



First Nations Tax Commission

Commission de la fiscalité des premières nations



Corporate Plan 2012/2013



February 9, 2012

Mission

The mission of the First Nations Tax Commission (FNTC) is to assist First Nation governments to build and maintain fair and efficient property tax regimes, and to ensure those First Nation communities, and their taxpayers, receive the maximum benefit from those systems.



Mandate

The mandate of the FNTC is provided by s.29 of the *First Nations Fiscal and Statistical Management Act* (FSMA):

“The purposes of the Commission are to:

- a. ensure the integrity of the system of first nations real property taxation and promote a common approach to first nations real property taxation nationwide, having regard to variations in provincial real property taxation systems;
- b. ensure that the real property taxation systems of first nations reconcile the interests of taxpayers with the responsibilities of chiefs and councils to govern the affairs of first nations;
- c. prevent, or provide for the timely resolution of, disputes in relation to the application of local revenue laws;
- d. assist first nations in the exercise of their jurisdiction over real property taxation on reserve lands and build capacity in first nations to administer their taxation systems;
- e. develop training programs for first nation real property tax administrators;
- f. assist first nations to achieve sustainable economic development through the generation of stable local revenues;
- g. promote a transparent first nations real property taxation regime that provides certainty to taxpayers;
- h. promote understanding of the real property taxation systems of first nations; and
- i. provide advice to the Minister regarding future development of the framework within which local revenue laws are made.”

Section 83

Through an agreement with the Minister of Aboriginal Affairs and Northern Development Canada (AANDC), the FNTC will provide advice regarding the approval of s.83 by-laws and deliver services to First Nations exercising property tax jurisdiction under s.83 of the *Indian Act*.

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Abbreviations

AANDC	Aboriginal Affairs and Northern Development Canada
ATIP	Access to Information and Privacy
BAT	Business Activity Tax
DCC	Development Cost Charges
FMB	First Nations Financial Management Board
FNFA	First Nation Finance Authority
FNGST	First Nations Goods and Services Tax
FNPO	First Nations Property Ownership
FNPOA	<i>First Nations Property Ownership Act</i>
FNTC	First Nations Tax Commission
FSMA	<i>First Nations Fiscal and Statistical Management Act</i>
OLA	<i>Official Languages Act</i>
TAS	Tax Administration Software
Tulo	Tulo Centre of Indigenous Economics
TRU	Thompson Rivers University

Executive Summary

The First Nations Tax Commission (FNTC) is a shared governance institution that has been in operation since 2007. The main purpose of the FNTC is to maximize the benefits of First Nation property tax and local revenue systems to First Nation tax authorities, their taxpayers, and Canada. For the fifth consecutive year, the FNTC has met all of the goals established in the previous year's Corporate Plan.

The FNTC Corporate Plan 2012/2013 describes the strategies that the FNTC will establish to support First Nation local revenue systems and economic development. It also identifies external risks to the FNTC during the next fiscal year related to demographic pressures, First Nation housing issues, increased focus on resource development projects, provincial policies impacting taxing First Nations, the implementation of the *First Nations Fiscal and Statistical Management Act (FSMA)* Seven-Year Review recommendations and the First Nation Property Ownership initiative (FNPO).

The FNTC Corporate Plan 2012/2013 presents strategies to manage these risks including expanding FSMA participation, expanding local revenue options, facilitating agreements to support resource development projects, advancing the FNPO initiative and continuing to work with Canada to help implement the recommendations from the FSMA Seven-Year Review. The Corporate Plan contains an accountability performance measures framework consistent with Part 6 of the FSMA.

Highlights include:

- Increase FSMA participation by increasing law development support to participating First Nations and by providing mentoring services using recent Tulo Centre of Indigenous Economics (Tulo) graduates.
- Expand FSMA local revenue options associated with well drilling, hotels, the provision of local services and business occupancy.
- Support First Nation improved infrastructure by supporting First Nation debentures secured by local revenues and continue to advance infrastructure financing and capacity development proposals to Canada to support the Federal Framework for Aboriginal Economic Development.
- Develop, amend or consolidate six sample laws and standards related to property taxation, assessment, expenditures, tax rates, taxation for the provision of services or business activity tax (BAT).
- Expand the number of courses offered through the partnership with Tulo and Thompson Rivers University (TRU) and work towards a diploma in First Nations Applied Economics.
- Work with Canada to implement the recommendations of the FSMA Seven-Year Review to improve its efficiency and expand First Nation participation.

- Work with Canada to develop property ownership legislative proposals that will result in tenure certainty, create equity in First Nation homes, and lower costs of doing business on First Nation lands.

The following table summarizes the FNTC's financial plan for the 2012/2013 fiscal year.

FNTC Financial Performance (for the years ending March 31)			
	2010/11 Actual	2011/12 Forecast	2012/13 Plan
Revenue			
Government of Canada	\$ 5,715,996	\$ 5,801,309	\$ 5,865,338
Government of Canada - special initiatives	1,338,790	923,448	-
Other	205,481	13,445	3000
	7,260,267	6,738,202	5,865,338
Expenses			
Commission costs	819,407	869,075	862,331
Corporate services	1,138,020	1,271,971	1,236,535
<i>Gazette</i> operations	236,446	201,321	187,795
Policy development	892,472	825,838	825,478
Education	550,959	533,477	511,321
Dispute management	150,727	157,095	111,557
Communication costs	653,400	734,313	743,471
Law review, by-law review and regulations	1,187,691	1,327,920	1,389,851
Special initiatives	1,524,890	923,448	-
	7,154,012	6,844,457	5,868,338
Net Surplus before allocation to reserve	106,255	(106,255)	-
Transfer (to) from employee future benefit reserve	(106,255)	106,255	
Net Surplus	\$ -	\$ -	\$ -

Corporate Profile

Structure

The First Nations Tax Commission (FNTC) is a shared-governance institution. The Governor in Council appoints nine of the Commissioners and, by regulation, the Native Law Centre, University of Saskatchewan, appoints one Commissioner. The Commissioners are:

- C.T. (Manny) Jules, Kamloops, BC (Chief Commissioner/CEO)
- David Paul, Tobique, NB (Deputy Chief Commissioner)
- Dr. Céline Auclair, Gatineau, QC
- Leslie Brochu, Kamloops, BC
- Lester Lafond, Saskatoon, SK
- Ken Marsh, Okotoks, AB
- William McCue, Georgina Island, ON
- Terry Nicholas, Canal Flats, BC

Currently there are two vacancies on the Commission.

The FNTC maintains a head office on the reserve lands of the Tk'emlúps Indian Band (s.26(1) FSMA) and an office in the National Capital Region (s.26(2) FSMA).

The FNTC is supported by a Secretariat with an allocation of twenty-one full time equivalents comprised of staff and professional advisors with expertise related to the FNTC mandate who assist the Commission.

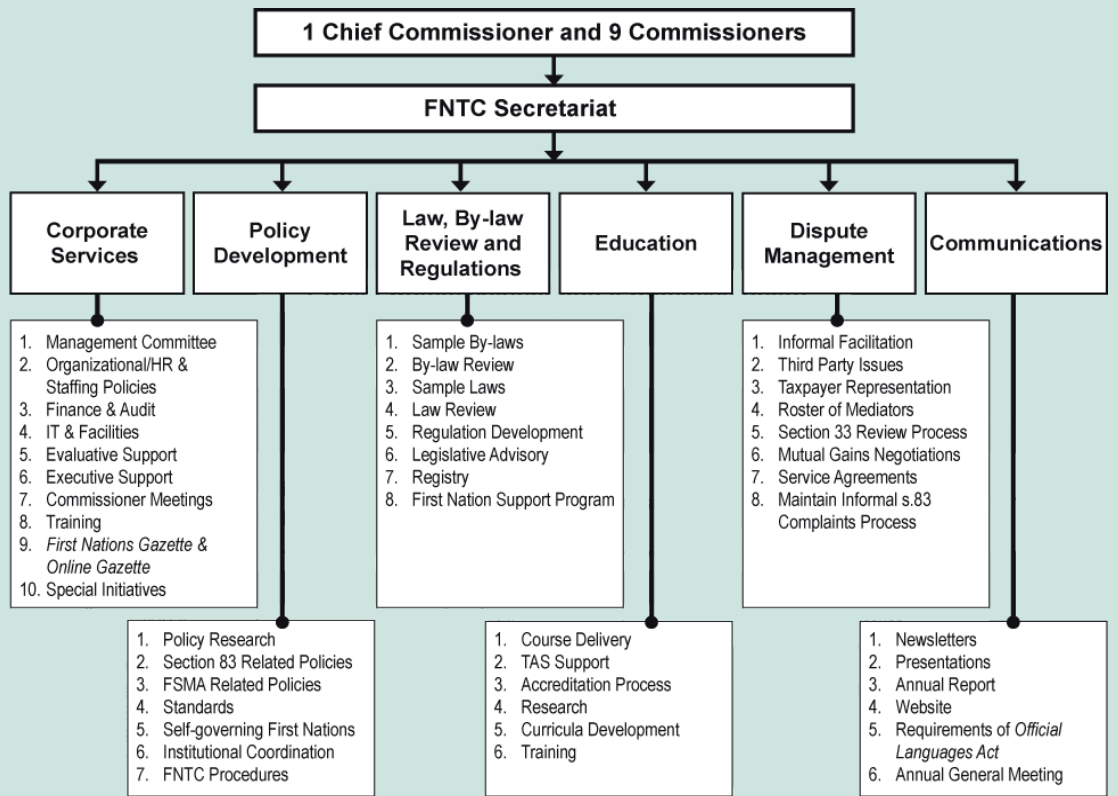
Governance

The FNTC maintains a “best practices” approach for good governance. It operates pursuant to a comprehensive governance and management policy. The Chief Commissioner has established the following committees to support its work:

- Executive Management Committee
- Management Committee
- Audit Committee
- Section 83 Rates Committee
- Education and First Nation Tax Administrators Association Committee
- International Relations Committee
- *First Nations Gazette* Editorial Board

Committees may consist of Commissioners only, or a mix of Commissioners, staff, and other professionals, as appropriate.

The FNTC operates six business lines, as illustrated below.



Assessment of Results

Highlights

The FNTC has achieved its objectives for the fifth straight year. Highlights include:

Training and Graduation - FNTC/Tulo delivered seven courses in the Certificate of First Nation Tax Administration. On October 7, 2011, the first ever graduates of this program were honored at a graduation ceremony held at TRU.

FSMA Seven-Year Review Completed - The FNTC has worked with Canada and proposed a number of legislative changes to improve the accessibility and efficiency of the FSMA. Pursuant to s.146 (FSMA) the Minister will present a final FSMA review report to parliament in 2012.

Development/Approval of Six Standards - The FNTC strengthened the First Nation taxation regulatory framework by publishing improved law standards, including those for annual tax rates, development cost charges (DCCs), delegation of authority, taxation of business activity, and borrowing laws. The FNTC also developed draft standards for taxation for the provision of services.

Sample Laws - The FNTC advanced First Nation tax jurisdiction by developing and providing new or improved sample laws for borrowing, annual rates, delegation of authority, DCCs, and business occupancy taxes.

Projects with Other Institutions - The FNTC supported coordinated service delivery from the FSMA institutions by working with the First Nations Financial Management Board (FMB) and the First Nations Finance Authority (FNFA) on improvements to local revenue secured borrowing and transitioning financial management by-laws into the FSMA and coordinating training and capacity development requirements through Tulo.

Law/By-law Review - The FNTC continues to achieve efficiencies in the review of First Nation laws, as over one hundred FSMA laws were reviewed and approved in 2011/2012, and over sixty s.83 by-laws were recommended for approval to the Minister.

Website Redesigns - In April 2011, the new www.fntc.ca website was launched. A new website was also created for the *First Nations Gazette*, which included a new document handling and search database. The *First Nations Gazette* was also expanded to include the *Specific Claims Tribunal Rules of Practice and Procedure*.

Tax Administration Software (TAS) Upgrades and New Software Release - New TAS for Alberta was released in April 2011 and enhancements to the British Columbia version of TAS were released in May 2011.

First Nations Property Ownership Act (FNPOA) - FNTC continues to advance the proposed First Nations Property Ownership (FNPO) initiative. In 2011/2012, the FNTC completed the second report to the Minister and developed a FNPO implementation plan for participating First Nations.

Summary of Performance against Objectives

Objective	Performance
Corporate Services	
Develop Corporate Plan, Work Plan and Budget	Completed
Hold four Commission meetings and six law review Commission meetings	Completed
Implement recommendations from special examination	Completed
Support FSMA Seven-Year Review	Ongoing
Develop materials in support of proposed FSMA legislative amendments	Ongoing
Manage special initiatives	Ongoing
Facilities management/Administration management	Ongoing
Meet <i>Access to Information and Privacy Act</i> (ATIP) requirements	Ongoing
Publish <i>First Nations Gazette</i> and maintain online <i>First Nations Gazette</i>	Completed/Ongoing
Maintain registry of approved First Nation laws and by-laws	Ongoing
Begin research to explore potential to expand <i>First Nations Gazette</i> to First Nation notices of law and s.81 by-laws	Ongoing
Work with Canada to finalize new instrument to support annual grant funding agreement	Completed
FNTC committee support	Ongoing
Obtain mandate for FNPO legislative process, communications, and implementation plan	Completed
Policy	
Develop, amend, or consolidate and seek public input on six standards/procedures: <ul style="list-style-type: none"> • Property taxation • Assessment • Borrowing law • Delegation of authority • BAT • Taxation for the provision of services • Expenditure 	Completed
Review two s.83 policies – Business Licence and Financial Management	Completed
Six policies in progress: <ul style="list-style-type: none"> • Borrowing support • Local government relations • Provincial policy changes • Own source revenue • Treaty First Nation relations • Expanding FSMA participation 	Completed
Complete three projects with other institutions: <ul style="list-style-type: none"> • Borrowing with local and other revenues • Capacity development support • Section 33 intervention orders 	Completed
Initiate two projects with other institutions: <ul style="list-style-type: none"> • Law development coordination • Information collection coordination 	Completed

Objective	Performance
Law/By-law & Regulations	
Develop, amend, or consolidate five sample laws: <ul style="list-style-type: none"> • Expenditure • BAT • Property taxation • Assessment • Taxation for the Provision of Services • DCCs • Delegation of Authority 	Completed
Regulations – s.141 Tsawwassen and Westbank	Completed
Review ninety FSMA laws	102 laws reviewed
Review fifty by-laws	sixty-two by-laws reviewed
Finalize legislative amendments	Ongoing
Operate the First Nation support program for ten First Nations	Ongoing
Communications	
Prepare and publish Annual Report	Completed
Hold annual meeting	Completed
Update communications for FSMA participation	Ongoing
Update and maintain website	Ongoing
Develop presentations	Ongoing
Compliance with <i>Official Languages Act</i> (OLA) obligations	Ongoing
Publish newsletter	Completed
Education	
Complete accreditation process for First Nation Applied Economics Diploma	Completed
Develop three course curricula: <ul style="list-style-type: none"> • APEC 167 – Development Cost Charges • APEC 168 – Capital Financing • APEC 270 – Residential and Commercial Development of First Nation Lands 	Completed
Develop three online course curricula – APEC 164, APEC 165, and APEC 166	Completed
Enhance and improve curricula for seven courses – APEC 161, APEC 162, APEC 166, APEC 167, APEC 168, APEC 264, and APEC 270	Completed
Deliver seven courses – APEC 161, APEC 162, APEC 165, APEC 167, APEC 168, APEC 264, APEC 270	Completed
Tulo graduation ceremony	Completed
Dispute Management	
Roster of mediators maintained	Completed
Facilitation of negotiations or dispute resolution provided on request	As required
Training provided to FNTC and selected First Nations	Ongoing

Assessment of External Environment

The debt crisis that has plagued the advanced economies of the western world (especially Europe and the United States) shows no sign of improving and may, in fact, precipitate a large contraction of the money supply through a credit crisis. The outcome could be a world recession, which would undoubtedly affect federal budget revenues. This would put immediate pressure on the federal government to both stimulate the economy and control federal expenditures. This risk is common to all fiscal and economic plans for all governments in the coming year.

The external environment for this planning period could be dominated by six factors that directly impact the FNTC corporate planning period. These factors include: ongoing demographic pressures leading to a search for budget reductions and productivity improvement; ongoing issues with First Nations' infrastructure and housing; increased focus on resource development projects; provincial policies impacting First Nations; the development and passage of the FNPOA; and, the implementation of the FSMA Seven-Year Review. Each of these factors presents risks and opportunities to the FNTC in 2012/2013.

Ongoing Demographic Pressures

Canadian society is aging and this is leading to a rising dependency ratio that is putting pressure on the sustainability of social programming and living standards. In the absence of significant productivity improvements, this will create considerable political pressure to reduce funding in support of First Nation services. At the same time, the federal government will want to identify ways to support greater participation by First Nations people and governments in the labour force and the economy.

Rising First Nations Population Outgrows Infrastructure and Housing

First Nations population growth continues to outstrip the pace of maintenance, repair, and construction of housing and infrastructure. This will continue to cause periodic crises, which will likely increase in frequency. This will create pressure on Aboriginal Affairs and Northern Development Canada (AANDC) to identify new funding for on-reserve housing and infrastructure, create better management of the stock of housing and infrastructure, and/or identify new methods for providing housing and infrastructure on reserve.

Increased Focus on Resource Development Projects

The federal government has sought to diversify markets for their resources. This has led to a strong focus on the Pacific Gateway (Enbridge, Kinder Morgan pipeline projects) and other resource development opportunities. This could provide increased taxation and revenue options for affected First Nations.

Provincial Policies Impacting First Nations

Provincial governments are facing the same fiscal strain as the federal government. Their fiscal policy choices in the coming year will impact First Nations. For example, the Treaty process in British Columbia is intended, amongst other things, to improve the investment climate in British Columbia by creating a process for the resolution of regional issues between First Nations and other governments and also by helping to clarify the Aboriginal title and rights of First Nations. However, it is apparent that the Treaty process is moving slowly and may not be able to facilitate the development of resources and infrastructure at a pace commensurate with the growth of resource development opportunities. Policy changes in Saskatchewan, Ontario, Manitoba, New Brunswick, and other provinces to support resource development projects, change assessment practices and provincial tax policies, or reduce provincial deficits, could also impact the FNTC.

FSMA Seven-Year Review: Response and Implementation

Legislation to amend the FSMA, in response to the Seven-Year Review, could be introduced, debated, and passed by parliament in 2012/2013. As a result, this could increase the demand for FNTC services and the type of services delivered.

Development/Implementation of *First Nations Property Ownership Act*

The report of The House of Commons Standing Committee on Finance, entitled “Staying Focused on Canadian Jobs and Growth”, released in December 2011, recommended the “federal government examine the concept of a *First Nations Property Ownership Act* as proposed by the First Nations Tax Commission.” The federal government may decide to advance legislation for FNPO in 2012/2013. This would create additional work for the FNTC to implement the FNPOA business line and associated services in the next fiscal year.

2012/2013 Risk Management Strategy

The table below demonstrates how the external policy environment creates risks to the FNTC. The third column contains an outline for a proposed risk management strategy.

External Policy Environment	FNTC Risks and Opportunities	Proposed Risk Management Strategy
Demographic pressure is not met with productivity improvements	<ul style="list-style-type: none"> • Federal deficit reduction has expenditures impacting tax collecting First Nations and FNTC • Increased emphasis on improving participation of First Nations in the economy • Increased emphasis on securing cooperation of First Nations in resource and infrastructure development 	<ul style="list-style-type: none"> • Prudent financial management • Greater emphasis on expanding First Nation revenue options, including the Property transfer tax and FNGST • Increased emphasis and support for Tulo training to improve First Nation investment climate • Support development of FNPOA
Infrastructure and housing crises	<ul style="list-style-type: none"> • Diverted resources to meet “emergency” • Increased interest in FNTC innovative approaches to housing (FNPOA) and infrastructure (borrowing) • Increased demand on FNTC resources 	<ul style="list-style-type: none"> • Work to implement BATs, FNGST and expanded revenue options • Explore new approaches to borrowing using FSMA • Increase Tulo courses and expand borrowing and financing courses • Support development of models to increase financing available for First Nations housing (FNPOA)
Resource development opportunities	<ul style="list-style-type: none"> • Increased property tax and BAT options • Increased demand for support from First Nations with resource development potential • Increased demand for agreement facilitation • Increased participation in FSMA 	<ul style="list-style-type: none"> • Implement expanded revenue options • Increase support for FSMA participation • Increase number of Tulo courses offered • Encourage use of FNTC agreement facilitation services • Promote First Nation participation in regional economies through planning, service, and infrastructure cooperation

External Policy Environment	FNTC Risks and Opportunities	Proposed Risk Management Strategy
Provincial policies	<ul style="list-style-type: none"> • Increased interest in revenue options • Reduced First Nation revenues • Opportunity for taxpayer relations model in BC treaty model 	<ul style="list-style-type: none"> • Support expanded FSMA revenue options • Promote taxpayer representation systems among FSMA First Nations • Work with BC government on the participation of FSMA First Nations in regional districts
FSMA Seven-Year Review	<ul style="list-style-type: none"> • Amendments to the FSMA • Increased demand for FSMA • Transition strategy 	<ul style="list-style-type: none"> • Develop legislative/parliamentary strategy • Develop FSMA transition strategy • Allocate resources as required
FNPOA passed	<ul style="list-style-type: none"> • Increased demand for FNPOA implementation support • Increased demand for resources • Increased need for communications and education about FNPOA 	<ul style="list-style-type: none"> • Implement FNTC – FNPOA business line and service expansion plan • Implement transition plan for participating FNPOA First Nations • Implement FNPOA communication plan in cooperation with AANDC

The FNTC proposes to focus 2012/2013 Corporate Plan resources on the following strategies and initiatives to manage the external environment risks. The principle theme of this strategy is that the FNTC is well positioned to address the expected increase in demand for its services related to expanding revenue options, implementing FSMA laws, providing training through Tulo, supporting service agreement negotiations, and FNPOA.

Demographic Pressures – It is hard to foresee the impact of productivity improvements failing to keep pace with demographic trends. In the short term, it will lead to a demand for large expenditure reductions in discretionary programs and possibly tax increases. There will be a policy imperative of improving the participation of First Nation people and lands in the economy, which suggests that FNTC initiatives could be made a priority with increased importance attached to them, particularly the infrastructure program and capacity development through partnership with Tulo.

Housing and Infrastructure Crisis – The funding available for First Nation housing and infrastructure is insufficient to keep pace with population growth and depreciation of the existing stock. In fact, it is estimated that federal housing funding to First Nations would have to continue at current levels for between 200 and 850 years to eliminate the current backlog. As a result, there is likely going to be recognition that a long-term and more sustainable solution is needed, particularly in light of the ongoing budget pressure. This could lead to some acceptance of an FNTC proposal to promote the development of self-sustaining infrastructure systems on First Nation lands. It could lead to increased receptivity of proposals to support market based-housing and individual ownership on First Nation land along with increased support for the implementation of FNPOA. It could also require the FNTC to review its policies and standards related to housing and infrastructure.

Resource Development Opportunities – There is a strong desire by the federal and provincial governments to develop arrangements that will support First Nation participation in major resource and transportation infrastructure projects. Many of these projects will provide FSMA revenue options for First Nations. In addition, some of the First Nations impacted by these projects may require FNTC agreement facilitation services and mutual gains negotiation training through Tulo. The FNTC will prepare for these opportunities by promoting its relevant services to these First Nations.

Provincial Policies Impact First Nation – Provincial policies that reduce First Nation revenues or expand First Nation participation in regional economies and government will increase demand for FNTC services. For example, if British Columbia and other provinces support more accommodation or reconciliation agreements, then this provides an opportunity for the FNTC to promote greater First Nation participation in regional economies. It provides an opportunity to promote the recognition of the FSMA regulatory regime among provinces and expanded First Nation revenue options. The FNTC will promote this strategy as a path towards greater administrative harmonization, an improved provincial investment climate, and greater First Nation participation in regional economies. The successful implementation of this strategy with provincial governments will increase the demand for FNTC services and may require the reallocation of resources to adjust FNTC standards or policies.

FSMA Seven-Year Review Implementation – The passage of legislation to implement the recommended changes to the FSMA would have three impacts on the FNTC: it would require that the FNTC devote resources to the development of possible FSMA legislative changes; the FNTC may have to amend or develop sample laws, standards, and policies to respond to the possible legislative changes; and, finally, it could require that the FNTC develop a transition plan should the federal government decide to proceed with a single legislative framework to levy property tax on reserve.

First Nations Property Ownership – The development and possible passage of FNPOA will increase demand on FNTC resources. The FNTC has developed a plan to increase its FNPOA-related services and a plan to support the transition of interested First Nations to FNPOA. The implementation and resourcing of these plans will be required if FNPOA is passed in 2012/2013.

Assessment of Corporate Resources

For the past twenty years, the FNTC, and its predecessor (Indian Taxation Advisory Board), have helped to implement incremental practical change for tax collecting First Nations. This includes changes to the legal framework to support taxation, building the administrative capacity to maximize benefits from the taxation, establishing and implementing national standards, a regulatory framework to support First Nation taxation systems, an improved First Nation investment climate, and a proposed new First Nations property rights system. During this time, the FNTC has assembled the corporate resources to achieve these results by recognizing that change within First Nations requires strong leadership, stability and transparent governance, and capacity development and support. Each of these corporate services is summarized briefly:

Leadership – The FNTC benefits from the expertise of the Chief Commissioner, who has decades of experience in First Nation leadership and economic development. He was the driving force behind the First Nation-led amendment to the *Indian Act* and instrumental in the creation of the FSMA. The Chief Commissioner is supported by an expert panel of Commissioners who share his significant experience in establishing and maintaining a strong regulatory framework for the exercise of First Nation local revenue jurisdiction. The Commissioners have worked on more than a dozen other pieces of provincial and federal legislation and have collectively helped hundreds of First Nations implement taxation and other changes in their community that have led to strong economies.

Stable and Transparent Governance – The FNTC operates a head office on the lands of the Tk'emlúps Indian Band and an office in the National Capital Region. Transparent good governance creates certainty and trust between the FNTC, tax collecting First Nations, and taxpayers. This makes it easier for the FNTC to lead changes or to help interested First Nations implement change. The FNTC has incorporated best practices in corporate governance and human resource management in its comprehensive management policy. Other First Nation and non-First Nation institutions have used the FNTC's model of governance.

The Commission itself is supported by over 200 years of collective experience with First Nation taxation and economic development in the FNTC administration. The FNTC is also supported by qualified professional advisors with significant experience in their fields, including law, economics, accounting, and management.

Capacity Development and Support – The FNTC offers a continuum of support for First Nations that begins with strong research, which supports good policies that, through time, become standards and sample laws. At the end of the continuum is Tulo, which builds the accredited capacity for First Nations to implement standards, laws, and systems so that they can realize the economic and fiscal benefits of the FSMA. First Nation tax administrations are also supported by the FNTC's TAS and FNTC dispute management services. Each of these elements in the capacity development support continuum is described briefly:

Research – The FNTC’s policies, standards, and training courses are based on a strong foundation of innovative research. This includes a ten-year legacy of research from the Indian Taxation Advisory Board and continued ongoing research related to public finance, debentures, property ownership, own-source revenues, revenue potential, and other legal and policy matters of importance to the FNTC and First Nations.

Policy, Standards, and Law Development – The FNTC has established transparent and public input processes for policy, standards, and law development. This process begins with a policy issue, which is researched and discussed in working and focus groups. Draft policies are reviewed by the Commission. Approved policies form the basis for standards, and inform sample laws. During the last five years, the FNTC has developed and published four policies, twelve standards, one procedure, and twenty-four sample laws.

Training – In partnership with Tulo and TRU, the FNTC offers a first-of-its-kind university accredited certificate program for First Nation Tax Administration and First Nations Applied Economics. Twelve original courses have been developed and are offered in both innovative online and executive formats. Published policies, standards, and laws are incorporated into accredited curriculum for both certificate programs. Over eighty students have taken Tulo courses in the last eighteen months and many more are interested. In 2011, eleven First Nation tax administrators became the first in the world to receive a certificate in First Nation Tax Administration.

Software – The FNTC has developed specialized TAS that assists tax administrators through the annual cycle of property taxation, including setting tax rates, printing tax notices, and managing payment collection. TAS also integrates with accounting software. First Nations also use the FNTC’s service agreement and revenue potential spreadsheets. The software is used by more than thirty First Nations in British Columbia and Alberta and is being programmed for use in Saskatchewan and Manitoba. The FNTC also supports First Nation-municipal service agreements with software to calculate the fair price of services.

Dispute Resolution – The FNTC has a reputation for success with respect to facilitating negotiations and dispute resolution. In the last fifteen years, ten service agreements and over thirty other disputes between taxpayers and First Nations have been successfully facilitated.

Other key corporate resources for the FNTC include its partnerships with other organizations and the services it offers to First Nations collecting tax under the authority of s.83 of the *Indian Act*.

Partnerships – The FNTC has developed MOU’s, protocol agreements, and working relationships with other organizations, including:

- MIT-Harvard Consensus Building Institute (mutual gains negotiations and dispute resolution training)
- First Nations Tax Administrators Association (education curriculum, policy development, mentoring for tax administrators)
- Canadian Property Tax Association (policy development, public input)

- Institute of Liberty and Democracy (property rights)
- National Energy Board (Board operations and training)
- First Nation Financial Management Board and First Nations Finance Authority (FSMA implementation and other common interests)
- Native Law Centre at the University of Saskatchewan (*First Nations Gazette*)
- Tulo and TRU (development and delivery of university courses)
- Centre for First Nation Governance
- Indigenous Bar Association
- First Nations Alliance 4 Land Management (FNA4LM)
- First Nations Lands Advisory Board
- Land Title and Survey Authority of British Columbia
- Surveyor General of Canada
- Canadian Energy Pipeline Association

Section 83 Services – The FNTC has and will continue to provide services to all property tax-collecting First Nations, whether they use the authority of the FSMA or s.83 of the *Indian Act*. The services to s.83 First Nations differ from services provided to FSMA First Nations in that they are offered pursuant to an MOU with the Minister of AANDC.

Focus for 2012/2013

The FNTC will focus on the following five initiatives and program areas during 2012/2013:

FSMA Seven-Year Review Implementation – The FNTC will work with Canada following the tabling in parliament of the “Report on the Legislative Review of the *Fiscal and Statistical Management Act*”. This report will contain a number of legislative recommendations to improve the efficiency and effectiveness of the FSMA. The FNTC will work with Canada in 2012/2013 to implement any required changes to the FSMA recommended by parliament.

Expanded Revenue Options – The FNTC will work with interested First Nations to advance initiatives to expand FSMA revenue options. In 2012/2013, the FNTC expects to devote considerable time and resources to help First Nations implement BATs related to hotels, well drilling and casinos, property taxes related to the transfer of property interests, and to support First Nation debentures.

Transition to FSMA Laws – There are over seventy First Nations on the FSMA Schedule and another twelve First Nations who have requested to be added. The FNTC will continue to allocate resources to ensure that these First Nations have support needed to implement their FSMA property tax and assessment laws in 2012/2013. The FNTC will use a number of methods to support these First Nations, including law development support funding, mentoring, and workshops developed in partnership with Tulo.

Expand Number of Tax Administration Courses – In 2012/2013, the FNTC will respond to the increased demand for participation in the certificate program for First Nation Tax Administration offered in partnership with Tulo and TRU. The FNTC would like Tulo and TRU to offer one executive course and perhaps more online courses in 2012/2013. While the FNTC may allocate more resources, it will also encourage Tulo to achieve charitable status designation so it can raise funds to meet the demand for greater participation in its certificate programs.

FNPO – As a special initiative, the FNTC will continue to allocate time and resources to the FNPO initiative. It is expected that the FNTC will work with Canada in 2012/2013 to develop and advance the initiative. The FNTC will also begin to address internal organizational capacity, and continued support for proponent First Nations, as work on the FNPO initiative proceeds.

The FNTC 2012/2013 Financial Plan does not include all revenues or expenditures relating to these special initiatives. The FNTC may seek additional funding for these initiatives during the planning period.

Objectives, Strategies and Performance Measures for 2012/2013

Corporate Services

The objective of Corporate Services is to create an effective work environment for FNTC service areas and operate the FNTC and its Secretariat in keeping with the FSMA Part 2, Part 6, and the Corporate Plan. Corporate Services is also responsible for the management of the *First Nations Gazette* and any special projects or initiatives that the FNTC undertakes.

2012/2013 Strategies and Activities

Corporate Services will be responsible for the administrative management of the FNTC, including an HR policy review, and coordination of staff training and professional development opportunities. It will provide support for four general FNTC meetings, six law review meetings, as well as additional committee meetings. Corporate Services will coordinate the development of the 2013/2014 Corporate Plan and Work Plan, participate in reporting and evaluation activities as required, and develop materials in support of the FSMA Seven-Year Review legislative implementation process and the proposed amendments to the FSMA.

Corporate Services will continue to be responsible for managing the publication of the *First Nations Gazette* through the Native Law Centre at the University of Saskatchewan. It will also coordinate a project regarding the development of a notification component of the *First Nations Gazette*.

Corporate Services will also manage the FNTC's information management and registry services to meet ATIP requirements. It will develop an Information Management Manual and expand its database to include records of communications with individual First Nations and other organizations.

Corporate Services will also continue to manage special projects that the FNTC undertakes, including:

- Assessment services project with five provinces
- Expanding FSMA participation
- Financing infrastructure
- FSMA review response and implementation
- FNGST
- FNPOA

2012/2013 Performance Measures

Develop Corporate Plan, Work Plan
Hold four Commission meetings and six law review Commission meetings
Facilities management/Administration management
Coordinate implementation of the FSMA Seven-Year Review
Develop materials in support of proposed FSMA legislative amendments
Publish <i>First Nations Gazette</i> and maintain online <i>First Nations Gazette</i>
Meet <i>Access to Information Act</i> and <i>Privacy Act</i> Requirements
Manage special initiatives

Policy Development

The objective of Policy Development is to develop and implement, through a transparent policy development process, effective standards and policies that support sound administrative practices and increase First Nation, taxpayer, and investor confidence and certainty in the integrity of the First Nation local revenue system.

2012/2013 Strategies and Activities

In 2012/2013, Policy Development will develop, seek public input on, and present at least five of the following standards for approval by the Commission:

- Expenditure
- Rates
- Taxation for provision of services (annual service fees/charges)
- Borrowing
- Property taxation
- Property transfer tax
- BAT

Policy Development will also initiate or continue the research and policy development process to develop policy papers in at least six of the following, which could impact FNTC standards, procedures, or sample laws:

- Borrowing support
- Contracting out of taxation agreements
- Property tax loss studies
- Tax deferral programs
- Sample service agreements
- Expanding FSMA participation
- Private assessor qualifications

- Private placement debenture support
- Examining the scope of First Nations fiscal powers under section 5(1)(a) of the FSMA
- Research on supporting the transition of utility tax by-laws to FSMA
- FSMA Seven-Year Review implementation
- Hotel tax agreement with British Columbia

Policy Development will also review the s.83 Property Tax Policy and the s.83 Assessment Policy. As well, Policy Development will initiate projects with other institutions related to conducting a mock intervention, local revenue account management, and local revenue account statistics.

2012/2013 Performance Measures

Approve five standards
Review two s.83 policies
Six policy papers completed
Initiate three projects with other institutions

Law/By-law Review and Regulations

The objective of Law/By-law Review and Regulations is to ensure the integrity of the First Nations real property taxation system and promote a common approach to First Nations real property taxation nationwide, having regard to variations in provincial real property taxation systems. This is accomplished by approving laws that comply with the FSMA and the associated regulatory framework and by providing support, such as sample laws, to First Nations in the law development process.

2012/2013 Strategies and Activities

Law/By-law Review and Regulations expects that it will review ninety annual and seventeen non-annual FSMA laws in 2012/2013, and present the reviews and laws to the Commission for approval. It also expects to review sixty s.83 by-laws and submit the recommendations and laws to the Minister for approval.

Law/By-law Review and Regulations will develop or improve six of the following sample laws:

- BAT
- Taxation for provision of services (annual service fees/charges)
- Property taxation
- Assessment
- Borrowing
- Expenditure

Law/By-law Review and Regulations will continue to operate the First Nation support program to enable another ten First Nations to implement laws under the FSMA.

Law/By-law Review and Regulations will continue to review and update s.83 by-laws to support transition from s.83 to the FSMA as well as its requirements to maintain registries of approved First Nation laws and by-laws.

Law/By-law Review and Regulations will focus resources on FSMA implementation by working with participating First Nations to develop and pass core FSMA property tax and assessments laws.

Law/By-law Review and Regulations will participate in the implementation of the FSMA Seven-Year Review, provide support to the proposed amendments to the FSMA, and participate in the implementation and development of regulations.

2012/2013 Performance Measures

Produce/improve six sample laws
Regulation development and implementation
Review view ninety annual and seventeen non-annual FSMA laws
Review sixty by-laws
First Nations support program to enable transition to FSMA for ten First Nations
Finalize and support legislative amendments from the FSMA Seven-Year Review
Maintain registry of approved First Nation laws and by-laws

Communications

The objective of Communications is to promote the understanding of the First Nation real property taxation system.

2012/2013 Strategies and Activities

In 2012/2013, Communications will participate in the development and production of the Annual Report, as well as coordinate and develop materials for the FNTC annual meeting. This will include developing stories highlighting FSMA successes.

Throughout the fiscal year, Communications will continue to update and maintain the FNTC website, coordinate and develop presentations to support other business lines, and work with Corporate Services to ensure that the FNTC continues to meet OLA requirements.

Communications will also publish the Clearing the Path Newsletter quarterly and develop an email distribution database for distribution of Clearing the Path and the Annual Report.

2012/2013 Performance Measures

Prepare and publish Annual Report
Hold annual general meeting
Update and maintain FNTC website
Develop property taxation and other presentations
Compliance with OLA obligations
Develop email database
Publish and distribute newsletter electronically

Education

The objective of Education is to promote understanding of the real property taxation systems of First Nations, develop training programs for First Nation real property tax administrators, and build capacity in First Nations to administer their taxation systems.

FNTC education activities are undertaken through a working agreement and contract with Tulo and in partnership with TRU. The partnership between Tulo, TRU, and the FNTC provides students with access to fourteen courses leading to an accredited certificate in First Nation Tax Administration or an accredited certificate in First Nation Applied Economics.

2012/2013 Strategies and Activities

In 2012/2013, Education will complete the accreditation process for the Diploma in First Nation Applied Economics.

Education will work with Tulo and TRU to support the delivery of at least seven accredited courses and continues to work with Tulo and TRU to enhance, improve, and expand its curricula. In 2012/2013, it will review and enhance curricula for the following courses:

- APEC 163 – Assessment and Assessment Appeal Procedures
- APEC 165 – Communications, Tax Payer Relations and Dispute Resolution
- APEC 166 – Service Contracts and Joint Agreements
- ECON 263 – Issues in Aboriginal Economics
- ECON 264 – Residential and Commercial Development on FN Lands

Three additional courses will be adapted for online delivery:

- APEC 167 – Development Cost Charges
- APEC 168 – Capital Infrastructure and Debenture Financing
- ECON 265 – Investment Facilitation on First Nation Lands

Outlines will also be developed for two additional courses to support the Diploma in First Nation Applied Economics.

Education will continue to maintain and provide support for TAS.

Education will continue to build upon its relationship with FMB, host a conference on teaching Economics and Statistics, and begin to develop workshops for Facilitating Investment on First Nation Lands, Introduction to First Nation Taxation, and Facilitating Agreements.

2012/2013 Performance Measures

Complete accreditation process for First Nation Applied Economics Diploma
Develop two course outlines/develop three online course curricula
Enhance and improve curricula for five courses
Deliver seven courses
Support and maintain TAS
Host conference on teaching Economics and Statistics

Dispute Management

The objective of Dispute Management is to prevent disputes or provide for the timely resolution of disputes in relation to the application of local revenue laws.

2012/2013 Strategies and Activities

In 2012/2013, Dispute Management will continue to respond to requests for negotiation facilitation and dispute resolution. It will maintain a roster of qualified mediators and provide training opportunities for mediators listed on the roster.

Dispute Management will also update the Service Agreement Negotiation Manual and develop a guide for the review procedure provided for in s.33 of the FSMA.

Dispute Management will offer training opportunities to FNTC, selected First Nations, and Tulo for a) mutual gains negotiations and b) dispute resolution.

2012/2013 Performance Measures

Roster of mediators maintained
Facilitation of negotiations or dispute resolution provided on request
Training provided to FNTC, Tulo, and selected First Nations
Service Agreement Negotiation Manual updated
Guide produced for s.33 FSMA review procedure

Corporate Work Plan - 2012/2013

Objectives & Activities	Performance Measure
Corporate Services	
Produce and approve Corporate Plan and Work Plan	Corporate Plan, Work Plan and budget
Provide support for four general FNTC meetings/six law review meetings	Four general/six law review meetings held
Commission and Committee support	
Administrative management - HR policy review	HR policy revised
Training and professional development	ATIP training, computer training, professional development plans
Meet ATIP and <i>Privacy Act</i> requirements	ATIP and Privacy Impact Assessment reports for parliament completed
Develop Information Management Manual	Information Management Manual
Manage the First Nations Gazette <ul style="list-style-type: none"> Notification project 	First Nations Gazette published and online Gazette maintained
Manage special projects: <ul style="list-style-type: none"> Expanding FSMA participation Infrastructure FSMA Seven-Year Review implementation Assessment services project with five provinces FNGST FNPOA 	Special projects managed
Policy Development	
Develop, seek public input on, approve at least five of the following standards: <ul style="list-style-type: none"> Expenditure Rates Taxation for provision of services (annual service fees/charges) Borrowing Property taxation Property transfer tax BATs 	Five standards approved
Continue/Initiate/Research policy development process for six of the following: <ul style="list-style-type: none"> Borrowing support Contracting out of taxation agreements Property tax loss studies Tax deferral programs Sample service agreements Expanding FSMA participation Private assessor qualifications Private placement debenture support Examining the scope of the FSMA s.5(1)(a) power Research on supporting the transition of utility tax by-laws to FSMA FSMA Seven-Year Review implementation Hotel tax agreement with British Columbia 	Six policy papers completed
Section 83 Policy Reviews <ul style="list-style-type: none"> Property tax policy Assessment policy 	
Initiate projects with other institutions related to <ul style="list-style-type: none"> Mock intervention Local revenue account management Local revenue account statistics 	Three projects with FMB, First Nations Statistical Institute (FNSI) initiated
Law/By-law Review and Regulation	
FSMA laws reviewed	Ninety annual FSMA laws reviewed and seventeen non-annual FSMA Laws reviewed
Review of s.83 by-laws	Sixty by-laws reviewed

Objectives & Activities	Performance Measure
Law/By-law Review and Regulation	
Develop or improve six sample laws in the following authorities: <ul style="list-style-type: none"> BATs Taxation for provision of service Property taxation Assessment Borrowing Expenditure Annual rates 	Six sample laws produced
Operate the First Nation support program to enable another ten First Nations to implement FSMA property tax and assessment laws	Support provided to ten First Nations
Maintain registry of approved First Nation laws and by-laws	Registries maintained
Review and update of s.83 by-laws to support transition to the FSMA	
FSMA Seven-Year Review implementation	
Communications	
Prepare and submit Annual Report	Annual Report
Coordinate and develop materials for FNTC annual meeting	Annual general meeting held
Develop stories highlighting FSMA successes	
Update and maintain website	Website maintained
Coordinate and develop presentations	Presentations developed
Ensure FNTC meets OLA requirements	OLA requirements met
Newsletter <ul style="list-style-type: none"> Publish quarterly Clearing The Path Develop email distribution database for delivery of Clearing The Path and Annual Report 	Newsletter published and distributed electronically
Education	
Accreditation <ul style="list-style-type: none"> Complete accreditation process for Diploma in First Nation Applied Economics Continue to work with FMB on possible accreditation of their courses. 	<ul style="list-style-type: none"> Diploma in First Nation Applied Economics accredited Partnership proposal with FMB
Enhance curricula for: <ul style="list-style-type: none"> APEC 163 – Assessment and Assessment Appeal Procedures APEC165 – Communications, Tax Payer Relations and Dispute Resolution APEC166 – Service Contracts and Joint Agreements ECON 263 – Issues in Aboriginal Economics ECON 264 – Residential and Commercial Development on FN Lands 	Five course curricula enhanced
Develop online courses for three courses <ul style="list-style-type: none"> APEC 167 – Development Cost Charges APEC 168 – Capital Infrastructure and Debenture Financing ECON 265 – Investment Facilitation on First Nation Lands 	Three online courses developed
Deliver, through TULO and TRU, at least seven accredited courses	Seven courses delivered
Host conference on teaching Economics and Statistics Begin to develop workshops for Facilitating Investment on First Nation Lands, Introduction to First Nation Taxation and Facilitating Agreements	Conference held Workshop development initiated
Curriculum development for two courses Diploma in Applied First Nation Economics	Two course outlines developed
Maintain and provide support for TAS	TAS support provided
Dispute Management	
Maintain roster of qualified mediators and provide training	Roster of mediators maintained
Respond to requests for dispute facilitation	Facilitation/dispute resolution on request
Service Agreements	Service Agreement Negotiation Manual updated
Develop Guide for s.33 FSMA review procedure	Guide developed
Provide training to FNTC, selected First Nations, and Tulo for: <ul style="list-style-type: none"> Mutual gains negotiations Dispute resolution 	Training delivered

FNTC Financial Plan

This section presents the Fiscal Year (FY) 2012/13 to FY 2016/17 financial plans for the FNTC and an overview of the current financial performance for the Commission.

Financial Performance FY 2010/11 and FY 2011/12

Financial assets at the end of FY 2010/11 totalled \$1.48 million and consisted of cash and accounts receivable. The forecasted financial assets at the end of FY 2011/12 are \$1.94 million and consist of cash and accounts receivable. Liabilities consisting of accounts payable and contracts payable totalled \$1.23 million at the end of FY 2010/11 and are forecasted to be \$1.61 million at the end of FY 2011/12. The FNTC's non-financial assets consisted of prepaid expenses and tangible capital assets. The FNTC's tangible capital assets consist solely of furniture, computer equipment, software and website development costs, and leasehold improvements. The Commission does not own real property and does not carry debt.

Below is an overview of the FNTC's actual performance for the FY 2010/11 against its plan and its projected performance for the FY 2011/12 against its plan with an explanation of significant variances.

Statement of Financial Activities (in \$'s)				
	2010/11 Budget	2010/11 Actual	2011/12 Budget	2011/12 Forecast
Revenue				
Government of Canada	\$ 5,715,996	\$ 5,715,996	\$ 5,801,309	\$ 5,801,309
Government of Canada - special initiatives	1,338,790	1,338,790	923,448	923,448
Other	-	205,481	3,000	13,445
	7,054,786	7,260,267	6,727,757	6,738,202
Expenses				
Commission costs	883,780	819,407	853,455	869,075
Corporate services	1,139,020	1,138,020	1,226,875	1,271,971
Gazette operations	311,721	236,446	202,209	201,321
Policy development	859,365	892,472	836,806	825,838
Education	490,220	550,959	540,671	533,477
Dispute management	202,158	150,727	157,095	157,095
Communication costs	623,296	653,400	691,714	734,313
Law review, by-law review and regulations	1,206,436	1,187,691	1,295,484	1,327,920
Special initiatives	1,338,790	1,524,890	923,448	923,448
	7,054,786	7,154,012	6,727,757	6,844,457
Net Surplus (deficit) before allocation to reserve	-	106,255	-	(106,255)
Transfer (to) from employee future benefit reserve	-	(106,255)		106,255
Net Surplus (deficit) after allocation to benefit reserve	\$ -	\$ -	\$ -	\$ -

Statement of Financial Position (in \$s)

	2010/11 Actual	2011/12 Forecast
Financial Assets		
Cash	\$ 631,282	\$ 1,777,266
Accounts receivable	845,905	162,345
	1,477,187	1,939,611
Liabilities		
Accounts payable	673,332	1,011,000
Contracts payable	553,633	600,000
	1,226,965	1,611,000
Net Debt	250,222	328,611
Non-Financial assets		
Prepaid expenses	15,285	13,325
Capital assets	333,755	151,070
	349,040	164,395
Accumulated Surplus	\$ 599,262	\$ 493,006
Accumulated surplus		
Investment in tangible capital assets	\$ 333,755	\$ 151,070
Current funds	159,002	341,936
Employee future benefit reserve	106,505	-
Accumulated Surplus	\$ 599,262	\$ 493,006

Statement of Cash Flows (in \$'s)

	2010/11 Actual	2011/12 Forecast
Operating Activities		
Annual surplus (deficit)	\$ (106,255)	\$ (106,255)
Items not involving cash	-	-
Amortization	371,522	271,618
Loss on disposal of tangible capital assets	-	-
Changes in non-cash operating balances	-	-
Accounts receivable	1,208	683,560
Prepaid expenses	20,061	1,960
Accounts payable and contracts payable	151,306	384,035
Cash flows from operating activities	650,352	1,234,918
Investing Activities		
Purchase of tangible capital assets	(212,686)	(88,934)
Net increase in cash during the year	437,666	1,145,984
Cash, beginning of the year	193,616	631,282
Cash, end of the year	\$ 631,282	\$ 1,777,266

FY 2010/11 Budget vs. FY 2010/11 Actual and 2011/12 Budget vs. FY 2011/12 Forecast

Revenues FY 2010/11 Actual

Revenues for FY 2010/11 were \$7.26 million, \$210 thousand over a budgeted plan of \$7.05 million. The revenue for FY 2010/11 consists of government funding of \$5.72 million for its core business activities, \$202 thousand for a national First Nations taxing authorities meeting, \$1.14 million of funding for research on the development of a First Nation Land Title system, and \$205 thousand of other source revenue from sponsorships and registration fees for a national conference on the FNPO initiative, bank interest and *First Nations Gazette* sales. This other source revenue was not budgeted for at the beginning of the planning period. The additional other source revenue was used to offset conference costs.

Expenses FY 2010/11 Actual

Expenses for FY 2010/11 were \$ 7.15 million, \$100 thousand over budgeted expenditures of \$7.05 million and \$106 thousand under actual revenues for the year, resulting in a surplus of \$106 thousand. During the FY 2010/11, the FNTC began the development of an employee future benefits policy. This policy had not been fully developed and final costs had not been determined at the end of the FY. The FNTC allocated the \$106 thousand surplus to an employee future benefit reserve to internally restrict a portion of its net assets for the purpose of funding the employee future benefit policy.

Capital Expenditures FY 2010/11 Actual

Capital expenditures during the FY 2010/11 are related to information technology related equipment including servers and lifecycle replacement of desktop computers and laptops as well as website and software development costs and office furniture purchases.

Revenues FY 2011/12 Forecast

Revenues for FY 2011/12 are forecast to be \$6.74 million, \$10 thousand over a budgeted plan of \$6.73 million. The forecasted variance is a result of other revenues from bank interest and *First Nations Gazette* sales collected during the fiscal year.

Expenses FY 2011/12 Forecast

Expenses for FY 2011/12 are forecast to be \$6.84 million with a deficit of \$106 thousand forecast for the FY 2011/12. The forecasted deficit relates to an employee future benefit program that was implemented during the year. The forecasted deficit will be offset by a \$106 thousand surplus that was allocated to an employee future benefit reserve in the prior fiscal year.

There are no significant variances in program categories forecasted for FY 2011/12.

Capital Expenditures FY 2011/12 Forecast

Capital expenditures forecast during the FY 2010/11 are related to information technology related equipment, including lifecycle replacement of desktop computers and laptops, and office furniture, as well as software developments.

Financial Plan 2012/13 TO 2016/17

The proposed budget for the FNTC for FY 2012/13 is balanced, and has revenues and expenditures set at \$5.868 million. The plan includes revenue from the Government of Canada for its core activities of \$5.865 million, and \$3 thousand in revenue from other sources.

The table below contains the financial plan for the FNTC for FY 2012/13 to FY 2016/17. The following assumptions have been made in the preparation of the 2012/13 financial plan:

1. The financial plans have been prepared based on a detailed review of the FNTC business lines, including the strategies and activities planned for FY 2012/13, and the best estimates of management for the cost of activities under each business line.
2. The financial plans for the periods FY 2012/13 to FY 2016/17 cover the 12-month periods ending March 31.
3. No provision has been made for an increase in Commissioner remuneration for 2012/13 as these rates are determined and set by the Governor in Council.
4. The financial plan includes the estimated costs of continuing to provide services to First Nations under s.83.
5. Other income consists of revenue from the sale of the *First Nations Gazette*.
6. The financial plan for FY 2012/13 does not include all revenues or expenditures relating to special initiatives that have been identified by the FNTC. The FNTC will seek additional funding for these initiatives during the planning period.

Statement of Financial Activities (in \$'s)					
	2012/13 Plan	2013/14 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan
Revenue					
Government of Canada	\$ 5,865,338	\$ 5,903,152	\$ 5,929,686	\$ 5,969,490	\$ 6,059,032
Government of Canada - special initiatives	-	-	-	-	-
Other	3,000	3,000	3,000	3,000	3,000
	5,868,338	5,906,152	5,932,686	5,972,490	6,062,032
Expenses	-	-	-	-	-
Commission costs	862,331	886,623	884,823	894,558	893,321
Corporate services	1,236,535	1,243,311	1,199,717	1,232,917	1,256,949
Gazette operations	187,795	192,404	197,128	201,969	206,930
Policy development	825,478	838,479	852,428	867,884	865,370
Education	511,321	518,946	539,452	525,204	536,208
Dispute management	111,557	134,730	136,429	138,153	139,902
Communication costs	743,471	745,204	757,729	748,142	780,633
Law review, by-law review and regulations	1,389,851	1,346,453	1,364,980	1,363,664	1,382,718
Special initiatives	-	-	-	-	-
	5,868,338	5,906,152	5,932,686	5,972,490	6,062,032
Net Surplus	\$ -	\$ -	\$ -	\$ -	\$ -

Statement of Financial Position (in \$s)					
	2012/13 Plan	2013/14 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan
Financial Assets					
Cash	\$ 1,714,867	\$ 1,570,276	\$ 1,610,099	\$ 1,696,700	\$ 1,596,747
Accounts receivable	162,345	162,345	162,345	162,345	162,345
	1,877,212	1,732,621	1,772,444	1,859,045	1,759,092
Liabilities	-	-	-	-	-
Accounts payable	917,275	887,657	894,147	900,747	907,461
Contracts payable	605,000	605,000	605,000	605,000	605,000
	1,522,275	1,492,657	1,499,147	1,505,747	1,512,461
Net Debt	354,937	239,964	273,297	353,297	246,631
	-	-	-	-	-
Non-Financial assets	-	-	-	-	-
Prepaid expenses	13,325	13,325	13,325	13,325	13,325
Tangible capital assets	124,744	239,717	206,383	126,383	233,050
	138,069	253,042	219,708	139,708	246,375
Accumulated surplus	\$ 493,005	\$ 493,006	\$ 493,006	\$ 493,006	\$ 493,006
Accumulated Surplus					
Investment in tangible capital assets	\$ 124,744	\$ 239,717	\$ 206,383	\$ 126,383	\$ 233,050
Current funds	368,262	253,289	286,622	366,622	259,956
Accumulated Surplus	\$ 493,005	\$ 493,006	\$ 493,006	\$ 493,006	\$ 493,006

Statement of Cash Flows (in \$'s)					
	2012/13 Plan	2013/14 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan
Operating Activities					
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
Items not involving cash	-	-	-	-	-
Amortization	206,326	145,027	133,333	180,000	153,333
Loss on disposal of tangible capital assets	-	-	-	-	-
Changes in non-cash operating balances	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Accounts payable and contracts payable	(88,725)	(29,618)	6,490	6,601	6,713
Cash flows from operating activities	117,601	115,409	139,823	186,601	106,047
Capital Activity	-	-	-	-	-
Purchase of tangible capital assets	(180,000)	(260,000)	(100,000)	(100,000)	(260,000)
Net increase in cash during the year	(62,399)	(144,591)	39,823	86,601	(99,953)
Cash, beginning of the year	1,777,266	1,714,867	1,570,276	1,610,099	1,696,700
Cash, end of the year	1,714,867	1,570,276	1,610,099	1,696,700	1,596,747