



# Annual Report

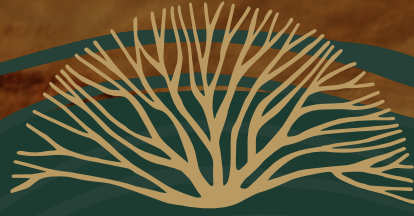
2022 / 2023

Fiscal Jurisdiction | Sustainable Economies | Self-Determination



FIRST NATIONS TAX COMMISSION





*“Taksis,” a Chinook word for taxation, is a concept that First Nations have embraced and used for generations.*

*It’s part of our heritage. In more recent times, the FNTC is helping First Nation communities leverage that concept of gathering taxes to create a common and productive resource for the whole community.*



# Mandate



The mandate of the **First Nations Tax Commission** (the FNTC) derives from the federal *First Nations Fiscal Management Act* (the FMA), which created the FNTC, and from a Memorandum of Understanding (MOU) with the Minister responsible for Crown-Indigenous Relations (the Minister) to provide advice regarding approval of by-laws under section 83 of the *Indian Act*.

**As set out in section 29 of the FMA, the mandate of the FNTC is 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.

In addition, under terms of the MOU with the Minister, the FNTC provides advice regarding the approval of by-laws under section 83 of the *Indian Act* and delivers services to First Nations exercising property tax jurisdiction under those provisions.

The work of the FNTC is supported through financial contributions from the Government of Canada. This consists of an annual funding arrangement for core ongoing operations, plus funding for special initiatives based on proposals submitted to the Minister. Advice, tax tools and services from the FNTC are available at no cost to all interested First Nations.

# Core Tenets

The FNTC has long maintained that First Nations are governments within the Canadian federation, that jurisdiction defines governments, and that tax revenues enable jurisdiction. First Nation tax jurisdiction is the basis for revenue-based fiscal relationships between First Nations and the federal and provincial governments. Most importantly, the assumption of tax jurisdictions by First Nations must be First Nation-led, optional, and supported by national First Nation institutions.

The FNTC operates in the larger context of First Nation issues, which go beyond property tax. The FNTC strives to reduce the barriers to economic development on First Nation lands, increase investor certainty, and enable First Nations to be vital members of their regional economies. The FNTC is working to fill the institutional vacuum that has prevented First Nations from participating in the market economy and creating a national regulatory framework for First Nation tax systems that meets or exceeds the standards of provinces. Through the development of a competitive First Nation investment climate, economic growth can be a catalyst for First Nation self-reliance.

# Mission

Under the broad enabling authorities of its legislated mandate, and guided by the above core tenets, the ongoing Mission of the FNTC is as follows:

*Assist First Nation governments to build and maintain fair and efficient property and other tax jurisdictions, and ensure that those First Nation communities and their taxpayers receive the maximum benefit from their tax systems.*



## FNTC's Ongoing Commitments

- Promote, expand, implement and protect First Nation tax jurisdiction.
- Ensure the integrity of the system of First Nation real property taxation.
- Support First Nation governance and the development of administrative infrastructure across the country.
- Promote transparency and understanding of First Nation real property taxation systems through engagement, education and communications.
- Promote use of First Nation taxation to support economic development and enhanced fiscal relationships.
- Support First Nations in the development of capacity to establish and manage First Nation tax systems.





## For More Information About the FNTC

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## Message from the

# Chief Commissioner

I am pleased to present the 2022/2023 Annual Report of the First Nations Tax Commission. This report not only showcases our achievements over the past year but also celebrates the collective efforts of First Nation leaders in advancing the expansion and implementation of their jurisdictions—ultimately supporting the growth and well-being of their communities.

My personal journey began in 1969 when I attended a pivotal BC Chiefs Conference in Kamloops. It was in response to the Department of Indian Affairs policy document known as the “White Paper” which included several measures including the elimination of the Indian Act. On November 17, 1969 – 150 Chiefs and representatives met in Kamloops to discuss their united response against the policy. I listened closely to what the leaders were saying – including my father, Chief Clarence Jules – and how they saw our future working together for the betterment of our communities.

My father was one of the first leaders to identify the barriers to economic development that resulted from the Indian Act system of governance. He was also one of the first to demonstrate that these barriers could be addressed through institutional innovations entailing more local jurisdiction for First Nations. His way of thinking catalyzed a new way forward that was First Nations-led, and it inspired me to dedicate my career to supporting the growth of First Nation economies and greater First Nation self-determination.

My father particularly emphasized the importance of First Nations being able to “move at the speed of business.” In 1962, he advocated for the creation of Mount Paul Industrial Park—one of Canada’s most successful First Nation commercial developments—demonstrating that these barriers could be addressed. Since then, our work has focused on identifying and removing such barriers, empowering



communities to uplift themselves through the tools, programs, services and capacity-building opportunities provided by the First Nations Tax Commission and the First Nations Fiscal Management Act.

In many ways, we stand on the shoulders of our ancestors, building on their achievements and legacies. In 1910, Chief Louis from my community addressed the Prime Minister, Sir Wilfred Laurier, outlining a vision to guide relations between the Secwepemc People and Canada, “We will help each other to be great and good.” Our work today in developing new institutions and legislative authorities that support our communities and affirm our inherent jurisdictions reflects what Chief Louis impressed upon us over a century ago.

Each Annual Report serves as a milestone—measuring our progress in supporting self-determination, while acknowledging the challenges ahead. Working together will help to support and strengthen First Nation communities’ growth, prosperity and well-being. Let us continue our journey, guided by the knowledge of our collective history and driven by the singular aim of restoring our institutions and governments.

Sincerely,

  
**C.T. (Manny) Jules**  
Chief Commissioner

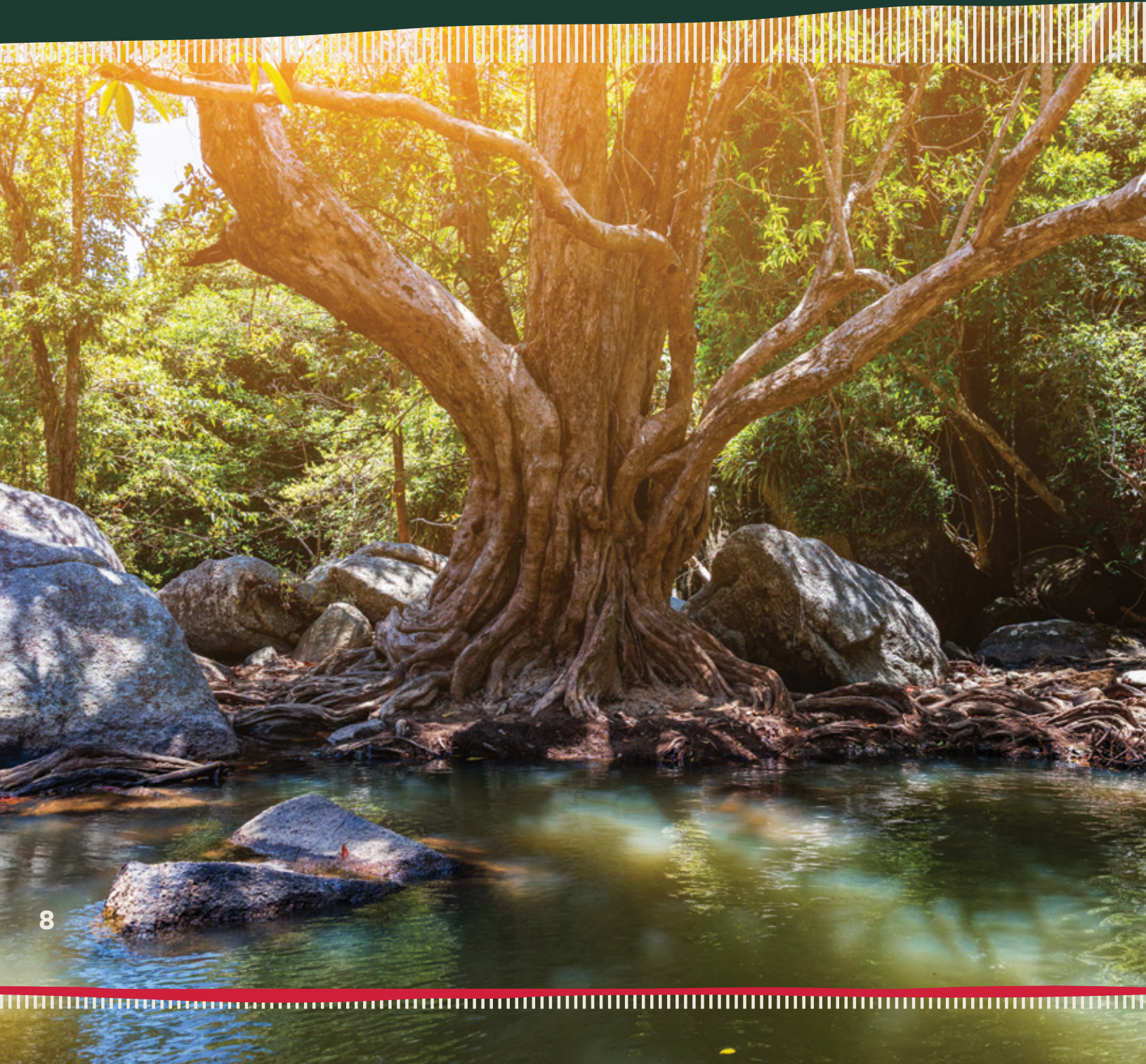
*“We will help each other to be great and good.” Our work today in developing new institutions and legislative authorities that support our communities and affirm our inherent jurisdictions reflects what Chief Louis impressed upon us over a century ago.”*





# Highlights

Following are short summaries of some of FNTC's most notable achievements in 2022/2023.



# Advancing Amendments to the First Nations Fiscal Management Act (the FMA)

Bill C-45: An Act to amend the *First Nations Fiscal Management Act* was introduced in Parliament for First Reading on March 23, 2023. This was the result of several years of legal and policy research, analysis and coordination among the FMA institutions, Crown-Indigenous Relations and Northern Affairs Canada and the federal Department of Justice.

Bill C-45 introduced several major innovations including: formal establishment of the First Nations Infrastructure Institute (FNII) as an FMA institution; incorporation of an “Other Revenues” Regulation for First Nations Finance Authority (FNFA) financing; updating and expansion of the mandates of the FMA institutions, including the FNTC; and other complementary updates and corrections to provisions in the FMA.

The FNTC is pleased that Bill C-45 amends the preamble to the FMA to include the concept of Indigenous words for taxes—including “*taksis*” in the Chinook language—as well as the concept of the FMA as a First Nation-led initiative that would enable First Nations to better exercise their jurisdiction.

More specifically, Bill C-45 updates and expands the mandate of the FNTC in section 29 of the FMA to better reflect the work of the Commission. In addition to changing the phrasing of some of the current mandate features, it adds five new elements:

1. Conduct research, analyze information and provide advice to support the development, implementation and administration of First Nation local revenue systems.
2. Collaborate with First Nations, Indigenous institutions and organizations and all levels of government to strengthen First Nation economies and support the development of legal and administrative frameworks to promote the evolution of their jurisdiction over local revenues.
3. Support the negotiation, development and implementation of agreements related to First Nation local revenue systems.
4. Provide services to any Indigenous group named in the schedule to any regulation made under section 141(1).
5. Collect data, publish statistical information and conduct research and analysis on matters related to the purposes set out in the other paragraphs of section 29 [i.e., paragraphs (a) through (l)].

The amended Act will provide additional mandates for the FNTC’s research and statistical analysis functions related to all aspects of First Nation local revenue systems. It will also expand FNTC’s advisory and advocacy services, and provide a clear mandate to support the negotiation, development and implementation of agreements related to the local revenue system, such as service agreements.

Integrating the “Other Revenues” Regulations for FNFA financing into the main text of the FMA provides clarity and allows for parallel provisions for FNFA financing based on local revenues as well as FNFA financing based on Other Revenues.

## FNTC and Tulo Host Celebration for 2020, 2021, and 2022 Graduating Students

On June 7, 2022, the Tulo Centre of Indigenous Economics (Tulo Centre) and the FNTC hosted the first in-person graduation celebration since the implementation of COVID-19 restrictions in early 2020. The event jointly celebrated and honoured 31 graduates from the classes of 2020, 2021 and 2022. To date, 119 students from First Nations across Canada have graduated from the Tulo Center.

First Nation capacity development is a key part of implementing effective tax jurisdiction. In 2022/2023 the FNTC continued to expand, enhance, modernize and promote participation in a range of education, training and capacity-building services and initiatives. This includes work with the Tulo Centre which designs and delivers both accredited and non-accredited programs, including property tax administration and applied economics.

*“Together, we have the collective strength to make the kind of changes our people need,” said Chief Commissioner Jules. “In the words of one of my great cultural heroes, Tecumseh, ‘If you have one arrow, it can be easily broken, but if you have a bundle of arrows, it can’t be broken,’ together, we’re strong.”*





## *First Nations Gazette* **Celebrates 25 Years**

The *First Nations Gazette* (FNG) was officially launched 25 years ago on June 21st, 1997 – National Indigenous Peoples Day. Today, it is the largest single source of First Nation legislation in Canada. Available online, with no fees for access or publication, the FNG continues to evolve as First Nation jurisdiction expands.

The need for a *First Nations Gazette* became apparent in June 1987 when changes to the federal *Statutory Instruments Regulations* excluded First Nation by-laws from being published in the *Canada Gazette*. This meant that First Nations lost access to a centralized, legal gazette and needed to find another way to publish their laws in the same way as other governments in Canada. First Nations who were exercising their property tax jurisdiction were particularly challenged as they

### **First Nations Gazette**

had no mechanism to make their by-laws available for review by taxpayers.

The Indian Taxation Advisory Board saw the need and opportunity for institutional capacity building and began working with First Nations and the Native Law Centre in the 1990s to develop a legal gazette that would enable any First Nation to publish their laws and by-laws.

On June 21, 1997, the *First Nations Gazette* was launched as a print- and subscription-based publication. The Native Law Centre and the Indian Taxation Advisory Board signed a Memorandum of Understanding, which was published in the first edition of the FNG. It established an editorial board consisting of representatives from both parties to oversee the FNG and determine publication policies and requirements.



Over its first quarter century of operations, the FNG has celebrated a number of innovations and milestones:

### 2007

FNG was established in legislation under the *First Nations Fiscal Management Act*.

### 2013

FNG's service was expanded to allow other governments and other persons to post public notices on Indigenous matters.

### 2020

On June 21, the FNG partnered with Lexum on a new searchable database and developed a new website. This improved the searchability of FNG's database by allowing for more complex queries, full text searches, and the ability to search by legal authority. Website content was also revised to better communicate the functionality of the FNG and how it supports First Nations.



### 2009

A searchable database was published on the FNG website of all the legislation previously published in the print version.

### 2012

FNG launched a public notification service to allow First Nations to submit public notices relating to legislation, lands, claims and settlements, referenda, elections and appointments.

### 2014

FNG transitioned to a free and online-only publication, with a searchable database of all published First Nation laws.

### 2014

The Government of Canada began listing applicable federal laws in the FNG— including amendments to the *Indian Act* and the *First Nations Goods and Services Tax Act*—making the FNG one of the available options for the publication of legislation.

As First Nation jurisdiction continues to expand, strategic partnerships between the FNG and First Nations and other groups will ensure that the FNG can address evolving opportunities related to the publication of increasingly diverse First Nation legislation.

## Continued Growth in Number of First Nations Joining the FMA

In 2022/2023, the number of First Nations using the FMA increased by 8% over the previous year, to a total of 348. This meant that more than one half (55%) of all First Nations have now opted into the FMA, with more joining every year.

Using the FMA enables First Nations to establish their own FMA tax jurisdiction, whether newly created or through transition from existing taxing provisions of section 83 of the *Indian Act*. In the

course of the year, the FNTC assisted four First Nations in establishing their property tax laws using provisions of the FMA. This brought the number of First Nations in Canada with property tax jurisdiction to 147 by the end of 2022. It also meant that more than two fifths (42%) of First Nations using the FMA now have tax jurisdictions developed and in place.



348

First Nations  
have opted  
into the FMA

147

First Nations  
with property  
tax jurisdiction  
using the FMA

55%

Total of all First  
Nations now  
using the FMA



# Special Initiatives

Each year, in addition to delivering ongoing services to First Nations, managing relations with partners and stakeholders, and undertaking continual innovation and improvement, the FNTC proposes and secures funding from the Government of Canada for a select number of special initiatives. Special initiatives aim to advance jurisdiction, enhance services and explore new opportunities for First Nation taxation, fiscal management and economic growth.



The 5<sup>th</sup> Annual

# First Nations Leading the Way Meeting



The FMA institutions—FNTC, First Nations Financial Management Board (FMB) and First Nations Finance Authority (FNFA)—and the First Nations Lands Advisory Board (LAB) hosted a National Meeting October 4-6, 2022, in Treaty One Territory/Winnipeg, Manitoba. The hybrid event had almost 400 delegates from across Canada, with 61% participating in-person and 39% online.

Under the theme of *Economic Resilience and Innovation: First Nations Leading the Way 5*, the national forum showcased First Nations at the forefront of expanding jurisdiction. They shared their insights, experience and achievements in using First Nation-led agreements and legislation to improve their economies through greater fiscal independence, improved financial management, debenture financing and sound land governance. Each of the FMA institutions and LAB delivered several presentations throughout the conference, providing updates and sharing success stories and their collective vision for the future.

The FNTC panel at the meeting shared two stories featuring collaboration, knowledge sharing and innovative approaches to economic resilience:

- **Chief Sacha LaBilliois Kennedy from Ugpi'ganiig, Eel River Bar, a Mi'gmawe'l Tplu'taqnn Incorporated (MTI) member:** The MTI presentation provided background and information on taxation agreements with the province of New Brunswick, and an overview of work with FNTC to support negotiations on a new agreement.
- **Chief of Brokenhead Ojibway Nation and Treaty One Nation Spokesperson, Gordon Bluesky and Jolene Mercer (Treaty One Nation Development Corporation):** The Treaty One Nation presentation provided an overview of the Municipal Development and Service Agreement with the City of Winnipeg as well as future plans and potential for the urban reserve.





# Advancing the First Nations Infrastructure Institute



The FNTC commissioned research in 2017 and found that Indigenous infrastructure projects tended to take longer to build, were more costly, and had shorter economic lifespans compared to broader industry norms. The result has been referred to as an “infrastructure gap”—disparity between infrastructure in Indigenous and non-Indigenous communities in Canada. A recent assessment by the Assembly of First Nations (AFN) estimated the gap at \$349.2 billion.<sup>1</sup>

The proposed First Nations Infrastructure Institute (FNII) will be an Indigenous-led organization that adds more tools to the FMA toolbox. First Nations and Indigenous organizations that choose to work with FNII and the FMA institutions will be able to assert their jurisdiction on their lands. FNII expertise and support will help build capacity, advance projects and close the infrastructure gap.

FNII is being designed to support First Nations and Indigenous organizations to develop the skills and processes to plan, procure, own and manage infrastructure assets on their lands. Through its development phase thus far, work has been conducted in several streams: proposed legislative amendments to the FMA, organizational development, and proof-of-

concept projects. In this developmental work, the FNII Development Board provides leadership and guidance to the FNII Technical Team of experts.

FNII continued to advance proposed amendments leading to a consultative draft on its mandate, structure, programming and governance being made available for discussion. FNII participated in engagement processes with FMA-scheduled First Nations as well as National Indigenous Organizations and Modern Treaty Nations. Bill C-45, which was introduced in March 2023, set out the enabling authorities for establishment and operation of FNII as a new member of the FMA institution family.

Organizational development work continued through the year to be ready to “stand up” the organization once the legislation is brought into force, formally establishing FNII as an ongoing FMA institution.

FNII also continued to respond to requests for workshops and technical support on best practices to demonstrate FNII’s value-added and proof of key concepts in its service offerings. This developmental work and demonstration projects have included First Nations and Indigenous organizations from across Canada.

<sup>1</sup> Assembly of First Nations, *Closing the Infrastructure Gap by 2030: A Collaborative and Comprehensive Cost Estimate Identifying the Infrastructure Investment Needs of First Nations in Canada*. March 2023.



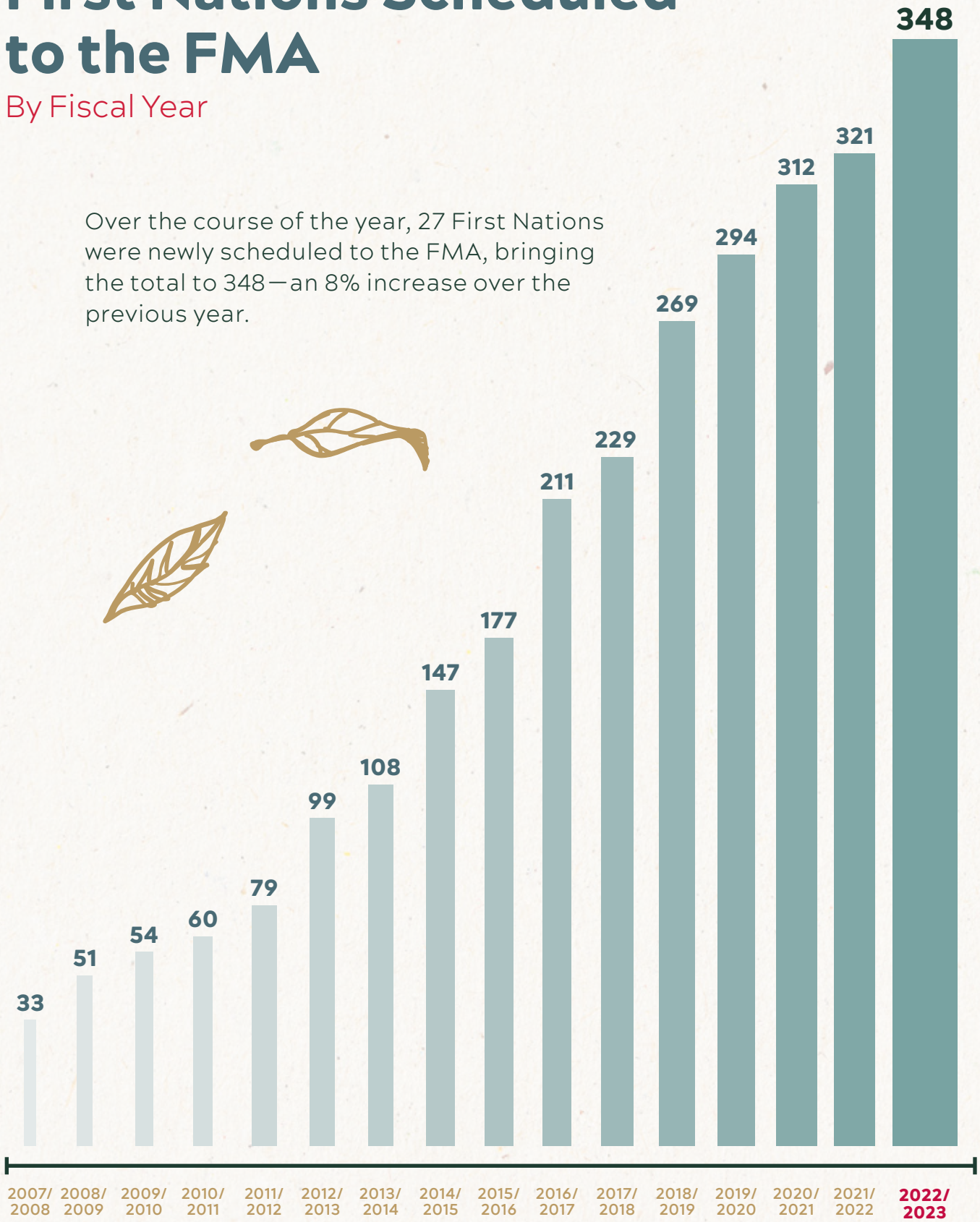
# The Year in Review



# First Nations Scheduled to the FMA

By Fiscal Year

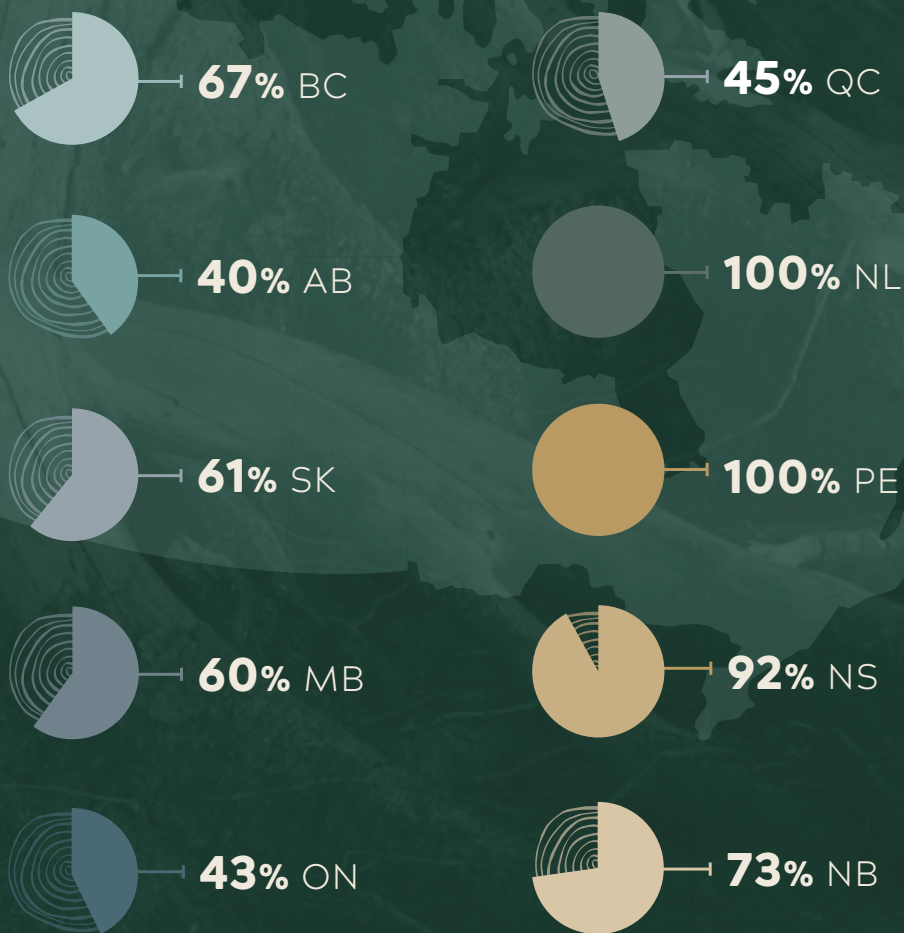
Over the course of the year, 27 First Nations were newly scheduled to the FMA, bringing the total to 348—an 8% increase over the previous year.



# Proportion of First Nations Using the *First Nations Fiscal Management Act*

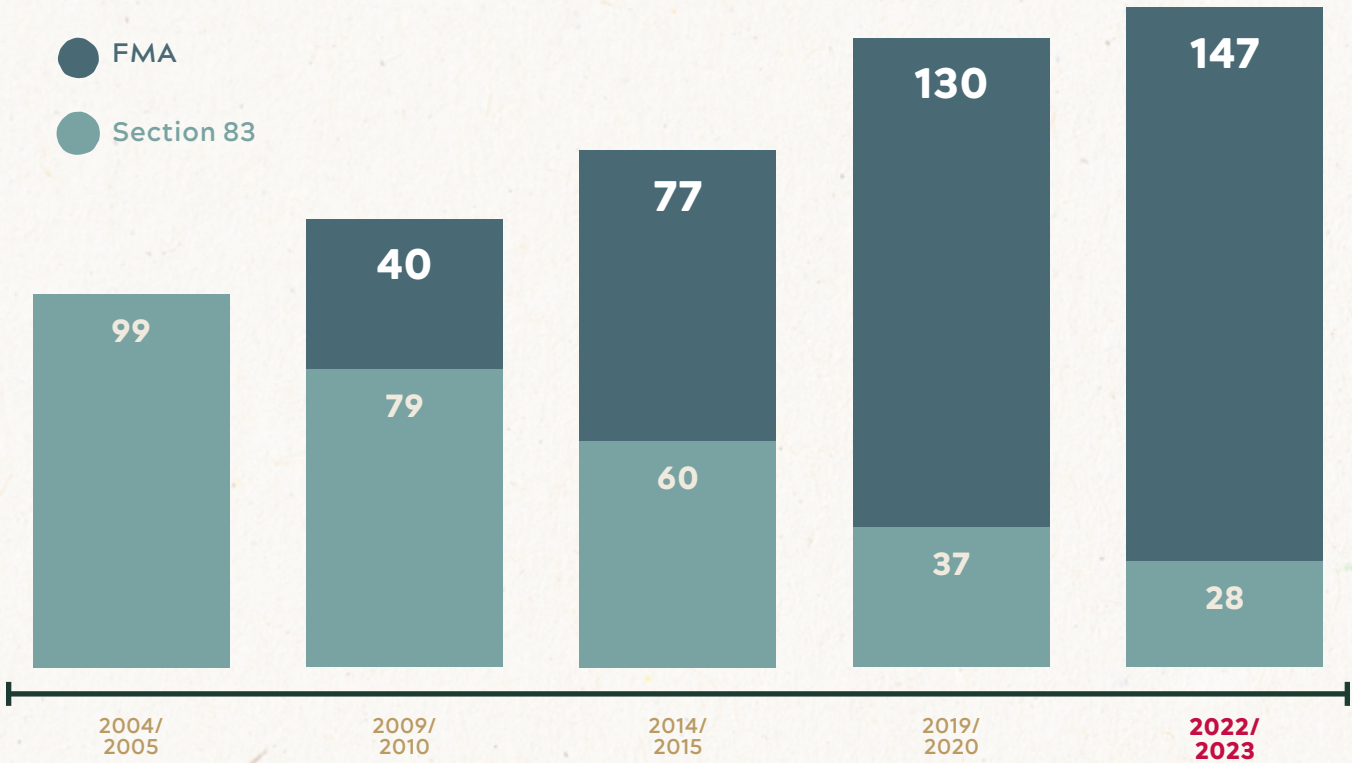
2022/2023

More than half (55%) of all First Nations in Canada are now participating in the FMA.



# First Nations with Tax Systems

In 2022/2023, the number of First Nations with tax jurisdictions reached 175. **There are now 147 First Nations with tax systems using the FMA** and 28 using section 83 of the *Indian Act*, meaning that **the FMA now accounts for 84% of First Nations with tax systems.**



First Nations have access to additional fiscal powers beyond property taxes, providing opportunities to diversify their revenue sources and respond to emerging issues. These fiscal tools offered by the FMA enable First Nations to pursue a broader range of benefits, including the ability to build infrastructure and address taxpayer needs.

## Local Revenue Laws Used by First Nations

- Property Assessment Law
- Property Taxation Law
- Property Transfer Tax Law
- Development Cost Charges Law
- Service Fee Law

- Service Tax Law
- Business Activity Tax (Accommodation Operator) Laws
- Business Activity Tax (Well Drilling—AB) Law

- Borrowing Agreement Law
- First Nation Long-Term Capital Borrowing Law
- Delegation of Authority Law
- Taxpayer Representation to Council Law



# New to FMA Taxation

In the course of the year, four First Nations newly established tax systems using the FMA.



Katzie First  
Nation, BC



Sunchild First  
Nation, AB



Beardy's and Okemasis  
Cree Nation, SK



Membertou First  
Nation, NS

## Membertou Establishes Property Tax Jurisdiction

In November 2022, Membertou First Nation enacted property taxation and property assessment laws, joining four other First Nations in Nova Scotia who have established property taxation.

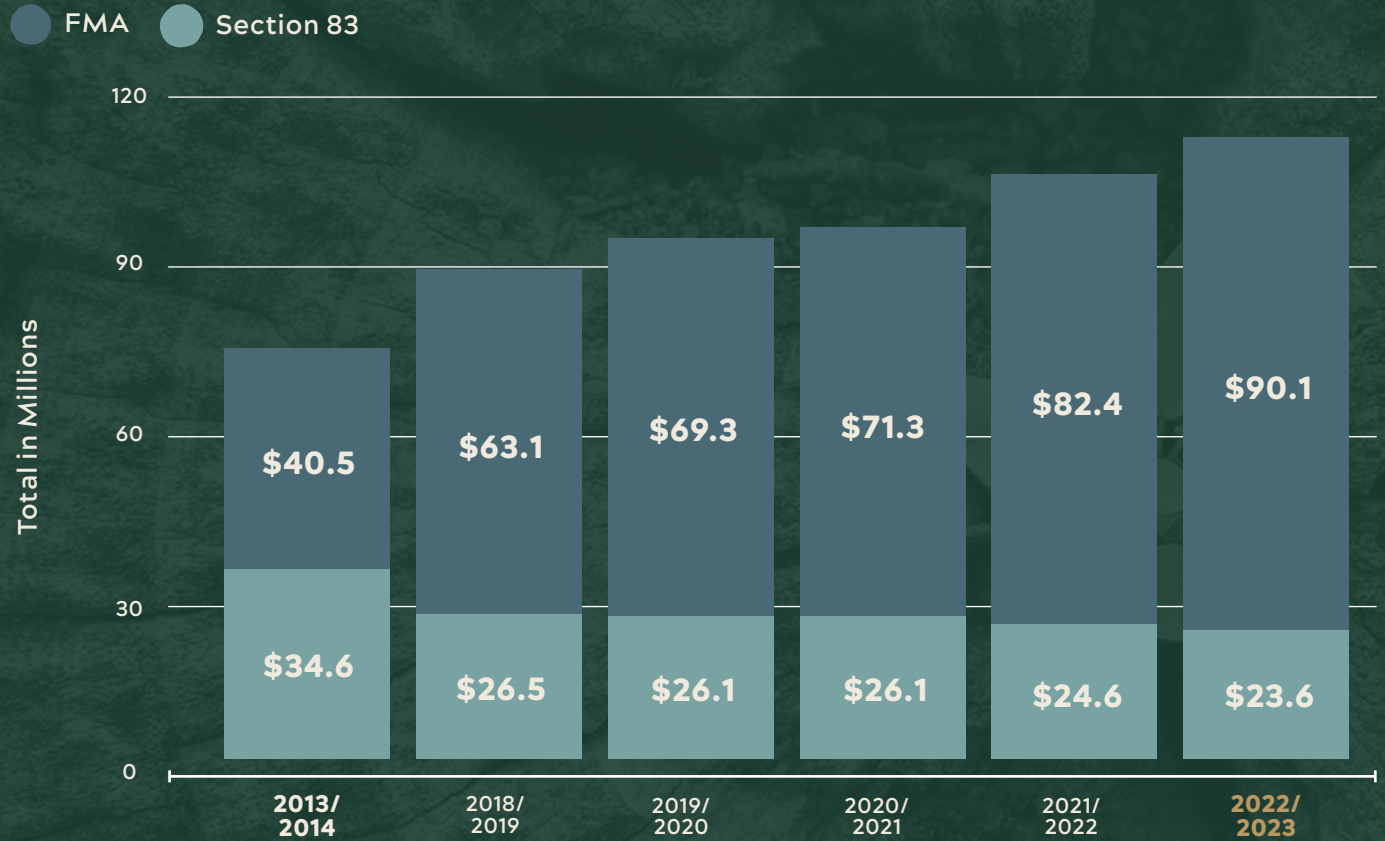
Long renowned as one of the most innovative First Nations in Canada, Membertou First Nation is a Mi'kmaq community of 1,600 members situated adjacent to Sydney, Nova Scotia, on Unama'ki (Cape Breton Island). It has been at the forefront of economic growth for over two decades. A large part of that success stems from the strong leadership and vision of Council, which in January 2002 sought and obtained ISO quality management status, becoming the first Indigenous government to become ISO 9001 certified. This helped bolster investor confidence and led to a series of commercial developments, including a convention centre, a business centre and many other commercial businesses all situated on Membertou's main reserve.

Shortly after joining the FMA in 2012, Membertou became the first community to secure long-term financing through the FNFA. It is also a member of the Mi'kmaq First Nations Coalition, which received a \$250 million loan from the FNFA to purchase Clearwater Seafood's Canadian offshore fishing licences.

For Membertou, establishing property taxation and using the full array of tools under the FMA will ensure that the community will be able to yield the full fiscal benefit of new development—spurring continued investment through improved and expanded local infrastructure and services.

# Annual Local Revenues Collected by First Nations

Local tax revenues collected by First Nations reached almost **\$114 million** in 2022/2023, consisting of more than **\$90 million using the FMA** and almost \$24 million under section 83 of the *Indian Act*. **This represented an increase of 6.2% over the previous year.**



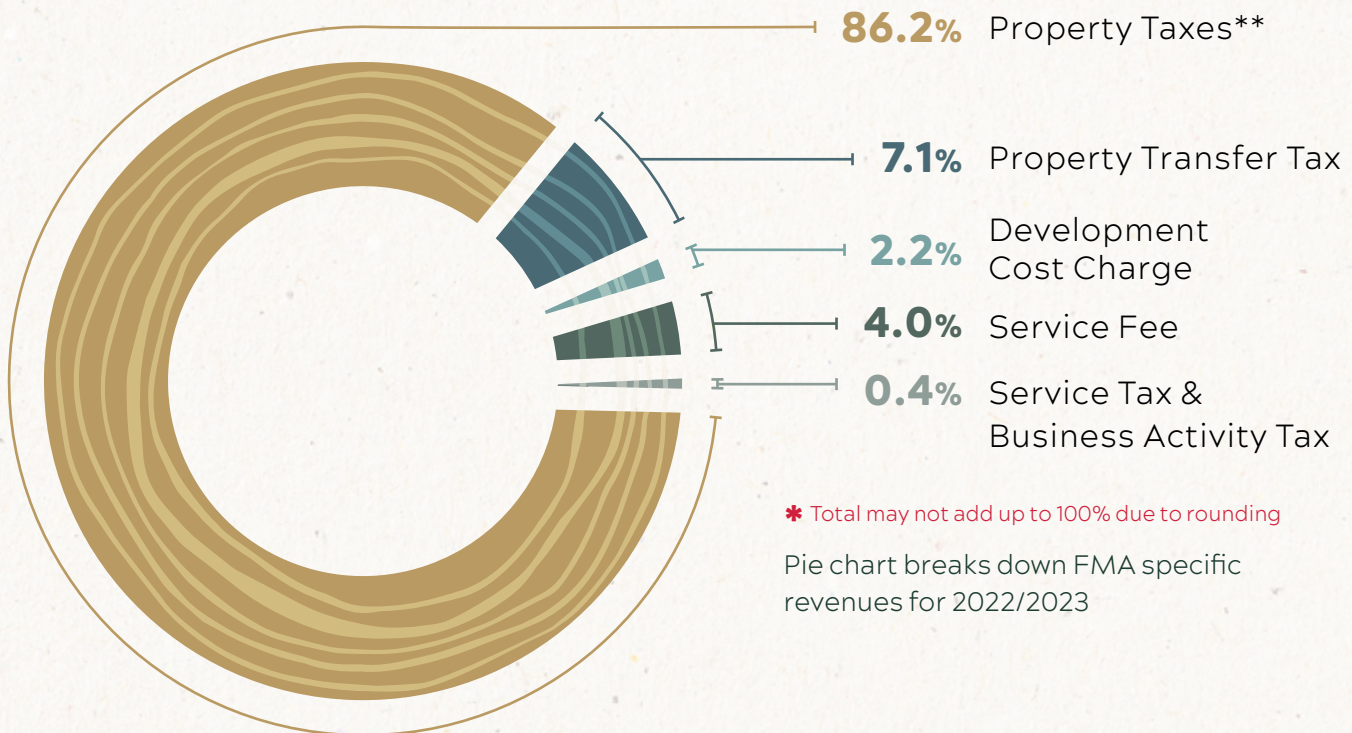
	2013/2014	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
<b>FMA</b>	\$40,472,891	\$63,140,809	\$69,253,410	\$71,334,332	\$82,447,288	\$90,089,197
<b>Section 83</b>	\$34,642,998	\$26,472,028	\$26,100,506	\$26,099,013	\$24,592,855	\$23,614,848
<b>Total</b>	\$75,115,889	\$89,612,837	\$95,353,916	\$97,433,346	\$107,040,142	\$113,704,045



With the growing number of First Nations using the FMA and establishing new tax systems, and the continuing transition of First Nations taxing under section 83 of the *Indian Act* to the FMA, the local revenues using the FMA continue to grow significantly in both absolute and proportional terms. **FMA revenues now account for 79% of all First Nation tax revenues.**

While property taxes are currently the principal source of local revenues collected by First Nations using the FMA and the *Indian Act*, other sources of local revenues available through the FMA are significant and growing. **Property transfer taxes, development cost charges, service taxes, business activity taxes and service fees now account for more than \$12 million annually—14% of total revenues collected by First Nations using the FMA.**

## First Nation Local Revenues, by Source, 2022/2023\*



Local Revenue Source	FMA		Section 83	
	Amount	Percentage	Amount	Percentage
Property Taxes**	\$77,665,205	86.2%	\$23,614,848	100%
Property Transfer Tax	\$6,378,049	7.1%	N/A	0.0%
Development Cost Charge	\$2,024,481	2.2%	N/A	0.0%
Service Fee	\$3,596,811	4.0%	N/A	0.0%
Service Tax	\$127,008	0.1%	N/A	0.0%
Business Activity Tax	\$297,643	0.3%	N/A	0.0%
<b>TOTAL</b>	<b>\$90,089,197</b>	<b>100%</b>	<b>\$23,614,848</b>	<b>100%</b>

\*\*Data for 2022 as of March 31, 2023.

\*\*Includes Payments in Lieu of Taxes (PILT).



Squamish Nation | Sk̓wx̓wú7mesh Úxwumixw

## Celebrates 30 Years of Collecting Property Tax

On January 1, 1993, the Squamish Nation in British Columbia first began levying property taxes on leased lands on their reserves situated in and around Vancouver. Implemented under section 83 of the *Indian Act*, first year revenues were \$3.5 million, with their major taxpayer being a shopping centre near North Vancouver.

Thirty years later, the Squamish Nation has one of the fastest growing economies in British Columbia and is generating close to \$12 million annually in local revenue—a doubling in real terms after adjustment for inflation. These revenues have helped to finance community buildings such as a recreational-cultural centre, administrative building, and Elders Lodge, as well as major investments in community health, education, language and heritage protection.

In 2022, the community embarked on one of the most ambitious development projects ever launched by an Indigenous government. The development of the Seńákw Lands will create a highly sustainable, mixed-use project of primarily purpose-built rental housing on approximately 10.5 acres of reserve lands. Adjacent to Vancouver's Kitsilano neighbourhood, the project will ultimately include 11 towers, 6,000 rental units and 1,200 affordable homes. Squamish Nation stands poised to access the full array of fiscal tools available through the FMA.



# Report From the Business Lines



# FNTC Business Lines

- Corporate Services
- Legal and Policy Services
- Law/By-Law Review, Registries and Outreach
- *First Nations Gazette*
- Education, Training and Accreditation
- Communications
- Dispute Management and Negotiations
- Strategic Initiatives

## Directions and Priorities

The major actions and accomplishments highlighted in this Annual Report reflect the strategic directions and priorities set out in the official Corporate Plan for 2022/2023:

1. Provide property tax system advice and support to First Nations.
2. Strengthen the FNTC through organizational innovation and renewal.
3. Increase the number of First Nations with First Nation property tax systems.
4. Expand and enrich the FNTC's services for First Nations.
5. Support amendment of the FMA and FMA regulations.
6. Advance a jurisdiction-based fiscal relationship for First Nations.
7. Develop and strengthen relations and collaboration with FMA partners and other institutions and agencies.



# Corporate Services

Corporate Services provides ongoing advice, logistical support and services to the Commission and its Committees, to ensure the timely and efficient functioning of the Commission in all aspects of its review, decision making, leadership and advocacy. Corporate Services supports openness and transparency in all operations and decision making.

Corporate Services also provides planning, financial/accounting, personnel, administrative, legal, office facility, technology management, contracting and other services to the Commission and the organization overall. More generally, Corporate Services operates diligently to create an overall efficient and effective work environment and fulfill the financial management and control requirements set out in the FMA.

This work involves:

**Commission Governance:** Oversight and support for processes for the appointment/reappointment of Commissioners and the orientation of new Commissioners, as well as facilitation and coordination of meetings of the Chief Commissioner and/or other Commissioners with First Nations, representatives of other governments, and other key institutions.

**Commission Operations:** Planning, scheduling and coordination of regular meetings of the Commission and its Committees, as well as special processes and events; preparation of briefing and presentation materials for Commission operations; and recording and distribution of relevant proceeding minutes, records and decisions.

**Financial, Human Resources and Administrative Policies and Operations:** Staff and executive recruitment, training and professional development, as well as capital management for the Head Office and National Capital Region Office, information technology and support, and general office administration and contract support.

**Planning, Reporting and Compliance:** Coordination and support for development, coordination and monitoring of Strategic and Corporate Plans and the Annual Report; coordination of audits, evaluations and financial reporting; and compliance with legislated requirement such as the FMA, the *Access to Information Act*, the *Privacy Act* and the *Official Languages Act*.



## Major Initiatives and Accomplishments

### Improving Efficiency to Keep Pace with Growth and Change

The Corporate Services business line pursued a number of key initiatives in 2022/2023 to anticipate and keep pace with continued growth in the FNTC's operations, while also making continuous improvements in overall efficiency and service quality. This included implementation of a new process improvement strategy for ensuring accountability and alignment with the organization's mandate and its Corporate Plan commitments. The "Strategy to Execution" process recognizes the FNTC's priorities and commitments and establishes guidelines and deadlines for deliverables. This new model of performance creates a culture of accountability and forms a foundation designed to ensure future growth will be successful.

### Modernizing Office Facilities

To accommodate expansion and growth over the last year, the FNTC completed renovations at the Head Office, which created additional office space—including a new media room—and made IT infrastructure upgrades. The National Capital Region office was also relocated to a larger, modern space that allows for future expansion and facilitates closer working relationships with other FMA institutions co-located in the same building. This entailed the FNTC and FMB entering into an agreement to lease shared office space in the National Capital Region. The FNTC's space includes room for FNII to support its activities until it becomes operational. With the institutions working closer together, this innovative arrangement supports the sharing of knowledge and enables creative collaboration on initiatives with shared interests and objectives. It also allows the in-person coordination of meetings and sharing of board rooms and common areas.

# Legal and Policy Services



Legal and Policy Services includes monitoring of legal developments and rulings, analyzing and providing advice regarding legislative and regulatory processes, and supporting other legal initiatives.

The objective is to provide advice and support for decision making by the Commission, and to contribute to policy and standards development in the ongoing evolution and maintenance of the regulatory framework for First Nation local revenue systems.

This work involves:

## **Legal Framework Analysis and Development:**

Support for the design and implementation of First Nation tax systems, including working with the federal government to improve the legislative and regulatory framework, and monitoring legal developments that may impact First Nation property taxation under the FMA and the *Indian Act*.

## **Policy Development:**

Design, development and promotion of policies and standards that support the FNTC's policy objectives. These include to expand First Nation jurisdiction, promote harmonization, foster efficiencies, increase First Nation, taxpayer and investor confidence in the integrity of the First Nation local revenue systems and reconcile the interests of First Nation governments with those of stakeholders in the First Nation tax system.

## **Sample Law and By-Law Development:**

Development and updating of sample laws and by-laws and the provision of related tools and advice, to support First Nations and professionals working with First Nations in law and by-law development processes. Sample laws and by-laws are based on best practices, comply with applicable statutory requirements, regulations and the FNTC's standards and policies, and support the timely and efficient development of local revenue laws.

## **Research and Innovation:**

Research, exploration, testing and analysis of innovative approaches and mechanisms for the design, expansion and administration of First Nation tax systems. This work serves to continually improve and enhance local revenue systems; expand First Nation jurisdiction; inform development of policies and standards; and identify means to reduce barriers to First Nation economic development



## Major Initiatives and Accomplishments

### Renewing and Modernizing FNTC's Mandate

The FNTC continued its engagement with the Government of Canada and the other FMA institutions on proposed changes to the FMA. This work resulted in the introduction in March 2023 of Bill C-45: *An Act to amend the First Nations Fiscal Management Act*. The Bill incorporated a number of key elements that had been advanced by the FNTC, including amendments to:

- Renew and modernize the FNTC mandate in section 29 of the FMA.
- Build data collection and statistical functions and corresponding institutional capacity within each of the FNTC, the FMB and FNII, within the scope of their respective mandates.
- Update and clarify the local revenues borrowing provisions, to integrate the “other revenues” borrowing regime into the FMA, and to combine the local revenues and other revenues debt reserve funds.

### Broadening of eligibility for participation in the FMA

The FNTC continued its analysis and advocacy work with the other FMA institutions and the Government of Canada to broaden the eligibility for participation in the FMA. This work has focused on advancing regulations that would enable Modern Treaty First Nations and Self-Governing First Nations to have the option to participate in FMA's pooled borrowing through the FNFA, to enable access to capital to support the exercise of First Nation fiscal powers in matters affecting their communities. This work was significantly advanced and draft regulations are expected in the upcoming year.

The FNTC, the other FMA institutions and the Government of Canada also initiated engagement with First Nations in advanced stages of treaty negotiations and the province of British Columbia,

with a view to facilitating access to the FMA through the incorporation of specific language in future treaties. This work will continue in the upcoming year.

### Advancing Fiscal and Taxation Innovations

In 2022/2023, the FNTC continued research and policy advocacy initiatives to:

- Advance amendments to the *First Nations Taxation Enforcement Regulations* to support stronger and more efficient enforcement of First Nation local revenue laws.
- Promote revisions to the First Nations Assessment Appeal Regulations to support more efficient assessment appeals in First Nation property taxation systems.
- Compile statistics on local revenues and other relevant factors to support evidence-based planning and decision making for economic recovery and longer-term growth and fiscal stability.

### Developing standards, sample laws and tools

As part of its ongoing mandate to assist First Nations with law development, the FNTC continued to review and update standards, sample laws and tools for use by First Nations.

With the end of the restrictions for the COVID-19 pandemic, the FNTC revoked its *COVID-19 Pandemic Emergency Response Standards, 2020*, while retaining some of its efficiency features, such as First Nation notice and meeting requirements for application in other FNTC standards.

The FNTC also developed a new tool—the sample *First Nation Assessment Review Board Rules of Practice and Procedure*—to support First Nation Assessment Review Boards in organizing and hearing assessment appeals.



# Law/By-Law Review, Registries and Outreach

Law and By-Law Review, Registries and Outreach includes support for the development—and review and approval by the Commission—of First Nation local revenue laws using the FMA, as well as Commission review and provision of recommendations to the Minister on by-laws under section 83 of the *Indian Act*.

This work includes:

**Law/By-Law Review:** Preparation of technical reviews to support the Commission’s review of submitted laws and by-laws, entailing assessment of compliance of First Nation laws and by-laws with applicable legislation, regulations, standards and policies; and support and facilitate First Nations in designing and developing their applicable laws and by-laws.

**Registries:** Maintenance and updating of registries of originals of all approved local revenue laws and financial administration laws—as required under the FMA—and of all by-laws approved by the Minister under section 83 of the *Indian Act*, for formal reference as required.

**Service Agreements:** Support—including the development of samples, models and templates—for the design of service agreements between First Nations and local governments to: advance implementation of property tax systems, additions to reserves, and treaty land entitlements; and help First Nations negotiate fair, efficient and effective service arrangements with local governments.

**Law/By-Law Development Support and Outreach:** Support to First Nations—including those entering the field of property taxation for the first time or transitioning to the FMA from section 83 *Indian Act* taxation provisions—in their development and implementation of local revenue laws and by-laws, entailing presentations to First Nation governments on the law development process, and response to inquiries.



## Major Initiatives and Accomplishments

### Research on a First Nations Property Assessment Authority

The First Nations Property Assessment Authority Initiative is an FNTC-led project aimed at researching and developing a business case for a national First Nation assessment service provider. Such an institution would bring about consistency in levels of service, improve First Nation access to assessment services, and work to reduce property valuation costs for First Nations.

Over 150 First Nations across Canada currently use a mixture of public and private assessment service providers for their property tax systems. This has evolved from taxing First Nations adopting the prevailing assessment service provider in the province. In most cases, the assessment service provider is an arm's length provincial body or non-profit corporation; in other cases, the provincial government directly provides assessment services for local governments. In other instances, provinces and some cities use local/regional assessors/appraisers.

Over the last year, FNTC met with several assessment service providers and experts in property assessment to gain insights on assessment service provision for First Nations. It also discussed the project at several national and regional meetings involving taxpayers. FNTC will continue its research on the project in 2023/2024.

### Providing ongoing Regulatory Support to First Nations

In 2022/2023, the FNTC continued to make its regulatory support available to the 175 First Nations currently with property taxation jurisdiction, under both the FMA and section 83 of the *Indian Act*. This assistance included: law development support; clarification of law notification and submission processes; and provision of technical comments on compliance with the legislative frameworks supporting taxation. Over the course of the year, the FNTC provided technical support to 137 First Nations, which submitted a combined total of 283 laws and by-laws made under FMA and the *Indian Act*.

### Continuing Expansion of First Nation Participation in the FMA

In the course of the year, the FNTC assisted four First Nations in establishing their property tax jurisdiction using the FMA. This brought the number of First Nations in Canada with property tax jurisdiction to 147. It also meant that more than two fifths (42%) of First Nations scheduled under the FMA now have tax jurisdictions developed and in place.



## Continuing Outreach to First Nations Across Canada

In 2022/2023, the FNTC enhanced its presentations and communication materials summarizing the available fiscal tools, template work plans for law development, and sample laws for each region across Canada. Presentations were delivered to First Nations, provincial and federal governments, and other external stakeholders, addressing a range of topics of interest:

- Overview of the FMA
- Mandate and supports available from the FNTC
- Real property taxation through both the FMA and *Indian Act* legislative frameworks

- Overview of additional FMA fiscal powers, including Property Transfer Tax and Development Cost Charges
- Annual law development process webinars
- Capacity development opportunities for First Nation Tax Administrators

Over the course of the year, the FNTC provided a total of 51 presentations to 1,366 participants located in seven regions, using in-person and virtual formats, including six national webinars.

In 2022/2023, the FNTC delivered **51 tax-related presentations**, responding to the interests and information needs of a total of **1,366 participants**.



## Supporting the Development and Adoption of Tax-Based Service Agreements

The establishment of service agreements between First Nations and adjacent local governments—governing terms, conditions and rates for the provision of services such as water, sewage, waste disposal, fire and emergency response—is becoming an increasingly important mechanism to secure cost-efficient shared services for participating parties and to ensure fair compensation for associated costs. The FNTC continued to provide support for the facilitation of service agreements between First Nations and local governments to advance implementation of property tax systems, Additions to Reserves (ATRs), and Treaty Land Entitlements (TLEs). The objective is to help First Nations negotiate fair, efficient and effective service arrangements with local governments. The FNTC’s support

includes the development of samples, models and templates for service agreements, including costing methodologies.

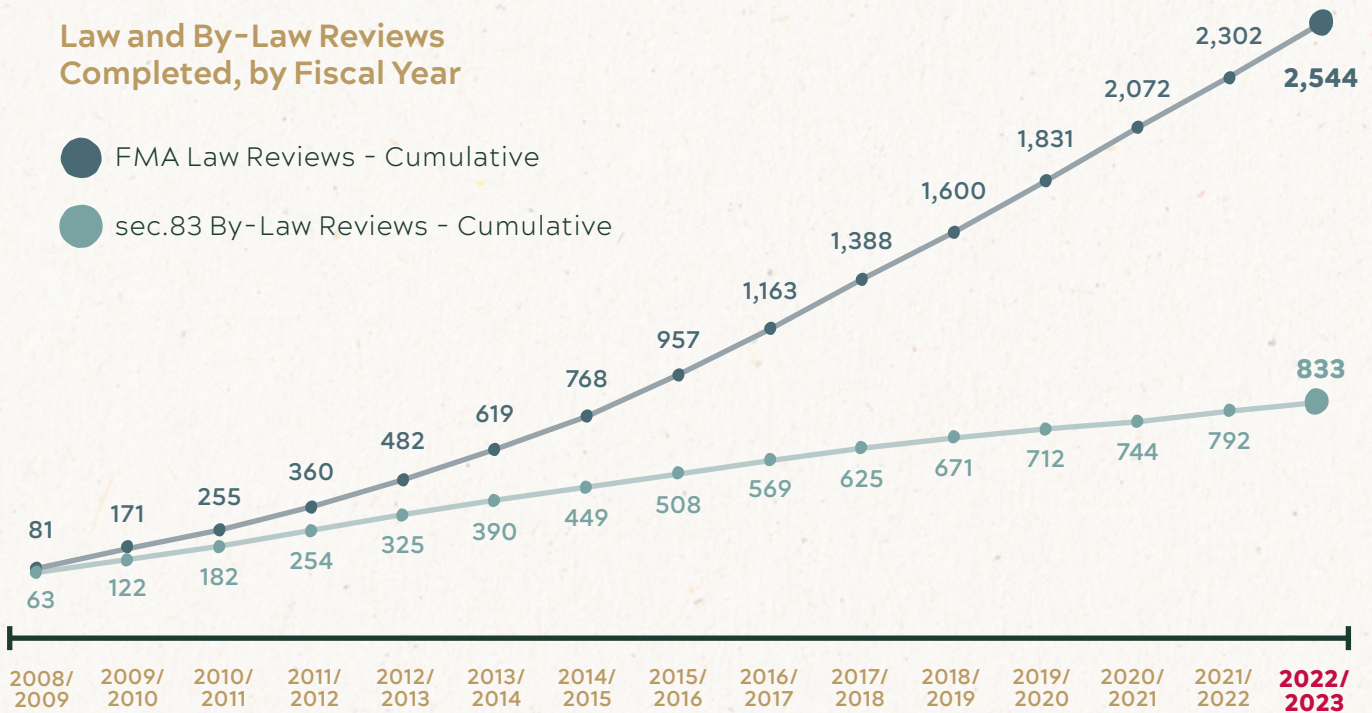
Over the course of the year, the FNTC provided tax-based service agreement support—using a combination of in-person and virtual formats—to six First Nations located in three regions. It also developed and delivered a virtual format national presentation focused on supporting developments on urban reserves. Additionally, the FNTC provided support to the province of Manitoba with presentations on a property tax-based service agreement approach that could facilitate arrangements with municipalities and First Nations with respect to the establishment of ATRs, TLEs and service agreements.

## Delivery of Law and By-Law Reviews for First Nations

In 2022/2023, the FNTC completed 242 FMA law reviews and 41 *Indian Act* by-law reviews. This brought the cumulative total since 2008/2009 to 3,377 regulatory reviews, consisting of 2,544 laws and 833 by-laws.

### Law and By-Law Reviews Completed, by Fiscal Year

- FMA Law Reviews - Cumulative
- sec.83 By-Law Reviews - Cumulative



# First Nations Gazette

The FNTC operates and maintains the First Nations Gazette (FNG), an official publication and archive for laws, by-laws and other enactments as well as public notices made and given by First Nations. Items published in the FNG are made available on a free searchable database on the website [www.fng.ca](http://www.fng.ca). The objective is to “provide a comprehensive source for First Nation legislation in Canada, including laws, by-laws and other enactments, and to provide a public notification service for matters affecting First Nations.”

The First Nations Gazette is the official record and source of publication of:

All local revenue laws approved by the Commission.

All standards and procedures established by the Commission under section 35 of the *First Nations Fiscal Management Act*.

By-laws under section 83 of the *Indian Act* approved by the Minister.

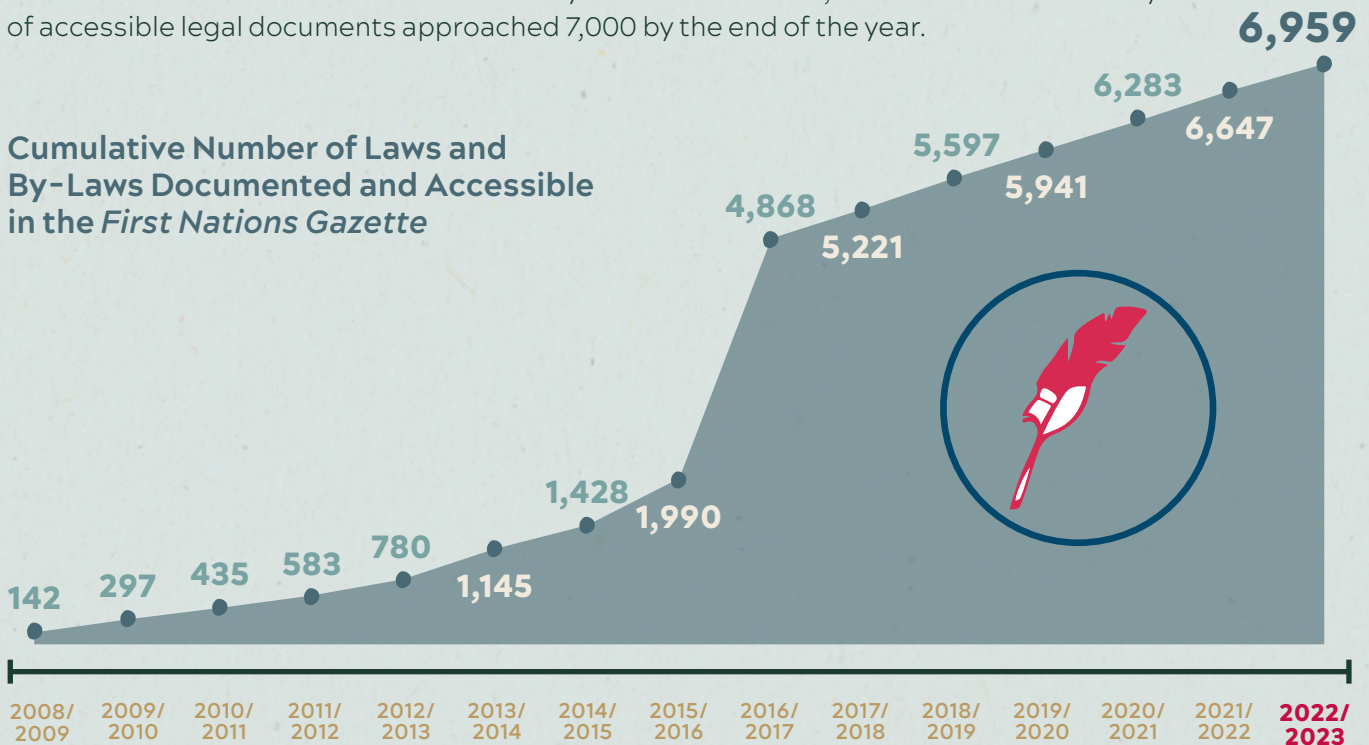
Financial administration laws approved by the FMB.

Standards developed by the FMB under section 55 of the FMA.

## Expanding the Body of Accessible First Nation Laws

With the addition of a further 312 laws and by-laws in 2022/2023, the FNG’s total inventory of accessible legal documents approached 7,000 by the end of the year.

Cumulative Number of Laws and By-Laws Documented and Accessible in the *First Nations Gazette*

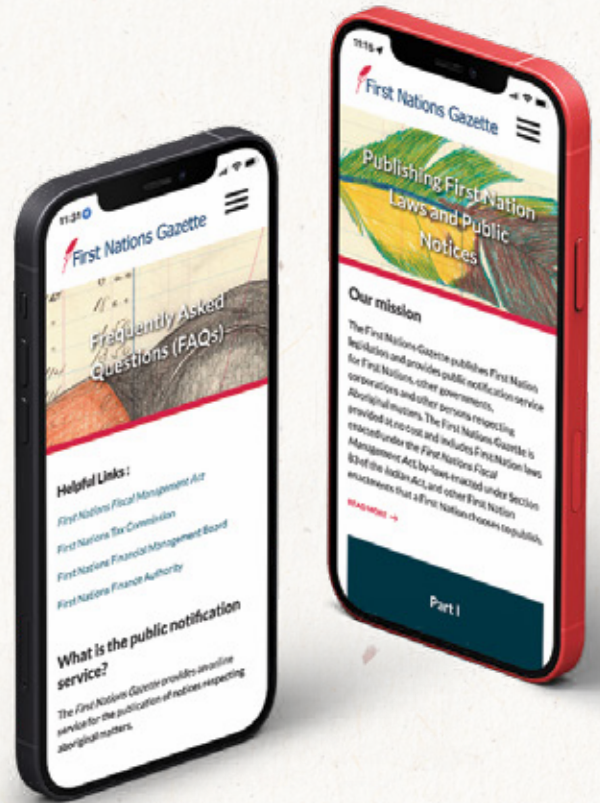


## Major Initiatives and Accomplishments

### The Largest Source of Publicly Available First Nation Legislation

Launched in 1997, the *First Nations Gazette* has established itself as the largest single source of publicly available First Nation legislation in Canada:

- **Part I** is the public notification service for notices published by First Nation governments—as well as other governments, corporations and organizations—respecting Indigenous matters.
- **Part II** is the register of First Nation legislation—including laws required by federal statute to be published in the FNG, as well as various other laws, by-laws, codes and enactments submitted by First Nations for publication.
- **Part III** contains documents related to First Nation law-making, such as standards, policies, procedures, and sample laws and by-laws. With some 2,027 notices published in Part I and 8,370 legislation items published in Part II, the FNG now accounts for more than 10,397 documents relevant to First Nation legislation, not counting numerous standards, policies, samples and tools in Part III.



### Celebrating 25 Years

The *First Nations Gazette* celebrated its 25th anniversary on June 21, 2022. The Indian Taxation Advisory Board saw the need and opportunity for institutional capacity building and began working with First Nations and the Native Law Centre in the 1990s to develop a legal gazette that would enable any First Nation to publish their laws and by-laws. On June 21, 1997, the FNG was launched as a print- and subscription-based publication. The Native

Law Centre and the Indian Taxation Advisory Board established an editorial board consisting of representatives from both parties to oversee the FNG and determine publication policies and requirements. Since then, the FNG has celebrated a number of innovative improvements and milestones. The FNG will continue to evolve as First Nation jurisdictions expand.





# Education, Training and Accreditation

Education, Training and Accreditation activities include the development and delivery of specialized accredited programming for First Nation government staff and others in implementing FMA jurisdictions that build sustainable economies and advance self-determination. Non-accredited programs are also offered. The objectives are: to promote understanding of the taxation systems of First Nations; to develop knowledge and skills for First Nation tax administrators; and to build capacity in First Nations to administer their taxation systems.

This work includes:

## **Accredited Certificate Programs:**

Implementation of a working agreement with the Tulo Centre and partnership with Thompson Rivers University (TRU) for design and delivery of courses leading to an accredited *First Nation Tax Administration* certificate and an accredited *First Nation Applied Economics* certificate.

## **Workshops, Webinars and Special Training Tools and Events:**

Design and delivery of specialized information and skill-building sessions and supporting models, tools, and case studies that address key aspects of fiscal jurisdiction, tax administration and economic development.

## **Student Support:**

Provision of logistics, orientation and support for students; organization of graduation, convocation and awards services; and promotion of alumni outreach, engagement and relations.

## Major Initiatives and Accomplishments

### Continuing Delivery of Tulo's Komtuks Mamook Accredited Programming

In 2022/2023, the FNTC's Education Department worked with the Tulo Centre and Thompson Rivers University to deliver eight courses in *Taksis*—*Certificate in First Nation Tax Administration* program and two courses in *Oihoi*—*Certificate in First Nation Applied Economics* program to 54 students. The *Taksis* program delivery included a 12th cohort completing the program in December

2022 and a 13th cohort starting in February 2023. Programming continued to be delivered in a hybrid model, allowing students to participate in person or online. Several subject-matter expert guest lecturers were invited to enrich and expand the learning experience for students by sharing First Nation success stories and introducing leaders in the FMA process and legislation.

“Very well delivered course, I've always appreciated the relevant and applicable economic issues and events that are included in this program. This course was no exception. The instructors and Tulo team are great.”

Applied Economics Student, January 2023

“I thought the course was very informative with lots of information and assignments that are real live things we will need to do.”

New Cohort Student, February 2023



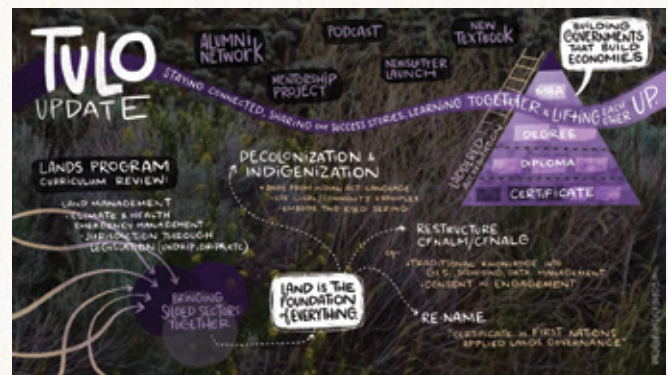


## Launching a New Alumni Group: Student Success Facilitators

A new Student Success Facilitators program was launched to assist instructors through assignment sessions in class and making themselves available to answer student questions. Drawn from the alumni group, the Facilitators are familiar with the program content and can also share their insights from their roles as First Nation Tax Administrators. The initiative helps students who are new to the field and builds broader network connections.

## Building the Alumni Network: Bundle of Arrows

On June 23, 2022, the Tulo Centre and the FNTC hosted the second annual alumni event—a virtual celebration and networking opportunity open to all alumni. It included updates on current activities, initiatives, opportunities and, most importantly, celebrating alumni and their achievements. The event was a welcoming space for presentations and special guest appearances by Chief Commissioner C.T. (Manny) Jules and Tulo Centre Chair Michael LeBourdais.



## Recognizing and Celebrating Alumni distinctions and Accomplishments

The alumni awards provided an opportunity to showcase and recognize alumni who have made contributions to their communities, both at home and in their learning network:

- **Innovation Award winner TANIA SOLONAS:** Alumni who have used their Tulo Centre education to promote meaningful change for their First Nation. Tania—from McLeod Lake Indian Band, located in Northern BC in the Tse’Khene Nation—completed the Certificate in First Nation Applied Lands Management and First Nation Tax Administration:

“Being a student at the Tulo Centre was amazing. We meet all these other students across Canada and it’s so wonderful to see what they are working on and how many similar situations we are all dealing with. The networking that has happened over the years is invaluable. I’m still friends with so many fellow students and we all see each other at meetings and conferences. We always reach out to each other for help or advice on work issues; sharing our knowledge is so important.”



- **Community Award winner SAVANNAH**

**MUNRO:** Alumni who have used their Tulo Centre education to make contributions to their community through time, actions and dedication. Savannah—a three-time graduate who has completed the certificates in First Nation Tax Administration, First Nation Applied Economics, and First Nation Applied Lands Management—is from Nooaitch Indian Band, a secluded community of about 236 members located 25 km outside of Merritt, BC. Savannah has worn many hats, starting as a summer student in 2015 and then as a receptionist, before embarking upon her professional path as finance assistant, social assistance, housing, and comprehensive community planning to her current role as the recovery finance coordinator where she helps members who lost homes during the BC floods of 2021:

*“Completing my education at the Tulo Centre has provided me with more knowledge and insight into helping my Band. I am able to understand the background and what needs to be done to achieve our goals. In meetings, I bring up issues and ideas for them to think about, such as building more homes, or ways to start our own-source revenue and support our*

*people. I have also noticed that more doors are opening up for me, since completing these programs. Thinking about our children and future generations, we need to start acting now by getting more land and building more homes. We are a small Band and the Government only sees us as a number, but we are so much more than that. If we obtain what we need, and know what’s possible through taxation, we will grow and become self-sufficient.”*

- **Comedy Award winner CRYSTAL THIESSEN:**

Alumni who have shared their good nature and sense of humour to contribute to a fun and positive environment. Crystal is a graduate of the Certificate in *First Nation Tax Administration* and is the Lands Registration and Taxation Officer for Tzeachten First Nation:

*“I didn’t even realize how much I didn’t know before I took the program. Now that I’ve graduated, it’s so great to have people to reach out to who can help. The FNTC is so supportive and building that relationship with them has been great.”*

## Continuing the Annual Laws Process Webinar Series

In May 2022, a series of five webinars were offered in partnership with the First Nations Tax Administrators Association. The webinars provided a comprehensive overview of the annual law/by-law process for First Nation Tax Administrators. The series aimed to: familiarize participants with the process; highlight key aspects of the Annual Laws Bulletin along with the requirements for annual rates and annual expenditure by-laws/laws; and outline the submission and notification requirements and processes. There was also one webinar designed to provide members of Council an overview of property taxation and Council's role. Delivered online to participants across Canada, the webinar series provided an opportunity to meet with First Nations, introduce FNTC staff, and highlight the support available for First Nation Tax Administrators as they go through the annual laws process.

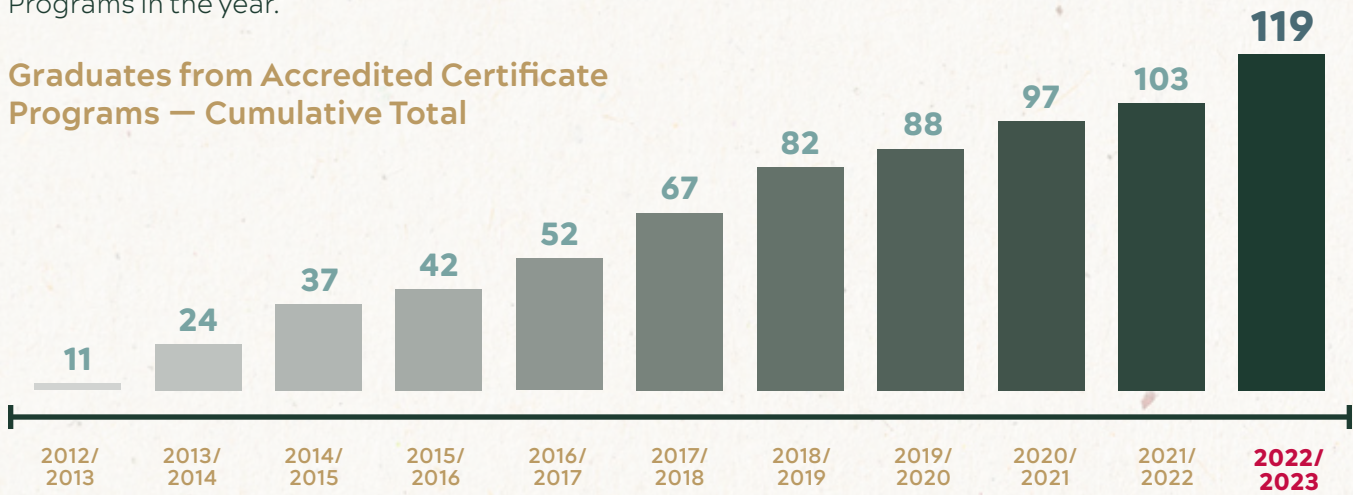
By the end of 2022/2023, the FNTC had delivered **more than 200** courses, webinars and workshops since 2008/2009, reaching a **cumulative total of over 2,500 participants.**

In 2022/2023, **16 students graduated** from Tulo's Certificate Programs — **the largest cohort to date.**

## Achieving new Milestones in Education, Outreach and Engagement Efforts

The Tulo Centre also boasted its largest graduating class of 16 students who completed Certificate Programs in the year.

**Graduates from Accredited Certificate Programs — Cumulative Total**



## Welcoming Visitors From New Zealand: Ngāi Tahu Jurisdiction Tour, 2022

In September 2022, the Tulo Centre and the FNTC hosted a delegation of guests from Ngāi Tahu and the University of Canterbury, New Zealand. The guests were interested in learning more about First Nation jurisdiction and supporting legislation in Canada. Their visit included a tour of four communities as well as meetings and presentations with the Tulo Centre and the FNTC. Community tour guides included Tulo Centre alumni and guest lecturers, as well as Tulo Centre Chair Chief Michael LeBourdais, who accompanied and led the New Zealand guests through the entire tour, which included: Squamish Nation | Sk̓wx̓wú7mesh Úxwumixw; Tzeachten First Nation | Ch'iyaqtel; Westbank First Nation | Stqa?tk'níwt; and Tk'emlúps Te Secwépemc.

## Planning and Preparing for Modernized Education Facilities

Having completed a feasibility study for a new shared FNTC/Tulo Centre/FNII facility that will include modern classroom facilities, research space and teaching technologies, the FNTC commenced taking proposals to the next stages of planning, design and eventual approval. The proposed new FNTC Head Office building and educational facility will enable the FNTC and the Tulo Centre to meet the needs of the future, and to provide regional support for FNII. A new building will provide a space for working, meeting and learning—with offices and classrooms featuring integrated technology, virtual teaching supports, gathering areas, and research space. The building is intended to celebrate and enable innovation, to acknowledge history, and to honour and share culture.



# Communications

Communications includes liaison and engagement activities, partnership development and creation of targeted products and materials. The objectives are to promote a broad understanding of First Nation taxation systems and of the role that participation in the FMA and access to services and support from the FNTC can play in advancing First Nation goals for development of sustainable economies and achievement of self-determination.

This work includes:

**FNTC Branding and Image:** Development and application of a consistent, clear look and feel to all FNTC products and events.

**Relationship Building:** Fostering of relationships with other organizations to increase collaboration and cross-promotional opportunities, while broadening awareness of the FNTC's role and functions.

**Inquiries and Information Services:** Anticipation of, preparation for, and response to information requests and other inquiries from FNTC clients and stakeholders, government representatives and officials, and the media.

**Media Strategies and Programs:** Development and application of media content and methods to advance the FNTC's communications, advocacy and outreach goals.

## Major Initiatives and Accomplishments

### Developing and Applying a New Visual Brand for the FNTC

The FNTC renewed its visual brand to create images in alignment with the programs and services offered to participating First Nations. The new look includes an updated logo, a new colour palette and fonts, and redesigned presentations, stationery and templates, as well as outreach materials such as tradeshow booths and promotional products. The new branding will continue to be integrated into the refreshment of existing materials and the creation of new ones. It will also be extended to a new FNTC website in 2023.



### Chronicling the Legacy of First Nation Fiscal Jurisdiction and Taxation

The FNTC continued work on its Legacy Project, launched in 2021, to document and record the history and evolution of First Nation taxation jurisdiction. Three additional papers were added to the written history series, and 18 new video interviews were recorded. The remaining interviews will be completed in the summer of 2023, and the FNTC will continue to compile, report and archive the materials for future use. The finished products from the compiled materials will culminate in various products, including a full documentary on the history of First Nation

taxation and the development of the First Nation fiscal institutions. A strategy is being considered to identify elements of the interviews that may be useful in future projects. The Legacy Project will become a key resource for those who wish to better understand the history of First Nation taxation, including the establishment of the First Nation institutions and the advancement of economic jurisdiction.

# Dispute Management and Negotiations

Dispute Management and Negotiations includes support for negotiations relating to the implementation of First Nation property taxation and support for resolution of disputes in relation to the application of local revenue laws. The objective is to support dispute resolution in relation to the application of local revenue laws and, where disputes do occur, to facilitate their timely resolution consistent with the principles and objectives of the applicable laws, regulations and procedures.

This work includes:

**Negotiation and Advisory Services:** Support to First Nations in such matters as: provision of provincial assessment services; First Nation taxation implementation with local and provincial governments; and transition to assessment-based tax rates from service fees.

**Taxpayer Support:** Response to taxpayer inquiries; and assistance with taxpayer relations systems, including taxpayer representation to council laws.

## Major Initiatives and Accomplishments

### Providing Support for Dispute Resolution

As part of its mandate, the Commission undertakes activities to support the timely resolution of disputes in relation to the application of local revenue laws. The FNTC continues to emphasize that issues are best resolved at the local level and encourages all stakeholders to work directly with First Nation tax administrators for information on First Nation law-making and on resolving issues.

### Supporting Taxpayers with their Inquiries

The FNTC responded to tax-related inquiries from taxpayers, First Nation members, researchers, First Nation legal counsel, and property tax consultants from across the country. Inquiries included clarification on First Nation law-making procedures, access to property assessment information, and processes for the notification of laws. The FNTC also continued to carry out several projects to improve the tracking of inquiries from the public, including taxpayer requests for information and assistance. These innovations will enhance the FNTC's ability to develop more responsive communication materials and effectively address overall concerns with the tax system.



# Strategic Initiatives

Strategic Initiatives includes work with interested First Nations, First Nation organizations, Canada, provinces, and local governments to research, develop, advance and support the opportunities for the growth and evolution of First Nation fiscal jurisdiction, economic development and self-determination.

This work includes:

**Exploratory Research and Analysis:** Undertaking of research and analysis to explore matters relevant to Indigenous economies and self-determination.

**Pilot, Demonstration and Proof-of-Concept Projects:** Design, implementation and assessment of initiatives to demonstrate and test innovative concepts, models, tools and strategies for advancing First Nation fiscal jurisdiction, and their feasibility, cost-benefit, and supporting rationale.

**Liaison and Advocacy:** Outreach and engagement with First Nations and governments to develop, refine and promote proposals that advance the interests of First Nations and FNTC objectives.

**Environmental Scanning and Assessment:** Monitoring and tracking of evolving public issues, policy and program developments and First Nation interests and initiatives to identify needs and opportunities for advancing First Nation jurisdiction.

## Major Initiatives and Accomplishments

### Exploring new Possibilities with Partners

The FNTC continued to conduct research, develop proposals, contribute to draft legislation and work with interested First Nations to advance initiatives to expand fiscal powers, improve the Indigenous investment climate and strengthen First Nations fiscal relationships. It also continued to work closely with FMA partners on projects related to building more sustainable infrastructure, improving access to capital, disseminating fiscal and economic statistics, increasing fiscal powers and advancing a revenue-based fiscal relationship.





## Building and Maintaining Strong International Partnerships

The FNTC has long believed that Indigenous efforts to renew economies and institutions destroyed by colonialism are common throughout the Americas and in New Zealand and Australia. The ongoing development of innovative systems and practices by the FNTC and its sister FMA institutions to establish First Nation-led fiscal and financial institutions has gained global recognition. The FNTC continued to support and build working relationships with tribal organizations in the United States and New Zealand and with the international Central Banks Network for Indigenous Inclusion to advance research and innovations to address common issues. In 2022/2023, the FNTC continued this work, research, and partnership development including:

**Central Banks Network for Indigenous Inclusion (Canada, New Zealand, Australia, United States):** Presentations to the Central Banks Network for Indigenous Inclusion (comprised of the Bank of Canada, Reserve Banks of New Zealand and Australia, and the Federal Reserve Banks of Minneapolis and St. Louis). The FNTC helped plan—and participated in—an international conference focused on access to capital, and the role of the FMA institutions.

**Ngāi Tahu (New Zealand):** Presentations to the *First Nations' Future Programme*—an international alliance between Ngāi Tahu, the Kamehameha Schools in Hawai'i and Stanford University designed for aspiring Indigenous leaders. This work has led to a commitment to seek accreditation of some Tulo Centre courses at the University of Canterbury, and further to explore a formal exchange program of students, faculty and researchers in 2023 between the Tulo Centre/Thompson Rivers University and the Ngāi Tahu Research Centre/University of Canterbury.

## Leading Advocacy Efforts to Advance First Nation Jurisdiction

The FNTC continued with its ongoing advocacy efforts to build awareness and support for the advancement of First Nation jurisdiction and fiscal powers, and the design and implementation of policies, programs and measures that contribute to the economic reconciliation between First Nations and Canada. These efforts include briefings and information sessions with stakeholders, attendance at professional conferences, meetings with government officials—municipal, provincial, federal—appearance before parliamentary committees, submission of federal and provincial budget ideas and proposals, and collaboration with international Indigenous organizations.





## Advancing a First Nations Resource Charge Proposal

Since 2012, the FNTC and interested First Nations have been working on a proposal for a First Nation Resource Charge (FNRC). Receiving a share of the fiscal benefits from the use of ancestral land and the resources on it has been a priority for First Nations since Confederation. Between 1867 and 1930, First Nations were systematically legislated out of the Canadian federation and economy. All First Nation government powers—including the ability to raise revenues to finance those powers—were removed and distributed between the federal and provincial governments.

The First Nations-led FNRC proposal would provide First Nations with the option to implement a pre-specified charge regime based on land use and resources in their territory or ancestral lands. The charge system would be established in First Nation law. There would be distinct and standardized charges for each resource project type—for example, mining, pipelines, forestry and energy.

The FNRC is an important step toward economic reconciliation, consistent with the right to self-determination as called for in the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP). It restores the long-ignored right of First Nations to: share in the revenues generated by resource development; take advantage of resulting job and business opportunities; and generate significant and stable revenues for the benefit of their communities. This means better infrastructure, improved public services, enhanced quality of life and greater self-determination.

# Supporting First Nations Engagement on a Fuel, Alcohol, Cannabis and Tobacco Sales Tax Framework

The original three-product (fuel, alcohol and tobacco) First Nations Sales Tax (FNST) was established in 1997 and 1998 with the Westbank First Nation and Tk'emlups te Secwepemc. By 2003, there were eight FNST systems in place. The tax was geographically based and applied to all on-reserve sales of those products to members and non-members alike.

In 2003, the FNGST legislation was introduced, and a moratorium was placed on new FNST agreements. That same year, a policy decision was made to change the First Nation tax jurisdiction from its geography (reserve or settlement lands) to its members.

The FNTC has been advancing proposals to the federal government since the development of the fiscal and legal framework around the legalization of cannabis sales. These proposals aim to enable a First Nation Fuel, Alcohol, Cannabis, and Tobacco (FACT) sales tax and request the federal government to vacate their GST/HST sales tax room on those products.

Canada announced its intention to engage with First Nations on a FACT sales tax framework and launched an engagement process in August 2022.

In December 2022, the FNTC met with 78 First Nation leaders from 45 First Nations across Canada to discuss their interest in a FACT sales tax option and its design. The FNTC continues to support proponents that wish to see the option move forward.



# Financial Statements





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## Management's Responsibility for Financial Reporting

The accompanying financial statements of the First Nations Tax Commission (the "Commission") are the responsibility of management and have been presented to the First Nations Tax Commission for its acceptance.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for public sector accounting. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

The Commission maintains systems of internal accounting and administrative controls of reasonable quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Commission's assets are appropriately accounted for and adequately safeguarded.

The Commission is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Commission carries out this responsibility principally through its Audit Committee.

The Commissioners review the Commission's financial statements and recommend their approval. The Audit Committee meets periodically with management, as well as external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Commission takes this information into consideration when approving the financial statements. The Commission also considers the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the Commission. BDO Canada LLP has full access to the Commission.

  
Chief Commissioner

  
Commissioner



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Kamloops, BC V2C 6J3

## Independent Auditor's Report

# To the Commissioners of the First Nations Tax Commission

### Opinion

We have audited the financial statements of the First Nations Tax Commission (the "Commission"), which comprise the statement of financial position as at March 31, 2023, and the statement of change in net financial (debt) assets, statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for public sector accounting. The quantitative information is accurate in all material respects and was prepared on a basis consistent with that of the preceding year. The transactions of the institution that have come to our notice in the course of this examination were carried out in accordance with the *First Nations Fiscal Management Act*.

### Other Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedules 1-9 on pages 18-24 of these financial statements.

### Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for public sector accounting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*BDO Canada LLP*

**Chartered Professional Accountants**

Kamloops, British Columbia  
June 29, 2023



First Nations Tax Commission  
**Statement of Financial Position**

As at March 31	2023	2022
<b>Financial Assets</b>		
Cash (Note 3)	\$ 9,109,307	\$ 7,255,682
Accounts receivable (Note 4)	121,807	115,963
	<b>9,231,114</b>	7,371,645
<b>Liabilities</b>		
Accounts payable (Note 5)	1,492,859	1,461,646
Contracts payable (Note 6)	5,074,584	4,888,969
Deferred revenue (Note 11)	2,739,464	1,073,664
	<b>9,306,907</b>	7,424,279
<b>Net Financial Debt</b>	<b>(75,793)</b>	(52,634)
<b>Non-financial Assets</b>		
Prepaid expenses	169,091	145,932
Tangible capital assets (Note 8)	516,258	594,985
	<b>685,349</b>	740,917
<b>Accumulated Surplus (Note 12)</b>	<b>\$ 609,556</b>	\$ 688,283

Commitments (Note 7)

Approved on behalf of the Commission:

  
 Chief Commissioner

  
 Commissioner

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# First Nations Tax Commission

## Statement of Change in Net Financial (Debt) Assets

For the year ended March 31	Financial Plan	2023	2022
<b>Annual surplus</b>	\$ 688,283	<b>\$ (78,727)</b>	\$ 343,767
Acquisition of tangible capital assets	-	<b>(140,017)</b>	(460,307)
Amortization of tangible capital assets	-	<b>218,744</b>	116,540
	688,283	-	-
Acquisition of prepaid expenses	-	<b>(23,159)</b>	(45,453)
<b>Net change in financial (debt) assets</b>	688,283	<b>(23,159)</b>	(45,453)
<b>Net debt, beginning of year</b>	(52,634)	<b>(52,634)</b>	(7,181)
<b>Net financial (debt) assets, end of year</b>	\$ 635,649	<b>\$ (75,793)</b>	\$ (52,634)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# First Nations Tax Commission

## Statement of Financial Activities

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada			
Corporate Plan	\$ 11,731,569	\$ 9,802,541	\$ 8,469,752
Research and other special projects			
First Nations Infrastructure Institute			
Project Support	1,219,212	1,016,193	941,704
Organizational Development Component	1,286,276	836,974	488,696
Fuel, Alcohol, Cannabis, Tobacco (FACT) Tax	-	-	199,584
First Nations Leading the Way V	1,250,000	1,132,840	-
First Nations Leading the Way IV	-	-	326,160
First Nations Leading the Way III	-	-	475,480
Own Source Revenue in Indigenous Communities Initiative	-	-	141,025
Regional Support for First Nation Cannabis and Tobacco Jurisdiction	-	-	175,716
Interest and other income	10,000	107,959	19,766
	15,497,057	12,896,507	11,237,883
<b>Expenses</b>			
Corporate Plan	11,741,569	9,989,227	8,145,751
Research and other special projects			
First Nations Infrastructure Institute			
Project Support	1,219,212	1,016,193	941,704
Organizational Development Component	1,286,276	836,974	488,696
Fuel, Alcohol, Cannabis, Tobacco (FACT) Tax	-	-	199,584
First Nations Leading the Way V	1,250,000	1,132,840	-
First Nations Leading the Way IV	-	-	326,160
First Nations Leading the Way III	-	-	475,480
Own source revenue in Indigenous Communities Initiative	-	-	141,025
Regional Support for First Nation Cannabis and Tobacco Jurisdiction	-	-	175,716
	15,497,057	12,975,234	10,894,116
<b>Annual (deficit) surplus</b>	-	<b>(78,727)</b>	343,767
<b>Accumulated surplus, beginning of year</b>	688,283	<b>688,283</b>	344,516
<b>Accumulated surplus, end of year</b>	\$ 688,283	<b>\$ 609,556</b>	\$ 688,283

# First Nations Tax Commission

## Statement of Cash Flows

For the year ended March 31	2023	2022
<b>Operating activities</b>		
Annual (deficit) surplus	\$ (78,727)	\$ 343,767
Items not involving cash		
Amortization	218,744	116,540
Changes in non-cash operating balances		
Accounts receivable	(5,844)	(16,516)
Prepaid expenses	(23,159)	(45,453)
Accounts payable and contracts payable	216,828	885,013
Deferred revenue	1,665,800	(566,579)
<b>Cash flows from operating activities</b>	<b>1,993,642</b>	<b>716,772</b>
<b>Capital activity</b>		
Purchase of tangible capital assets	(140,017)	(460,307)
<b>Net increase in cash</b>	<b>1,853,625</b>	<b>256,465</b>
<b>Cash, beginning of year</b>	<b>7,255,682</b>	<b>6,999,217</b>
<b>Cash, end of year</b>	<b>\$ 9,109,307</b>	<b>\$ 7,255,682</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 1. Significant Accounting Policies

#### Accounting Principles

The First Nations Tax Commission (the "Commission") prepares its financial statements in accordance with Canadian generally accepted accounting principles for public sector entities.

#### Revenue Recognition

Government contracts are recognized as revenue in the year in which the related expenses are incurred, and the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and other income are recognized as revenue when earned.

#### Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to acquisition, development or retirement of the asset. Proceeds on disposal of tangible capital assets are recorded as revenue in the appropriate program.

The cost less residual value of the tangible capital assets are amortized using the straight line method with no half year rule at the following annual rates, which approximates the useful life of the assets:

Asset	Rate
Equipment	3 years
Furniture and fixtures	3 years
Leasehold improvements	5 years

#### Government Transfers

Government transfers are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 1. Significant Accounting Policies (Cont.)

#### Segmented Information

Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

##### Commission Services

The Commission has a Chief Commissioner, a Deputy Chief Commissioner, and seven Commissioners appointed by the Governor-in-Council and one Commissioner appointed by the Indigenous Law Centre of Canada at the University of Saskatchewan. The Commission Services business line includes the operational and support costs of the Chief Commissioner and the Commissioners.

##### Communications

The Communications business line promotes the understanding of First Nation real property taxation systems and communicates policy initiatives for the Commission through the publication of newsletters, bulletins, meetings and presentations to First Nations, translation of materials, attending and hosting professional conferences, preparing and distributing the Commission's annual report, developing and maintaining internet websites, and preparing and distributing marketing materials.

##### Corporate Services

The Corporate Services business line provides financial, human resources, insurance, information management, information technology, facility management, audit and administrative services to the Commission and is responsible for managing corporate planning and reporting requirements as well as coordinating the annual general meeting and commission meetings. Corporate Services also has a lead role in meeting *Access to Information Act*, *Privacy Act* and *Official Language Act* requirements, corporate policy development and implementation, and providing management and support to meeting *First Nations Fiscal Management Act* ("FMA") financial management and control requirements.

##### Dispute Management and Negotiations

The objective of the Dispute Management and Negotiations business line is to provide assistance with the timely resolution of disputes in relation to the application of *First Nations Fiscal Management Act* laws as well as to provide education, training and facilitation services to First Nation tax authorities to support negotiations and service agreements. Dispute Management and Negotiations supports and manages the review of inquiries.

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 1. Significant Accounting Policies (Cont.)

#### Education

The Education business line promotes understanding of the real property taxation systems of First Nations, through public education, through the development of training programs for First Nation property tax administrators, and through the development of administrative tools to assist those First Nations who have implemented property taxation.

#### First Nations Gazette

The Gazette business line manages the operation, publication and promotion of the *First Nations Gazette*. The *First Nations Gazette* publishes First Nations laws, by-laws, sample laws, and notices under the FMA and the *Indian Act* through an online website, [www.fng.ca](http://www.fng.ca).

#### Law/By-Law Review and Outreach

The Law/By-law Review and Outreach business line reviews local revenue laws to ensure that they comply with the FMA and the associated regulatory framework and also provides support to First Nations in the law development process. The Law/By-law Review and Outreach business line reviews and liaises with Crown-Indigenous Relations and Northern Affairs Canada (“CIRNA”) on the approval of s.83 by-laws and maintains a registry for both s.83 by-laws and FMA laws.

#### Legal and Policy Services

The Legal and Policy Services business line develops and implements policies and standards to support administrative practices to increase First Nation, taxpayer, and investor confidence and certainty in the integrity of the First Nation local revenue system. The Legal and Policy Services business line also develops sample laws under the FMA and by-laws under s.83 of the *Indian Act* and supports the development of regulations and legislative amendments.

#### Research and Other Special Projects

The Commission undertakes other special projects in support of its Corporate Plan activities and mandate under the FMA.

#### Strategic Initiatives

Strategic Initiatives business line includes work with interested First Nations, and governments to research, develop, advance and support opportunities for the growth and evolution of First Nation fiscal jurisdiction, economic development and self-determination.

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 2. Nature of Operations

The Commission is a national shared governance institution with a head office on the reserve lands of the Tk'emlúps te Secwépemc at Kamloops, BC and an office in Ottawa, ON. Its mission is to help First Nation governments build and maintain fair and efficient First Nation property tax regimes, and to ensure those First Nation communities, and their taxpayers alike, receive the maximum benefit from those systems. The Commission was created through passage of the *First Nations Fiscal Management Act*.

### 3. Cash

Cash is held in one Canadian Chartered Bank and earns interest at the current prevailing rate for business accounts. Canada Deposit Insurance Corporation (“CDIC”) insures these deposits to the extent of \$100,000 per Canadian resident.

The Commission has an unused credit facility agreement with the Royal Bank of Canada which establishes an operating line with a credit limit of \$500,000. Interest is payable at the bank’s prime rate plus 1.0%.

### 4. Accounts Receivable

	<b>2023</b>	<b>2022</b>
Goods and Services/Harmonized Sales Tax rebates receivable	<b>\$ 115,154</b>	\$ 103,532
Other	<b>6,653</b>	12,431
	<b>\$ 121,807</b>	\$ 115,963

### 5. Accounts Payable

The Commission is the sponsor of an employee benefit plan. Included in accounts payable at March 31, 2023 is \$348,580 (2022 - \$327,889) of accrued benefits payable based on an actuarial report dated March 31, 2022.



# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 6. Contracts Payable

The Commission has committed funds by contract for work designated in the approved corporate plan or through specific amendments to its funding arrangement. The terms of these contracts vary in length due to the nature of the services being provided and are subject to change due to changes in federal government directives and initiatives, which can result in a redirection of resources. As at March 31, 2023, all accrued amounts are planned for completion as part of current funded initiatives.

### 7. Commitments

The Commission entered into an operating lease for its premises at 190 O'Connor Street in Ottawa, ON. The office is leased at base rent of \$7,969 per month plus applicable taxes under a lease expiring in March, 2024.

The Commission entered into an operating lease for its second premises at 340 Albert St. in Ottawa, ON. The office is leased at base rent of \$16,268 per month plus applicable taxes under a lease expiring in October 31, 2026.

The Commission entered into an operating lease for its premises in Kamloops, BC. The office is leased at base rent of \$9,253 per month plus management fees and applicable taxes under a lease expiring in March, 2024.

The Commission has entered into various operating leases for equipment and network services to be used in their offices. The monetary range of these lease agreements is \$101 - \$381 per month plus applicable taxes with lease expiration dates ranging from April 2023 - August 2026.

The Commission entered into an operating lease for IT equipment in their office in Kamloops, BC. The equipment are leased at base rent of \$1,099 per month plus applicable taxes under a lease expiring in February, 2025.

The minimum annual lease payments for the next four years are as follows:

2024	\$ 418,544
2025	209,351
2026	115,508
2027	-
	<hr/>
	\$ 743,403
	<hr/>

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 8. Tangible Capital Assets

	2023			2022		
	Leasehold Improvements	Equipment, Furniture & Fixtures	TOTAL	Leasehold Improvements	Equipment, Furniture & Fixtures	TOTAL
Cost, beginning of year	\$ 946,237	\$ 1,313,591	\$ 2,259,828	\$ 623,540	\$ 1,175,981	\$ 1,799,521
Additions	132,827	7,190	140,017	322,697	137,610	460,307
Disposals	-	13,889	13,889	-	-	-
Cost, end of year	<b>1,079,064</b>	<b>1,306,892</b>	<b>2,385,956</b>	946,237	1,313,591	2,259,828
Accumulated amortization, beginning of year	599,019	1,065,824	1,664,843	560,094	988,209	1,548,303
Disposals - accumulated amortization	-	13,889	13,889	-	-	-
Amortization	110,708	108,036	218,744	38,925	77,615	116,540
Accumulated amortization, end of year	<b>709,727</b>	<b>1,159,971</b>	<b>1,869,698</b>	599,019	1,065,824	1,664,843
<b>Net carrying amount, end of year</b>	<b>\$ 369,337</b>	<b>\$ 146,921</b>	<b>\$ 516,258</b>	\$ 347,218	\$ 247,767	\$ 594,985

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 9. Economic Dependence

The Commission receives substantially all of its revenue pursuant to a funding arrangement with the Government of Canada. In addition to the Government's funding of \$11,246,015 (2022 - \$7,980,000) for Corporate Plan activities, contributions by the Government and through other income are necessary for the Commission to undertake research and other special projects.

### 10. Financial Instruments

As part of the Commission's operations, the Commission holds various financial instruments, consisting of cash and accounts receivable. The nature of these instruments and the Commission's operations expose the Commission to credit risk.

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 11. Deferred Revenue

Deferred revenue represents Government of Canada funding received for programs to be carried out in the following fiscal year.

	2022	2023		
	BALANCE March 31, 2022	FUNDING RECEIVED	REVENUE RECOGNIZED	BALANCE March 31, 2023
Corporate Plan	\$ 485,554	\$ 11,246,015	\$ (9,802,541)	\$ 1,929,028
First Nations Infrastructure Institute				
Organizational development component	197,158	1,089,119	(836,975)	449,302
Project support	349,996	869,216	(1,016,193)	203,019
Own Source Revenue in Indigenous Communities Initiative (OSRICI)	40,956	-	-	40,956
First Nations Leading the Way V	-	1,250,000	(1,132,841)	117,159
	\$ 1,073,664	\$ 14,454,350	\$ (12,788,550)	\$ 2,739,464

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 12. Accumulated Surplus

The Commission segregates its accumulated surplus in the following categories:

	2023	2022
Investment in tangible capital assets	\$ 516,258	\$ 594,985
Operational (deficit) surplus	(156,702)	93,298
Litigation reserve	250,000	-
	<b>\$ 609,556</b>	<b>\$ 688,283</b>

The investment in tangible capital assets represents amounts already spent and invested in equipment, furniture and fixtures, and leasehold improvements.

The Litigation Reserve of \$250,000 was established by the Commission to set aside financial resources to fund legal costs arising out of judicial review applications or other legal processes in which the FNTC is a party or intervenor to support section 33 review processes. These funds will be maintained and used to cover the cost of future dispute resolutions and hearings.

### 13. Statements of Expenditures by Object

	2023	2022
Amortization	\$ 218,744	\$ 116,540
Goods and services	9,082,245	7,275,438
Salaries and honorarium	3,674,246	3,502,138
	<b>\$ 12,975,235</b>	<b>\$ 10,894,116</b>

### 14. Comparative Figures

Certain comparative figures presented in these financial statements have been reclassified in order to conform with the current year's basis of presentation.

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2023

### 15. Segmented Information

For the year ended March 31, 2023	2023					
	Commission Services	Communications	Corporate Services	Dispute Management	Education and capacity development	First Nations Gazette
<b>Revenue</b>						
Government of Canada	\$ 1,050,168	\$ 852,398	\$ 2,221,226	\$ 71,310	\$ 2,031,673	\$ 137,981
Interest and other income	-	-	107,959	-	-	-
	<b>1,050,168</b>	<b>852,398</b>	<b>2,329,185</b>	<b>71,310</b>	<b>2,031,673</b>	<b>137,981</b>
<b>Expenses</b>						
Salaries and honoraria	657,747	262,269	1,099,577	50,000	306,169	75,000
Goods and services	392,421	581,121	1,112,111	21,310	1,725,504	62,981
Amortization	-	9,008	196,224	-	-	-
	<b>1,050,168</b>	<b>852,398</b>	<b>2,407,912</b>	<b>71,310</b>	<b>2,031,673</b>	<b>137,981</b>
<b>Annual Deficit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (78,727)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

For the year ended March 31, 2022	2022					
	Commission Services	Communications	Corporate Services	Dispute Management	Education and capacity development	First Nations Gazette
<b>Revenue</b>						
Government of Canada	\$ 872,279	\$ 771,412	\$ 2,466,966	\$ 84,263	\$ 1,419,300	\$ 99,359
Interest and other income	-	-	19,766	-	-	-
	<b>872,279</b>	<b>771,412</b>	<b>2,486,732</b>	<b>84,263</b>	<b>1,419,300</b>	<b>99,359</b>
<b>Expenses</b>						
Salaries and honoraria	629,950	218,513	1,061,787	-	316,695	50,000
Goods and services	242,329	544,077	986,694	84,263	1,102,605	43,359
Amortization	-	8,822	94,484	-	-	-
	<b>872,279</b>	<b>771,412</b>	<b>2,142,965</b>	<b>84,263</b>	<b>1,419,300</b>	<b>99,359</b>
<b>Annual Surplus</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 343,767</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

For the year ended March 31, 2023	2023				2023 Total
	Law/By-Law Review and Outreach	Legal and Policy Services	Strategic Initiatives	Research and Other Special Projects	
<b>Revenue</b>					
Government of Canada	\$ 1,526,199	\$ 1,117,997	\$ 793,588	\$ 2,986,008	\$ 12,788,548
Interest and other income	-	-	-	-	107,959
	<b>1,526,199</b>	<b>1,117,997</b>	<b>793,588</b>	<b>2,986,008</b>	<b>12,896,507</b>
<b>Expenses</b>					
Salaries and honoraria	1,028,691	14,165	180,627	-	3,674,245
Goods and services	488,500	1,099,328	612,961	2,986,008	9,082,245
Amortization	9,008	4,504	-	-	218,744
	<b>1,526,199</b>	<b>1,117,997</b>	<b>793,588</b>	<b>2,986,008</b>	<b>12,975,234</b>
<b>Annual Deficit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (78,727)</b>

For the year ended March 31, 2022	2022			2022 Total
	Law/By-Law Review and Outreach	Legal and Policy Services	Special Initiatives	
<b>Revenue</b>				
Government of Canada	\$ 1,669,049	\$ 1,087	\$ 2,748,365	\$ 11,218,117
Interest and other income	-	-	-	19,766
	<b>1,669,049</b>	<b>1,087</b>	<b>2,748,365</b>	<b>11,237,883</b>
<b>Expenses</b>				
Salaries and honoraria	1,076,117	149,076	-	3,502,138
Goods and services	584,109	933,637	2,748,365	7,275,438
Amortization	8,823	4,411	-	116,540
	<b>1,669,049</b>	<b>1,087</b>	<b>2,748,365</b>	<b>10,894,116</b>
<b>Annual Surplus</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 343,767</b>

# First Nations Tax Commission

## Schedule 1 - Corporate Plan(Unaudited)

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ 11,731,569	\$ 9,802,541	\$ 8,469,752
Interest and other income	10,000	107,959	19,766
	11,741,569	9,910,500	8,489,518
<b>Expenses</b>			
Commission services	1,128,884	1,050,168	872,279
Communications	812,174	852,398	771,412
Corporate services	3,517,949	2,407,913	2,142,965
Dispute management	421,135	71,310	84,263
Data and Statistical Capacity	375,000	-	-
Education and capacity development	1,791,661	2,031,673	1,419,300
<i>First Nations Gazette</i>	188,708	137,981	99,359
Law/by-law review and outreach	1,669,780	1,526,199	1,669,049
Legal and policy services	1,036,278	1,117,997	1,087,124
Strategic Initiatives	800,000	793,588	-
	11,741,569	9,989,227	8,145,751
<b>Excess (deficiency) of revenues over expenses</b>	\$ -	\$ (78,727)	\$ 343,767



## First Nations Tax Commission

### Schedule 2 - First Nations Infrastructure Institute Organizational Development Component (Unaudited)

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ 1,286,276	\$ 836,974	\$ 488,696
<b>Expenses</b>			
Administration	94,976	94,976	50,804
Communications	-	-	-
Engagement	374,000	160,192	-
Legislative development	399,900	153,392	176,035
Organizational development	417,400	428,414	261,857
	1,286,276	836,974	488,696
<b>Excess of revenue over expenses</b>	\$ -	\$ -	\$ -

## First Nations Tax Commission

### Schedule 3 - First Nations Infrastructure Institute Project Support (Unaudited)

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ 1,219,212	\$ 1,016,193	\$ 941,704
<b>Expenses</b>			
Communications	180,000	58,018	58,294
Engagement	311,000	420,542	278,871
Project support	637,900	447,321	604,539
Administration	90,312	90,312	-
	1,219,212	1,016,193	941,704
<b>Excess of revenue over expenses</b>	\$ -	\$ -	\$ -

First Nations Tax Commission  
**Schedule 4 - First Nations Leading the Way V (Unaudited)**

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ 1,250,000	\$ 1,132,840	\$ -
<b>Expenses</b>			
Administration and reporting	91,450	91,450	-
Communications	203,000	139,312	-
Event planning and coordination	286,000	330,658	-
Media and translation services	100,000	168,465	-
Travel	393,550	316,318	-
Venue Rental & Catering	176,000	86,637	-
	1,250,000	1,132,840	-
<b>Excess of revenue over expenses</b>	\$ -	\$ -	\$ -

First Nations Tax Commission  
**Schedule 5 - First Nations Leading the Way IV (Unaudited)**

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 326,160
<b>Expenses</b>			
Administration	-	-	24,160
Audio visual	-	-	21,924
Event communications and marketing	-	-	69,436
French translation	-	-	4,644
Graphic recorder	-	-	4,100
Honoraria and gifts	-	-	4,132
Host organizations communications and consent	-	-	120,000
Production and platform services	-	-	61,184
Talent and entertainment costs	-	-	10,125
Video live streaming and capturing	-	-	6,455
	-	-	326,160
<b>Excess of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

First Nations Tax Commission  
**Schedule 6 - First Nations Leading the Way III (Unaudited)**

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 475,480
<b>Expenses</b>			
Administration and organization	-	-	64,637
DAM and video training development	-	-	80,000
Organizational technical and communications support	-	-	
Support Services	-	-	149,693
Project coordination and implementation	-	-	29,042
Video program equipment	-	-	148,045
Website	-	-	4,063
	-	-	475,480
<b>Excess of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

First Nations Tax Commission  
**Schedule 7 - Own Source Revenue In Indigenous Communities Initiative (Unaudited)**

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 141,025
<b>Expenses</b>			
Administration	-	-	21,480
Communications	-	-	75,545
Design of support program	-	-	44,000
	-	-	141,025
<b>Excess of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## First Nations Tax Commission

### Schedule 8 - Fuel, Alcohol, Cannabis, Tobacco (FACT) Tax (Unaudited)

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 199,584
<b>Expenses</b>			
Advice to the Minister and next steps	-	-	69,000
FACT working relationship	-	-	22,200
Finance Canada FACT engagement process	-	-	93,600
FNTC administration and participation	-	-	14,784
	-	-	199,584
<b>Excess of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## First Nations Tax Commission

### Schedule 9 - Regional Support For First Nation Cannabis and Tobacco Jurisdiction (Unaudited)

For the year ended March 31	Financial Plan	2023	2022
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 175,716
<b>Expenses</b>			
FNTC administration and participation	-	-	13,016
Institutional framework development	-	-	13,300
Proposal development	-	-	46,400
Provincial engagement	-	-	28,500
Research and advice to interested First Nation and First Nation Organizations	-	-	74,500
	-	-	175,716
<b>Excess of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>





# Corporate Governance

The FNTC was established to fill the institutional vacuum that has prevented First Nations from participating in the market economy and to create a national regulatory framework for First Nation tax systems that meets or exceeds the standards of provinces.

The FNTC is a shared governance institution established under the *First Nations Fiscal Management Act*. The FNTC regulates, supports and advances First Nation taxation under the FMA and under section 83 of the *Indian Act*. It reviews and approves local revenue laws, builds capacity, reconciles First Nation government and taxpayer interests, and provides research, advocacy and advisory services to advance First Nation jurisdiction.



## Commissioners

The FNTC consists of: one Chief Commissioner (CC), who also serves as Chief Executive Officer (CEO); one Deputy Chief Commissioner (DCC); and eight other Commissioners. They are collectively supported by dedicated full-time staff, plus additional contracted professionals as needed.

On the recommendation of the Minister, the Governor in Council appoints nine of the ten Commissioners, consisting of:

- **Chief Commissioner**
- **Deputy Chief Commissioner**
- **Three Commissioners who must be taxpayers using reserve lands**—one for Commercial, one for Residential, and one for Utility purposes
- **Four additional Commissioners**

A tenth Commissioner is appointed by the Indigenous Law Centre, University of Saskatchewan (the ILC), which is the appointing body prescribed by the First Nations Tax Commissioner Appointment Regulations.

When convened as the Commission, the Commissioners are responsible for reviewing and approving local revenue laws under the *First Nations Fiscal Management Act*, and for providing advice to the Minister on the approval of by-laws under section 83 of the *Indian Act*.

## Governance and Organization

In addition to presiding over the Commission, the Chief Commissioner chairs the Executive Management Committee. In the capacity of CEO, the Chief Commissioner also oversees the general governance and operation of the FNTC.

Under the general direction of the CEO, the Chief Operating Officer (COO) is responsible for planning and coordinating FNTC staff and operations and managing collaboration with the FNTC's external partners, consultants and advisors.

The Chief Commissioner has established a number of committees to guide and support the FNTC's work. These include: an Executive Management Committee (CC/CEO, DCC, COO); a Management Committee (COO and Directors); an Audit Committee, as provided under s. 128(2) of the FMA (three Commissioners); and a Section 83 Rates Committee (DCC and two Commissioners).





**C.T. (Manny) Jules**  
Tk'emlúps te Secwépemc, BC  
Chief Commissioner and CEO



**David Paul**  
Tobique First Nation, NB  
Deputy Chief Commissioner



**Dr. Céline Auclair**  
Gatineau, QC  
Commissioner



**Terry Babin**  
Canal Flats, BC  
ILC-Appointed Commissioner



**Leslie Brochu**  
Little Shuswap Lake Band, BC  
Residential Taxpayer Commissioner



**Ken Marsh**  
Okotoks, AB  
Utility Taxpayer Commissioner



**William McCue**  
Chippewas of Georgina  
Island First Nation, ON  
Commissioner



**Georjann Morriseau**  
Fort William First Nation, ON  
Commissioner



**Randolph Price**  
North Vancouver, BC  
Commercial Taxpayer Commissioner

## Offices and Staff

As provided under section 26 of the FMA, the FNTC maintains its Head Office on the reserve lands of the Tk'emlúps te Secwépemc in British Columbia. It also maintains an office located on Algonquin Anishinabe traditional territory in the National Capital Region. This arrangement provides flexibility in the FNTC's outreach and accessibility for First Nations across Canada.

The FNTC is supported by a team of 31 full-time employees and contracted professionals dedicated to the delivery of the functions and services detailed earlier. This arrangement ensures the FNTC has ready access to the best experts in critical disciplines such as law, dispute mediation, economic development, and policy research and analysis.

## Institution Partners

In addition to the FNTC, the FMA established the First Nations Financial Management Board (FMB) and the First Nations Finance Authority (FNFA):

- **The FMB is a shared governance institution** that assists First Nations in strengthening their financial administration regimes—including the approval of First Nation financial administration laws—and provides independent certification to support borrowing from the FNFA, as well as First Nations economic and community development.
- **The FNFA is a non-profit corporation** that provides First Nation governments with access to affordable financing as well as investment and advisory services.

Once a First Nation has been added to the schedule of the FMA, it can access the services of any or all of the three FMA institutions. These institutions work together to improve the ability of First Nation governments to advance the fiscal and economic well-being of their communities, by providing participating First Nations with the kinds of modern fiscal management tools that are typically available to other governments.

## Education and Accreditation Partners

The FNTC has established a partnership arrangement with the Tulo Centre of Indigenous Economics (the Tulo Centre) and Thompson Rivers University (TRU) to support university-accredited certificate programs and other training and workshops.

Incorporated on January 31, 2008, the Tulo Centre is a Canadian not-for-profit corporation with charitable organization status. Its mission is to assist interested First Nations in building legal and administrative frameworks that support markets on their lands. It delivers education programs and conducts research in First Nation public administration.



# Glossary of Acronyms



<b>AFN</b>	Assembly of First Nations
<b>ATR</b>	Addition to Reserve
<b>CC</b>	Chief Commissioner (of the FNTC)
<b>CEO</b>	Chief Executive Officer (of the FNTC)
<b>COO</b>	Chief Operating Officer (of the FNTC)
<b>DCC</b>	Deputy Chief Commissioner (of the FNTC)
<b>FACT</b>	Fuel, Alcohol, Cannabis and Tobacco (sales tax)
<b>FMA</b>	<i>First Nations Fiscal Management Act</i>
<b>FMB</b>	First Nations Financial Management Board
<b>FNFA</b>	First Nations Finance Authority
<b>FNG</b>	<i>First Nations Gazette</i>
<b>FNII</b>	First Nations Infrastructure Institute
<b>FNLMA</b>	<i>First Nations Land Management Act</i>
<b>FNRC</b>	First Nation Resource Charge
<b>FNST</b>	First Nation Sales Tax
<b>FNTC</b>	First Nations Tax Commission
<b>GFS</b>	Government Finance Statistics
<b>ILC</b>	Indigenous Law Centre, University of Saskatchewan
<b>IT</b>	Information Technology
<b>LAB</b>	Lands Advisory Board
<b>MOU</b>	Memorandum of Understanding
<b>MTI</b>	Mi'gmawe'l Tplu'taqnn Incorporated
<b>Section 83</b>	Section 83 of the <i>Indian Act</i>
<b>TLE</b>	Treaty Land Entitlement
<b>TRU</b>	Thompson Rivers University
<b>Tulo Centre</b>	Tulo Centre of Indigenous Economics
<b>UNDRIP</b>	<i>United Nations Declaration on the Rights of Indigenous Peoples</i>



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