

The background of the entire page is a monochromatic, sepia-toned photograph of several Indigenous people, likely from the First Nations, wearing traditional feathered headdresses and patterned clothing. They appear to be in a ceremonial or dance setting. The image is slightly faded and serves as a backdrop for the text.

D2

LOCAL REVENUE FINANCIAL REPORTING

ILLUSTRATIVE FINANCIAL STATEMENTS



First Nations
**FINANCIAL
MANAGEMENT
BOARD**

**CONSEIL
DE GESTION
FINANCIÈRE** des
Premières Nations

APRIL 1, 2016

Table 1 - LIST OF CORE DOCUMENTS

The following table lists the core documents made available by the First Nations Financial Management Board (“the Board”) for First Nations to utilise in developing, implementing and improving their financial management.

FINANCIAL ADMINISTRATION LAW		DESCRIPTION
A1	FINANCIAL ADMINISTRATION LAW – REVIEW PROCEDURES	Procedures to apply when requesting a compliance approval of the First Nation’s Financial Administration Law.
A2	FINANCIAL ADMINISTRATION LAW – STANDARDS	Standards that support sound financial administration practices for a First Nation government in Canada.
A3	SAMPLE FINANCIAL ADMINISTRATION LAW	Example of a law which meets the requirements of the A2 Financial Administration Law – Standards.
A4	FINANCIAL ADMINISTRATION LAW – EXPLANATORY NOTES	Provides assistance on the development of a Financial Administration Law by discussing the structure and substantive content of the A3 Sample Financial Administration Law.
A5	FINANCIAL ADMINISTRATION LAW – SELF-ASSESSMENT	Tool that can be utilized to compare existing or proposed Financial Administration Law(s) of the First Nation to the A2 Financial Administration Law – Standards.
FINANCIAL MANAGEMENT SYSTEM		
B1	FINANCIAL MANAGEMENT SYSTEM - CERTIFICATION PROCEDURES	Procedures to apply when requesting a review of the First Nation’s financial management system.
B2	FINANCIAL MANAGEMENT SYSTEM – STANDARDS	Standards that support sound financial practices for the operation, management, reporting and control of the financial management system of a First Nation.
FINANCIAL PERFORMANCE		
C1	FINANCIAL PERFORMANCE – CERTIFICATION PROCEDURES	Procedures to apply when requesting a review of the First Nation’s financial performance.
C2	FINANCIAL PERFORMANCE – STANDARDS	Standards that assess the historical financial performance of a First Nation over a five-year period using up to six financial ratios.
LOCAL REVENUE FINANCIAL REPORTING		
D1	LOCAL REVENUE FINANCIAL REPORTING – STANDARDS	Standards that establish requirements for the financial reporting of a First Nation’s local revenues and expenditures.
<input checked="" type="checkbox"/>	D2	LOCAL REVENUE FINANCIAL REPORTING – ILLUSTRATIVE FINANCIAL STATEMENTS
	D3	LOCAL REVENUE FINANCIAL REPORTING – ILLUSTRATIVE SEGMENT NOTE DISCLOSURE
	D4	LOCAL REVENUE FINANCIAL REPORTING – EXPLANATORY NOTES

Statement of local revenues and expenditures and statement of
changes in reserve funds funded by local revenues

[Name] First Nation

[December / March] 31, 20X2

[Name] First Nation

[December / March] 31, 20X2

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Independent Auditor's Report

To the Members of [Name] First Nation

We have audited the accompanying statement of local revenues and expenditures and statement of changes in reserve funds funded by local revenues of [Name] First Nation for the year ended [December / March] 31, 20X2 and a summary of significant accounting policies and other explanatory information (the "financial statements"). The financial statements have been prepared by management using the basis of accounting described in Note 2.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting described in Note 2, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements presents fairly, in all material respects, the local revenues and expenditures, and the changes in reserve funds funded by local revenues of [Name] First Nation for the year ended [December / March] 31, 20X2 in accordance with the basis of accounting described in Note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to provide information to the members of [Name] First Nation, local revenue rate payers, the First Nations Tax Commission and other users as specified under Section 14(2) of the *First Nations Fiscal Management Act*. As a result, the financial statements may not be suitable for another purpose.

[Auditor's signature]

[Date of Auditor's Report]

[City, Province or Territory]

[Name] First Nation

Statement of local revenue accounts revenues and expenditures
year ended [December / March] 31, 20X1

	Budget	20x1	20x0
	\$	\$	\$
Part 1: Revenues			
Local revenues for current fiscal year			
Property tax			
Taxation for the provision of services			
[List each service tax type separately]			
Business activity taxes			
[List each business tax type separately]			
Development cost charges revenues			
[List each class fund separately]			
Proceeds from borrowing			
[List each borrowing source separately]			
Accumulated surplus - Local revenues carried forward from previous year			
Accumulated deficit - Local revenues carried forward from previous year			
Reserve fund revenues			
[List each fund separately]			
Moneys borrowed from reserve funds			
[List each fund separately]			
	-	-	-

Part 2: Expenditures

General Government expenditures

Executive and legislative

General administrative

Other general Government

Protection Services

Policing

Firefighting

Regulatory measures

Other protective services

Transportation

Roads and streets

Snow and ice removal

Parking

Public transit

Other transportation

Recreation and Cultural Services

Recreation

Culture

Heritage protection

Other recreation and culture

[Name] First Nation

Statement of local revenue accounts revenues and expenditures (continued) year ended [December / March] 31, 20X1

	Budget	20x1	20x0
	\$	\$	\$
Expenditures (continued)			
Community development			
Education			
Planning and zoning			
Community planning			
Economic development program			
Tourism			
Trade and industry			
Land rehabilitation and beautification			
Other regional planning and development			
Environment health services			
Water purification and supply			
Sewage collection and disposal			
Garbage waste collection and disposal			
Recycling			
Other environmental services			
Fiscal services			
Long-term payments to the First Nations Finance Authority			
Interim financing payments to the First Nations Finance Authority			
Other payments			
Accelerated debt payments			
Other fiscal services			
Other services			
Health			
Social programs and assistance			
Agriculture			
Education			
Other service			
Taxes collected for other governments			
Grants			
Home owner grant equivalents			
Other grants			
[List each grant category separately]			
Contingency amounts			
Transfers into reserve funds			
[List each fund separately]			
Repayment of moneys borrowed from reserve funds			
[List each fund separately]			
	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-

[Name] First Nation

Statement of changes in reserve funds funded by local revenues
year ended [December / March] 31, 20X1

	[Name of reserve fund]	[Name of reserve fund]	[Name of reserve fund]	[Name of reserve fund]
	\$	\$	\$	\$
Beginning balance as of [January / April] 1, 20X0				
Transfers out				
To local revenue account				
To _____ reserve fund				
Moneys borrowed				
Transfers in				
From local revenue account				
From _____ reserve fund				
Moneys repaid				
Ending balance as of [December / March] 31, 20X1				

[Name] First Nation

Notes to the financial statements

[December / March] 31, 20X2

1. Description of local revenues

The local revenues of [Name] First Nation (“the First Nation”) consist of revenues collected under the Nation’s local revenue laws which include revenues from property taxes, provision of services, development cost charges, business activity taxes and [*describe any other*]. Subsection 14(1) of the *First Nations Fiscal Management Act* (“the Act”) requires that the local revenues of a first nation be reported on and accounted for separately from other moneys of the first nation in compliance with the standards established under paragraph 55(1)(d) of the Act.

2. Basis of presentation

These financial statements have been prepared based on the financial reporting provisions of Section 14(1) of the Act and the financial reporting standards established under paragraph 55(1)(d) of the Act (“the Financial Reporting Standards”). The Financial Reporting Standards draw upon the Standards for First Nation Expenditure Laws established by the First Nations Tax Commission and require that the First Nation present financial information on the same basis as reflected in its annual Expenditure Law.

3. [Additional note – as required or when useful for readers]

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