

February 12, 2013



First Nations Tax Commission

Commission de la fiscalité des premières nations

Corporate Plan

2013/2014



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 of the *Indian Act*

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
BATs	Business Activity Tax
CTP	Clearing the Path
DCC	Development Cost Charges
FMB	First Nations Financial Management Board
FNFA	First Nations Finance Authority
FNGST	First Nations Goods and Services Tax
FNPO	First Nations Property Ownership
FNTC	First Nations Tax Commission
FSMA	<i>First Nations Fiscal and Statistical Management Act</i>
NVIT	Nicola Valley Institute of Technology
OLA	<i>Official Languages Act</i>
SAMA	Saskatchewan Assessment Management Agency
TAS	Tax Administration Software
TLE	Treaty Land Entitlement
TRU	Thompson Rivers University
Tulo	Tulo Centre of Indigenous Economics

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 sixth consecutive year, the FNTC has met the goals established in the previous year's Corporate Plan.

This Corporate Plan contains an assessment of risks for 2013/2014 and a risk management strategy. Key risks identified include ongoing First Nation demonstrations, slow economic growth, growing interest in new revenue options, *First Nations Fiscal and Statistical Management Act* (FSMA) amendments not passed, and increased demand in FNTC services in Saskatchewan and Ontario. The FNTC plans to focus its work in three key areas in 2013/2014 in response to these risks:

- 1. Implementing First Nation Local Revenue Jurisdiction** – In 2013/2014, the FNTC will respond to a growing demand for First Nation property tax jurisdiction in Ontario and Saskatchewan especially related to Treaty Land Entitlements (TLEs). This may involve increased FNTC support to facilitate First Nation local government service agreements as required. The FNTC will also work with interested First Nations to implement business activity tax (BATs) related to gross receipts, hotels, and amusement. In some cases, this will require coordination with provincial governments. The FNTC will continue to work with other institutions and interested First Nations to increase the number of FSMA First Nations that use local revenues to support long-term borrowing projects.
- 2. Capacity Development** – In 2013/2014, the FNTC will work with partners to add accredited courses related to BATs and financial management, in addition to delivering workshops to increase awareness of FNTC education programs across Canada. The FNTC will research and develop options that will facilitate access to the FSMA and expedite implementation of property tax jurisdiction. The FNTC will also promote and enable taxpayer relations initiatives in all regions.
- 3. Special Initiatives** – In 2013/2014, the FNTC will focus on three special initiatives. First, the FNTC will support Canada on any legislative initiatives related to the FSMA that may be initiated in follow-up to the FSMA Legislative Review, which was tabled in Parliament in March 2012. The FNTC will also continue work with Finance Canada to respond to First Nations seeking to implement First Nations Goods and Services Tax (FNGST) systems. Finally, the FNTC will continue to work with Canada to develop the First Nations Property Ownership (FNPO) initiative.

In addition to these priorities, this Corporate Plan contains the planned activities and performance measures for the six FNTC business lines, a work plan for 2013/2014, and a comprehensive financial plan.

Financial summary

FNTC Financial Performance (for the years ending March 31)			
	2011/12 Actual	2012/13 Forecast	2013/14 Plan
Revenue			
Government of Canada	\$ 5,804,309	\$ 5,865,338	\$ 5,909,666
Government of Canada - special initiatives	923,448	1,899,072	-
Other	20,241	24,458	3,000
	6,747,998	7,788,868	5,912,666
Expenses			
Commission costs	870,700	817,824	883,931
Corporate Services	1,231,118	1,200,926	1,233,583
<i>Gazette</i> operations	196,667	187,871	187,815
Policy Development	815,482	823,279	811,784
Education	546,641	515,908	538,410
Dispute Management	156,151	206,187	183,962
Communications	761,372	745,579	719,434
Law Review, By-law Review and Regulations	1,352,924	1,392,221	1,353,747
Special Initiatives	923,448	1,899,072	-
	6,854,503	7,788,868	5,912,666
Net Surplus	\$ (106,505)	\$ -	\$ -

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
- Randy Price, North Vancouver, BC
- Ann Shaw, Montreal, QC

The FNTC maintains a head office on the reserve lands of the Tk'emlúps te Secwepemc, (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 professionals with expertise related to the FNTC mandate who assist the Commission.

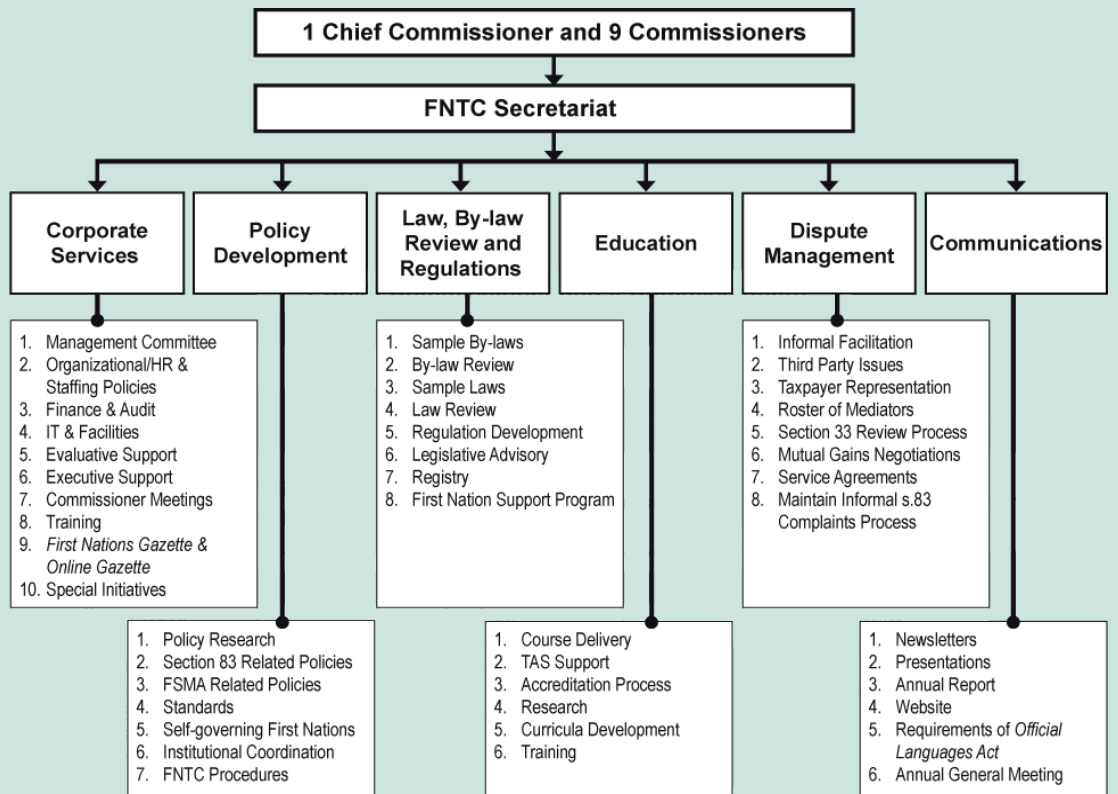
Governance

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 sixth straight year. Highlights include:

Growth in number of FSMA First Nations – For a second consecutive year, the FSMA experienced strong growth in First Nation participation. In FY 2012/2013, sixteen First Nations were added to the Schedule, bringing the number of FSMA First Nations to ninety-five. This compares with FY 2011/2012, during which twenty First Nations were added to the Schedule. While the FSMA is predominantly used by First Nations in British Columbia (64% of FSMA First Nations), nearly two thirds of the First Nations added in 2012/2013 are from other provinces, and nearly half are from provinces east of Manitoba. Of the thirty-six First Nations added to the Schedule over the last two fiscal years, 31% had existing tax by-laws under section 83 of the *Indian Act*. Several factors can be attributed to the growth in FSMA participation, including natural resource development, FSMA other revenue securitization, and specific regional initiatives undertaken by each of the First Nation fiscal institutions to promote the FSMA's fiscal tools. The growth trend will continue, particularly from regions outside of BC.

Assessment Services Project – The FNTC carried out several strategic initiatives aimed at improving First Nation access to provincial assessment service providers. In BC, the FNTC and the British Columbia Assessment Authority (BCAA) senior management created a technical working group to focus on issues of mutual concern. These projects include clarifying service contracts, improving communication materials, enhancing information management, and building on best practices in assessment appeals. Furthermore, the BCAA committed to promote their unique work with nearly seventy First Nations at a national level and to other provincial assessment agencies. In Saskatchewan, there has been steady growth in First Nation property taxation and emerging tax administrations there are pursuing new taxable interests including agricultural leases. The FNTC and Saskatchewan Assessment Management Agency (SAMA) have been reviewing existing service contracts, increasing First Nations awareness of SAMA functions and services, and facilitating SAMA's services to the eight taxing First Nations in Saskatchewan. Other provincial initiatives are assisting First Nations in implementing assessment and taxation for the first time. These include working through the New Brunswick Aboriginal Affairs Secretariat to establish a relationship with Service New Brunswick to provide assessment services for New Brunswick taxing First Nations, and engaging Municipal Property Assessment Corporation (MPAC) with its work with Ontario First Nations. Finally, the FNTC is continuing its effort to develop a Memorandum of Understanding (MOU) with the Province of Alberta to formalize linear assessment data sharing with Alberta taxing First Nations.

Notification Project - *First Nations Gazette* – In 2011/2012, the FNTC launched the online *Gazette*. In 2012/2013, the FNTC undertook the policy and technical work to create a *First Nations Gazette* public notification component for First Nations to allow online notice of proposed First Nation annual tax rates. In 2012/2013, over forty First Nation tax authorities used this service and were able to provide notice of their proposed tax rates to members, taxpayers and others. The *First Nations Gazette* will be expanding the public notification services in 2013/2014 so that First Nation governments, First Nation institutions, other governments, and private organizations can publish notices online about a range of matters relevant to First Nations governments at www.fng.ca.

Tulo Centre of Indigenous Economics (Tulo) – In 2012/2013, another fourteen students completed the eight courses required for the Certificate of First Nation Tax Administration. They will graduate in June 2013. A third cohort of students started this Certificate program in February 2013 and should complete all the courses by December 2013. In 2012/2013, Tulo completed the first stage of work on an electronic open textbook about creating a competitive First Nation investment climate. Tulo also continued to work with Thompson Rivers University (TRU) and the FNTC to add courses to the existing certificates in Applied Economics and Tax Administration in order to create an accredited diploma program.

First Nations Property Ownership (FNPO) Initiative – As a special project, the FNTC significantly advanced this initiative in 2012/2013. In March, the government announced its intention to develop FNPO legislative options in the federal budget. Throughout 2012/2013, the FNTC worked closely with the federal government and First Nation proponents to develop a framework for the proposed FNPO legislation. The FNTC examined the feasibility of adding the proposed First Nation land title registry system as a new business line. During 2012/2013, the FNTC continued to work with proponent and interested First Nations. The number of First Nations interested in FNPO rose from eight to twelve First Nations.

Summary of Performance against Objectives

Objectives & Activities	
Corporate Services	
Produce and approve Corporate Plan and work plan	Completed
Provide support for 4 general FNTC meetings/6 law review meetings	Completed
Commission and committee support	Ongoing
Administrative management - HR policy review	Completed
Training and professional development	Completed
Meet ATIP and <i>Privacy Act</i> requirements	Ongoing
Develop Information Management Manual	In Progress
Manage the <i>First Nations Gazette</i>	In Progress
<ul style="list-style-type: none"> • Notification Project 	
Manage Special Projects: <ul style="list-style-type: none"> • Expanding FSMA participation • Infrastructure • FSMA Seven-Year Review implementation • Assessment Services Project with 5 provinces • FNGST • FNPO 	In Progress
Policy Development	
Develop, seek public input on, approve at least 5 of the following standards: <ol style="list-style-type: none"> 1. Expenditures 2. Rates 3. Taxation for Provision of Services (annual Service Fees/Charges) 4. Borrowing 5. Property Taxation 6. Property Transfer Tax 7. Business Activity Taxes 	Completed
Continue/Initiate/Research policy development process for 6 of the following: <ol style="list-style-type: none"> 1. Borrowing support 2. Contracting out of taxation agreements 3. Property tax loss studies 4. Tax deferral programs 5. Sample service agreements 6. Expanding FSMA participation 7. Private assessor qualifications 8. Private placement debenture support 9. Examining the scope of the section 5(1)(a) power 10. Research on supporting the transition of utility tax by-laws to FSMA 11. FSMA Seven-Year Review implementation 12. Hotel tax agreement with BC 	Completed
Section 83 Policy Reviews: <ul style="list-style-type: none"> • Property Tax Policy • Assessment Policy 	Completed
Initiate projects with other institutions related to: <ul style="list-style-type: none"> • Mock intervention • Local revenue account management • Local revenue account statistics 	Completed

Objectives & Activities	
Law/By-law Review and Regulation	
Develop or improve 6 sample laws in the following authorities: <ol style="list-style-type: none"> 1. Business Activity Tax 2. Taxation for Provisions of Services 3. Property Taxation 4. Property Assessment 5. Borrowing 6. Expenditure 7. Annual Rates 	Completed
FSMA laws reviewed	116 Laws reviewed
Operate the First Nation support program to enable another 10 First Nations to implement FSMA property taxation and assessment laws.	Completed
Maintain registry of approved First Nation laws and by-laws	Ongoing
Review and update of s.83 by-laws to support transition to the FSMA	Ongoing
Review of s.83 by-laws	65 By-laws reviewed
FSMA Seven-Year Review implementation	Completed
Communications	
Prepare and submit Annual Report	Completed
Coordinate and develop materials for FNTC annual meeting	Completed
Develop stories highlighting FSMA successes	Completed
Update and maintain website	Ongoing
Coordinate and develop presentations	Ongoing
Ensure FNTC meets <i>Official Languages Act</i> (OLA) requirements	Ongoing
Newsletter <ul style="list-style-type: none"> • Publish quarterly Clearing the Path (CTP) • Develop email distribution database for delivery of CTP and Annual Report 	Completed
Education	
Accreditation <ul style="list-style-type: none"> • Complete accreditation process for Diploma in First Nation Applied Economics • Work with Tulo and TRU to accredit proposed Certificate in First Nation Financial Administration 	Application in process Working with FMB and NVIT
Enhance curricula for: <ul style="list-style-type: none"> • 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 First Nation Lands 	Completed
Develop online courses for 3 courses <ol style="list-style-type: none"> 1. APEC 167 – Development Cost Charges 2. APEC 168 – Capital Infrastructure and Debenture Financing 3. ECON 265 – Investment Facilitation on First Nation Lands 	Completed
Deliver, through Tulo and TRU, at least 7 accredited courses	Completed
Host Conference on teaching Economics and Statistics	Planning underway
Begin to develop workshops for Facilitating Investment on First Nation Lands, Introduction to First Nation Taxation and Facilitating Agreements	Completed, Under development
Curricula for 2 courses for Diploma in Applied First Nation Economics	Under development
Maintain and provide support for Tax Administration Software (TAS)	Ongoing

Objectives & Activities	
Dispute Management	
Maintain roster of qualified mediators and provide training	Ongoing
Respond to requests for dispute facilitation	Ongoing
Service Agreements	Ongoing
Develop guide for s.33 review procedure	Completed
Provide training to FNTC, selected First Nations and Tulo for: <ul style="list-style-type: none"> • Mutual Gains Negotiations • Dispute Resolution 	Completed

Risk Assessment

The FNTC conducts a risk assessment of those risks that would impact all First Nations (external) and risks to the demand for FNTC services from tax collecting First Nations.

External Risks

First Nation Demonstrations – Four First Nation women in Saskatchewan initiated a teach-in called “Idle No More” in November 2012. Since that time, there have been a number of First Nation public demonstrations under the banner of “Idle No More” relating to federal legislation and First Nation economic disparities. A January 11th meeting took place with selected First Nation leaders, Assembly of First Nation representatives, the Prime Minister, and other Ministers. At that meeting, Canada committed to more dialogue between First Nations and the Prime Minister on matters related to First Nation comprehensive claims, treaties, education, and economic development. First Nation leaders have expressed an interest in establishing a new fiscal relationship with Canada and increased resource revenue sharing. Since January 11th, there have been more demonstrations. Some First Nation provincial organization leaders have stated that these demonstrations will continue throughout 2013 and will be orientated towards slowing economic activity in Canada. These proposed future demonstrations, interest in a new fiscal relationship and resource revenue sharing, and the commitment to further dialogue by the Prime Minister, may cause First Nations to focus on these events and issues at the expense of efforts to grow their economies and expand their revenues. Locally this may lead to a slowdown in the pace for First Nations law development, a decrease in demand for FNTC services and presentations and federally may delay proposed amendments to improve FSMA efficiency. It could also lead to an increase in interest in FNTC work and research related to fiscal relationships and resource revenue sharing. In response, the FNTC will work more closely with those First Nations that continue to express an interest in economic development, asserting their tax jurisdiction and expanding their local revenue options, work with Canada to pass proposed FSMA amendments, and develop summaries of its extensive fiscal relationship and resource revenue sharing research.

Economic Risk – A significant risk remains that the combination of debt overhang and aging population in the western world could trigger another global recession. This would have a significant impact on demand for Canadian exports and commodities in particular. The result would be reduced investment on First Nation lands with commensurate reductions in property tax potential, fewer employment opportunities for First Nations people, and pressure for more budget cuts to AANDC in order to bring about fiscal balance. It could also lead to offsets against property tax that would reduce the attractiveness of property tax. A recession could also lead to reduced employment opportunities for First Nations and reduced transfers to First Nation governments.

A related economic risk is the cancellation of major resource projects in western Canada because of world economic conditions, environmental issues, or political opposition. Cancellations could have a significant impact on equalization expenditures and on some provincial economies. A reduction in Canadian resource development would certainly reduce investment on First Nation lands with a commensurate reduction in the attractiveness of FNPO and First Nations property tax.

These economic and fiscal pressures will persist in the long term owing to significant debt for many developed countries coupled with the cost pressures of aging populations. There will be greater pressure to find opportunities for cost savings that could include innovations such as public/private partnerships and social impact bonds.

Provincial Support – A key to the successful implementation of new revenue options and assessment services for new FSMA First Nations is cooperation from provincial and local governments. It is important that provincial governments see benefits from growing First Nation economies so that agreements on local revenue laws, assessment, and services are not difficult to reach.

Some provinces could also choose to shift the incidence of taxation from property and resource taxes to other taxes in response to provincial fiscal pressures. This shift would force First Nations to match the reductions in these provinces to maintain economic activity. This would reduce First Nation revenues and reduce their ability to finance services and infrastructure.

Service Demand Risks

Demand for First Nation Taxation in Ontario, Saskatchewan and Manitoba –

There are many more First Nation tax systems in BC than in other provinces. First Nation taxation in BC (like First Nation taxation in Quebec) is unique because the provincial government asserts tax jurisdiction if the First Nation does not. In other provinces, this is not the case. A number of First Nations in Ontario, Saskatchewan and Manitoba with residential properties on their lands have begun to develop tax systems. This will represent the first time these residential property owners have had to pay property tax on reserve to the First Nation government so the transition from their current system (usually fees for services) will require considerable work. It could put a great deal of pressure on the FNTC to provide negotiations and dispute management services and assist in the development of tools such as taxpayer-representation-to-council laws. It may also require the FNTC to develop new standards to assist in these transitions.

First Nation Capacity to Implement New Tax Systems and FSMA Revenue

Options – Fiscal pressures on First Nation and other governments could increase the number of First Nations seeking to implement new systems or existing First Nations to consider FSMA revenue options. The FNTC anticipates increased demand for new tax systems in Ontario and Saskatchewan based on the interest at recent FNTC presentations. In addition, First Nations from different regions have taken steps to develop BATs related to business occupancy and hotel accommodation. This could increase the demand for FNTC law development services and negotiating services to introduce BATs where provincial coordination is required. It could also increase demand for access to the Certificate in First Nation Tax Administration program.

First Nations Resource Development and TLE Opportunities – First Nations in Saskatchewan and Manitoba are working with the FNTC to realize more benefits from resource and utility development opportunities. Developing their tax jurisdiction will help them generate more fiscal benefits from resource development or the construction of utilities on reserve lands. First Nations recognize that some of their TLE lands have significant commercial and residential development potential and that exercising tax jurisdiction will raise the value of their lands by improving infrastructure and providing quality local services. This could increase the demand for FNTC services related to law development, negotiation support for service agreements, and Tulo courses related to creating residential and commercial development on First Nation lands.

FSMA Amendments Not Passed – The FNTC and the other fiscal institutions proposed a series of legislative amendments to the FSMA in March 2012. The Minister of AANDC presented these recommendations to Parliament in 2012 but there was no amending legislation in 2012/2013. The purpose of the amendments is to improve the efficiency and effectiveness of the FSMA. One of the benefits of the proposed amendments was to ease the implementation of FSMA laws for scheduled First Nations. Without the proposed FSMA amendments, there is a risk that transition to FSMA laws for First Nations will continue to be slow. In response, the FNTC will work with Canada and the other fiscal institutions to advance the FSMA amendments recommended by the Minister in 2012. The FNTC will also conduct research into options that expedite the implementation of property tax jurisdiction.

2013/2014 Risk Management Strategy

The table below demonstrates how the external policy environment creates risks to the FNTC and identifies proposed risk management strategy for 2013/2014.

External Policy Environment	FNTC Risks and Opportunities	Proposed Risk Management Strategy
First Nation demonstrations	<ul style="list-style-type: none"> Reduced demand for services and presentations 	<ul style="list-style-type: none"> Work closely with interested First Nations Summarize FNTC fiscal relationship research
Economic risk	<ul style="list-style-type: none"> Reduced tax potential Increased taxpayer concerns 	<ul style="list-style-type: none"> Increase support for dispute resolution Promote taxpayer representation to council laws
Provincial support	<ul style="list-style-type: none"> Interest in expanding First Nation revenue options 	<ul style="list-style-type: none"> Strengthen relationship with provinces related to tax policies, assessment services and revenue options
New tax systems	<ul style="list-style-type: none"> Taxpayer concerns 	<ul style="list-style-type: none"> Increase support for law development in Saskatchewan and Ontario Increase support for taxpayer representation to council laws
First Nation capacity	<ul style="list-style-type: none"> Fiscal pressures increase demand for new tax systems Fiscal pressures increases demand for BATs 	<ul style="list-style-type: none"> Increase support for law development Increase support for implementing BATs Develop regulation to support implementation ready approach to property taxation Increase support for Certificate in First Nation Tax Administration
Resource development and TLE	<ul style="list-style-type: none"> Taxation increases benefits from resource development Increased demand for FNTC to support TLE opportunities 	<ul style="list-style-type: none"> Increase negotiation support Increase support for Certificate in First Nation Applied Economics
FSMA amendments not passed	<ul style="list-style-type: none"> Continued slow FSMA law development Decline in interest from other First Nations 	<ul style="list-style-type: none"> Work with Canada on FSMA amending legislation Conduct research on options to expedite the implementation of tax jurisdiction

Assessment of Corporate Resources

The FNTC and its predecessor (Indian Taxation Advisory Board) have helped to implement incremental practical change for tax collecting First Nations for more than two decades. 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, and a regulatory framework to support First Nation taxation systems, an improved First Nation investment climate, and a proposed new First Nations property ownership system. During this time, the FNTC has developed the corporate resources to achieve these results by recognizing that change within First Nations requires strong leadership, stable and transparent governance, capacity development and support for participating First Nations, and partnerships. Each of these corporate characteristics is summarized briefly:

Leadership – The FNTC benefits from the expertise of the Chief Commissioner, who has decades of experience in First Nation leadership, taxation, and economic development. Beginning with the historic legislative change to the *Indian Act* in 1988, the Chief Commissioner has led several legislative initiatives, both provincially and federally, including the *Indian Self-Government Enabling Act* and the *First Nations Fiscal and Statistical Management Act*. The Chief Commissioner is supported by nine Commissioners, each of whom has significant experience in establishing and maintaining a strong regulatory framework for the exercise of First Nation local revenue jurisdiction. Most recently, working with a number of proponent First Nations, the Chief Commissioner and the FNTC have led the FNPO legislative initiative through work with the Minister of AANDC.

Stable and Transparent Governance – The FNTC operates a head office on the lands of the Tk'emlúps te Secwepemc 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 governance procedures.

The FNTC administration has over 200 years of collective experience with First Nation taxation and economic development. 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 extensive research, which supports good policies that, through time can evolve to standards and sample laws. At the end of the continuum is an education component, 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 Tax Administration Software (TAS) and FNTC dispute management services. Each of these elements in the capacity development support continuum is described briefly:

a) Research – The FNTC's policies, standards, and training courses are based on an extensive 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 to First Nations.

b) 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, which inform sample laws. During the last six years, the FNTC has developed and published thirteen standards and twenty-seven sample laws.

c) 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 Nation 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

d) Software – The FNTC has developed specialized Tax Administration Software (TAS) that assists tax administrators through the annual cycle of property taxation, including setting tax rates, printing tax notices, and managing payment collection and can be integrated with First Nations accounting software. The software is used by over 30 First Nations in BC and Alberta and is being programmed for use in Saskatchewan and Manitoba. The FNTC also has software to calculate the tax revenue potential for First Nations and supports First Nation-municipal service agreements with software to calculate the fair price of services.

e) Dispute resolution – The FNTC has demonstrated success with respect to facilitating negotiations and dispute resolution. In the last fifteen years, First Nations/Municipal service agreements and a broad range of disputes between taxpayers and First Nations have been successfully facilitated. Negotiations regarding tax implementation, assessment services, and policy coordination with provincial governments form an important aspect of dispute resolution.

Partnerships – Other key corporate resources for the FNTC include its partnerships with other organizations. The FNTC has developed MOUs, protocol agreements, and working relationships with the following:

- 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 Nations Financial Management Board (FMB) and First Nations Finance Authority (FNFA) (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 Nations Governance
- Indigenous Bar Association
- First Nations Alliance 4 Land Management (FNA4LM)
- National Aboriginal Land Management Association (NALMA)
- 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 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 are pursuant to an MOU with the Minister of AANDC.

Key Focus for 2013/2014

In addition to the activities in each of the FNTC business lines, the FNTC will work on a number of projects that are within three key focus areas for 2013/2014.

- 1. Implementing First Nation Local Revenue Jurisdiction** – The FNTC will work with all interested First Nations to implement their local revenue jurisdictions. In 2013/2014, the FNTC expects to respond to growing demand for First Nation property tax jurisdiction in Ontario and Saskatchewan (especially related to TLEs). The FNTC anticipates that this may involve increased FNTC support to facilitate First Nation local government service agreements as required in provinces like Manitoba. The FNTC will work with interested First Nations to implement BATs related to gross receipts, hotels, and amusement. The FNTC realizes that in some cases, this will require coordination and agreements with provincial governments. Another key FNTC initiative to implement First Nation local revenue jurisdiction will be to work with other institutions and interested First Nations to increase the number of FSMA First Nations that use local revenues to support long-term borrowing projects.
- 2. Capacity Development** – The FNTC will focus on work with Tulo and other partners to build capacity in local revenue collecting First Nations. In 2013/2014, the FNTC will work with Tulo and TRU to add accredited courses related to BATs and financial management and deliver workshops to increase awareness of FNTC education programs across Canada. The FNTC will work with First Nations land managers to determine the appropriate approach to an integrated education program. The FNTC will research and develop options that will facilitate quicker access to the FSMA and expedite implementation of FSMA property tax jurisdictions. The FNTC reconciles the interests of taxpayers and First Nation tax authorities and in 2013/2014, the FNTC will continue to promote and enable taxpayer relations initiatives and systems.
- 3. Special Initiatives** – The FNTC has a history of developing and successfully implementing special initiatives. In 2013/2014, the FNTC will focus on three special initiatives. First, the FNTC will support Canada on any legislative initiatives related to the FSMA that may be initiated in follow-up to the FSMA Legislative Review, which was tabled in Parliament in March 2012. These amendments would support implementing First Nation local revenue jurisdiction and building First Nation capacity. Second, the FNTC will also continue its work with Finance Canada to respond to First Nations seeking to implement FNGST systems. The FNTC expects that a number of First Nations will seek FNTC advice about the FNGST in 2013/2014. Finally, the FNTC will continue to work with Canada to develop the FNPO initiative. In this fiscal year, the FNTC anticipates that the government will make important strategic decisions about implementing the FNPO initiative.

Objectives, Strategies and Performance Measures for 2013/2014

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.

Strategies and Activities

In 2013/2014, Corporate Services will continue to manage the operation of the FNTC, including reviewing and updating necessary governance policies and managing all Commission meetings. Key activities in 2013/2014 for Corporate Services include:

- Create operational cost efficiencies coordinating the capital requirements and relocation of the National Capital Region office;
- Manage all special initiatives related to FNGST, expansion of the *First Nations Gazette*, implementation ready system research, cost recovery model research, and greater FSMA participation; and
- Support for special initiatives such as the FNPO initiative and support for proponent First Nations including developing proposals for resources.

Performance Measures

Develop Corporate Plan, work plan
Hold four Commission meetings and six law review Commission meetings
Facilities Management/Administration Management
Develop materials in support of proposed FSMA legislative amendments
Publish <i>First Nations Gazette</i> , maintain online <i>First Nations Gazette</i> , implement notice service
Meet <i>Access to Information Act</i> and <i>Privacy Act</i> requirements
Manage special initiatives
Support FNPO initiative

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.

Strategies and Activities

In 2013/2014, Policy Development will develop, seek public input on, and present at least three of the following standards for approval by the Commission:

- Rates Laws
- Business Activity Tax
- Taxation for the Provision of Services
- Property Tax Laws
- DCC Laws in other regions
- Expenditure Laws

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

- Grants in lieu to First Nations
- Property tax loss studies
- Tax deferral programs
- Sample service agreements
- Private assessor qualifications
- Private placement debenture support
- Tax exemption agreements
- User fees and property tax (transition considerations)
- Taxation of joint reserves
- Utility tax by-laws and the FSMA
- FNTC support for development of federal policies related to social impact bonds
- Elements of an improved First Nation fiscal relationship
- Best practices in assessment appeal procedures

Policy Development will continue to review the s.83 Property Tax Policy and the s.83 Assessment Policy and explore possible s.83 utility and well drilling tax by-laws. As well, Policy Development will initiate projects with other institutions related to:

- Local revenue account management
- Synthesizing borrowing process and materials with the FNFA
- Borrowing
- Support for First Nation economic development
- Local revenue account statistics
- Work with FMB to reduce potential conflicts between section 5 and section 9 laws
- Improve law development coordination with FMB

Policy Development will also coordinate the development of FNTC pre-budget submission.

Performance Measures

Approve three standards
Review two s.83 policies
Up to eight policy papers in development
Initiate three projects with other institutions
Complete pre-budget submission

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 providing support, such as sample laws, to First Nations in the law development process, working with Canada to improve the legislative and regulatory framework, and approving First Nations laws that comply with the regulatory framework.

Strategies and Activities

Law/By-law Review and Regulations will develop or modify up to four sample laws in the following areas:

- Business Activity Tax
- Taxation for Provisions of Services
- Property Taxation
- Property Assessment
- Development Cost Charges
- Rates
- Borrowing
- Expenditures

Law/By-law Review and Regulations projects that it will review 108 annual and twenty non-annual FSMA laws in 2013/2014 and present the reviews and laws to the Commission for approval. It also expects to review sixty s.83 by-laws, and to submit the recommendations and by-laws to the Minister for approval.

As a priority, Law/By-law Review and Regulations will undertake research and discussions with Canada with respect to the development of options to expedite the implementation of First Nations property tax laws through regulations. Law/By-law Review and Regulations will also work with Canada to develop FSMA amending legislation as recommended in 2012.

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 review its requirements to maintain registries of approved First Nation laws and by-laws.

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

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 and will also focus on the development and passage of taxpayer representation to council laws.

Performance Measures

Produce/modify up to four sample laws
Research and options to improve FSMA law implementation
Support for regulation development as required
Review 100 FSMA laws
Review sixty by-laws
Up to ten First Nations receive support to enable transition to FSMA
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.

Strategies and Activities

In 2013/2014, Communications will participate in the development and production of the Annual Report, as well as coordinate and develop materials for the FNTC Annual General 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.

In 2013/2014, Communications will also support requirements associated with the FNPO legislative process and if this legislation becomes law, Communications will support FNPO implementation requirements in proponent communities.

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
Maintain email database
Publish and distribute newsletter electronically
Support FNPO communication requirements

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 occur through a working agreement and contract with the 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.

Strategies and Activities

In 2013/2014, Education will work with Tulo, TRU and Aboriginal Finance Officers Association (AFOA) to accredit the proposed Certificate in First Nation Financial Administration and work with Nicola Valley Institute of Technology (NVIT) on accreditation of a diploma in First Nation economic development.

Education will work with Tulo and TRU to support the delivery of at least seven accredited courses and continue to work with Tulo and TRU to enhance, improve, and expand its curricula. In 2013/2014, it will review and enhance curricula for the following courses:

- APEC 161, APEC 162, APEC 163 and APEC 270
- APEC 270 will also be adapted for online delivery in 2013/2014

In 2013/2014, Tulo will offer up to three public workshops based on curriculum from its courses across Canada. Tulo anticipates that these workshops will be An Introduction to First Nation Taxation, Residential and Commercial Developments on First Nation lands, and Facilitating Service Agreements between First Nations and Local Governments.

Education will continue to maintain and provide support for Tax Administration Software (TAS). In 2013/2014, Education will work to complete the electronic open text book “Creating a Competitive First Nation Investment Climate” to increase access to Tulo and FNTC information to First Nations across Canada.

Performance Measures

Accreditation application complete for Certificate in First Nation Financial Administration
Begin NVIT accreditation process for economic development diploma
Develop one online course curricula
Enhance and improve curricula for up to four courses
Deliver up to three workshops based on modified Tulo courses
Deliver seven courses
Support and maintain TAS
Complete electronic open text book

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.

Strategies and Activities

In 2013/2014, 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 s.33 review procedure. Dispute Management will facilitate service agreements between First Nations and local governments as required to support the implementation of property tax systems or, if requested, additions to reserves and TLE.

Dispute Management will undertake negotiations with provincial assessment authorities regarding contracted assessment services to First Nations.

Dispute Management will respond to legal challenges to the First Nations tax system and, where appropriate, intervene.

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

Dispute Management will also support and coordinate the development of a mock intervention by the FMB in preparation for a possible s.33 hearing.

Performance Measures

Roster of mediators maintained
Facilitation of negotiations or dispute resolution provided on request
Negotiations for provincial assessment services to First Nations
Intervention in legal proceedings related to property taxation
Training provided to FNTC, Tulo and selected First Nations
Service Agreement Negotiation Manual updated
Guide produced for s.33 review procedure
Support provincial coordination for BATs and taxpayer relations systems

Corporate Work Plan 2013/2014

Objectives & Activities	Performance Measure
Corporate Services	
Corporate Plan & work plan	Produce and approve annual Corporate Plan, work plan & budget
Manage capital requirements and move of NCR office	NCR office relocated
Training and Professional Development	AIP training, computer, professional development plans
4 general FNTC meetings	Hold 4 general FNTC meetings
6 law review meetings	Hold 6 law review meetings
Manage the <i>First Nations Gazette</i>	Publish <i>First Nations Gazette</i> and maintain online <i>Gazette</i>
Operate the First Nation support program to enable another 10 First Nations to implement FSMA	Provide law conversion support to 10 First Nations
Manage special initiatives: <ul style="list-style-type: none"> • FNGST support • <i>First Nations Gazette</i> expansion • Implementation ready system research • Cost recovery model research • Expanding FSMA participation • FNPOA 	Manage special initiatives
Administrative management	
Committee support	
Meet ATIP and OLA requirements	
Maintain registry of approved FN laws and by-laws	
Policy Development	
Develop and seek public input on the following standards: <ul style="list-style-type: none"> • Rates Laws • Business Activity Tax Laws • Taxation for the Provision of Services • Property Taxation Laws • Development Cost Charge Laws in other regions • Expenditure Laws 	3 standards approved
Continue/begin policy development process for: <ul style="list-style-type: none"> • Grants in lieu to First Nations • Property tax loss studies • Tax deferral programs • Sample service agreements • Private assessor qualifications • Private placement debenture support • Tax exemption agreements • User fees and property tax (transition considerations) • Taxation of joint reserves • Utility tax by-laws and the FSMA • FNTC support for development of federal policies related to social impact bonds • Elements of an improved First Nation fiscal relationship • Best practices in assessment appeal procedures 	Up to 8 Policies in process
Initiate projects with other institutions related to: <ul style="list-style-type: none"> • Local revenue account management • Synthesizing borrowing process and materials with the FNFA • Borrowing • Support for First Nation economic development • Local revenue account statistics • Work with FMB to reduce potential conflicts between section 5 and section 9 laws • Improve law development coordination with FMB 	Initiate 3 projects with other institutions
Coordinate the development of FNTC pre-budget submission	Pre-budget submission

Objectives & Activities	Performance Measure
Law/By-law Review and Regulation	
Develop or modify sample laws in following areas <ul style="list-style-type: none"> Property Taxation Property Assessment Business Activity Tax Taxation for the Provision of Services Development Cost Charges Rates Expenditure Borrowing 	Produce or modify up to 4 sample laws
FSMA laws reviewed	<ul style="list-style-type: none"> Review 108 Annual FSMA laws Review 20 Non Annual FSMA Laws
Review and update of s.83 by-laws to support transition	
Review of s.83 by-laws	60 by-laws reviewed
Support FSMA law development	Up to 10 First Nations receive law development support
FSMA Seven-Year Review implementation	
Regulations regarding implementation ready approach to property taxation	Research completed
Communications	
Develop and publish Annual Report	Annual Report
Coordinate and develop materials for FNTC Annual General Meeting	Annual General Meeting
Develop FNPO communications strategy	Communications strategy
Develop series of video vignettes – highlight success stories	
Update and maintain website	Website maintained
Expand use of social media by FNTC	
Coordinate and develop presentations	Presentations developed
Ensure FNTC meets OLA requirements	Compliance with OLA requirements
Maintain email distribution database	
Support FNPO communication and implementation	
CTP newsletter publish quarterly	Newsletter published and distributed electronically
Education	
Accreditation – <ul style="list-style-type: none"> Work with Tulo, TRU and AFOA to accredit proposed Certificate in First Nation Financial Administration Work with NVIT on accreditation of diploma in First Nation economic development 	<ul style="list-style-type: none"> Accreditation application developed for Financial Administration Certificate Begin NVIT accreditation process
Enhance Curricula for: <ul style="list-style-type: none"> 161, 162, 163 and 270 	4 course curricula enhanced
Develop 1 online course (270)	1 online course developed
Deliver 3 workshops	Up to 3 workshops delivered
Deliver, through Tulo and TRU, 7 accredited courses	7 courses delivered
Maintain and provide support for Tax Administration Software (TAS)	TAS support provided
Complete electronic open text book	Text book completed
Dispute Management	
Maintain roster of qualified mediators and provide training	Roster of Mediators maintained
Respond to requests for dispute facilitation related to taxpayer relations and coordinating BAT with provinces	Facilitation/dispute resolution on request
Support provincial BAT coordination, development of taxpayer relations systems and service agreement negotiations as required	Support services provided
Support provision of assessment services to First Nations by provincial assessment authorities	Assessment services provided
S.33 review process operational	Guide produced
Intervene in property tax litigation where appropriate	Intervention
Update Service Agreement Negotiation Manual	Manual Updated
Provide training to FNTC, selected First Nations and Tulo for <ul style="list-style-type: none"> Mutual Gains Negotiations Dispute Resolution 	Training delivered

Financial Plan 2013/2014

This section presents the FY 2013/14 to FY 2017/18 financial plans for the FNTC and an overview of the current financial performance for the Commission.

Financial Performance FY 2011/12 and FY 2012/13

Financial assets at the end of FY 2011/12 totaled \$1.94 million and consisted of cash and accounts receivable. The forecasted financial assets at the end of FY 2012/13 are \$2.0 million and consist of cash and accounts receivable. Liabilities consisting of accounts payable and contracts payable totaled \$1.64 million at the end of FY 2011/12 and are forecasted to be \$1.65 million at the end of FY 2012/13. 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 2011/12 against its plan and its projected performance for the FY 2012/13 against its plan with an explanation of significant variances.

Statement of Financial Activities (in \$'s)				
	2011/12 Plan	2011/12 Actual	2012/13 Plan	2012/13 Forecast
Revenue				
Government of Canada	\$ 5,801,309	\$ 5,804,309	\$ 5,865,338	\$ 5,865,338
Government of Canada - special initiatives	923,448	923,448	1,899,072	1,899,072
Other	3,000	20,241	3,000	24,458
	6,727,757	6,747,998	7,767,410	7,788,868
Expenses				
Commission costs	853,454	870,700	862,332	817,824
Corporate Services	1,226,875	1,231,118	1,236,535	1,200,926
Gazette operations	202,210	196,667	187,794	187,871
Policy Development	836,806	815,482	825,477	823,279
Education	540,671	546,641	511,321	515,908
Dispute Management	157,095	156,151	111,557	206,187
Communications	691,714	761,372	743,470	745,579
Law Review, By-law Review and Regulations	1,295,484	1,352,924	1,389,852	1,392,221
Special Initiatives	923,448	923,448	1,899,072	1,899,072
	6,727,757	6,854,503	7,767,410	7,788,868
Net Surplus (deficit)	-	\$ (106,505)	\$ -	\$ -

Statement of Financial Position (in \$s)		
	2011/12 Actual	2012/13 Forecast
Financial Assets		
Cash	\$ 1,834,610	\$ 1,941,919
Accounts receivable	107,450	70,000
	1,942,060	2,011,919
Liabilities		
Accounts payable	1,071,385	800,000
Contracts payable	571,277	850,000
	1,642,662	1,650,000
Net Financial Assets	299,398	361,919
Non-Financial Assets		
Prepaid expenses	29,413	15,000
Tangible capital assets	163,946	115,838
	193,359	130,838
Accumulated Surplus	\$ 492,757	\$ 492,756
Accumulated Surplus		
Investment in tangible capital assets	\$ 163,946	\$ 115,838
Current funds	328,811	376,919
Accumulated Surplus	\$ 492,757	\$ 492,756

Statement of Cash Flows (in \$'s)		
	2011/12 Actual	2012/13 Forecast
Operating Activities		
Annual surplus (deficit)	\$ (106,505)	\$ -
Items not involving cash	-	-
Amortization	278,056	153,108
Loss on disposal of tangible capital assets	-	-
Changes in non-cash operating balances	-	-
Accounts receivable	738,455	37,450
Prepaid expenses	(14,128)	14,413
Accounts payable and contracts payable	415,697	7,338
Cash flows from operating activities	1,311,575	212,309
Capital Activity		
Purchase of tangible capital assets	(108,247)	(105,000)
Net increase in cash during the year	1,203,328	107,309
Cash, beginning of the year	631,282	1,834,610
Cash, end of the year	\$ 1,834,610	\$ 1,941,919

FY 2011/12 Budget vs. FY 2011/12 Actual and 2012/13 Budget vs. FY 2012/13 Forecast

Revenues FY 2011/12 Actual

Revenues for FY 2011/12 were \$6.75 million, \$20 thousand over a budgeted plan of \$6.72 million. The revenue for 2011/12 FY consists of government funding of \$5.88 for FNTC core business activities, \$848 thousand of funding for research and work on the development of a FNPO initiative, and \$20 thousand of other source revenue from bank interest and *First Nations Gazette* sales. This other source revenue was not budgeted for at the beginning of the planning period.

Expenses FY 2011/12 Actual

Expenses for FY 2011/12 were \$ 6.85 million, \$13 thousand over budgeted expenditures of \$6.72 million and \$106 thousand over actual revenues for the year, resulting in a deficit of \$106 thousand. The deficit in FY 2011/12 was offset by a surplus of an equivalent amount in the fiscal year 2010/11. The deficit in 2011/12 FY resulted from a change to the FNTC employee benefits policy. The costs of implementing this policy were recorded in the 2011/12 FY.

Capital Expenditures FY 2011/12 Actual

Capital expenditures during the FY 2011/12 are related to information technology related equipment including servers and lifecycle replacement of desktop computer and laptops as well as website and software development costs and office furniture purchases.

Revenues FY 2012/13 Forecast

Revenues for FY 2012/13 are forecast to be \$7.79 million, \$20 thousand over a budgeted plan of \$7.77 million. The forecasted variance is a result of other revenues from bank interest and *Gazette* sales collected during the fiscal year.

Expenses FY 2012/13 Forecast

Expenses for FY 2012/13 are forecast to be \$7.79 million with \$0 deficit or surplus forecasted for 2012/13 FY.

It is forecasted that Dispute Management costs for 2012/13 FY will be higher than budgeted by approximately \$90 thousand which will be offset by lower than planned Commission expenditures and Corporate Services expenditures.

Capital Expenditures FY 2012/13 Forecast

Capital expenditures forecast during the FY 2012/13 are related to information technology related equipment including lifecycle replacement of desktop computer, laptops, and leasehold improvements and office furniture resulting from a relocation of the FNTC NCR office.

Financial Plan 2013/14 to 2017/18

The proposed budget for the FNTC for FY 2013/14 is balanced and has revenues and expenditures set at \$5.9 million. The plan includes revenue from the Government of Canada for its core activities of \$5.9 million, and \$3 thousand in revenue from other sources.

The table below contains the financial plan for the FNTC for FY 2013/14 to FY 2017/18. The following assumptions have been made in the preparation of the 2013/14 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 2013/14, and best estimates of management for the cost of activities under each business line.
2. The financial plans for the periods FY 2013/14 to FY 2017/18 cover the 12-month periods ending March 31, 2014.
3. No provision has been made for an increase in Commissioner remuneration for 2013/14 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* and bank interest.
6. The financial plan for FY 2013/14 does not include revenue or expenditures relating to special initiatives that have been identified by the FNTC including the FNPO initiative and others. The FNTC will seek additional funding for these initiatives during the planning period. The financial plan includes only those revenues anticipated for core business activities.

Statement of Financial Activities (in \$'s)					
	2013/14 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan	2017/18 Plan
Revenue					
Government of Canada	\$ 5,909,666	\$ 5,930,861	\$ 5,985,893	\$ 6,067,316	\$ 6,156,755
Government of Canada - special initiatives	-	-	-	-	-
Other	3,000	3,000	3,000	3,000	3,000
	5,912,666	5,933,861	5,988,893	6,070,316	6,159,755
Expenses	-	-	-	-	-
Commission costs	883,931	883,284	893,954	904,431	913,768
Corporate Services	1,233,583	1,252,546	1,229,403	1,252,019	1,275,049
Gazette operations	187,815	191,174	195,867	200,676	205,604
Policy Development	811,784	792,906	806,280	819,892	833,746
Education	538,410	532,298	521,513	528,446	532,905
Dispute Management	183,962	197,247	200,257	203,313	206,417
Communications	719,434	728,433	766,827	777,764	789,133
Law Review, By-law Review and Regulations	1,353,747	1,355,973	1,374,793	1,383,776	1,403,134
Special Initiatives	-	-	-	-	-
	5,912,666	5,933,861	5,988,893	6,070,316	6,159,755
Net Surplus	\$ -	\$ -	\$ -	\$ -	\$ -

Statement of Financial Position (in \$s)					
	2013/14 Plan	2014/15 Plan	2015/16 Plan	2016/17 Plan	2017/18 Plan
Financial Assets					
Cash	\$ 2,065,260	\$ 2,021,927	\$ 1,978,594	\$ 1,935,260	\$ 1,891,927
Accounts receivable	70,000	70,000	70,000	70,000	70,000
	2,135,260	2,091,927	2,048,594	2,005,260	1,961,927
Liabilities	-	-	-	-	-
Accounts payable	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Contracts payable	605,000	605,000	605,000	605,000	605,000
	1,815,000	1,815,000	1,815,000	1,815,000	1,815,000
Net Financial Assets	320,260	276,927	233,594	190,260	146,927
	-	-	-	-	-
Non-Financial Assets	-	-	-	-	-
Prepaid expenses	13,325	13,325	13,325	13,325	13,325
Tangible capital assets	179,608	222,942	266,275	309,608	352,942
	192,933	236,267	279,600	322,933	366,267
Accumulated Surplus	\$ 513,193	\$ 513,193	\$ 513,193	\$ 513,193	\$ 513,193
Accumulated Surplus					
Investment in tangible capital assets	\$ 179,608	\$ 222,942	\$ 266,275	\$ 309,608	\$ 352,942
Current funds	333,585	290,252	246,919	203,585	160,251
Accumulated Surplus	\$ 513,193	\$ 513,193	\$ 513,193	\$ 513,193	\$ 513,193

Statement of Cash Flows (in \$'s)					
	2013/2014 Plan	2014/2015 Plan	2015/2016 Plan	2016/2017 Plan	2017/2018 Plan
Operating Activities					
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
Items not involving cash	-	-	-	-	-
Amortization	71,667	71,667	71,667	71,667	71,667
Loss on disposal of tangible capital assets	-	-	-	-	-
Changes in non-cash operating balances	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid expenses	1,675	-	-	-	-
Accounts payable and contracts payable	165,000	-	-	-	-
Cash flows from operating activities	238,342	71,667	71,667	71,667	71,667
Capital Activity	-	-	-	-	-
Purchase of tangible capital assets	(115,000)	(115,000)	(115,000)	(115,000)	(115,000)
Net increase in cash during the year	123,342	(43,333)	(43,333)	(43,333)	(43,333)
Cash, beginning of the year	1,941,919	2,065,260	2,021,927	1,978,594	1,935,260
Cash, end of the year	\$ 2,065,260	\$ 2,021,927	\$ 1,978,594	\$ 1,935,260	\$ 1,891,927