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

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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, 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]

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.

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.

[Subsequent events – as required]

[●]

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

[●]