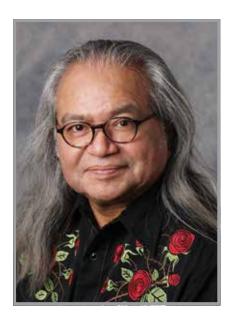


# Annual Report 2013/2014



## **Message from the Chief Commissioner**





C.T. (Manny) Jules, Chief Commissioner/CEO

As Chief Commissioner of the First Nations Tax Commission (FNTC), I am pleased to present our seventh annual report to the Minister of Aboriginal Affairs and Northern Development Canada, to First Nations and to their taxpayers.

In June 2013, we marked the 25th anniversary of Bill C-115, the "Kamloops Amendment", which ushered in the modern era of First Nation tax jurisdiction. I remember the strong leadership of those initial few First Nations who stepped forward to implement their jurisdiction over real property taxation. Their success provided inspiration to other First Nation leaders, so what started as a few now numbers over 150 communities. These First Nations built wellmanaged tax systems that inspired confidence in taxpayers and investors on our lands to grow the First Nation assessment base into billions of dollars. Their leaders negotiated and signed service agreements with local and regional governments that ensured quality services and access to infrastructure. With the modern era of on-reserve property taxation now in its 26th year, the fruit of those seeds planted a generation ago continues to be enjoyed by more and more First Nations across Canada. First Nation interest and demand for our services is constant as more First Nations are looking to assert or expand their revenue jurisdictions, especially in the face of dwindling federal transfers. FNTC helps First Nations develop the capacity to implement their tax systems and grow their economies, continuing the movement



away from the *Indian Act* in order to take advantage of the fiscal tools offered through the *First Nations Fiscal Management Act*.

To meet this demand, the FNTC has developed more sample laws/by-laws and law review standards to ensure First Nations have the legal framework necessary to support the tax jurisdiction they seek. First Nations are passing new and innovative laws, with others poised to follow their lead. A "cloud" version of the popular tax administration system has been developed, with a growing number of First Nation communities taking advantage of this software. The accredited training program delivered in partnership with the Tulo Centre of Indigenous Economics to ensure First Nations have the administrative capacity to build stronger economies supported by strong tax systems has been expanded. The First Nation Gazette has moved to online only – with no cost for users - and its services have been greatly expanded to support First Nation governance efficiency. Research projects in the areas of improving fiscal relationships, equalization, and property tax jurisdiction in Ontario have been initiated. Progress

continued on the First Nations Property Ownership Initiative.

All Canadians have benefitted from this work to grow First Nation economies and expand their revenues. First Nation economic growth means greater regional employment, more regional investment and higher regional property values. Higher revenues provide the resources to improve the on-reserve investment climate, which supports regional service agreements and infrastructure projects and ultimately leads to greater First Nation financial self-sufficiency.

This annual report highlights our work from the past year. I invite your comments, feedback and insights as we support the growing First Nations tax system in 2014/2015.

C.T. (Manny) Jules, Chief Commissioner



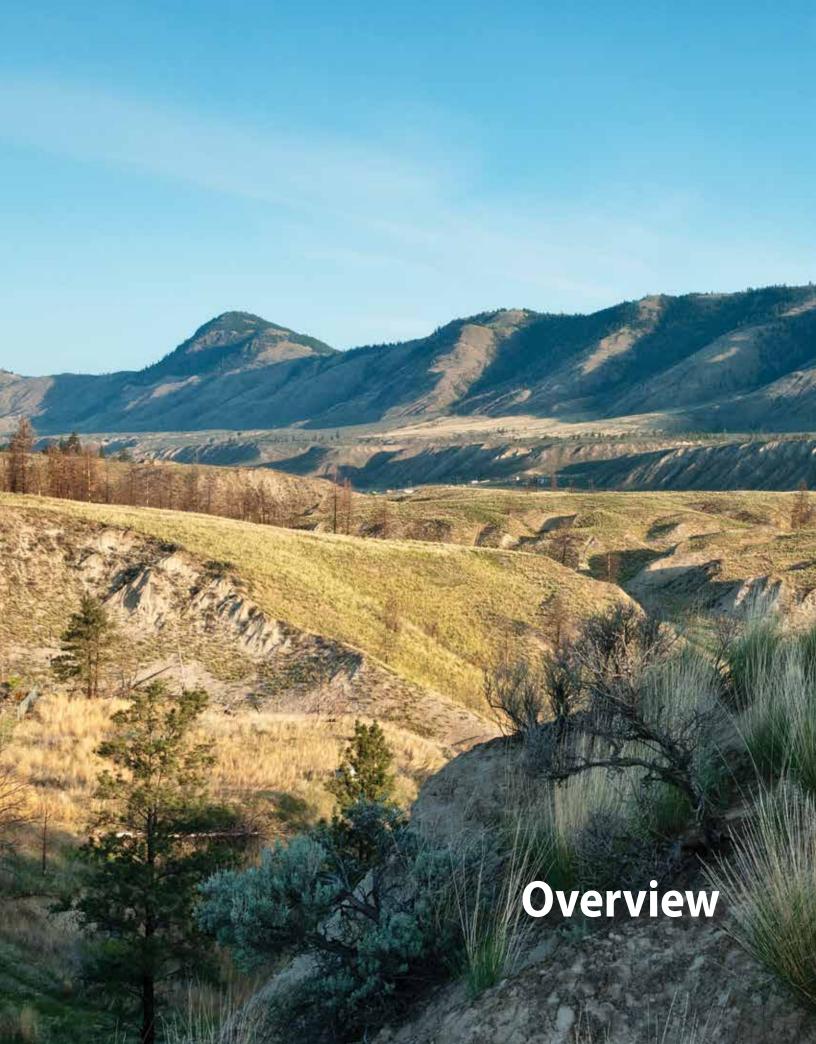
"Let me be a free man, free to travel, free to stop,
free to work, free to trade where I choose,
free to choose my own teachers,
free to follow the religion of my fathers,
free to talk, think and act for myself."

- Chief Voseph, 1879

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The First Nations Tax Commission continues to support First Nations in reducing the barriers to economic development on First Nation lands. By providing quality local services and infrastructure at a fair cost, along with fair and predictable regulatory systems, First Nation governments can attract investment, create jobs and participate in regional economic growth for the benefit of both members and taxpayers.

This annual report provides highlights and details of how First Nations have used the services of the FNTC to achieve community objectives, deliver quality services and infrastructure to taxpayers and grow their economies. The FNTC is only successful if tax-collecting First Nations are successful.

The FNTC has the mandate and over 25 years of experience to help First Nations and their taxpayers implement local revenue jurisdictions. Led by commissioners from across Canada representing taxpayers and First Nations, the FNTC in 2013/3014, supported its mandate by:

- Expanding First Nation jurisdiction with respect to borrowing, development cost charges and property transfer taxes.
- Supporting improvements to First Nation economies, jurisdiction and services through research on new fiscal relationships, Ontario First Nation tax jurisdiction and Equalization reform.
- Developing and implementing the cloud version of the Tax Administration System.
- Creating the online First Nations Gazette with expanded services.
- Introducing new methods for regional outreach, such as the Tulo workshop series.
- Advancing the First Nation Property Ownership Initiative through lectures by Hernando de Soto and presentations to the House of Commons Standing Committees on Finance and Aboriginal Affairs.
- Reviewing and approving 136 FMA laws, including the first FMA long term capital borrowing law, the first FMA development cost charges law, and the first FMA property transfer tax law.
- Recommending 71 by-laws for approval by the Minister of AANDC.
- Developing regulations to enable the participation of Treaty and Self-governing First Nations in the FMA.
- Graduating 13 students with the Certificate in First Nation Property Tax Administration from Thompson Rivers University and the Tulo Centre for Indigenous Economics.
- Making presentations and strengthening the working relationship with the Canadian Property Taxpayers Association and the First Nation Tax Administrators Association.

This annual report details FNTC's progress, performance measures, and financial results for 2013/2014 on its mission to help First Nation governments build and maintain fair and efficient property tax regimes and to ensure those First Nation communities and their taxpayers receive the maximum benefit from those systems.





## **Expanding Jurisdiction**

First Nations are developing and implementing additional types of local revenue laws to help finance their capital infrastructure needs and long-term capital plans. With the support and assistance of the FNTC, First Nations are implementing the jurisdictions they require to build the foundation for long-term economic growth. This means accessing the tools of government that other levels of governments regularly use to fund local services and infrastructure. First Nations are using the full range of powers under the *First Nations Fiscal Management Act* (FMA) to implement other aspects of the FMA framework to support economic development on reserve. First Nations are benefiting greatly from the work other First Nations are completing with the support of the First Nations Tax Commission.

#### The First FMA Long-Term Capital Borrowing Law - Tsawout First Nation

The Tsawout First Nation is located on Vancouver Island near the city of Victoria. Tsawout has been a tax-collecting First Nation for over 20 years. They were also one of the first communities to implement a comprehensive First Nation Goods and Services Tax. Tsawout First Nation has long been interested in developing a shopping centre on its lands adjacent to Highway 17 between Sydney and Victoria.

In October 2013, Tsawout First Nation's long-term capital borrowing law was the first such law to be approved by the FNTC. The law enables Tsawout to borrow \$2.15 million through the First Nations Finance Authority (FNFA)'s pooled debentures. This means Tsawout will be able to access capital at a lower rate, over a longer amortization period and without requirements for collateral. Access to capital at costs similar to those for BC municipalities will allow for the completion of much needed upgrades to Tsawout's sewage treatment plant. This will allow Tsawout to attract more commercial investment, support the development of the shopping centre and significantly grow and diversify its tax base. According to Tsawout First Nation's Finance Manager/Comptroller Russell Harder, "This is a very important step in helping Tsawout expand the tax base for local revenues, which will create opportunities to complete other infrastructure projects needed by First Nations."

#### The First FMA Development Cost Charges Law - Tk'emlúps te Secwepemc

In January 2014, the FNTC approved the Tk'emlúps te Secwepemc Development Cost Charges Law. Development Cost Charge (DCC) laws made under the FMA charge a one-time tax on new developments and the revenue is used for specific projects identified in the community's long-term capital plan. Tk'emlúps te Secwepemc's capital projects include a highway traffic interchange and a water reservoir. The DCC law is an important element in funding these long-term capital infrastructure enhancements.

Tk'emlúps te Secwepemc DCC revenues will be used to build the necessary infrastructure to support residential and commercial developments. This will further expand and diversify the Tk'emlúps te Secwepemc tax base. Other local governments use DCC revenues to expand their infrastructure to support development and growth. One of the objectives of the FMA was to ensure First Nations like Tk'emlúps te Secwepemc have the same access to infrastructure financing tools that other governments enjoy.

## **Highlights**



## The First FMA Property Transfer Tax Law - Tzeachten First Nation

Tzeachten First Nation developed the first Property Transfer Tax Law (PTT) under the FMA and worked with the FNTC to implement this power in 2013. The FNTC approved this law in June 2013. Tzeachten will be using its PTT revenues to finance infrastructure improvements to support residential and commercial development on their lands. A number of other First Nations have expressed an interest in developing and passing PTT laws under the FMA.

## **Expanding Knowledge through Research**

The FNTC has long recognized the work that needs to be done to reduce the barriers to economic development on reserve, which will enable First Nation communities to improve their standard of living and improve the relationships that exist between First Nations and other levels of government. In that regard, the FNTC has continued to conduct and commission research to keep abreast of new developments, and identify best practices and underlying causes of issues related to First Nation economic development and taxation. This research informs policy development, law development, education and FNTC advocacy work. The FNTC completed three significant research projects in 2013/2014:

#### **Toward Improved First Nation Fiscal Relationships** –

First Nation revenues and economies are growing and there are opportunities for greater fiscal growth as a result of resource development investment across Canada. This is putting pressure on First Nations, Canada and provinces to develop an improved fiscal relationship. This research project reviewed these trends, analyzed their possible impacts and made suggestions for an improved First Nation fiscal relationship, such as increasing First Nation tax revenues and creating stronger linkages between First Nation revenues and expenditures.

**Ontario First Nations and Tax Jurisdiction** – A number of Ontario First Nations have expressed interest in taxation but implementation has been slower than other regions.

This research explored some of the barriers to expanding First Nation taxation in Ontario and made recommendations to improve FNTC service delivery to First Nations in that province.

An Equalization Reform Proposal – The federal-provincial equalization system may be preventing greater revenue-sharing between First Nations and provinces. This in turn may be making it more difficult to obtain First Nation support for resource development projects. This research described this problem and suggested a possible reform to the federal-provincial equalization system to correct it.

## **Tax Administration System**

The FNTC delivers the new Tax Administration System (TAS) software through an innovative cloud-based internet application at TAScloud.ca, and provides a full range of user support. TAS is available for tax administrators working in British Columbia, Alberta, Saskatchewan, Manitoba and Nova Scotia. Ontario and New Brunswick versions are currently in development. TAS provides all of the necessary tools to operate a First Nation tax system, including the ability to calculate tax rates and compare budgets, an automated process for generating annual laws and bylaws, access to historical data, relevant reports including assessment growth, tax rate comparisons and referencing jurisdiction trends. TAS is compliant with the legislative requirements of the FMA and policy and standards of the FNTC, supporting best practices in property taxation administration.

#### First Nations Gazette

Over the past year, the *First Nations Gazette* (FNG) has undergone a number of internal changes that have significantly improved its function, utility and overall user experience. The online service is more than just an improved website; it is a comprehensive legal publishing service that is consistent with international best practices of publishing laws and notices. This work coincides with the initiative to adhere to treasury board guidelines and provides improved service at a lower cost. The online-only format is effective April 1, 2014.

An expanded notification component was developed to provide an online service for the publication of notices

## **Highlights**



respecting aboriginal matters and to assist First Nations in meeting the requirements of the *First Nations Financial Transparency Act*. First Nation governments, other governments, government institutions and the private sector are all welcome to use the service. The public notification component is a secure and reliable way for First Nation governments to provide public notice for:

- Proposed laws and by-laws
- Upcoming elections and results
- Land designation requirements
- Consultations and public input
- Audited financial statements

As of March 31, 2014, the FNG has published and maintains a searchable database that includes:

- 2,396 local revenue laws/by-laws
- 38 FMA financial administration laws
- 35 financial administration by-laws
- 142 notices
- 26 policies, standards and procedures
- 50 sample laws and by-laws

## **Regional Outreach Initiatives**

Workshops, presentations and meetings were held across Canada to provide information, training and research about implementing First Nation tax jurisdiction. Highlights include:

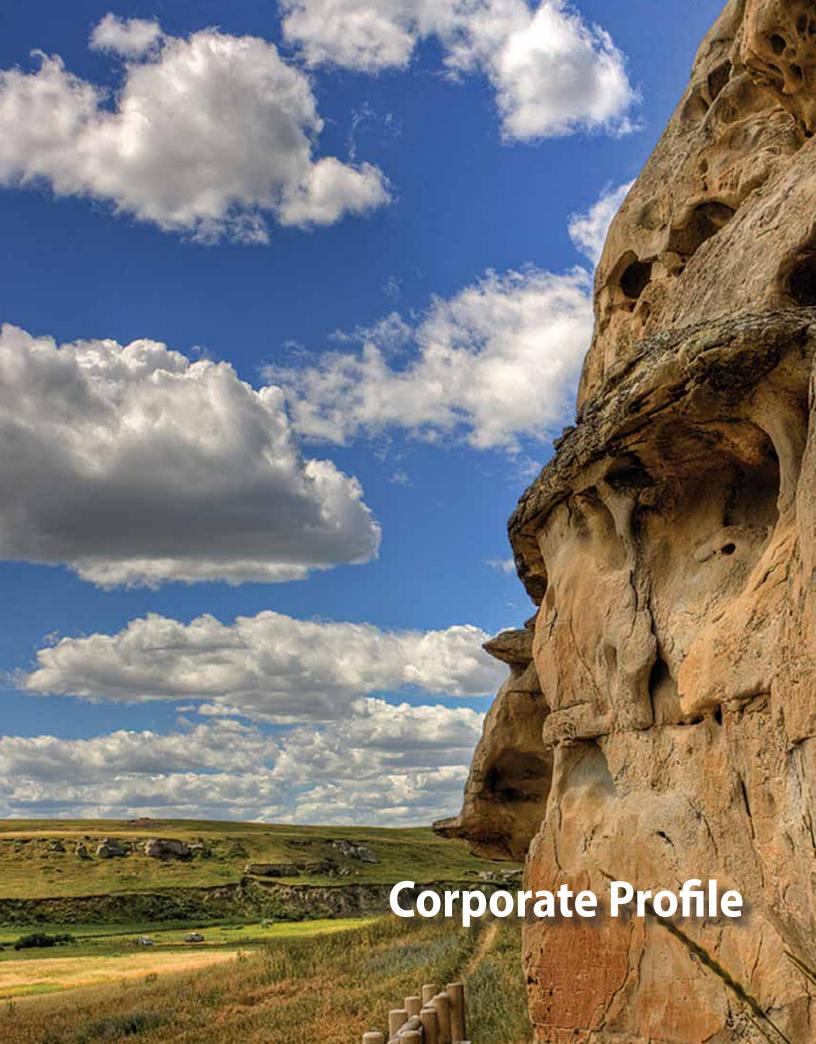
- A new regional workshop series was launched based on the Tulo Centre of Indigenous Economics accredited courses. Workshops were held in Vancouver with 12 First Nations, at the Chippewas of Kettle and Stony Point with representatives from four First Nations and in Saskatoon with representatives from eight First Nations. Many of the participants in these workshops are now attending accredited Tulo courses to implement First Nation tax jurisdiction and their Councils have expressed interest in implementing tax jurisdiction.
- FNTC Information Kiosks provided a venue to access FNTC resources at several national and regional conferences including the National Aboriginal Lands Managers Association Conference, the national Aboriginal Financial Officers Association Conference, the First Nation Tax Administration Association Annual Forum, the Atlantic Economic Development Officers Meeting and the First Nations Economic Success Forum.

## First Nations Property Ownership Initiative

The FNTC continued to work with proponents and interested First Nations throughout 2013/2014 to advance the First Nations Property Ownership Initiative. The FNTC worked with the federal government to develop a comprehensive technical paper outlining possible proposed FNPO legislation. Parliament itself also recognized the work and commitment of the FNTC and the proponent First Nations.

- Peruvian economist Hernando de Soto, a recognized advocate for indigenous property rights, visited Kamloops on October 5, 2013, to provide a Tulo Centre lecture at Thompson Rivers University and meet with proponent First Nations. Mr. de Soto told students to not provide property rights "is to condemn a people to poverty".
- In its December 2013 report "The Future We Want:
  Recommendations for the 2014 Budget", the House of
  Commons Standing Committee on Finance made the
  following recommendation: "That the federal government
  move forward with a First Nations property ownership act
  in order to provide Aboriginal Canadians with the same
  property rights as other Canadians."
- In its March 2014 "Study of Land Management and Sustainable Development on First Nations Reserve Lands", the House of Commons Standing Committee on Aboriginal Affairs and Northern Development made the following recommendation: "That the federal government continue to explore options to allow First Nations living on reserve to obtain, on a voluntary basis, the benefits of private property ownership."







#### **Mandate**

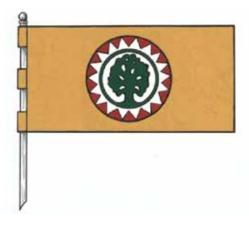
The mandate of the FNTC is set out in section 29 of the FMA:

The purposes of the Commission are to:

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

## **MOU** with Minister of Aboriginal Affairs

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



#### Structure

The FNTC is a shared-governance institution with a Chief Commissioner, a Deputy Chief Commissioner and eight Commissioners from across Canada. The Governor in Council appoints nine of the Commissioners and under regulations, the Native Law Centre at the University of Saskatchewan appoints one Commissioner. The Commissioners for 2013/2014 are as follows:



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

## Commissioners of the First Nations Tax Commission 2014



Back Row L-R: David Paul, Ken Marsh, Randy Price, William McCue, Lester Lafond Front Row L-R: Leslie Brochu, Ann Shaw, C.T. (Manny) Jules, Dr. Céline Auclair, Terry Nicholas

#### Governance

The FNTC maintains a best practices approach for good governance. It operates in keeping with a comprehensive governance and management policy. The Chief Commissioner has established the following committees to support the work of the FNTC:

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

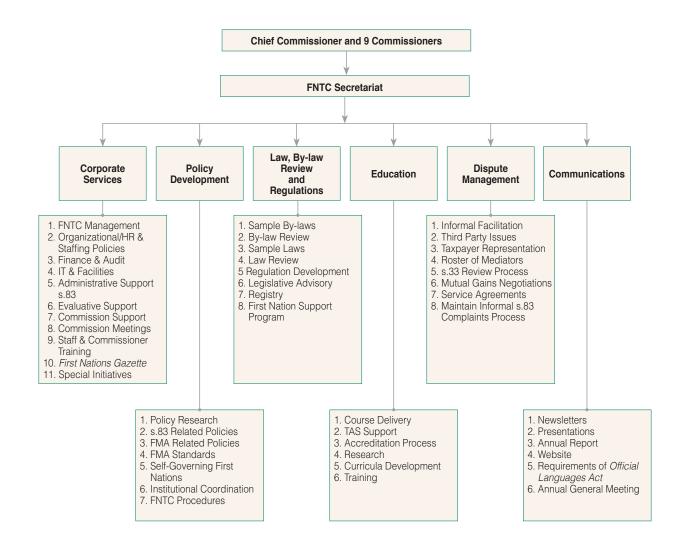
Committees consist of Commissioners only or a mix of Commissioners, staff and other professionals, as appropriate.

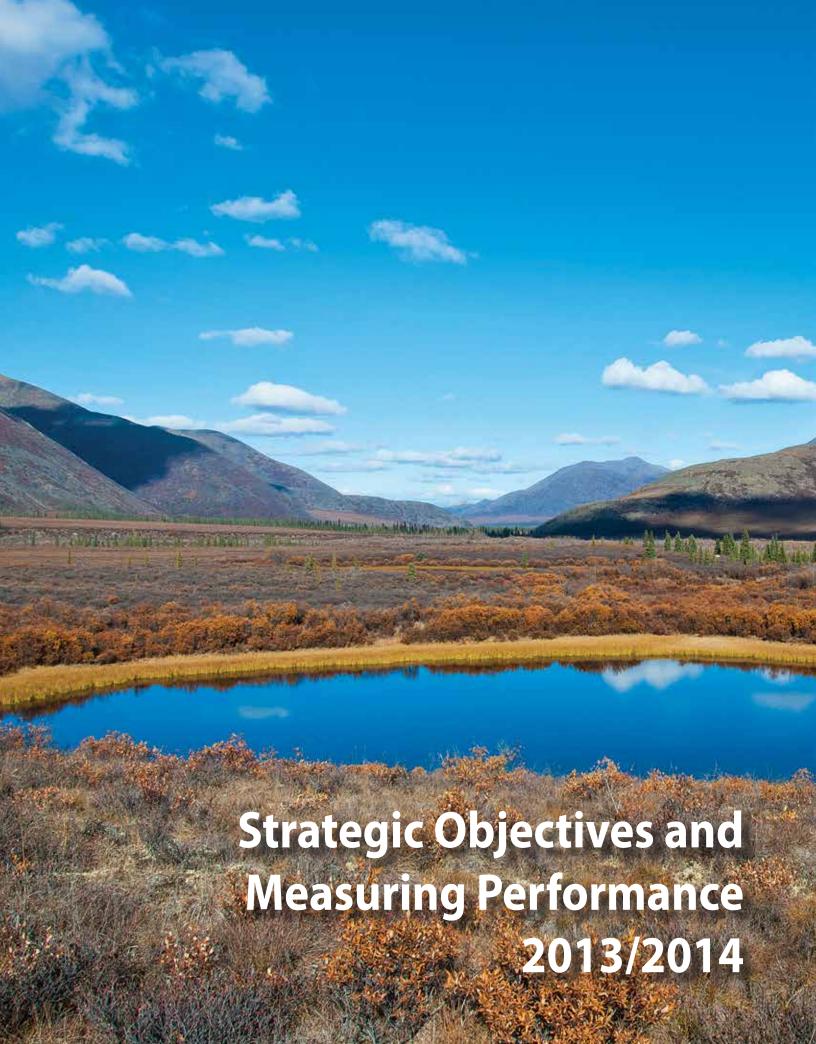
Pursuant to section 26 of the FMA, the FNTC maintains a head office on the reserve lands of the Tk'emlúps te Secwépemc and an office in the National Capital Region.

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

The FNTC operates six business lines, as illustrated below.

## **Organizational Chart and Business Lines**







The FNTC sets out its strategic objectives and performance measures annually in its Corporate Plan. Below is a summary of the FNTC 2013/2014 objectives and its performance for each objective.

STRATEGIC OBJECTIVES	PERFORMANCE
Corporate Services  Develop Corporate Plan, Financial Plan and Work Plan. Hold 4 Commission meetings and 6 law review Commission meetings. Provide support to the Commission and Committees. Provide administrative and facilities management support and review F Coordinate staff training and professional development. Meet Access to Information Act and Privacy Act requirements. Manage capital requirements and relocation of the NCR Office. Manage the publication of the First Nations Gazette. Manage Special Projects including: Expanding FMA participation, Infra FMA Seven Year Review implementation, Assessment Services Projections of the PNOA.	Completed Ongoing R policy Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Ongoing Completed Ongoing structure, ect with 5 provinces,
Policy Development  Develop, seek public input on and approve at least 3 standards  Continue research and initiate or complete 8 policy development project Review 2 s. 83 policies – Property Tax and Assessment Policy  Initiate 3 projects with other institutions related to mock intervention, local account management and local revenue account statistics  Coordinate the development of the FNTC pre-budget submission	cts
Law, By-law Review and Regulations  Develop or amend 4 sample laws in the following authorities: Property Property Assessment, Business Activity Tax, Taxation for Provisions of Development Cost Charges, Borrowing, Expenditure, or Annual Rate Review 100 FMA laws Operate the First Nation support program to enable another 10 First Nation implement FMA property taxation and assessment laws Maintain registry of approved First Nation laws and by-laws Review and update s.83 by-laws to support transition to the FMA. Review 60 s.83 by-laws FMA Seven Year Review implementation Regulations research regarding ready to use property tax option.	of Services, es
Communications  Prepare and submit Annual Report	Completed Completed Ongoing Ongoing Ongoing
Accreditation –     Work with Tulo, TRU and AFOA to accredit proposed Certificate in Financial Administration.     Work with NVIT on accreditation of Diploma in First Nation Economic Development.  Deliver 3 workshops  Enhance, improve and expand curricula for 4 courses.  Develop 1 online course in the Certificate of First Nation Tax Administration Deliver, through Tulo and TRU, at least 7 accredited courses.  Complete electronic open text book.  Maintain and provide support for Tax Administration System (TAS).	First Nation
Dispute Management  Maintain roster of qualified mediators and provide training.  Respond to requests for dispute facilitation related to taxpayer relations coordinate BATs with provinces.  Support provincial BATs coordination, development of taxpayer relations service agreement negotiations as required.  Support provision of assessment services to First Nations by provincial assessment authorities.  Section 33 review process operational.  Intervene in property tax litigation where appropriate.  Update Service Agreement Negotiation Manual.  Provide training to FNTC, selected First Nations and Tulo for.  • mutual gains negotiations  • dispute resolution	s and Ongoing s systems and Ongoing  Completed Ongoing Ongoing Completed Ongoing Completed

## **Corporate Services**



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

## **Key Accomplishments**

FNTC Meetings – In 2013/2014, Corporate Services organized and conducted 10 Commission meetings. Special guests at the meetings included:

- Saskatchewan Assessment Authority
- Native Law Centre, University of Saskatchewan
- Urban Systems
- First Nations Tax Administrators Association
- Canadian Energy Pipeline Association
- Indian Oil and Gas Canada

**Operational Planning and Reporting** – Corporate Services is responsible for the development of the 2014/2015 Corporate Plan, financial plan and workplan and the annual report and financial report.

First Nations Gazette - Corporate Services continued operations of the First Nations Gazette, including the work to launch online only, the implementation of the notification component and ending the print edition.

**Special Initiatives** – the FNTC carried out eight special initiatives:

- FMA Law Development: Through FNTC's regional outreach initiatives and strategic law development grants, nine new First Nations were added to the Schedule of the FMA - three First Nations from BC, one from Saskatchewan and five from Manitoba. Corporate Services continues to support First Nations in implementing FMA revenue jurisdictions.
- Advancing Legislative Amendments: The FNTC worked with other institutions and the federal government toward the proposed amendments to the FMA with a view to reducing administrative burdens on First Nations and facilitating access to the FMA.

- · Access to Provincial Assessment Services: The FNTC facilitated discussions between provincial assessment authorities and First Nations to ensure that First Nations in New Brunswick, Nova Scotia, Ontario, Saskatchewan and BC had better access to, and improved quality of, provincial assessment services.
- First Nation Goods and Services Tax (FNGST): In 2013/2014, the FNTC responded to requests for FNGST presentations to three First Nations. As a result of the presentations, these First Nations could complete the process to implement their FNGST jurisdiction with the federal government.
- Implementation Ready Regulations Research: FNTC has undertaken research and discussions with the federal government with respect to the development of options to expedite the implementation of First Nation property tax laws through regulations. The FNTC continues to review this research to find cost and time efficient methods to assist First Nations in implementing the legal framework to support their jurisdiction.
- Research Supporting Local Revenue Law Development: The FNTC completed three research projects: (1) research to support local revenue law development relating to taxation jurisdiction in Ontario, (2) a proposal to improve the federal-provincial equalization formula and (3) the impact of the proposed First Nation own source revenue policy on First Nation local revenues.
- Pipeline Property Taxation: The FNTC responded to First Nations interested in exploring the taxation of proposed pipelines by developing a preliminary property tax estimate and proposal for possible next steps.
- First Nations Property Ownership (FNPO) Initiative: The FNTC worked with the federal government to advance the FNPO Initiative by working toward completion of a technical working draft for possible legislation and providing communication support to proponent and interested First Nations.

## **Policy Development**



The objective of the Policy Development business line is to develop and implement, through a transparent process, effective standards and policies. These policies and standards support First Nation jurisdiction; reflect sound administrative practices; and increase First Nation, taxpayer and investor confidence in the integrity of the First Nation local revenue system.

## **Key Accomplishments**

#### **Standards**

Standards for Property Transfer Tax Laws: Property transfer taxes (PTTs) exist off reserve and First Nations are now starting to occupy this jurisdiction on their lands. PTT is a one-time tax paid at the time of transfer of real property and the amount of tax is generally between 1% and 2% of the value of the property transferred. In 2013/2014, the FNTC established standards to guide the development and administration of similar laws made under the FMA. After a thorough review of provincial property transfer tax regimes, the FNTC set out best practices for the scope of the tax, maximum rate, assessment, use of exemptions and enforcement mechanisms.

Standards for Business Activity Laws (First Nation Well-Drilling Tax): The Business Activity Law Standards were amended to accommodate the use of FN Well Drilling Tax Laws. Similar to Alberta's Well Drilling Equipment Tax, which has been used by Alberta local governments for over 70 years, the FN Well Drilling Tax is levied on well drilling operators engaged in oil and gas well drilling activity on reserve lands. The standards establish rules that are similar to Alberta local government practice.

Standards for Development Cost Charges Laws: FNTC developed proposed amendments to the DCC Standards to guide the use of DCC laws by First Nations in Saskatchewan. First Nation DCC laws require developers to pay a one-time DCC payment at the time of development approval or when building permits are issued. The proposed amendments maintain existing provisions in the DCC Standards, with minor variation to ensure First Nation DCC laws in Saskatchewan are similar to practices in that province.



## **Policy Development**



#### **Research and Policy Development**

Policy Development initiated or continued the research and policy development process to develop several policy papers. Among the key accomplishments are:

Taxation of Joint Reserves: FNTC developed technical support materials for First Nations who wish to tax jointlyheld reserves. There are nearly 100 jointly-held reserves across Canada. These reserves can vary between reserves jointly-held by two First Nations, to reserves held by over 30 First Nations. Using the FMA's Delegation of Authority Law, First Nations can delegate law-making to a common body or First Nation to exercise property tax jurisdiction on the jointly-held reserve. This approach ensures clarity and consistency for potential taxpayers on joint reserve lands. FNTC developed a tax coordination agreement checklist to assist First Nations in preparing a property tax administration agreement. The agreement is integral in supporting property taxation on jointly-held reserves.

Grants in lieu to First Nations: This research examined provincial grants in lieu legislation and how the legislation impacts First Nations. A key focus was the prevalence of Crown Corporations' interests on reserve lands and to what extent these corporations provide grants to First Nations.

Property Tax Loss Studies: FNTC continued its ongoing study of the extent of non-First Nation government property taxation on First Nation lands and the amount of potential tax revenue on reserve lands where neither the First Nation nor provincial government asserts property tax jurisdiction. In 2013/2014, FNTC focused its study on oil and gas pipeline properties situated on First Nation lands in Alberta.

Section 83 Policy Development – Policy Development reviewed the s.83 Property Tax Policy and the s.83 Assessment Policy to ensure consistency with policy approaches used in the FNTC Standards governing property tax and assessment laws.

**Projects with Other Institutions** – Policy Development initiated projects with other institutions related to:

- Local revenue account management This involved work with the First Nations Financial Management Board (FMB) to support the development of FMB Standards governing the local revenue account.
- Synthesizing the borrowing process and materials with the FNFA - FNTC revised borrowing process documents in consultation with the FNFA.
- Improved law development coordination with FMB.

Pre-Budget Submission – Policy Development also coordinated the development of the FNTC's federal prebudget submission for 2014.



## Law, By-law Review and Regulations



The objective of the Law, By-law Review and Regulations business line is to support the FNTC's law and by-law review responsibilities under both the FMA and an MOU with the Minister of AANDC. Further, it supports FNTC's advisory function in the development of FMA regulations that includes monitoring regulatory impacts and developing proposals.

## **Key Accomplishments**

Law Approval / By-law Review – In 2013/2014, the FNTC reviewed and approved 136 FMA laws and recommended 71 by-laws for approval by the Minister of AANDC.

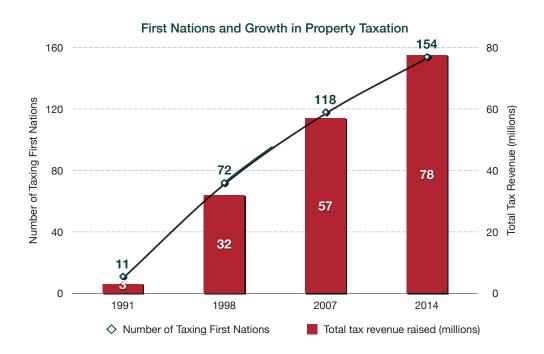
First Nation Law Development Support – The FNTC provides support and assists First Nations in the development of their FMA laws. For some First Nations, this involves replacing s.83 by-laws and for others this involves developing new FMA laws. In 2013/2014 the FNTC worked with 10 First Nations to implement new or replacement FMA laws.

Sample Laws - Law Review and Regulations developed or modified sample laws in the following areas:

- Business Activity Tax
- Property Assessment
- Development Cost Charges
- Borrowing
- Property Transfer Tax

FMA Regulations Supporting Treaty and Self-governing First Nations – The FNTC continued its work with Treaty and Self-governing First Nations, other First Nation fiscal institutions, the BC government and the federal government to develop regulations under section 141 of the FMA to enable them to access FMA jurisdictions and services.

Section 83 By-Law Updates - By-law Review and Regulations reviewed and updated s.83 sample by-laws for Ontario and BC to support transition from s.83 property taxation to the FMA.



## **Communications**



The objective of the Communications business line is to promote an understanding of the First Nation real property tax system and its potential to assist First Nations in their economic development. The FNTC continues to develop and improve its online services to better meet the needs of First Nations and other users. In addition to the ongoing updating and improvement of the FNTC.ca website, the Clearing the Path newsletter was also redesigned to improve readability and to feature video and other interactive elements as part of the FNTC's multimedia communication strategy.



## **Key Accomplishments**

In 2013/2014, a number of presentations were made to taxpayers, First Nations, governments and the public related to First Nation taxation, growing First Nation economies and First Nation property ownership. These included presentations to:

- First Nations in Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
- Canadian Property Tax Association
- First Nations Tax Administrators Association
- Aboriginal Financial Officers Association of Canada
- House of Commons Standing Committee on Finance
- House of Commons Standing Committee on Aboriginal Affairs and Northern Development
- Briefings with FNPO proponents, interested First Nations and the media about FNPO

Multimedia Communications Strategy – The FNTC implemented interactive methods of communication including planning for a series of short videos to highlight First Nation community success stories from across Canada. The projects looked at varying circumstances of First Nations and how property taxation has impacted those communities.

Newsletter - Four editions of Clearing the Path, the FNTC's quarterly newsletter, were published. The newsletter contains important bulletins and information for First Nation tax authorities and their taxpayers. The design of the newsletter was updated and interactive features were included, such as embedded video in the electronic version. *Clearing the Path* includes important information, such as insights, inspiration, success stories and best practices.

**FNPO Initiative Communications** – Communications relating to the FNPO Initiative was provided to proponent communities, interested First Nations, the media and government. This included a number of op-eds in national newspapers and appearances on TV and radio.

**Corporate Support** – Communications participated in the development and production of the annual report, and also coordinated and developed materials for the FNTC Annual General Meeting. Throughout the fiscal year, Communications worked with Corporate Services to ensure that the FNTC continues to meet OLA requirements.

## **Education**



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

## **Key Accomplishments**

Curriculum Development - The FNTC enhanced and expanded its training and educational programs to support First Nation property tax systems in Canada. Curricula for APEC 1610, APEC 1620, APEC 1630 and APEC 2700 were reviewed and enhanced.

The FNTC has two fully accredited certificate programs available to support First Nation property tax administrations: the Certificate in First Nation Tax Administration and the Certificate in First Nation Applied *Economics*. The courses in these programs are available for delivery either online or in a classroom environment. The FNTC continues to work with Tulo and Thompson Rivers University (TRU) on the laddering of these certificates into a Diploma in First Nation Applied Economics.

Course Delivery - Course delivery contributes to building capacity in First Nations across Canada who are implementing property tax jurisdiction. It helps to ensure the dissemination of best practices for efficient tax systems and good investment climates that protect taxpayer interests. Course delivery also helps to build a strong network of educated tax administrators. Seven courses in the Certificate in First Nation Tax Administration were delivered in 2013/2014:

- Assessment and Assessment Appeals, online delivery, 14 students
- Communications and Taxpayer Relations, on campus delivery, 10 students
- Administration: Tax Notices and Enforcement, on campus delivery, 13 students
- Service Agreements and Contracts, on campus delivery, 13 students
- Development Cost Charges, online delivery, 13 students
- Capital Infrastructure and Debenture Financing, on campus delivery, 10 students
- Introduction to First Nation Taxation, on campus delivery. 12 students

**Graduation** – Thirteen students completed the certificate requirements for the First Nation tax administration program in 2013/2014. The students graduated with a joint certificate from TRU and Tulo in June 2013. The graduates represent First Nation tax administrators from British Columbia, Saskatchewan, and Manitoba.

Open Text Book -The electronic open textbook "Creating a Competitive First Nation Investment Climate" was completed. This textbook will increase access to the Tulo Centre and FNTC information. The textbook is based on original curriculum developed by the Tulo Centre for the Certificate in First Nation Applied Economics program.

**Workshop Series** – In partnership with the Tulo Centre, FNTC offered three workshops based on curriculum from its property taxation courses. Workshops were held in Vancouver with 12 First Nations, at the Chippewas of Kettle and Stony Point First Nation with representatives from



## **Education**



four First Nations and in Saskatoon with representatives from eight First Nations. Many of the participants in these workshops are now attending accredited Tulo courses to implement First Nation tax jurisdiction and grow their economies.

**Certified Professional First Nations Tax Administrator Designation** – The FNTC worked with the First Nation Tax Administrator's Association (FNTAA) and the Tulo Centre in to support the new FNTAA membership classification - Certified First Nation Tax Administrators (CFNTA). The FNTAA conferred a CFNTA designation on eleven members who demonstrated advanced knowledge and skills in the field of First Nations tax administration through employment experience and graduation from the Tulo/TRU Certificate in First Nation Tax Administration program.

Tax Administration System (TAS) Update – The FNTC delivers the new Tax Administration System (TAS) through an innovative cloud-based internet application at TAScloud. ca, and provides a full range of user support. TAS is available for tax administrators working in British Columbia. Alberta, Saskatchewan, Manitoba and Nova Scotia. Ontario and New Brunswick versions are currently in development. TAS provides all of the necessary tools to operate a First Nation tax system including the ability to calculate tax rates and compare budgets, an automated process for generating annual laws and by-laws, access to historical data, relevant reports including assessment growth, tax rate comparisons and referencing jurisdiction trends. In 2013/2014 the FNTC expanded and enhanced its support for the development of tax administration system solutions for First Nation property tax administrations in Canada.



## **Dispute Management**



The objective of the Dispute Management business line is to prevent, or provide for the timely resolution of, disputes in relation to the application of local revenue laws and to provide support to First Nations in negotiations related to expanding tax jurisdiction and completing service agreements.

## **Key Accomplishments**

Facilitation Requests - Dispute Management responded to a number of facilitation requests to support negotiations or resolve disputes related to the FMA or s.83 of the Indian Act. The requests included service agreement support in Manitoba and BC and taxpayer issues in Saskatchewan and Manitoba.

**Service Agreement Negotiations** – The *Guide to a* Facilitated Service Agreement Between First Nations and Local Governments was published and is available in print and online. In addition to the guide, the FNTC continues to facilitate service agreements between First Nations and local governments on request. In 2013/2014 the FNTC provided support to a service agreement between the Penticton Indian Band and the City of Penticton, and the Penticton Indian Band and the Regional District of Okanagan Similkameen.

Section 33 Intervention Simulation – The FNTC worked with the First Nations Financial Management Board (FMB) and the Consensus Building Institute Harvard Dispute Resolution Program (CBI) to conduct a simulation for a mock intervention and s.33 hearing. These simulations are critical for evaluating and adjusting current standards, procedures and policies which informed the guide for the s.33 review procedure.

Roster of Mediators – The FNTC continues to maintain the roster of qualified mediators and provides training opportunities for mediators listed on the roster.

**Litigation Intervention** – The FNTC responded to legal challenges to the First Nations tax system and, where appropriate, intervenes.







## **First Nations Tax Commission Financial Statements**

For the year ended March 31, 2014

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#### Management's Responsibility for Financial Reporting

The accompanying financial statements of the First Nations Tax Commission ("FNTC") are the responsibility of management and have been presented to the 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 FNTC maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that FNTC's assets are appropriately accounted for and adequately safeguarded.

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

#### To the Commissioners of First Nations Tax Commission

We have audited the accompanying financial statements of the First Nations Tax Commission ("FNTC") as at March 31, 2014, which comprise the statement of financial position and the statements of change in net financial assets, financial activities, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the FNTC as at March 31, 2014 and the results of its operations, change in net financial assets 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.

"BDO Canada I I P"

#### **Chartered Accountants**

Kamloops, British Columbia June 10, 2014

#### **Statement of Financial Position**

As at March 31		2014	2013
Financial Assets			
Cash (Note 3)	\$	2,261,252	\$ 2,486,458
Accounts receivable (Note 4)		124,765	57,023
		2,386,017	2,543,481
Liabilities			
Accounts payable		1,200,090	1,134,350
Contracts payable (Note 5)		980,297	1,175,882
	_	2,180,387	2,310,232
Net financial assets		205,630	233,249
Non Financial Assets			
Prepaid expenses		38,835	37,610
Tangible capital assets (Note 6)		248,468	221,898
	_	287,303	259,508
Accumulated surplus (Note 10)	\$	492,933	\$ 492,757

Approved on behalf of the Commission:

Chief Commissioner

### **Statement of Change in Net Financial Assets**

For the year ended March 31	Fi	nancial plan	2014	2013
Annual surplus	\$	-	\$ 176	\$ -
Acquisition of tangible capital assets		-	(172,823)	(268, 146)
Amortization of tangible capital assets		-	146,253	210,194
Gain on disposal of tangible capital assets		-	320	5,950
Proceeds on sale of tangible capital assets		-	(320)	(5,950)
		-	(26,394)	(57,952)
Acquisition of prepaid expenses		-	(1,225)	(8,197)
Net change in net financial assets		-	(27,619)	(66,149)
Net financial assets, beginning of year		233,249	233,249	299,398
Net financial assets, end of year	\$	233,249	\$ 205,630	\$ 233,249

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

#### **Statement of Financial Activities**

For the year ended March 31	F	inancial plan	2014	2013
Revenue				
Corporate Plan	\$	5,912,666	\$ 5,943,127	\$ 5,904,340
FNPOA* Legislative Development Amendment #1		964,880	964,880	-
FNPOA* Legislative Development		-	-	999,054
FNPOA* Legislative Development		-	-	900,018
		6,877,546	6,908,007	7,803,412
Expenses				
Corporate Plan		5,912,666	5,942,951	5,904,340
FNPOA* Legislative Development Amendment #1		964,880	964,880	-
FNPOA* Legislative Development		-	-	999,054
FNPOA* Legislative Development		-	-	900,018
		6,877,546	6,907,831	7,803,412
Annual surplus		-	176	-
Accumulated surplus, beginning of year		-	492,757	492,757
Accumulated surplus, end of year	\$	-	\$ 492,933	\$ 492,757

<sup>\*</sup>FNPOA - First Nations Property Ownership Act

#### **Statement of Cash Flows** For the year ended March 31 2014 2013 Operating activities \$ 176 \$ Annual surplus Items not involving cash Amortization 146,253 210,194 Gain on disposal of tangible capital assets (320)(5,950)Changes in non cash operating balances Accounts receivable (67,742)50,427 Prepaid expenses (1,225)(8,197)Accounts payable and contracts payable (129,845)667,570 Cash flows from operating activities (52,703)914,044 **Capital activity** Purchase of tangible capital assets (172,823)(268, 146)Proceeds on sale of tangible capital assets 320 5,950 (172,503)(262, 196)Net (decrease) increase in cash (225,206)651,848 Cash, beginning of year 2,486,458 1,834,610

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

Cash, end of year

2,486,458

2,261,252

\$

#### **Significant Accounting Policies**

#### Accounting Principles

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

#### Revenue Recognition

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest and other income are recognized as revenue when earned.

No restricted contributions were received during the year.

#### 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

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.

#### Segmented Information

The FNTC has a head office in Kamloops, BC and an office in the National Capital Region. 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

FNTC has a Chief Commissioner and eight commissioners appointed by the Governor in Council and one commissioner appointed by the Native 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 a quarterly newsletter, meetings and presenting to First Nations, attending and hosting professional conferences, preparing and distributing the FNTC annual report, developing and maintaining an internet website, and preparing and distributing marketing materials

#### Corporate Services

The Corporate Services business line provides financial, human resources, insurance, audit and administrative services to FNTC and is responsible for meeting 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, Privacy and Official Language Act requirements, corporate policy development and implementation, and providing management and support to meeting s.83 of the First Nations Fiscal Management Act ("FMA") administrative requirements.

#### Dispute Management

The objective of the Dispute Management business line is to prevent or provide for the timely resolution of disputes in relation to the application of FMA laws as well as to provide education, training and facilitation services to s.83 tax authorities as requested. Dispute resolution supports and manages the s.33 review of complaints process.

#### 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 real property tax administrators, and through the development of administrative tools to assist those First Nations.

#### Gazette

The Gazette business line manages the publication and distribution of the First Nations Gazette in conjunction with the Native Law Centre. The First Nations Gazette publishes First Nations laws, by laws, and sample laws under the FMA and s.83.

#### Law, By-law Review and Regulations

The Law, By-law Review and Regulations business line reviews 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 Regulations business line also develops sample laws both under the FMA and by laws under s.83 of the Indian Act. The law review business line also reviews and liaises with Aboriginal Affairs and Northern Development of Canada ("AANDC") on the approval of s.83 by laws and maintains a registry for both s.83 by laws and FMA laws.

#### Policy Development

The Policy Development 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 and s.83 property taxation systems.

#### First Nation Property Ownership Initiative

This initiative is intended to allow First Nations to gain inalienable title and real jurisdiction over their lands. The Commission continued consultation on the development of the FNPO legislation.

#### **Nature of Operations**

FNTC is a national shared governance institution with a head office in 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. FNTC 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.

#### **Accounts Receivable**

	 2014	2013
Goods and Services/Harmonized Sales Tax rebates receivable	115,071	56,832
Other	 9,694	191
	\$ 124,765	\$ 57,023

#### 5. **Contracts Payable**

The organization has commenced work and committed funds by contract to a number of projects that were in progress at year end.

#### **Tangible Capital Assets** 6.

			2014		:	2013
	Leasehold Improvements	Equipment	Total	Leasehold Improvements	Equipment	Total
Cost, beginning of year	\$ 239,789	\$ 1,525,160	\$ 1,764,949	\$ 355,203	\$ 1,317,135	\$ 1,672,338
Additions		172,823	172,823	52,885	215,261	268,146
Disposals	-	-	-	(168,299)	(7,236)	(175,535)
Cost, end of year	239,789	1,697,983	1,937,772	239,789	1,525,160	1,764,949
Accumulated amortization, beginning of year	197,481	1,345,570	1,543,051	334,317	1,174,075	1,508,392
Accumulated amortization of assets disposed of	-	-	-	(168,299)	(7,236)	(175,535)
Amortization	10,577	135,676	146,253	31,463	178,731	210,194
Accumulated amortization, end of year	208,058	1,481,246	1,689,304	197,481	1,345,570	1,543,051
Net carrying amount, end of year	\$ 31,731	\$ 216,737	\$ 248,468	\$ 42,308	\$ 179,590	\$ 221,898

#### **Economic Dependence** 7.

FNTC receives substantially all of its revenue pursuant to a funding arrangement with the Government of Canada. In addition to the Government's base funding of \$5,912,666 (2013 \$5,865,338), contributions by the Government and others are necessary for the FNTC to undertake specific research and policy development initiatives.

#### Financial Instruments

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

#### Commitments

FNTC entered into an operating lease for its premises in Ottawa, ON. The office is leased at base rent \$3,177 plus additional rent and parking for a total commitment per month of \$6,614 plus applicable taxes under a lease expiring in March 2018.

FNTC entered into an operating lease for its premises in Kamloops, BC. The office is leased at \$4,585 per month plus applicable taxes under a lease expiring in March 2015.

FNTC has entered into various operating leases for equipment and network service to be used in their offices. The monetary range of these lease agreements is \$337 - \$2,135 per month plus applicable taxes with lease expiration dates ranging from August 2016 - August 2017.

Some of these leases contain clause that allow FNTC to terminate the agreement which may include a cancellation policy.

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

2015	\$ 183,155
2016	153,086
2017	122,580
2018	79,372
	\$ 538,193

#### 10. Accumulated Surplus

The Commission segregates its accumulated surplus in the following categories:

	2017	2010
Investment in tangible capital assets	\$ 248,468	\$ 221,898
Current funds	244,465	270,859
	\$ 492,933	\$ 492,757

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

#### 11. Statements of Expenditures by Object

	 2014	2013
Amortization	\$ 146,253	\$ 210,194
Operating Goods and Services	4,511,004	5,304,750
Salaries and Honorarium	 2,250,574	2,288,468
	\$ 6,907,831	\$ 7,803,412

2014

2012

# 12. Segmented Information

For the year ended March 31, 2014	Commission Services	Communications	Corporate Services	Dispute Management	Education	Gazette	Law, By-law Review and Regulations	Policy Development	FNPOA	201 <i>4</i> Total
Revenue										
Government of	\$ 883,931	\$ 719,434 \$	1,230,583	\$ 183,962	\$ 538,410 \$	187,815	\$ 1,353,747	\$ 811,784	\$ 964,880 \$	6,874,546
Interest	1	1	31,955	1	1	ı	1	ı	ı	31,995
Other Income	1	-	321	-	ı	1,185	ı	ı	ı	1,506
	883,931	719,434	1,262,859	183,962	538,410	189,000	1,353,747	811,784	964,880	6,908,007
Expenses										
Salaries and honoraria	607,324	153,135	437,735	52,828	110,956		598,972	289,624		2,250,574
Goods and services	261,305	556,171	710,587	231,196	348,580	171,914	810,559	455,812	964,880	4,511,004
Amortization	9,310	7,455	110,834		8,736		5,986	3,932		146,253
	877,939	716,761	1,259,156	284,024	468,272	171,914	1,415,517	749,368	964,880	6.907,831
Net surplus (deficit)	\$ 5,992	\$ 2,673 \$	3,703	\$ (100,062)	\$ 70,138 \$	17,086	\$ (61,770)	\$ 62,416	<del>↔</del>	176
For the year ended March 31, 2013	Commission Services	Communications	Corporate Services	Dispute Management	Education	Gazette	Law, By-law Review and Regulations	Policy Development	FNPOA and Special Initiative	2013 Total
Revenue										
Government of Canada	\$ 862,331	\$ 743,471 \$	1,233,535	\$ 111,557	\$ 511,321 \$	187,795	\$ 1,389,850	\$ 825,478	\$ 1,899,072 \$	7,764,410
Interest		1	22,685		1		1			22,685
Other Income			6,141			10,176		1	1	16,317
1	862,331	743,471	1,262,361	111,557	511,321	197,971	1,389,850	825,478	1,899,072	7,803,412
Expenses										
Salaries and honoraria	557,382	245,043	436,889	55,403	104,932		591,322	297,497		2,288,468
Goods and services	244,808	505,540	570,598	153,629	381,699	198,161	803,724	547,519	1,899,072	5,304,750
Amortization	20,420	10,714	140,109		24,795		8,511	5,645		210,194
	822,610	761,297	1,147,596	209,032	511,426	198,161	1,403,557	850,661	1,899,072	7,803,412
Net surplus (deficit)	\$ 39,721	\$ (17,826) \$	114,765	\$ (97,475)	\$ (105) \$	(190)	\$ (13,707)	\$ (25,183)	\$ - \$	

#### **Independent Auditor's Report on Supplementary Financial Information**

#### To the Commissioners of First Nations Tax Commission

We have audited the financial statements of the First Nations Tax Commission, which comprises of the statement of financial position as at March 31, 2014, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated June 10, 2014. The following supplementary financial information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

"BDO Canada LLP"

#### **Chartered Accountants**

Kamloops, British Columbia June 10, 2014

## Schedule 1 - Corporate Plan

For the year ended March 31	Financial plan			2014		2013
Revenue		'				
Government of Canada	\$	5,909,666	\$	5,909,666	\$	5,865,338
Interest and other income		3,000		33,461		39,002
		5,912,666		5,943,127		5,904,340
Expenses						
Commission services		883,931		877,940		822,611
Communications		719,434		716,760		761,297
Corporate services		1,233,583		1,259,156		1,147,596
Dispute management		183,962		284,024		209,032
Education		538,410		468,272		511,426
Gazette		187,815		171,914		198,161
Law review, by law review and regulations		1,353,747		1,415,517		1,403,557
Policy development		811,784		749,368		850,660
		5,912,666		5,942,951		5,904,340
Excess of revenue over expenditures		-	\$	176		

## Schedule 2 - FNPOA Legislative Development Amendment #1

For the year ended March 31	Financial plan			2014		2013
Revenue						
Government of Canada	\$	964,880	\$	964,880	\$	-
Expenses						
Legislative development		964,880		964,880		-
Excess of revenue over expenditures	\$	-	\$	-	\$	-

## Schedule 3 - FNPOA Legislative Development

For the year ended March 31	Financial plan		2014	2014	
Revenue					
Government of Canada	\$	- \$	-	\$	999,054
Expenses					
Legislative development		-	-		999,054
Excess of revenue over expenditures	\$	- \$	-	\$	

## Schedule 4 - FNPOA Legislative Development

For the year ended March 31	Financial Plan		2014	2013
Revenue Government of Canada	\$	- \$	- \$	900,018
Expenses Legislative development		-	-	900,018
Excess of revenue over expenditures	\$	- \$	- \$	-

## **Contact Us**



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