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](#_TOC_250000)

Statement of local revenues and expenditures 3

Statement of changes in reserve funds funded by local revenues 4

Notes to the financial statements 5

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### Independent Auditor’s Report

To the Members of [Name] First Nation

**Opinion**

We have audited the statement of local revenues and expenditures and statement of changes in reserve funds of [Name] First Nation for the year ended [December / March] 31, 202X, including a summary of significant accounting policies and other explanatory information (together "the financial statement").

In our opinion, the financial statement presents fairly, in all material respects, the statement of local revenues and expenditures and statement of changes in reserve funds of [Name] First Nation for the year ended [December / March] 31, 202X in accordance with the financial reporting provision of Section 14(1) of the *First Nations Fiscal Management Act* and the Financial Reporting Standards as the basis of accounting described in Note X.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the [Name] First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note X to the financial statement, which describes the basis of accounting. The financial statement is prepared to provide information to 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 statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the Financial Statement**

Management is responsible for preparation and fair presentation of the financial statement in accordance with the financial reporting provision of Section 14(1) of the *First Nations Fiscal Management Act* and the Financial Reporting Standards as the basis of accounting described in Note X; this includes determining that the financial reporting provision of Section 14(1) of the *First Nations Fiscal Management Act* and the Financial Reporting Standards as the basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the [Name] First Nation’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the [Name] First Nation or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

•     Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

•     Obtain an understanding of internal control relevant to the audit 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 [Name] First Nation’s internal control.

•     Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the [Name] First Nation 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the [Name] First Nation to cease to continue as a going concern.

•     Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

•     Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

[*Signature in the name of the audit firm, the personal name of the auditor, or both, as appropriate for the particular jurisdiction*]

[*Auditor address*]

[*Date*]

Page 2

# [Name] First Nation

## Notes to the financial statements [December / March] 31, 20X1

#### Description of local revenues

The local revenues of [Name] First Nation (“the First Nation”) consist of revenues collected under the First 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]

[●]

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

[●]

Page 5