,500	\$ 834,500
Other	<u>\$ 10,500</u>	<u>\$ 5,500</u>
	<b><u>\$ 886,000</u></b>	<b><u>\$ 814,000</u></b>
EXPENDITURE, Attachment 7-6		
Administration	\$ 165,000	\$ 98,000
Health Authority Management	\$ 395,000	\$ 400,000
Health Station Operations	\$ 52,000	\$ 35,000
Building Operation and Maintenance	\$ 135,000	\$ 140,000
Community Health Programs	\$ 113,000	\$ 110,000
Building Healthy Communities	\$ 45,000	\$ 47,000
Health Transfer Evaluation	<u>\$ 25,000</u>	—
	<b><u>\$ 930,000</u></b>	<b><u>\$ 830,000</u></b>
EXCESS REVENUE (EXPENDITURE)	( 44,000)	( 16,000)
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>320,000</u>	<u>304,000</u>
<b>ACCUMULATED SURPLUS AT END OF YEAR</b>	<b><u>\$ 276,000</u></b>	<b><u>\$ 320,000</u></b>

**ATTACHMENT 7-6 - Sample Schedule of Expenditure**

Sun First Nation  
 Schedule of Expenses  
 For the year ending March 31, 2000

	2000		
	Budget	Actual	1999 Actual
<b>ADMINISTRATION</b>			
Director's salary	\$36,000	\$ 35,000	\$ 33,000
Assistant director's salary	\$ 19,000	\$ 17,000	\$ 18,000
Financial clerk	\$ 23,000	\$ 22,000	
Secretary's salary	\$ 18,000	\$ 17,000	\$ 16,000
Employee's benefits	\$ 11,000	\$ 9,500	\$ 9,400
Staff bonuses	\$ 14,000		\$ 2,000
Travel	\$ 34,000	\$ 37,000	\$ 9,000
Office supplies	\$ 17,000	\$ 18,000	\$ 4,000
Insurance	\$ 3,000	\$ 4,000	\$ 2,500
Audit fees	\$ 6,000	\$ 5,375	\$ 4,000
Bank charges	\$ 100	\$ 125	\$ 100
Miscellaneous	<u>\$ 9,000</u>		
	<u>\$ 190,100</u>	<u>\$165,000</u>	<u>\$ 98,000</u>
<b>HEALTH AUTHORITY MANAGEMENT</b>			
Moon Tribal Council	\$ 415,000	\$ 380,000	\$ 385,000
Earth Tribal Council	<u>\$ 5,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>
	<u>\$ 420,000</u>	<u>\$ 395,000</u>	<u>\$ 400,000</u>
<b>HEALTH STATION OPERATION</b>			
Telephone	\$ 10,000	\$ 10,500	\$ 10,100
Supplies	\$ 22,500	\$ 30,200	\$ 15,000
Equipment	\$ 3,000	\$ 6,500	\$ 5,000
Sundry	\$ 5,000	\$ 3,000	\$ 4,500
Vehicle	\$ 800	\$ 400	
Educational material		<u>\$ 1,000</u>	
	<u>\$ 40,500</u>	<u>\$ 52,000</u>	<u>\$ 35,000</u>
<b>BUILDING OPERATION AND MAINTENANCE</b>			
Caretaker and janitorial	\$ 49,000	\$ 51,000	\$ 48,000
Hydro	\$ 52,000	\$ 63,000	\$ 60,000
Insurance	\$ 10,000	\$ 8,000	\$ 11,000
Fuel	\$ 10,000	\$ 4,000	\$ 11,000
Supplies	\$ 5,000	\$ 6,000	\$ 4,000
Casual labour	\$ 2,000	\$ 2,500	\$ 1,500
Repairs and maintenance	\$ 1,500	\$ 500	\$ 3,100
Sundry	<u>\$ 4,500</u>		<u>\$ 1,400</u>
	<u>\$ 134,000</u>	<u>\$ 135,000</u>	<u>\$ 140,000</u>
<b>COMMUNITY HEALTH PROGRAMS</b>			
Community health representatives	\$ 30,000	\$ 32,000	\$ 29,000
Referral clerks	\$ 27,000	\$ 27,000	\$ 31,000
Alcohol and drug abuse	\$ 17,000	\$ 20,000	\$ 19,000
Public Health worker	<u>\$ 26,000</u>	<u>\$ 34,000</u>	<u>\$ 31,000</u>
	<u>\$ 100,000</u>	<u>\$ 113,000</u>	<u>\$ 110,000</u>
<b>BUILDING HEALTHY COMMUNITIES</b>			
Resource coordinator	\$ 29,000	\$ 20,000	\$ 26,500
Mental health worker	<u>\$ 21,500</u>	<u>\$ 25,000</u>	<u>\$ 20,500</u>
	<u>\$ 50,500</u>	<u>\$ 45,000</u>	<u>\$ 47,000</u>
<b>HEALTH TRANSFER EVALUATION</b>			
	<u>\$ 15,000</u>	<u>\$ 25,000</u>	
<b>TOTAL EXPENDITURE</b>	<u><b>\$ 950,100</b></u>	<u><b>\$ 930,000</b></u>	<u><b>\$ 830,000</b></u>

**ATTACHMENT 7-7 - Sample Cash Flow Statement**

Sun First Nation

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2000

	<b>2000</b>	<b>1999</b>
CASH FLOW FROM OPERATING ACTIVITIES		
Excess Expenditure	\$( 44,000)	\$ ( 16,000)
Net changes in non-cash working capital balances related to operations		
Accounts receivable	\$ 69,900	\$ ( 51,700)
Accounts payable and accrued liabilities	\$ 34,500	\$ 300
Due from Moon Tribal Council - administration	<u>\$ ( 76,000)</u>	<u>\$ 57,000</u>
	\$ ( 16,500)	\$ ( 10,400)
CASH FLOW FROM INVESTING ACTIVITIES	<u>\$ 16,500</u>	<u>\$ 10,400</u>
<b>CASH POSITION AT END OF YEAR</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>

**ATTACHMENT 7-8 - Notes to Financial Statements**

**SAMPLE ONLY**

**Notes to Financial Statements**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.01 Organization**

The purpose of the Health Authority is to deliver health services to the Sun First Nation.

**1.02 Capital Assets**

The acquisition of capital assets are not capitalized on the balance sheet and are expensed directly to the appropriate program and/or reserve. Except for assets funded by long term debt; which are amortized based on the decrease in the long term debt.

**1.03 Incomplete Projects**

Revenue and expenditures incurred in the current year on behalf of incomplete projects are deferred until the next year by including them in incomplete projects on the balance sheet.

**1.04 Revenue and Expenditure**

Revenue is recognized on the accrual basis over the period which it is intended to be spent. When a project or program extends beyond the fiscal year end, revenues and expenditures are accrued as incurred to the year end date and the results to that date included in fund balance, except in case of incomplete projects as described above.

**2. SURPLUS (DEFICIT)**

A portion of this balance included surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements.

**3. MOVEABLE ASSETS RESERVE**

Under the terms of the Health Services Transfer Agreement the initial lump sum, interest and an annual amount are to be placed in a reserve for the replacement of assets. Expenditures for the replacement or substitutions are charged to the reserve during the year.

**ATTACHMENT 7-9 - Sample Schedule 1**

Sun First Nation

SCHEDULE TO FINANCIAL STATEMENTS

MARCH 31, 2000

ACCOUNTS RECEIVABLE

	<b>2000</b>	<b>1999</b>
Moon Tribal Council		\$ 70,000
Due from Health Canada	<u>\$ 389,500</u>	<u>\$ 315,700</u>
	<u>\$ 389,500</u>	<u>\$ 385,700</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

First Nations Health Authority	\$ 34,000	
HFA Airlines		\$ 1,500
Connors Utilities	\$ 1,300	
Tolley Stationary	<u>\$ 1,200</u>	<u>\$ 500</u>
	<u>\$ 36,500</u>	<u>\$ 2,000</u>