

NATION

FIRST NATION NEGOTIATION SUPPORT AGREEMENT

**Financial Statements
March 31, 20XX**

<u>INDEX</u>	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Receipts, Expenditures and Deficit (Surplus)	4
Notes to Financial Statements	5
Independent Practitioner's Reasonable Assurance Report on Compliance	6-7
Appendix To The Independent Practitioner's Reasonable Assurance Report On Compliance	8
Reconciliation of Capital Assets	9

INDEPENDENT AUDITORS' REPORT

To the British Columbia Treaty Commission:

Opinion

We have audited the First Nation Negotiation Support Agreement financial statements of the _____ Nation ("the financial statements"), which comprise the statement of financial position as at March 31, 20XX, the statement of receipts, expenditures and deficit [or surplus] for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the _____ Nation as at March 31, 20XX, and its receipts, expenditures and deficit [or surplus] for the year then ended in accordance with the financial reporting provisions of the First Nation Negotiation Support Agreement dated _____, 20XX between the _____ Nation, Canada, and the B.C. Treaty Commission as described in Note 1 of the financial statements (the "requirements").

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the _____ Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the _____ Nation to comply with the financial reporting provisions of the Agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the _____ Nation, Canada, British Columbia, and the B.C. Treaty Commission, and should not be distributed to or used by parties other than the _____ Nation, Canada, British Columbia or the B.C. Treaty Commission.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 1 of the financial statements 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.

In preparing the financial statements, management is responsible for assessing the _____ 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 _____ Nation or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the _____ Nation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 these financial statements.

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 statements, 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 _____ Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 _____ 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 report to the related disclosures in the financial statements 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 _____ Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent 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.

Chartered Professional Accountants

_____, British Columbia

_____, 20XX

_____ **NATION**
FIRST NATION NEGOTIATION SUPPORT AGREEMENT
 Statement of Financial Position
 March 31, 20XX

	2021	2020
Assets		
Current		
Cash	\$ 39,694	\$ 69,436
	\$ 39,694	\$ 69,436
Liabilities		
Current		
Accounts payable	30,163	6,215
	\$ 30,163	\$ 6,215
Accumulated Surplus (Deficit)	\$ 9,531	\$ 63,221

Approved on behalf of Council:

_____ Chief Councillor/Director
 _____ Councillor/Director

NATION
FIRST NATION NEGOTIATION SUPPORT AGREEMENT
Statement of Receipts, Expenditures and Deficit
Year Ended March 31, 20XX

	Current Year Budget	Current Year Actual	Previous Year Actual
Receipts			
British Columbia Treaty Commission - contribution	314,000	314,000	314,000
	314,000	314,000	314,000
Expenditures			
Administration	45,000	45,000	45,000
Consulting/Professional Fees	20,000	21,000	25,000
Honoraria	15,000	14,500	15,000
Negotiation	100,000	100,000	100,000
Wages & Benefits	95,000	95,000	90,000
Travel and Meetings	39,000	38,500	39,000
	314,000	314,000	314,000
Excess (deficiency) of Receipts over expenditures	0	0	0
Deficit, Beginning of Year		0	0
Deficit, End of Year	0	0	0

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NATION
FIRST NATION NEGOTIATION SUPPORT AGREEMENT
Notes to Financial Statements
Year Ended March 31, 20XX

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements account for transactions arising from the First Nation Negotiation Support Agreement of _____ Nation and have been prepared in accordance with the financial reporting provisions of the First Nation Negotiation Support Agreement dated _____, 20xx between the _____ Nation and the British Columbia Treaty Commission ("the agreement").

Contribution amounts are included in receipts.

Capital purchases are charged to operations in the year of acquisition.

2. CAPITAL ASSETS

The following is a list of the capital asset purchases at original cost. These assets are not capitalized by the Nation for the purposes of these statements, and therefore no amortization is taken.

	20XX	20XX
Equipment	\$ 20,020	\$ 2,721

3. COMPARATIVE FIGURES

Certain of the comparative figures were changed to conform to the current year's presentation with explanations.

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

To the British Columbia Treaty Commission:

We have undertaken a reasonable assurance engagement of the _____ Nation's compliance as at March 31, 20XX, with the criteria established by provisions relating to financial obligations incurred by the _____ Nation during the year ended March 31, 20XX preparing for and carrying out treaty negotiations with Canada and British Columbia ("the specified requirements"). These specified requirements are described in Sections 6.1, 6.2 and 7.1 of the First Nation Negotiation Support Agreement ("the Agreement") dated _____ [date within fiscal year being audited and any Amending Agreements dates if applicable] with the British Columbia Treaty Commission (the "Commission").

Management's Responsibility

Management is responsible for the _____ Nation's compliance with the specified requirements of the Agreement. Management is also responsible for such internal control as management determines necessary to enable the _____ Nation's compliance with the specified requirements.

Our Responsibility

Our responsibility is to express a reasonable assurance opinion on the _____ Nation's compliance based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3531, *Direct Engagements to Report on Compliance*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the _____ Nation complied with the specified requirements, in all significant respects.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with this standard will always detect a significant instance of non-compliance with specified requirements when it exists. Instances of non-compliance can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report. A reasonable assurance compliance reporting engagement involves performing procedures to obtain evidence about the entity's compliance with the specified requirements. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of significant non-compliance, whether due to fraud or error.

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

Our Independence and Quality Control

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion

Per section 9.2 of the Agreement, we confirm that expenditures were compared to the final budget approved by the British Columbia Treaty Commission and no material variances were found [if material variances exceed the budgeted amount by the lesser of \$5,000 or five percent of the individual expense category were found, provide schedule with explanation for variances].

In our opinion, the _____ Nation complied with the specified requirements established in Sections 6.1, 6.2 and 7.1 of the Agreement as described in the attached schedule, in all significant respects. We do not provide a legal opinion on the _____ Nation's compliance with the specified requirements.

Chartered Professional Accountants

_____, British Columbia

_____, 20XX

APPENDIX TO THE INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON COMPLIANCE

FOR THE YEAR ENDED MARCH 31, 20XX

SCHEDULE 1 - INTERPRETATION OF AGREEMENT FOR CRITERIA FOR COMPLIANCE

SECTION

6.0 FINANCIAL CONTROL

6.1 For the purpose of receiving funds under this Agreement, the First Nation will maintain an account at a Bank, Trust Company or Credit Union established and regulated under federal or provincial legislation and inform the Commission of the account particulars.

6.2 To support financial control of the funds received under this Agreement and the Expenditures, the First Nation will maintain separate records and procedures which conform to generally accepted accounting principles as set out in the Chartered Professional Accountants Canada Handbook.

7.0 EXPENDITURES BY FIRST NATION

7.1 Subject to Section 10.1, the First Nation will use the contribution payments received under this Agreement only for Expenditures as defined below.

9.0 AUDITS

9.2 Expenditures are to be compared to each expense category in the Budget and in the event material variances are found, the material variances will be documented in a schedule to be attached to the Independent Practitioners' Reasonable Assurance Report on Compliance, with explanations for the material variances. The Commission is not concerned where expenditures are below budgeted amounts, except where this may result in expenditures exceeding budgeted amounts in other categories. Variances are considered to be material where they exceed the budgeted amount by the lesser of \$5,000 or five percent of the individual expense category.

DEFINITIONS AS SET OUT IN THE FIRST NATION NEGOTIATION SUPPORT AGREEMENT

"Expenditures" means the expenditures described in the Budget that are reasonably and properly incurred by the First Nation in carrying out the activities described in the First Nation Workplan.

"Budget" means the budget for the Fiscal Year submitted by the First Nation and approved by the Commission in accordance with the Allocation Criteria that:

- (i) lists the activities and the proposed Expenditures to carry out the First Nation Workplan for the Fiscal Year
- (ii) shows the estimated cash flow projection of the First Nation for the Fiscal Year
- (iii) is consistent with the amount of contribution funding that the First Nation will receive for the Fiscal Year.

"First Nation Workplan" means the annual workplan prepared by a First Nation and submitted to, and reviewed by, the Commission, setting out the activities it intends to carry out during that year, and includes any revisions to the workplan reviewed by the Commission.

"Stage" means one of the stages of the Treaty Negotiations Framework.

"Treaty Negotiations Framework" means the process for the negotiation of treaties between Canada, British Columbia and First Nations facilitated by the Commission, as contemplated in the British Columbia Treaty Commission Agreement.

NATION
FIRST NATION NEGOTIATION SUPPORT AGREEMENT
 Reconciliation of Capital Assets Not Recorded as Expenditures
 Year Ended March 31, 20XX

Capital Assets	March 31, 2021	\$ 150,000
Capital Assets	March 31, 2020	100,000
Change		50,000
Change related to the following:		
Amortization		(25,000)
Dispositions		-
Other		-
		(25,000)
Expenditures on Capital Assets for Year Ended March 31, 2021		\$ 75,000