

The background of the entire page is a sepia-toned photograph of several Indigenous people, likely from the Pacific Northwest, wearing traditional regalia. They are adorned with large, feathered headdresses and intricate, patterned tunics. One individual in the foreground is looking towards the camera, while others are partially visible behind them, some holding objects that look like ceremonial staffs or tools.

D2

LOCAL REVENUE FINANCIAL REPORTING

ILLUSTRATIVE FINANCIAL STATEMENTS



First Nations
**FINANCIAL
MANAGEMENT
BOARD**

**CONSEIL
DE GESTION
FINANCIÈRE** des
Premières Nations

APRIL 1, 2019

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			
	A1	FINANCIAL ADMINISTRATION LAW – REVIEW PROCEDURES	These Procedures apply when a First Nation requests compliance approval of their Financial Administration Law by the FMB.
	A2	FINANCIAL ADMINISTRATION LAW – STANDARDS	These Standards support sound financial administration practices and are the foundation of a Financial Administration Law.
	A3	SAMPLE FINANCIAL ADMINISTRATION LAW	An example of a law that meets the requirements of the <i>Financial Administration Law – Standards</i> .
	A4	FINANCIAL ADMINISTRATION LAW – EXPLANATORY NOTES	These explanatory notes supplement the sample financial administration law.
	A5	FINANCIAL ADMINISTRATION LAW – SELF-ASSESSMENT	A tool that can be used to compare an existing or proposed Financial Administration Law to the <i>Financial Administration Law – Standards</i> .
FINANCIAL MANAGEMENT SYSTEM			
	B1	FINANCIAL MANAGEMENT SYSTEM - CERTIFICATION PROCEDURES	These procedures apply when a First Nation requests a review of their financial management system for the purpose of obtaining Financial Management System Certification from the FMB.
	B2	FINANCIAL MANAGEMENT SYSTEM – STANDARDS	A First Nation must demonstrate compliance with these Standards with in order to achieve Financial Management System Certification. These Standards 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	These procedures apply when a First Nation requests a review of their financial performance for the purpose of obtaining Financial Performance Certification from the FMB.
	C2	FINANCIAL PERFORMANCE – STANDARDS	These Standards assess the historical financial performance of a First Nation over a five year period using up to six financial ratios. A First Nation must demonstrate compliance with these Standards in order to achieve Financial Performance Certification.
LOCAL REVENUE FINANCIAL REPORTING			
	D1	LOCAL REVENUE FINANCIAL REPORTING – STANDARDS	These Standards 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	Illustrative annual financial statements for a First Nation’s local revenues and expenditures designed to comply with <i>Local Revenue Financial Reporting – Standards</i> .
	D3	LOCAL REVENUE FINANCIAL REPORTING – ILLUSTRATIVE SEGMENT NOTE DISCLOSURE	Illustrative segment note disclosure for a First Nation’s local revenues for inclusion in the annual financial statements of a First Nation designed to comply with <i>Local Revenue Financial Reporting – Standards</i> .
	D4	LOCAL REVENUE FINANCIAL REPORTING – EXPLANATORY NOTES	These explanatory notes accompany the <i>Local Revenue Financial Reporting – Standards</i> .

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

[Name] First Nation

[December / March] 31, 20X1

[Name] First Nation
[December / March] 31, 20X1

Table of contents

Independent Auditor’s Report..... 1-2

Statement of local revenues and expenditures 3-4

Statement of changes in reserve funds funded by local revenues 5

Notes to the financial statements 6

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, 20X1 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, 20X1 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 revenues and expenditures
 year ended [December / March] 31, 20X1

	Budget	20x1	20x0
	\$	\$	\$
Part 1: Revenues			
Local revenues for current year			
Accumulated surplus - Local revenues carried forward from previous year			
Accumulated deficit - Local revenues carried forward from previous year			
Proceeds from borrowing			
Monies from Reserve Funds			
Moneys borrowed from Reserve Funds			
	-	-	-
Part 2: Expenditures			
General Government expenditures			
Protection Services			
Transportation			
Recreation and Cultural Services			
Community Development			
Environment Health Services			
Fiscal Services			
Other Services			
Grants			
Contingency Amounts			
	-	-	-
Transfers into Reserve Funds			
Repayment of moneys borrowed from Reserve Funds			
	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-

On behalf of [Name] First Nation

 Chief

 Chair of the Finance and Audit Committee

 Director of Finance

[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, 20X1

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. [Subsequent events – as required]

[•]

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

[•]