



First Nations Tax Commission

Commission de la fiscalité des premières nations

Corporate Plan 2015/2016

Mission

The mission of the First Nations Tax Commission 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 Management Act* (FMA):

“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, 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*.

Contents

Executive Summary	1
Corporate Profile	3
Structure	3
Governance	3
Summary of 2014/2015 Performance against Objectives	5
External Assessment and Risks	7
Global Economic Uncertainty	7
Assessment: Federal Government	8
Assessment: Provincial Governments	8
Assessment: First Nations	9
2015/2016 Risk Management Strategy	10
Assessment of Corporate Resources	11
Key Priorities for 2015/2016	14
Objectives, Strategies, and Performance Measures for 2015/2016	16
Corporate Services	16
Policy Development	17
Law/By-law Review and Regulations	19
Communications	20
Education	21
Dispute Management	22
2015/2016 Corporate Work Plan	23
FNTC Financial Plan for 2015/2016	26
Financial Performance 2013/2014 and 2014/2015	26
Financial Plan 2015/2016 TO 2019/2020	29

Abbreviations

AANDC	Aboriginal Affairs and Northern Development Canada
ATIP	Access to Information and Privacy
ATR	Additions to Reserve
BAT	Business Activity Tax
CRM	Client Records Management
DCC	Development Cost Charge
FMA	<i>First Nations Fiscal Management Act</i>
FMB	First Nations Financial Management Board
FNFA	First Nations Finance Authority
FNG	<i>First Nations Gazette</i>
FNGST	First Nations Goods and Services Tax
FNPO	First Nations Property Ownership
FNTC	First Nations Tax Commission
OLA	<i>Official Languages Act</i>
TAS	Tax Administration Software
TLE	Treaty Land Entitlement
TRU	Thompson Rivers University
Tulo Centre	Tulo Centre of Indigenous Economics

Executive Summary

The First Nations Tax Commission (FNTC) has been in operation since 2007. The FNTC seeks to optimize the benefits of First Nation property tax and local revenue systems to First Nation tax authorities, their taxpayers, and all Canadians. For the eighth consecutive year, the FNTC has met the goals established in the previous year's Corporate Plan.

This Corporate Plan contains an assessment of the policy environment and risks for 2015/2016 and a risk management strategy. The FNTC has identified risks relating to falling oil prices, economic uncertainty, and possible decreased transfers to First Nations. Key initiatives for 2015/2016 in response to these risks are as follows:

Implementing Initial Tax Jurisdiction - More First Nations are expressing interest in taxation. In 2015/2016, the FNTC will increase support for First Nations wishing to establish taxation on lands not previously taxed by provincial regimes. On these lands, the implementation of taxation involves more consultation effort, development of administrative capacity, and the building of strong partnerships with assessment service providers and adjacent local governments.

Expanding Revenue Options - Interest in emerging *First Nations Fiscal Management Act* (FMA) fiscal powers such as development cost charges (DCCs), taxation for the provision of services, and business activity taxes (BATs) is growing. First Nations are considering water improvement taxes, hotel taxes, well drilling taxes, and mining taxes. The FNTC will allocate resources to these new FMA taxes to address this increased demand.

Resource Development and Fiscal Benefits - First Nations have identified possible fiscal benefits from proposed resource projects in their territories. In particular, these communities have provided specific proposals to the FNTC for FMA taxes associated with proposed resource taxes. The FNTC will work with these communities and Canada in 2015/2016 to explore options for First Nation fiscal benefits from resource projects.

Developing Capacity - In order to increase the benefits and effectiveness of FMA jurisdiction, the FNTC will continue to provide capacity development opportunities regarding First Nation property tax and economic development. The FNTC also supports capacity development with Aboriginal Affairs and Northern Development Canada (AANDC) through tailored workshops. The FNTC will enhance capacity development in 2015/2016 by: expanding accredited university certificate programs offered in partnership with the Tulo Centre of Indigenous Economics (Tulo Centre) and Thompson Rivers University (TRU), providing additional workshops for AANDC staff, and promoting increased use of the FNTCs Tax Administration Software (TAS).

FMA Amendments Proposals - The FNTC will work with Canada and the other fiscal institutions in 2015/2016 to advance legislative proposals for changes to the FMA and its regulations.

First Nations Gazette Expansion - The FNTC will continue to work with Canada and First Nations to expand the scope and use of the FNG in 2015/2016. Publishing First Nations laws, by-laws, codes and notices in the FNG searchable online database is efficient, cost-effective and improves transparency, enforceability and access for First Nations, members, taxpayers and the public. As a result of the passage of *Bill C 428 - An Act to Amend the Indian Act (Publication of By-laws) and to Provide for its Replacement* - in December 2014, the FNG will also be publishing s.81 and s.85(1) by-laws from First Nations.

Special Initiatives - The FNTC will continue to work with First Nations Property Ownership (FNPO) proponents in 2015/2016 to advance this initiative and possibly extend its application to help modernize the Indian Lands Registry System, expedite Additions to Reserve (ATR), and improve First Nation housing outcomes. The FNTC will also continue to advance the First Nations Goods and Services Tax (FNGST) to interested First Nations in 2015/2016 and promote local revenue secured First Nation Finance Authority (FNFA) debentures.

Improving FNTC Services - The FNTC continues to make improvements in service delivery and corporate governance. In 2015/2016, this will include implementing a client records management system (CRM), developing a model for better capturing and reporting First Nation property tax statistics, and working with British Columbia Assessment to develop cloud computing of assessment data.

Funding for Corporate Plan activities and special initiatives of the FNTC is provided by the Government of Canada through a funding arrangement. Below is a summary of the financial plan for 2015/2016 as well as a summary of the financial performance for the FNTC for 2014/2015 and 2013/2014.

Financial Summary	2015/2016 Plan	2014/2015 Forecast	2013/2014 Actual
Revenue			
Government of Canada	\$ 5,995,160	\$ 5,933,948	\$ 5,909,666
Government of Canada - Special Initiatives	-	702,540	964,880
Other	-	28,396	33,461
	\$ 5,995,160	\$ 6,664,884	\$ 6,908,007
Expenses			
Commission costs	896,703	893,919	877,940
Corporate Services	1,285,571	1,265,180	1,259,156
Gazette operations	186,115	185,739	171,914
Policy Development	777,712	801,721	749,368
Education	539,979	541,901	468,272
Dispute Management	247,941	189,705	284,024
Communications	720,238	721,276	716,760
Law/By-law Review and Regulations	1,340,901	1,362,903	1,415,517
Special Initiatives	-	702,540	964,880
	5,995,160	6,664,884	6,907,831
Net Surplus	\$ -	\$ -	\$ 176

This Corporate Plan also contains the planned activities and performance measures for the six FNTC business lines, a work plan for 2015/2016, and a comprehensive financial plan.

Corporate Profile

Structure

The 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 as per s.20(3) of the FMA and regulations. 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 Babin, Canal Flats, BC
- Randy Price, North Vancouver, BC
- Ann Shaw, Chateauguay, QC

The FNTC maintains the head office on the reserve lands of the Tk'emlúps te Secwepemc (s.26(1) FMA) and an office in the National Capital Region (s.26(2) FMA).

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

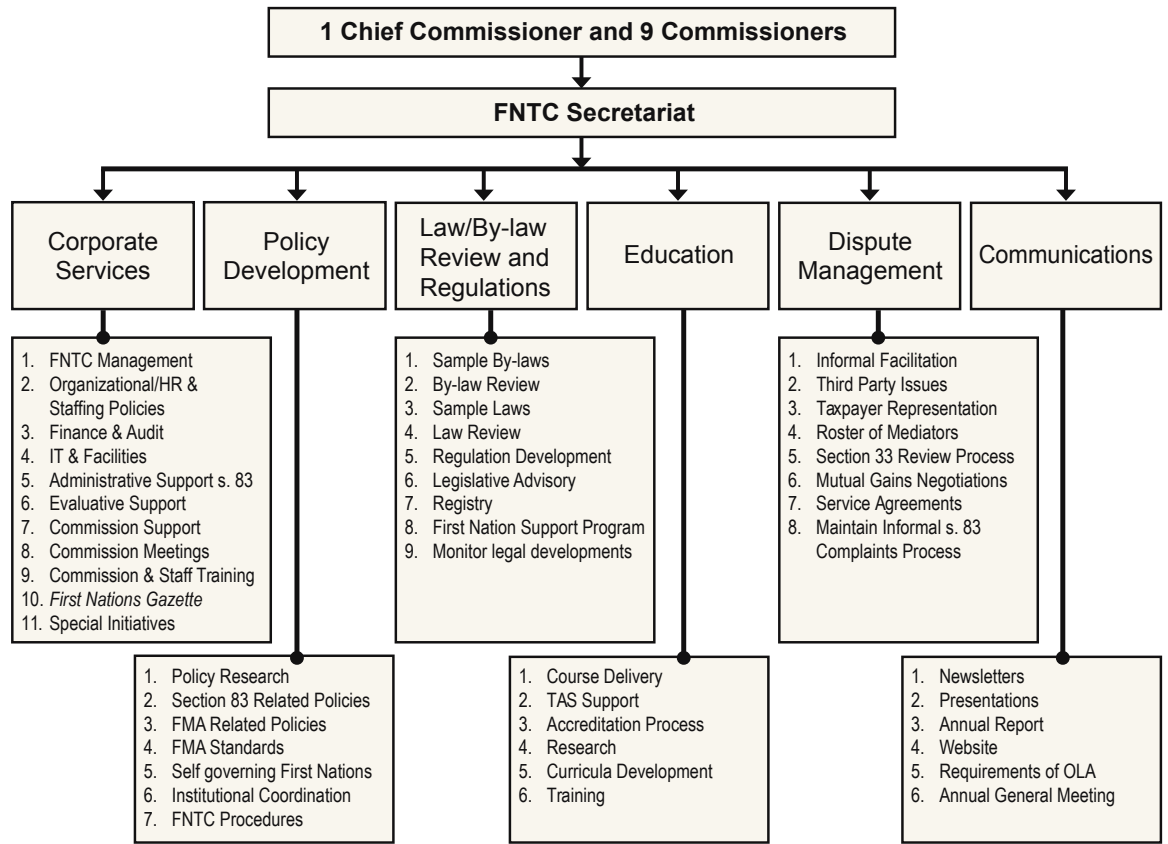
Governance

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 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.



Summary of 2014/2015 Performance against Objectives

The table below provides an assessment and details how the FNTC has delivered on all of its 2014/2015 performance measures.

Objectives & Activities	Performance
Corporate Services	
Produce and approve annual Corporate Plan, work plan and financial plan	Completed
Manage capital requirements for head office and national capital region office	Ongoing
Update financial reporting and tangible capital assets reporting systems	Completed
Provide professional development and training for Commission and staff	Ongoing
Hold 4 general FNTC meetings and 6 law review meetings	Completed
Provide administrative management and committee support	Ongoing
Meet ATIP and Info Source reporting requirements	Ongoing
Manage <i>First Nations Gazette</i> including <ul style="list-style-type: none"> • Implement marketing strategy • Develop and distribute marketing materials • Initiate discussion with the federal government regarding s.81 by-laws 	Completed
Support for Information Management <ul style="list-style-type: none"> • Implement any recommendations arising from work with Library and Archives Canada • Revise and update information management procedures manual • Implement email management solutions 	Ongoing
Manage special initiatives and projects concerning <ul style="list-style-type: none"> • Local revenue debenture borrowing • FNPO • Tax revenue sharing • FNGST 	Completed
Policy Development	
Develop, seek public input on, and present at least three of the following Standards for approval by the Commission <ul style="list-style-type: none"> • Property taxation • Borrowing • Rates • Expenditures • DCCs • Taxation under s.5(1)(a) laws with regional applications 	Completed
Review s.83 property tax and assessment policies, and explore possible s.83 utility and well drilling tax by-laws	Completed
Initiate or continue research and policy development in the following <ul style="list-style-type: none"> • Tax exemption agreements • Best practices in assessment appeal procedures • Best practices in tax enforcement • ATRs and local government tax loss – research • Pipelines and property taxation – research • BATs for resource industries • Mining taxes • Utility taxes • TLE and property taxation – policy paper 	Completed
Initiate or continue projects with other institutions related to <ul style="list-style-type: none"> • Local revenue account management • Synthesizing borrowing process and materials with FNFA • Borrowing coordination • Support for First Nation economic development • Local revenue account statistics • Improve law development coordination with FMB 	Completed
Complete FNTC pre-budget submission	Completed

Summary of 2014/2015 Performance against Objectives

Objectives & Activities	Performance
Law/By-law Review and Regulations	
Develop or modify up to 4 sample laws in the following areas <ul style="list-style-type: none"> • Taxation under s.5(1)(a) laws with regional applications • Property taxation • Borrowing • Rates • Expenditure • DCCs 	Completed
Review annual and non-annual FMA laws	Completed
Revise and update law review manual	Completed
Support legislative amendments from FMA Seven-Year Review	Completed
Review of s.83 by-laws	Completed
Support up to 10 First Nations to transition to FMA	Completed
Maintain registry of First Nation laws and by-laws	Ongoing
Develop or modify sample s.83 by-laws in the following areas <ul style="list-style-type: none"> • Local improvement by-law • Taxation by-law - SK, MB, ON, NB, and NS • Assessment by-law - SK, MB, ON, NB, and NS 	Completed
Monitor legal developments including Bill C 428	Ongoing
Communications	
Develop and publish (print/electronic) Annual Report in both official languages	Completed
Coordinate and develop materials for FNTC Annual General Meeting	Completed
Streamline and maintain website - work to update content of website, increase efficiency of the website's content manager/admin module	Ongoing
Coordinate and develop presentations	Completed
Update local revenue expenditure guide	Completed
Ensure FNTC meets OLA requirements	Ongoing
Maintain email distribution database	Ongoing
Support FNPO communication	Ongoing
Publish <i>Clearing the Path</i> quarterly newsletter	Completed
Update communication materials, including content and brand guide	Completed
Create a content library	Completed
Update real property taxation guide in both official languages	Completed
Education	
Develop textbook and case study for Certificate in First Nation Tax Administration	Completed
Deliver 1 accredited online course	Completed
Support FNTC partners in the development and delivery of 4 workshops for First Nations	Completed
Deliver through Tulo Centre and TRU, 7 accredited courses	Completed
Maintain and provide support for TAS	Ongoing
Continue to support training in First Nation tax administration	Ongoing
Continue to develop FNPO certificate	Ongoing
Dispute Management	
Maintain roster of mediators and provide training	Ongoing
Respond to requests for facilitation, dispute resolution	Ongoing
Support services provided for <ul style="list-style-type: none"> • Provision of provincial assessment services to First Nations • Development of taxpayer relations systems • Service agreement negotiations as required 	Ongoing
Intervene in property tax litigation where appropriate	Ongoing
Provide training to FNTC, selected First Nations and Tulo Centre <ul style="list-style-type: none"> • Mutual gains negotiation • Dispute resolution 	Completed

External Assessment and Risks

Each year the FNTC reviews the previous year's external risk assessment and evaluates the expected policy environment for the next fiscal year. Using information and requests from First Nations taxpayers, the federal and provincial governments, and other First Nation institutions, the Commission identifies its Corporate Plan priorities to address economic and fiscal risks, legislative risks, and risks to the demand for FNTC services from tax collecting First Nations for the upcoming year.

Global Economic Uncertainty

Global economic uncertainty will continue in 2015. Economic uncertainty reduces commodity demand and prices at a time when supply levels are already high and continuing to increase. The Bank of Canada Commodity Price Index is down 38.5% between June 2014 and January 2015. During this time, West Texas Intermediate oil futures fell from \$100 to \$45. Natural gas fell from \$4.8 to \$2.8. Copper fell from \$3.15 to \$2.54. The Bank of Canada has lowered its national growth forecast for Canada for 2015. The impact of falling oil and commodity prices will be greatest in Alberta and Saskatchewan, while Ontario will benefit from lower transportation and fuel costs, higher US demand and a weaker dollar. This led the Bank of Canada to reduce interest rates for the first time in over four years. The Canadian dollar declined to near 80 cents US, its lowest level in six years. However, it is uncertain whether the reduction in interest rates will be enough to stimulate the economy at a time when Canadians already have high personal debt levels.

Canada is facing fiscal challenges at both the federal and provincial levels. The decline in commodity prices combined with a reduction in commodity production, development and exploration activities, will reduce federal and provincial government revenues. At the same time, societal aging is raising dependency ratios (the non-working age population divided by the working age population). This is putting downward pressure on GDP per capita, which in turn is putting downward pressure on the growth of government revenues. At the same time, an aging population is putting strong cost pressure on major government programs such as Old Age Security (OAS), government pensions and, in particular, health care.

Governments recognize that to meet this challenge without substantial reductions in disposable income, Canada needs strong investment with corresponding productivity growth. Facilitating private investment in Canada's comparative advantage, resources, is a significant part of the federal and provincial strategy for raising future productivity and revenues. However, resource companies are starting to reduce their capital expenditure plans and there is strong international competition. The cost of transporting Canadian resources to foreign markets is more significant when commodity prices are lower and the need for lower cost options becomes more urgent. Investors may also be leery of Canada because of the lack of clarity surrounding project approval and possible project rejections or lengthy delays.

One of the major sources of resource investment uncertainty is the changing legal and political landscape involving Aboriginal communities. This is particularly acute with respect to projects where there are Aboriginal title claims and to resource transportation projects, where the project might require consent from many First Nations. First Nation support and participation in resource development and transportation projects will be significant priorities for federal and provincial governments in the next fiscal year. First Nation support depends partially on realizing sufficient fiscal (taxation) benefits from resource development. First Nations recognize that they need resource projects as much as other governments for (a) revenues, (b) employment, (c) to support a new class of First Nation entrepreneurs. The FNTC could support this agenda by working with interested First Nations, Canada, and provinces to implement First Nation resource project taxation and advance the property ownership initiative.

Assessment: Federal Government

The federal government postponed the budget until April due to fiscal and economic uncertainty surrounding lower commodity prices. The federal government's fall economic update (November 2014) projected growing budget surpluses over the next five years and continued the federal commitment to fiscal restraint. Medium-term federal priorities include reduced taxes, infrastructure investment, debt repayment, and economic and employment growth. The proposed federal infrastructure investment did include a commitment to First Nation school construction but not to other First Nation infrastructure.

The federal government is committed to balance the budget this year despite projected reduced government revenues. This could lead to short-term fiscal restraint associated with First Nation funding. In the *2014/2015 AANDC Report on Plans and Priorities*, planned spending is to decrease by 9% in 2015/2016 and to further decrease by 15.2% in 2016/2017. Reductions in fiscal transfers to First Nation governments could lead to increased interest in finding alternative revenue and infrastructure financing options to promote First Nation economic development. Therefore, the FNTC anticipates an increased demand for FMA taxation and FNFA debenture financing. It will be important to complete and implement proposed amendments to the FMA to meet this increased demand. It could also lead to increased First Nation interest in fiscal benefits from resource development and accredited Tulo Centre programs oriented to economic development and taxation.

Assessment: Provincial Governments

Provincial governments are, by most accounts, facing a greater fiscal challenge than the federal government. This is largely because they are responsible for health care. In fact, the Parliamentary Budget Office has projected that to maintain current service levels, provincial taxes may have to double over the next twenty years.

The provincial challenge arises in part because of the federal plan to address its own fiscal challenge. The federal government reduced the growth rate of its transfers in support of provincial health care roughly in half, to the greater of 3 per cent or the growth rate of the economy. Provincial governments are strongly opposed to this measure. They argue that health care is a top priority with the public and therefore the federal government should reduce its own expenditures in order to transfer more funds and/or tax room to them.

As a result, resource development and revenue growth is of greater urgency for provincial governments than the federal government. They have a strong interest in securing First Nation support for resource development and facilitating investment. They are also more likely to recognize that sharing fiscal benefits from resource projects with First Nations will generate greater support. BC has already developed models for this and the Ontario government has supported this proposal in principle.

However, federal-provincial fiscal issues are preventing First Nations from sharing the revenues generated by resource development. Provincial governments are resisting revenue sharing with First Nations because limiting transfers to provinces under the current federal-provincial fiscal framework would reduce provincial revenues at a time when they need to be growing. The FNTC could help break this impasse by working with interested First Nations and governments to design and implement First Nation resource project tax options that help balance the federal-provincial fiscal framework.

Assessment: First Nations

An increasing First Nation focus is to generate more benefits from resource development in their territories. This focus is increasing because of:

- increased fiscal pressures and lack of infrastructure funding support from the federal government
- new legal developments including the Tsilhqot'in decision
- increased private interest in resource development and project initiation within First Nation territories

Resource development projects generate two types of benefits for First Nations - economic and fiscal. Economic benefits mainly flow to individuals in the form of employment and business opportunities and profit shares (equity). These are often the main subjects of agreements between First Nations and resource project proponents. Fiscal benefits flow to governments in the form of taxation, royalties, and other governmental revenues. In many cases, First Nations are not receiving fiscal benefits and this may be dampening support for resource development. This is because fiscal benefits tend to benefit the whole community through improved services and infrastructure, while economic benefits tend to benefit fewer community members.

In 2014, First Nations sought assistance from the FNTC to help them generate more fiscal benefits from resource development in their territories. In particular, they are interested in support to develop and implement the legal and administrative framework to support these possible taxes and support to work with federal and provincial governments on an improved fiscal relationship.

These First Nation requests for resource development support are in addition to increased interest in existing and emerging First Nation FMA revenue options. There is also rising First Nation demand for Tulo Centre certificate programs and courses (especially those related to economic development), use of the online Gazette and TAS. Finally, First Nation interest is growing in FNPO, FNGST, and services to support ATRs.

2015/2016 Risk Management Strategy

The table below demonstrates how the external policy environment creates risks to the FNTC. The third column contains the proposed FNTC risk management strategy for 2015/2016. The FNTC priorities for 2015/2016 result from its assessment of corporate resources and this proposed risk management strategy.

External Policy Environment	FNTC Risks	Proposed Risk Management Strategy
Federal Government	<ul style="list-style-type: none"> Increased competition for scarce resources within AANDC First Nation support required for resource development investment Reduced funding for First Nation infrastructure projects 	<ul style="list-style-type: none"> Allocate resources to support implementing initial tax jurisdiction and expanding local revenue options Work with Canada to support the development of resource project taxation Allocate resources to implement local revenue borrowing and infrastructure financing options Continue work on the FMA amendments and work towards a communications draft of FNPO
Provincial Governments	<ul style="list-style-type: none"> Fiscal pressures reduce interest in revenue sharing First Nation support required for resource development investment 	<ul style="list-style-type: none"> Allocate resources to FMA revenue options that minimize provincial fiscal impact Work with provinces on resource project taxation that minimize provincial fiscal impact
First Nations	<ul style="list-style-type: none"> Increased demand for resource project taxation Increased demand for FMA revenue options Increased demand for training, FNG and TAS Increased demand for FNPO, FNGST and ATR support 	<ul style="list-style-type: none"> Allocate resources to support the development of First Nation resource project taxation Allocate resources to support FMA implementation and new FMA revenue options Allocate resources for more students and expanded use of FNG and TAS Allocate and as necessary seek resources to advance these initiatives.

Assessment of Corporate Resources

Since 1989, the FNTC and its predecessor, the 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 and a regulatory framework to support First Nation taxation systems, an improved First Nation investment climate, a proposed new First Nations property ownership system, and, most recently, new concepts for resource taxation models.

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, well-researched innovations, and partnerships. Each of these corporate characteristics is summarized briefly:

Strong Leadership - The Chief Commissioner has four decades of experience in First Nation governance, 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* (BC) and the FMA. Nine commissioners support the Chief Commissioner. Each commissioner has significant experience in establishing and maintaining a strong regulatory framework for the exercise of First Nation local revenue jurisdiction. Over the last few years, 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 Aboriginal Affairs and Northern Development. The Chief Commissioner continues to explore innovations around revenue sharing and changes to existing models with interested First Nations, provincial leaders, and federal representatives.

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 assist interested First Nations to implement change. The FNTC has incorporated best practices in corporate governance and human resource management in its comprehensive management policy. The FNTC's shared governance model strives to meet or exceed Treasury Board of Canada requirements and other requirements for federal statutory bodies.

The FNTC has maintained stability in a staff with significant expertise in property taxation. The FNTC also contracts with qualified professional advisors with specialized expertise.

Capacity Development Resources - The FNTC offers a continuum of capacity development for First Nations that begins with extensive research, which supports sound policies that, through time, can evolve to standards and sample laws. At the end of the continuum is an education component, the Tulo Centre, 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 FMA. First Nation tax administrations are also supported by the FNTC's TAS and 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 research related to public finance, debentures, property ownership, own-source revenues, revenue potential, and other legal and policy matters of importance to both the FNTC and First Nations.
- b) **Policy, Standards, and Law Development** - The FNTC has established transparent and public input processes for policy, standards, and law development. Approved policies form the basis for standards, which shape FNTC sample laws. During the last eight years, the FNTC has developed and published 13 standards, 1 procedure, and 32 sample laws in both official languages.
- c) **Training** - In partnership with the Tulo Centre and TRU, the FNTC offers North America's first university-accredited certificate programs for First Nation Tax Administration and First Nation Applied Economics. Twelve courses related to core administrative competencies 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 that assists tax administrators through the annual cycle of property taxation including setting tax rates, printing tax notices, and managing payment collection. It can be integrated with First Nations accounting software. The software is available for all First Nation tax administrations in BC, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia. The FNTC also has software to calculate the tax revenue potential for First Nations, and software to calculate the cost for services delivered under First Nation-municipal service agreements.

Innovation through Research - The FNTC's body of research over the past two decades has supported the creation of the FMA, the FNPO initiative, and, most recently, proposals to improve the federal-provincial equalization formula to encourage provincial resource revenue sharing with First Nations, and to ensure that First Nations receive more fiscal benefits from oil and gas pipelines. The FNTC will continue to conduct research that will support First Nation economic growth, create jobs, and generate First Nation tax revenues.

Partnerships - The FNTC has developed Memorandums of Understanding, protocol agreements, and working relationships with the following organizations:

- First Nations Tax Administrators Association
- Native Law Centre at the University of Saskatchewan
- Tulo Centre of Indigenous Economics
- MIT-Harvard Consensus Building Institute
- Canadian Property Tax Association
- First Nations Financial Management Board
- First Nations Finance Authority
- Institute of Liberty and Democracy
- National Energy Board
- Thompson Rivers University
- Centre for First Nations Governance
- Indigenous Bar Association
- First Nations Alliance 4 Land Management
- National Aboriginal Land Management Association
- First Nations Lands Advisory Board
- Land Title and Survey Authority of British Columbia
- Surveyor General of Canada
- Canadian Energy Pipeline Association
- BC Assessment

Key Priorities for 2015/2016

Implementing Initial Tax Jurisdiction - The FNTC has noted an increasing number of First Nations wishing to establish taxation on lands not previously taxed by provincial regimes, specifically First Nations located outside of British Columbia. Where taxable interests exist on these lands, the implementation of taxation involves a considerable consultation effort, development of administrative capacity, and the building of strong partnerships with assessment service providers and adjacent local governments.

Expanding Revenue Options - Interest in FMA fiscal powers for DCCs, taxation for the provision of services, and BATs is growing. First Nations are considering water improvement taxes, hotel taxes, well drilling taxes, and mining taxes. Implementing each of these taxes requires considerable law development, communications, and facilitation services. The FNTC will allocate resources to support this increased demand.

Resource Development and Fiscal Benefits - First Nations are approaching the FNTC about possible fiscal benefits from proposed resource projects in their territories. These First Nations are suggesting that secure fiscal benefits could make proposed resource projects more acceptable to their communities. In particular, these communities have provided specific proposals to the FNTC for FMA taxes associated with proposed resource taxes. The FNTC will work with these communities and Canada in 2015/2016 to explore options for First Nation fiscal benefits from resource projects.

Developing Capacity - In order to increase the benefits and effectiveness of FMA jurisdiction, the FNTC will continue to provide capacity development opportunities regarding First Nation property tax and economic development. The FNTC also supports capacity development with AANDC through tailored workshops. The FNTC will enhance capacity development in 2015/2016 by (a) expanding accredited university certificate programs offered in partnership with the Tulo Centre and TRU, (b) providing more workshops to AANDC staff and (c) promoting use of the TAS system.

FMA Amendments - The FNTC will work with Canada and the other fiscal institutions in 2015/2016 to advance and support the enactment of the proposed amendments to the FMA and subsequent amendments to the accompanying FMA regulations. The implementation of these amendments will require significant work in 2015/2016 to update standards and sample laws to reflect the amendments.

First Nation Gazette Expansion - The FNTC will continue to work with Canada and First Nations to expand the scope and use of the FNG in 2015/2016. Publishing First Nations laws, by-laws, codes and notices in the FNG searchable online database is efficient, cost-effective and improves transparency, enforceability and access for First Nations, members, taxpayers and the public. As a result of the passage of *Bill C 428 - An Act to Amend the Indian Act (Publication of By-laws) and to Provide for its Replacement* - in December 2014, the FNG will also be publishing s.81 and s.85(1) by-laws from First Nations.

Special Initiatives - The FNTC will continue to work with FNPO proponents in 2015/2016 to advance this initiative and possibly extend its application to help modernize the Indian Lands Registry System, expedite ATRs, and improve First Nation housing outcomes. The FNTC will also continue to advance the FNGST to interested First Nations in 2015/2016 and promote local revenue secured FNFA debentures.

Improving FNTC Services - The FNTC continues to make improvements in service delivery and corporate governance. In 2015/2016, this will include implementing a CRM system, developing a model for capturing and reporting First Nation property tax statistics, and working with BC Assessment to develop cloud computing of assessment data.

Objectives, Strategies, and Performance Measures for 2015/2016

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 Part 2 and Part 6 of the FMA 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 2015/2016 Corporate Services will continue to manage the operation of the FNTC with the following activities:

- Produce the annual corporate plan, work plan and financial plan
- Review and revise the 5-year strategic plan/business plan
- Manage the capital requirements
- Provide CRM system, file management, and financial training and professional development opportunities
- Convene 4 general FNTC meetings and 6 law review meetings
- Provide administrative management and committee support
- Meet Access to Information and Privacy (ATIP) requirements and Info Source reporting requirements
- Manage the FNG including:
 - Implementation of the marketing strategy
 - Development and distribution of marketing materials
 - Continuing discussions with AANDC regarding publication of s.81 and s.85.1 *Indian Act* by-laws, and possible use of the FNG by AANDC to assist in meeting its information requirements
 - Publishing additional categories in FNG in response to the passage of Bill C 428
 - Increasing the use of the FNG notification component
 - Preparing for increased work volume stemming from Bill C 428
- Implement information management strategies including:
 - Implementation of recommendations arising from work with Library and Archives Canada
 - Revision of Information management procedures manual
 - Develop and implement a CRM system

- Manage special initiatives including:
 - Local revenue debenture borrowing
 - FNPO
 - Resource development fiscal benefits
 - FNGST
- Develop an MOU with Maori tribes from New Zealand for capacity development

Performance Measures

Annual corporate plan, workplan and financial plan produced
Review and revisions to business plan completed
Capital requirements managed
CRM system and file management training, financial training, and professional development provided
10 Commission meetings held
Management and support provided
ATIP requirements and Info Source reporting requirements met
FNG strategy implemented, materials developed and distributed, discussions continued, FNG expanded
Information management recommendations implemented, manual updated and CRM system implemented
Special initiatives and projects managed
MOU developed with Maori

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 2015/2016, Policy Development will develop, seek public input on, and present at least three of the following standards for approval by the Commission:

- BATs for accommodation or mining
- Property taxation laws considering use of districts and transitioning from fee based services
- Borrowing
- Property tax, rates, and expenditures
- Expenditure laws considering improved budgeting and reporting, expenditure controls, notification, and use of districts
- DCCs
- Taxation under s.5(1)(a) laws with regional applications
- FMA fees and charges

Policy Development will continue to review s.83 property tax policies to ensure they reflect the underlying policy objectives in the Commission’s standards and procedures.

Policy Development will also initiate or continue policy research in the following areas:

- Aboriginal title tax
- Pipeline flow tax
- First Nation taxation expenditures
- Jointly held reserves
- Accommodation taxes in various provinces
- Tax exemption agreements
- Best practices in assessment appeal procedures
- Resource development fiscal benefits
- Best practices in tax enforcement
- Pipelines and property taxation
- Mining taxes in various provinces
- Utility taxes
- TLE and property taxation

In 2015/2016 Policy Development will initiate or continue projects with other institutions related to:

- Proposed amendments to the FMA
- Collaborative work on the development of FMB Financial Management System standards
- Improved FMA marketing and coordinated law development
- Minimizing conflicts in law between financial administration law and property tax laws
- Synthesizing borrowing process and materials with FNFA
- Borrowing coordination
- Support for First Nation economic development

Policy Development will also develop a model for capturing and reporting First Nation property tax statistics and coordinate the development of a Pre-Budget Submission.

FMA Standards development work will be required in the event of FMA amending legislation.

Performance Measures

3 standards approved
2 s.83 policies reviewed
Up to 8 policies developed and research initiated
3 projects with other institutions initiated
Property tax statistics reporting model developed
Pre-Budget Submission completed
Standards development work (pending FMA amendments)

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/by-laws, to First Nations in the law development process, working with Canada to improve the legislative and regulatory framework, and reviewing submitted First Nations laws for compliance with the regulatory framework.

Law/By-law Review and Regulations assists the FNTC in monitoring legal developments that may impact the FNTC's work.

Strategies and Activities

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

- Taxation under s.5.1(a) laws with regional application
- Property taxation
- Rates
- Borrowing
- Expenditure
- DCCs
- Fees and charges
- BATs
- Taxation for the provision of services

Law/By-law Review and Regulations estimates that it will review 140 annual and 15 non-annual FMA laws in 2015/2016 and present the reviews and laws to the Commission for approval. It also expects to review 50 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 work with Canada to develop FMA amending legislation.

Law/By-law Review and Regulations will also:

- revise and update the law review manual
- develop or modify sample s.83 by-law for local improvement
- maintain registry of First Nation laws and by-laws
- continue to operate the First Nation support program to assist up to 20 First Nations to implement laws under the FMA
- monitor legal developments

Performance Measures

4 sample laws produced or modified
155 FMA laws reviewed
Law review manual revised/updated
Support for legislative amendments provided
50 by-laws reviewed
Support to 20 First Nations provided
Registry maintained
Sample by-law for local improvement developed or modified
Legal developments monitored

Communications

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

Strategies and Activities

Throughout 2015/2016, Communications will continue to maintain the FNTC website and update the content of the site. This will be supported by the continued expansion of the content library including success stories, photos, and video interviews.

Communications will digitally publish the “*Clearing the Path*” newsletter quarterly and maintain an email distribution database of subscribers. Additionally it will work with AANDC to facilitate and provide support for the FMA amendment process.

Communications will distribute the *Local Revenue Expenditure Guide* and prepare workshop materials for local revenue expenditures training, coordinate, develop, and update presentations and other communication materials including information sheet series and newsletter inserts to support other business lines, including special projects such as FNPO.

Communications will collaborate with Corporate Services to:

- develop and publish the Annual Report, in print and electronic form in both official languages
- coordinate and develop materials for the FNTC AGM
- ensure that the FNTC continues to meet OLA requirements
- develop a five-year communications strategy

Performance Measures

Annual Report published
Communications strategy and work plan finalized
Materials developed and AGM held
Website maintained and updated
Presentations developed and communication materials updated
Guide updated / workshop materials compiled
OLA compliance maintained
FMA amendment / FNPO support provided
Newsletter published and distributed/email database maintained
Content library expanded

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.

Education activities occur through a working agreement and contract with the Tulo Centre and in partnership with TRU. The partnership between the Tulo Centre, TRU, and the FNTC provides students with access to 14 courses leading to an accredited First Nation Tax Administration certificate or an accredited First Nation Applied Economics certificate.

Strategies and Activities

In 2015/2016, Education and the Tulo Centre will deliver nine accredited courses of the Certificate in First Nation Tax Administration program and Certificate in Applied Economics program online or in class and graduate a fourth class in the Certificate program.

Education and the Tulo Centre are developing a student textbook to enhance the curricula for the Certificate in Tax Administration. The textbook is based on the current curriculum and a generic case study for use throughout the entire certificate program. The case study follows one hypothetical First Nation through all the steps from deciding to be on the FMA schedule to implementing laws, developing capital plans, borrowing, and building infrastructure.

Since 2013, the FNTC and the Tulo Centre have been delivering workshops focussed on advancing property taxation within First Nation communities. In 2015/2016, the FNTC will confirm partnerships for delivering the workshop series and look into options for delivering workshops online. Partners could include AANDC or the resource or financial industry interested in the Tulo Centre workshops related to economic development, resource development, taxation and land management and service agreements. In addition to these existing workshops, the Tulo Centre will begin work on new workshops related to BATs and the FNGST in 2015/2016.

Education also maintains and provides support for TAS, the FNTC's tax administration software, and will continue to support training in First Nation tax administration.

Education will also develop an education department administration manual.

Performance Measures

Textbook and case study reviewed and finalized
Workshops developed and delivered
9 courses delivered
TAS support provided
Training supported with 4th graduating class in Certificate program
Administration manual developed

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/by-laws.

Strategies and Activities

In 2015/2016, Dispute Management will continue to respond to requests for negotiation facilitation and dispute resolution and maintain a roster of qualified mediators. Training opportunities are provided for mediators listed on the roster.

Dispute management will also provide support services for:

- the negotiation of contracts for the provision of provincial assessment services to First Nations
- the development and implementation of taxpayer relations systems including taxpayer representation to council laws
- the facilitation of service agreements between First Nations and local governments as required to support the implementation of property tax systems or, if requested, ATRs and TLEs
- the improvement of financial management of the local revenue account

Dispute Management will respond, as necessary, continue to coordinate FNTC’s response to legal challenges to the First Nations tax system. It will also manage and coordinate dispute resolution and mutual gains negotiations training activities for the FNTC staff, selected First Nations, and the Tulo Centre.

Performance Measures

Roster maintained and training provided
Facilitation/dispute resolution services provided
Support services provided
Legal challenge response provided, as necessary
Training delivered

2015/2016 Corporate Work Plan

Objectives & Activities	Performance Measures
Corporate Services	
Produce and approve annual Corporate Plan, work plan and financial plan	Annual Corporate Plan, work plan and financial plan produced
Review and revise 5-year strategic plan/business plan for Commission	Business plan completed
Manage capital requirements for HO and NCR	Capital requirements managed
Commission and staff training and provide professional development	Training for CRM system and file management, financial training and professional development provided
Hold 4 general FNTC meetings and 6 law review meetings	10 meetings held
Provide administrative management and committee support	Management and support provided
Meet ATIP requirements and Info Source reporting requirements	Reporting requirements met
Manage <i>First Nations Gazette</i> including: <ul style="list-style-type: none"> • Implement marketing strategy • Develop and distribute marketing materials • Continue discussions with the federal government regarding publication of s.81 and s.85.1 <i>Indian Act</i> by-laws, and possible use of FNG by AANDC to assist in meeting its information requirements • Publishing additional categories of materials in FNG as a result of new federal legislation (Bill C 428) • Increase use of FNG notification component 	<ul style="list-style-type: none"> • Strategy implemented • Materials developed and distributed • Discussion continued
Information management <ul style="list-style-type: none"> • Implement any recommendations arising from work with Library and Archives Canada • Revise and update information management procedures manual • Develop and implement CRM system 	<ul style="list-style-type: none"> • Recommendations implemented • Manual updated • CRM system implemented
Manage special initiatives and projects concerning <ul style="list-style-type: none"> • Local revenue debenture borrowing • FNPO • Resource development fiscal benefits • FNGST 	Special initiatives and projects managed
Develop an MOU with Maori tribes from New Zealand for capacity development.	MOU developed with Maori



Objectives & Activities	Performance Measures
Policy Development	
Develop, seek public input on, and present to the Commission for approval at least 3 of the following standards: <ul style="list-style-type: none"> • BATs for accommodation or mining • Property taxation laws considering use of districts, and transitioning from fee based services • Borrowing • Property tax, rates, and expenditures • Expenditure laws considering improved budgeting and reporting, expenditure controls, notification, and use of districts • DCCs • Taxation under s.5(1)(a) laws with regional applications • FMA fees and charges 	3 standards approved
Continue to review s.83 property tax policies to ensure they reflect the underlying policy objectives in the Commission's standards and procedures	2 s.83 policies reviewed
Initiate or continue research/policy development in the following policy areas: <ul style="list-style-type: none"> • Aboriginal title tax • Pipeline flow tax • First Nation taxation expenditure policies • Jointly held reserves • Accommodation taxes in various provinces • Tax exemption agreements • Best practices in assessment appeal procedures • Resource development fiscal benefits – research and options • Best practices in tax enforcement • Pipelines and property taxation – research • Mining taxes in various provinces • Utility taxes • TLE and property taxation 	Up to 8 policies developed and research initiated
Initiate or continue at least 3 projects with other institutions from the following list: <ul style="list-style-type: none"> • Proposed amendments to FMA • Collaborative work on the development of FMB FMS standards • Improved FMA marketing and coordinated law development • Minimizing conflicts in law between financial administration law and property tax laws • Synthesizing borrowing process and materials with FNFA • Borrowing coordination • Support for First Nation economic development 	3 projects with other institutions initiated
Develop model for capturing and reporting First Nation property tax statistics	Model developed
Complete Pre-Budget Submission	Pre-Budget Submission completed
FMA Standards development work will be required in the event of FMA amending legislation.	Standards development work (pending FMA amendments) initiated
Law/By-law Review and Regulations	
Develop or modify up to 4 sample laws in the following areas: <ul style="list-style-type: none"> • Taxation under s.5(1)(a) laws with regional applications • Property taxation • Borrowing • Rates • Expenditure • DCCs • Fees and charges • BATs • Taxation for the provision of services 	4 sample laws produced or modified
Review annual/non annual FMA laws	155 FMA laws reviewed
Revise and update law review manual	Manual revised/updated
Implement FMA legislative amendments	Support for legislative amendments provided
Review of s.83 by-laws	50 by-laws reviewed
Support up to 20 First Nations to transition to FMA	Support to First Nations provided
Maintain registry of First Nation laws and by-laws	Registry maintained
Develop or modify sample s.83 local improvement by-law	Sample by-law developed or modified
Monitor legal developments including Bill C 428	Legal developments monitored

Objectives & Activities	Performance Measures
Communications	
Develop and publish (print/electronic) Annual Report in both official languages	Annual Report published
Develop 5-year communications strategy	Communications strategy developed
Coordinate and develop materials for FNTC annual general meeting	Materials developed and AGM held
Maintain website	Website maintained and updated
Coordinate and develop presentations, including a set of standard presentations	Presentations developed
Distribute local revenue expenditure guide and prepare workshop materials for training sessions	Guide updated / workshop materials compiled
Ensure OLA requirements met	OLA compliance maintained
Support FNPO communication	FNPO support provided
Work with AANDC to support FMA amendments	FMA amendment support provided
Publish quarterly newsletter and maintain email distribution database	Newsletter published/distributed and database maintained
Update communication materials (info sheet series/newsletter inserts)	Communication materials updated
Expand content library to include updated success stories and photographs	Content library expanded
Education	
Review of textbook and case study developed for the Certificate in First Nation Tax Administration	Textbook and case study reviewed and finalized
Confirm partnerships for delivering workshop series and look into options for delivering workshops online	Workshops delivered
Deliver, through Tulo Centre and TRU, 9 accredited courses online or in class	9 courses delivered
Maintain and provide support for TAS	TAS support provided
Continue to support training in First Nation tax administration	Fourth class in certificate program graduated
Develop an <i>Education Department Administration Manual</i>	Administration manual developed
Dispute Management	
Maintain roster of mediators and provide training	Roster maintained and training provided
Coordinate FNTC response to legal challenges to the First Nations tax system	Legal challenge response provided, as necessary
Support services provided for: <ul style="list-style-type: none"> • Provision of provincial assessment services to First Nations • Development of taxpayer relations systems • Service agreement negotiations as required • Local revenue account financial management 	Support services provided
Intervene in property tax litigation where appropriate	Intervention provided as necessary
Manage and coordinate training for FNTC, selected First Nations and the Tulo Centre <ul style="list-style-type: none"> • Mutual gains negotiation • Dispute resolution 	Training delivered

FNTC Financial Plan for 2015/2016

The FNTC financial plan presents the financial results for 2013/2014 fiscal year, forecasts for 2014/2015 and plans for 2015/2016 to 2019/2020.

Financial Performance 2013/2014 and 2014/2015

Financial assets at the end of 2013/2014 totaled \$2.39 million and consisted of cash and accounts receivable. The forecasted financial assets at the end of 2014/2015 are \$2.27 million and consist of cash and accounts receivable. Liabilities consisting of accounts payable and contracts payable totaled \$2.18 million at the end of 2013/2014 and are forecasted to be \$2.05 million at the end of 2014/2015.

Non-financial assets of the FNTC which consist of prepaid expenses and tangible capital assets totaled \$287 thousand at the end of 2013/2014 and are forecasted to be \$273 thousand at the end of 2014/2015. The FNTC's tangible capital assets are comprised of furniture, IT infrastructure, equipment, software, website development costs, and leasehold improvements relating to its business premises. The Commission does not own real property and does not carry debt. The Commission leases space for its head office on the reserve lands of the Tk'emlúps te Secwepemc and in Ottawa for its National Capital Region office.

Below is an overview of the FNTC's actual performance for the 2013/2014 against its plan and its forecasted performance for the 2014/2015 against its plan with an explanation of significant variances. The figures for 2013/2014 are actual results for the fiscal year ending March 31, 2014 and the figures for 2014/2015 are forecasted results to March 31, 2015.

Statement of Financial Activities					
	2013/2014		2014/2015		
	Actual	Plan	Forecast	Plan	
Revenue					
Government of Canada	\$ 5,909,666	\$ 5,909,666	\$ 5,933,948	\$ 5,930,948	
Government of Canada - special initiatives	964,880	964,880	702,540	702,540	
Other	33,461	3,000	28,396	3,000	
	\$ 6,908,007	\$ 6,877,546	\$ 6,664,884	\$ 6,636,488	
Expenses					
Commission costs	877,940	883,931	893,919	895,036	
Corporate Services	1,259,156	1,233,583	1,265,180	1,253,591	
Gazette operations	171,914	187,815	185,739	185,871	
Policy Development	749,368	811,784	801,721	799,222	
Education	468,272	538,410	541,901	533,806	
Dispute Management	284,024	183,962	189,705	190,948	
Communications	716,760	719,434	721,276	719,204	
Law/By-law Review and Regulations	1,415,517	1,353,747	1,362,903	1,356,270	
Special Initiatives	964,880	964,880	702,540	702,540	
	\$ 6,907,831	\$ 6,877,546	\$ 6,664,884	\$ 6,636,488	
Net Surplus (deficit)	\$ 176	\$ -	\$ -	\$ -	

Statement of Financial Position		
	2013/2014 Actual	2014/2015 Forecast
Financial Assets		
Cash	\$ 2,261,252	\$ 2,205,404
Accounts receivable	124,765	65,000
	2,386,017	2,270,404
Liabilities		
Accounts payable	1,200,090	1,200,000
Contracts payable	980,297	850,000
	2,180,387	2,050,000
Net Financial Assets	205,630	220,404
Non-Financial Assets		
Prepaid expenses	38,835	40,000
Tangible capital assets	248,468	232,530
	287,303	272,530
Accumulated Surplus	\$ 492,933	\$ 492,934
Accumulated Surplus		
Investment in tangible capital assets	\$ 248,468	\$ 232,530
Current funds	244,465	260,404
Accumulated Surplus	\$ 492,933	\$ 492,934

Statement of Cash Flows		
	2013/2014 Actual	2014/2015 Forecast
Operating Activities		
Annual surplus	\$ 176	\$ -
Items not involving cash		-
Amortization	146,253	135,939
Loss on disposal of tangible capital assets	(320)	-
Changes in non-cash operating balances		-
Accounts receivable (increase) decrease	(67,742)	59,765
Prepaid expenses	(1,225)	(1,165)
Accounts payable and contracts payable	(129,845)	(130,387)
Cash flows from operating activities	(52,703)	64,152
Investing Activities		
Purchase of tangible capital assets	(172,823)	(120,000)
Proceeds on sale of tangible capital assets	320	
	(172,503)	(120,000)
Net decrease in cash during the year	(225,206)	(55,848)
Cash, beginning of the year	2,486,458	2,261,252
Cash, end of the year	\$ 2,261,252	\$ 2,205,404

2013/2014 Plan vs. Actual and 2014/2015 Plan vs. Forecast

Revenues 2013/2014 Actual

Revenues for 2013/2014 were \$6.908 million, \$30 thousand over a budgeted plan of \$6.878 million. The revenue for 2013/2014 consisted of government funding of \$5.910 million for FNTC core business activities, \$965 thousand of funding from the Government of Canada for research and work on the First Nation Property Ownership initiative, and \$33 thousand of other source revenue from bank interest. The variance from plan resulted from greater than planned bank interest being earned in the year.

Expenses 2013/2014 Actual

Expenses for 2013/2014 were \$ 6.908 million, \$30 thousand over budgeted expenditures of \$6.878 million, resulting in a \$176 surplus for the year. Expenses relating to core business activities totaled \$5.943 million, and expenses relating to special initiatives totaled \$965 thousand.

Total core business activity expenditures were consistent with planned amounts. Expenditures relating to corporate service activities, dispute management, and law/by-law review and regulations development were greater than planned. The additional expenditures in these activities were offset by a reduction in expenditures in other activities of the FNTC.

Expenditures relating to special initiatives undertaken by the FNTC during the year totaled \$965 thousand. These expenses related to work undertaken for the First Nations Property Ownership Initiative and were in line with planned amounts. There was no surplus or deficit resulting from the special initiative activities.

Capital Expenditures 2013/2014 Actual

Capital expenditures during the 2013/2014 totaled \$173 thousand and related to furniture purchases, information technology related equipment purchases including lifecycle replacement of desktop computer and laptops, and website and software development costs.

Revenues 2014/2015 Forecast

Total revenues for 2014/2015 are forecast to be \$6.665 million, \$28 thousand over a budgeted plan of \$6.636 million. The forecasted revenues include \$5.934 million from the Government of Canada for core business activities and \$703 thousand from the Government of Canada for special projects relating to the First Nations Property Ownership Initiative, research and policy initiatives relating to energy resource development, FNG publication of s.81 by-laws, and enhancements to the FNTC client management system. Other income arising from bank interest is forecasted to be \$28 thousand, an increase of \$25 thousand over plan.

Expenses 2014/2015 Forecast

Total expenses for 2014/2015 are forecast to be \$6.665 million, with a forecasted surplus of \$0.

Expenses relating to core business activities are forecast to be \$5.962 million, \$28 thousand over planned expenses of \$5.934 million. Expenses related to special initiatives are forecast to be \$703 thousand, consistent with plan. All business lines are forecasted to be within planned levels.

Capital Expenditures 2014/2015 Forecast

Capital expenditures for 2014/2015 relating to furniture and equipment purchases, the ongoing repair and replacement of worn out equipment, information technology related equipment including lifecycle replacement of desktop computer, laptops, and software licensing are forecast to be \$120 thousand.

Financial Plan 2015/2016 TO 2019/2020

The proposed budget for the FNTC for 2015/2016 is balanced, and has revenues and expenditures planned at \$5.995 million. The planned revenues from the Government of Canada for core activities represent an increase of approximately 1% over funding levels for 2014/2015. The modest increase is consistent with Canada's plan to balance the federal budget for 2015/2016 and efforts by the Commission to find efficiencies where possible.

The table below contains the financial plan for the FNTC for 2015/2016 to 2019/2020. The following assumptions have been used in the preparation of the financial plan:

1. The financial plans for the periods 2015/2016 to 2019/2020 cover the 12-month fiscal year ending March 31 and are projected results for the period.
2. The financial plans have been prepared based on a detailed review of the FNTC business lines including the initiatives, strategies, and activities planned for 2015/2016 as outlined in this plan, an external risk assessment, the expected policy environment for the coming fiscal year, and best estimates of management for the cost of activities under each business line. No significant changes to the core activities or FNTC business lines are forecasted in the planning period.
3. No provision has been made for an increase in Commissioner remuneration for 2015/2016 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 bank interest.
6. The financial plan for 2015/2016 does not include revenue or expenditures relating to special initiatives that have been identified by the FNTC or for additional work relating to proposed legislative amendments. The FNTC will seek additional funding for these initiatives during the planning period. The financial plan for 2015/2016 to 2019/2020 includes only those revenues projected for core business activities.

Statement of Financial Activities	Financial Plan				
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Revenue					
Government of Canada	\$ 5,995,160	\$ 6,045,772	\$ 6,145,232	\$ 6,234,477	\$ 6,335,351
Government of Canada - special initiatives	-	-	-	-	-
Other	-	3,000	3,000	3,000	3,000
	5,995,160	6,048,772	6,148,232	6,237,477	6,338,351
Expenses					
Commission Costs	896,703	896,623	906,723	916,661	927,262
Corporate Services	1,285,571	1,303,099	1,329,445	1,356,425	1,382,892
Gazette operations	186,115	189,429	194,074	198,835	203,714
Policy Development	777,712	768,432	781,288	794,370	807,682
Education	539,979	556,710	547,441	553,295	562,610
Dispute Management	247,941	254,497	258,366	262,294	266,282
Communications	720,238	725,424	754,510	765,271	776,461
Law/By-law Review and Regulations	1,340,901	1,354,558	1,376,385	1,390,326	1,411,448
Special Initiatives	-	-	-	-	-
	5,995,160	6,048,772	6,148,232	6,237,477	6,338,351
Net Surplus	\$ -	\$ -	\$ -	\$ -	\$ -

Statement of Financial Position	Financial Plan				
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Financial Assets					
Cash	\$ 1,988,344	\$ 1,954,732	\$ 1,985,435	\$ 2,019,015	\$ 1,965,682
Accounts receivable	70,000	70,000	70,000	70,000	70,000
	2,058,344	2,024,732	2,055,435	2,089,015	2,035,682
Liabilities					
Accounts payable	1,235,000	1,185,000	1,185,000	1,185,000	1,185,000
Contracts payable	605,000	605,000	605,000	605,000	605,000
	1,840,000	1,790,000	1,790,000	1,790,000	1,790,000
Net Financial Assets	218,344	234,732	265,435	299,015	245,682
Non-Financial Assets					
Prepaid expenses	30,000	30,000	30,000	30,000	30,000
Tangible capital assets	244,590	264,202	269,499	271,919	292,422
	274,590	294,202	299,499	301,919	322,422
Accumulated Surplus	\$ 492,934	\$ 528,934	\$ 564,934	\$ 600,934	\$ 568,104
Accumulated Surplus					
Investment in tangible capital assets	\$ 244,590	\$ 264,202	\$ 269,499	\$ 271,919	\$ 292,422
Current funds	248,344	264,732	295,435	329,015	275,682
Accumulated Surplus	\$ 492,934	\$ 528,934	\$ 564,934	\$ 600,934	\$ 568,104

Statement of Cash Flows	Financial Plan				
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Operating Activities					
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
Items not involving cash	-	-	-	-	-
Amortization	117,940	126,388	130,703	133,580	71,667
Loss on disposal of tangible capital assets	-	-	-	-	-
Changes in non-cash operating balances	-	-	-	-	-
Accounts receivable	(5,000)	-	-	-	-
Prepaid expenses	10,000	-	-	-	-
Accounts payable and contracts payable	(210,000)	(50,000)	-	-	-
Cash flows from operating activities	(87,060)	76,388	130,703	133,580	71,667
Capital Activity	-	-	-	-	-
Purchase of tangible capital assets	(130,000)	(110,000)	(100,000)	(100,000)	(125,000)
Net (decrease) increase in cash during the year	(217,060)	(33,612)	30,703	33,580	(53,333)
Cash, beginning of the year	2,205,404	1,988,344	1,954,732	1,985,435	2,019,015
Cash, end of the year	\$ 1,988,344	\$ 1,954,732	\$ 1,985,435	\$ 2,019,015	\$ 1,965,682

