



## First Nations Tax Commission

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# Annual Report 2017/2018



## Message from the Chief Commissioner



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

I am pleased to present the annual report of the First Nations Tax Commission (FNTC).

The year 2007 was the dawn of a new era for First Nations in this country with the passage of the *First Nations Fiscal Management Act* (FMA). In the past decade, 229 First Nations have joined the FMA and have made great strides to become less dependent on government services and to build vibrant communities.

In November 1969, as a 17-year-old living on the Kamloops reserve, I attended a meeting where all but four First Nation communities in British Columbia came to my community to reject the federal government's proposed assimilation policy known as the "White Paper". I listened as our leaders spoke of their vision to restore our nations, build our economies, generate our own revenues, and become self-reliant governments within Canada. Since that time, working together with First Nations from across the country, together, we have restored our jurisdiction, built Indigenous institutions, and created strong, supportive legal and administration systems. And we have only just begun.

On August 28, 2017, the Prime Minister demonstrated the depth of the federal government's commitment to Indigenous policy change by announcing that Indigenous and Northern Affairs Canada would be split into two new entities. The mandate of one of these new departments, Indigenous Services Canada, is to put itself out of business by ensuring the orderly transfer of First Nation jurisdiction, service delivery, and infrastructure to First Nation governments supported by First Nation institutions.

I view this federal commitment to Indigenous governments and peoples as a historic opportunity. A major focus of our work last year was advancing a series of proposals and initiatives to renew the place of our governments in Canada. In April 2017, the heads of the FMA fiscal institutions met with the Honourable Jody Wilson-Raybould, the federal Minister of Justice, to advance an outline of our plan. Our premise was that the foundation of our governments, like other governments in Canada, must be land and tax jurisdiction. We presented the Minister of Justice with a series of institution and jurisdiction proposals to implement First Nation government:

- develop a revenue- or jurisdiction-based fiscal relationship characterized by greater First Nation fiscal power and clarity between First Nation government revenues and expenditure responsibilities
- enable First Nation cannabis tax jurisdiction
- assist First Nations in Ontario seeking to establish tobacco tax jurisdiction
- include First Nations Goods and Services Tax revenues in the FMA
- establish an Aboriginal Resource Tax that First Nations would apply to resource projects taking place on their traditional territories
- establish a First Nation Infrastructure Institution
- create a First Nation administrative statistics organization
- implement an Indigenous land title registry to replace the Indian lands registry

Taken together, these proposals for new fiscal powers, institutions, and a better fiscal relationship provide the foundation for the reconciliation that First Nations and Canada are seeking.



In addition to advancing these proposals, the FNTC continued to provide support to First Nations and taxpayers in 2017/18. As of March 2018, there are 229 FMA First Nations in Canada. We worked with First Nations to pass 224 FMA laws related to rates, expenditures, property taxation, assessment, development cost charges, fees, and property transfer taxes. There was growth last year in property tax systems in Manitoba, Ontario, and the Atlantic provinces. For First Nations generating revenues under section 83 of the *Indian Act*, the FNTC worked with these First Nations and provided advice to the Minister of Indigenous and Northern Affairs Canada on the approval of 57 by-laws. There are now over 6,000 laws and by-laws (representing about 370 First Nations) published in the *First Nations Gazette*.

The Commission developed new standards, sample laws, and a tax-based service agreement template that can be used to establish an improved precedent for treaty land entitlement and urban reserve communities in Manitoba.

Since the Commission's inception we have helped First Nations communities raise over \$600 million in revenues (\$1 billion since 1990 with ITAB) to deliver better services and provide new infrastructure to their communities and taxpayers. These improvements meant over \$2 billion in investment in these communities.

Our sister FMA institutions have been successful as well. The First Nations Financial Management Board (FMB) has developed the financial capacity to certify over 100 communities in financial management and performance, and the First Nations Finance Authority (FNFA) has helped raise about \$400 million in debentures to finance First Nation infrastructure.

**The FMA is one of Canada's most successful Indigenous policy innovations. Our proposals to expand the FMA were accepted in the federal 2018/19 budget "to strengthen the First Nations Financial Management Board, the First Nations Finance Authority and the First Nations Tax Commission".**

This will mean additional resources to further improve and expand the First Nation tax system. Next year, we look forward to supporting more First Nations establishing tax jurisdiction, developing more standards and sample laws, expanding the Tulo Centre of Indigenous Economics (Tulo Centre) and the *First Nation Gazette*, and implementing the proposals for new fiscal powers and new FMA institutions.

As we work together to renew our governments and economies for the benefit of First Nations, taxpayers, and all Canadians, the pace of our work will increase and we are ready to help First Nations meet that challenge.

As always, we welcome your comments and ideas on how we can improve the services we provide. Thank you for your continued support.

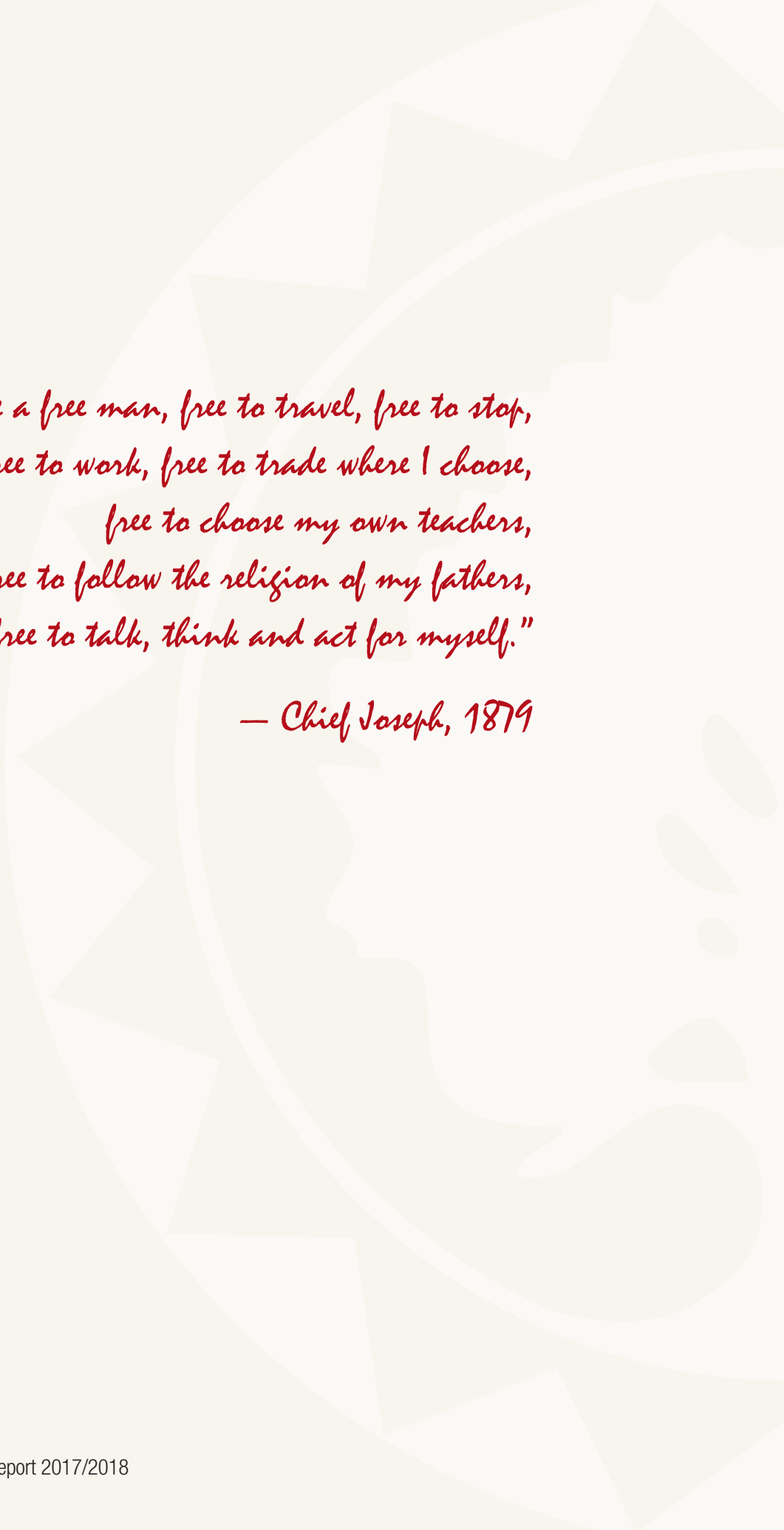
Sincerely yours,

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



## THE FNTC VISION

- Promote, expand, implement, and protect First Nation tax jurisdictions
- Support the growth of the revenue potential of First Nation tax bases through economic development
- Support First Nation governance and the development of administrative infrastructure across the country
- Promote the development of quality physical infrastructure for First Nations and their taxpayers
- Promote First Nation taxation, support an improved fiscal relationship, and develop the capacity for economic development to grow the First Nation tax system



*"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 Joseph, 1879*



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**Overview** ▶▶





## Vision and Progress

The FNTC annual report provides an opportunity to report to First Nations, taxpayers, and the federal government on the FNTC's progress towards achieving its vision and to provide examples of how our work improves First Nation communities. The FNTC has long maintained that First Nations are governments within the Canadian federation. Similarly, jurisdiction defines governments and tax revenue enables jurisdiction. First Nation tax jurisdiction is the basis for revenue-based fiscal relationships between First Nations and provincial and federal governments. Most importantly, the assumption of tax jurisdictions by First Nations must be First Nation-led, optional, and supported by (national) First Nation institutions.

In 2017/18, the FNTC supported the expansion and implementation of First Nation tax jurisdiction by continuing to maintain and develop standards and processes that promote transparency and consideration for taxpayers.

## Expanding First Nation Tax Jurisdiction

In 2017/18, there were 18 First Nations added to the FMA Schedule for a total of 229. There are now 147 First Nations implementing property taxation under the FMA and section 83 of the *Indian Act* who have collected approximately \$79 million annually in local revenues. These revenues provide resources to First Nations to support the provision of services and infrastructure to their communities and taxpayers. First Nations continue to implement development cost charge, local service charge, business activity tax, fee for service, and property transfer tax jurisdictions. In 2017/18, two First Nations passed local revenue borrowing laws. The FNTC also advanced amendments to the Senate of Canada to facilitate First Nation cannabis tax jurisdiction. The FNTC also continued to advance proposals that support First Nations interested in Aboriginal resource taxation, tobacco taxation in Ontario, and including the First Nations Goods and Services Tax (FNGST) in the FMA.

“There is so much more to think about than just collecting taxes. There’s the potential of development cost charges, service taxes and other ways to raise capital to make your First Nation better. It’s not just about collecting tax dollars, it’s about using those dollars in the best way possible for your First Nation.”

—**Wendy Ham**, Sumas First Nation  
Tax Administrator



## Growing First Nation Economies

The FNTC has long recognized that the *Indian Act* froze First Nation institutional development. This has meant that many First Nations are missing the legal, administrative, infrastructure, land tenure, and fiscal frameworks that the rest of Canada takes for granted and that are necessary to support economic growth. The FNTC supports economic growth by encouraging First Nations to use their tax jurisdiction to fill these gaps. For example, First Nations can use local revenues to build economic infrastructure, create laws and implement standards to strengthen First Nation investment climate, improve administration through accredited training, and support expanded tax powers and a revenue-based fiscal relationship.

## Supporting First Nation Governance

National institutions like the FNTC are fundamental to implementing First Nation jurisdiction, a nation-to-nation framework, and a new First Nation fiscal relationship. The FNTC provides the knowledge, expertise, capacity, resources, and regulatory framework to support First Nation tax systems. This is especially true for smaller First Nation communities where training and support save tax-collecting First Nations time and money. The FNTC plays an important role in ensuring taxpayer interests are represented in the First Nation property tax system, and FNTC standards and sample laws are key elements of a stronger First Nation investment climate. In 2017/18, the FNTC developed new standards for Fee Laws and Timing of First Nation Annual Rates and Expenditure Laws and updated the standards in the following areas: Assessment Laws, Criteria for the Approval of First Nation Borrowing Laws, Expenditure Laws and Property Transfer Tax Laws.

## Supporting Better Infrastructure

The FNTC and the other FMA institutions work together to provide access to long-term financing for infrastructure for First Nations borrowing through the FMA framework. One purpose of the FMA framework is to ensure an investment grade credit rating for all First Nations

regardless of their size and economic development. The FNFA issued another debenture in 2017/18 and could support more borrowing if more First Nation infrastructure projects were ready for construction financing.

In that regard, the FNTC continues to support the development of a First Nation Infrastructure Institution (FNII), which would help First Nations close the planning and management gaps they face when building economic infrastructure. In 2017/18, the FNTC established the FNII Development Board, which engaged with many First Nations and First Nation organizations and infrastructure experts to identify 10 proposed innovations to significantly improve the First Nation infrastructure system.

## Building First Nation Capacity

Capacity development is a key part of implementing effective tax jurisdictions. The FNTC continues to support capacity development through workshops, training opportunities, and communications. In 2017/18, the FNTC made 56 presentations related to First Nation taxation, the FMA, and First Nation economies to taxpayers, First Nations, governments, and the public. One-day workshops were also delivered in BC, Alberta, Ontario, and Nova Scotia. There were over 400 attendees at these presentations and workshops.

The FNTC supports the Tax Administration System (TAS), an innovative cloud-based internet application that assists tax administrators through the annual cycle of property taxation, including setting tax rates, printing tax notices, and managing payment collection. BC Assessment now uses TAS Cloud as its mechanism for the distribution of all assessment rolls to its BC First Nation clients.

FNTC also offers accredited courses in the Certificate in First Nation Tax Administration program and the Certificate in First Nation Applied Economics program delivered in partnership with Thompson Rivers University and the Tulo Centre. In 2017/18, FNTC and the Tulo Centre delivered 10 accredited courses in the Certificate in First Nation Tax Administration program and the Certificate in Applied Economics program to 51 students from 38 First Nations across Canada.





### A New Fiscal Relationship

The FMA local revenue account has an explicit relationship between local revenues and local services as reflected in First Nation expenditure laws. This type of relationship is often called a revenue- or jurisdiction-based fiscal relationship and is common for local, provincial and federal governments in Canada. However, the majority of existing First Nation systems are governed by a transfer or grant fiscal relationship. This relationship makes it difficult to compare and improve First Nation service and infrastructure standards and economies, and is the reason why the FNTC has long advocated for a revenue-based fiscal relationship like the rest of Canada.

In 2017/18 the FNTC supported the development of a new fiscal relationship with original research and support for a “Beyond Transfers” video series. The FNTC developed an overview that describes the new relationship and also participated in fiscal relationship meetings with the other FMA institutions and the Lands Advisory Board as coordinated by the British Columbia First Nations Summit in October 2017.



“In BC, we’re looking at jurisdiction and we’re looking at expanding tax powers, those were common themes we heard. We’re looking at these long-term commitments on funding and transfers. But how do we enshrine those in legislation? That’s the kind of commitment and true nation-to-nation relationship that we’re looking for.”

—**Chief David Jimmie** at the  
AFN Chief’s Committee on  
Fiscal Relations 2017





**Highlights** ▶▶





## FNTC Marks 10 Years of Progress

July 2017 marked the FMA institutions' 10th year of operations using the FMA. The First Nations-led FMA has been instrumental in establishing jurisdiction and creating new fiscal resources for First Nations. It has helped redefine the relationship between First Nations and other governments.

The Act enables First Nations to participate more fully in the Canadian economy, become less dependent on government services and improve local economies through increased employment and business development.

Since 2007, over 200 participating First Nations have used the tools created by the FMA to bring investment to their lands, improve the values of property, create employment opportunities, develop own source revenues and improve local services, housing and infrastructure.

The FMA system provides First Nations with a voluntary means of reasserting their tax jurisdiction through real property taxation. It creates real incentive to improve transparency and accountability regarding expenditures of revenues. A key factor in governance is regulation, which is central to developing viable self-governing First Nations. The FMA system demonstrates how First Nations can structure their own regulatory regimes in the areas of property taxation, financial management and debt financing.

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“Tax jurisdiction is the foundation for a system of Indigenous government that allows our communities to prosper. It allows us to restore our jurisdictions. It means we can design policies and programs and build competitive infrastructure that supports the individual creativity of our members so they can escape poverty.”

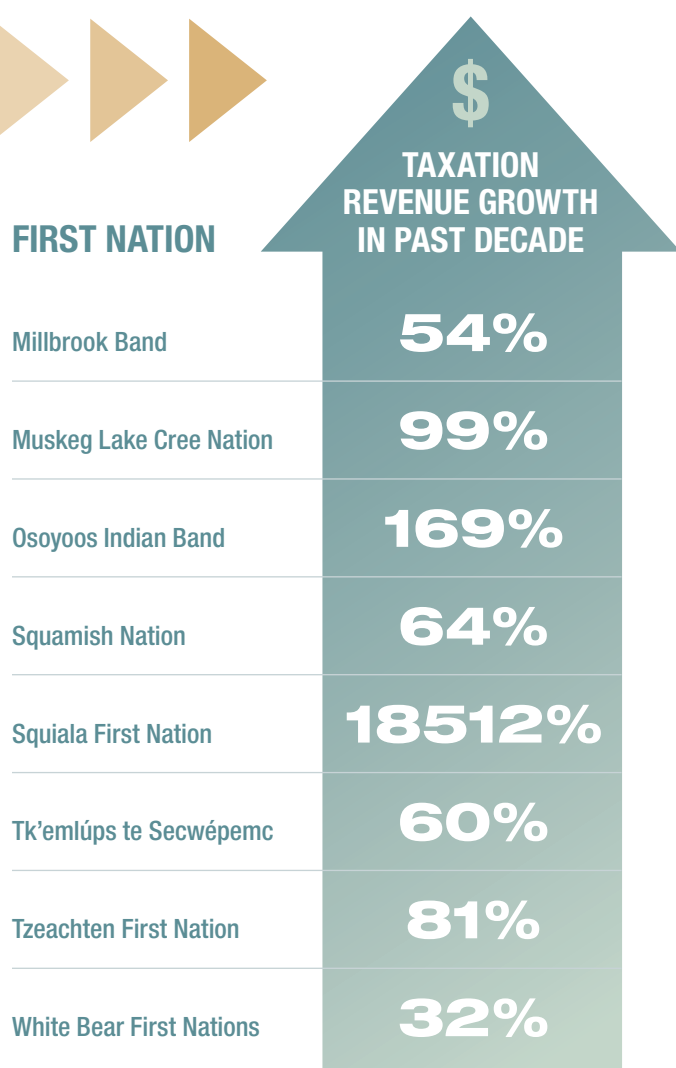
—**Chief Commissioner Jules** reflecting on the 10th Anniversary of the FMA

# Highlights



The FMA has demonstrated that First Nations can take charge of their own affairs and in doing so, provide benefits for their communities and the country. The FMA model can and must be expanded to become an important part of a national strategy for closing the gap, improving productivity and achieving a nation-to-nation framework for reconciliation.

None of these successes would have been possible without engaged and dedicated First Nations working closely with the institutions to continue to expand First Nation jurisdiction to build strong First Nation economies.



2017/2018	OVER THE PAST 10 YEARS
FIRST NATIONS ADDED TO FMA SCHEDULE	
18	229
FIRST NATIONS IMPLEMENTING PROPERTY TAXATION	
5	147
LOCAL REVENUE COLLECTED	
\$79 million	Over \$600 million
LAWS ENACTED	
224	1386
ANNUAL RATES LAWS	
93	558
ANNUAL EXPENDITURE LAWS	
93	558
S. 83 BY-LAWS ENACTED	
57	783
TOTAL LAWS, BY-LAWS, CODES PUBLISHED IN ONLINE FNG	
342	6796
S. 81 AND S. 85 BY-LAWS ENACTED	
43	3123
POLICIES, STANDARDS, SAMPLES AVAILABLE ON FNG	
20	200
FNTC PRESENTATIONS	
56	Over 600
TULO CENTRE COURSES DELIVERED	
10	84
TULO CENTRE STUDENTS	
51	237



### Creating a Jurisdiction-Based Fiscal Relationship

A jurisdiction- or revenue-based fiscal relationship is one that starts with a government setting up tax systems, collecting its own revenues, and determining how best to spend that money. That is how fiscal relations work for the federal and provincial governments.

In contrast, First Nations have a grant-based fiscal relationship. It starts with a federal determination of First Nation service delivery programs, how much money the federal government will provide, and which services are funded or not funded. The federal government sets the conditions and reporting requirements and can unilaterally reduce grants through caps or offsets or simple reductions. The federal and provincial governments would never accept a grant-based fiscal relationship.

This is why the FNTC (and its predecessor institution) have been advocating for a revenue- or jurisdiction-based fiscal relationship for the past 20 years. It was a foundational objective of the FMA and the basis for establishing the local revenue account in the FMA. It has been the subject of numerous FNTC research papers, federal pre-budget submissions, presentations, and most recently a newly accredited course at the Tulo Centre (delivered for the first time last year.) It is also the subject of the video series “Beyond Transfers” available at [www.fntc.ca/videos](http://www.fntc.ca/videos).

In 2017/18 the FNTC and the other FMA institutions made significant progress towards a revenue-based fiscal relationship. Presentations on the topic were made by the chairs of the FNTC, FMB, FNFA, and Lands Advisory Board at a province-wide strategic dialogue session on defining a new fiscal relationship for First Nations and the Crown held at Musqueam Nation in October 2017. The concept was well received and supported by First Nations in attendance. The compilation of the revenue-based fiscal relationship report by the BC appointee to the AFN Chiefs Committee on Fiscal Relations was released in November 2017. The FNTC and FMB chairs also presented this improved fiscal relationship concept to the ministers of Justice, Health, Indigenous Services Canada, and Crown-Indigenous Relations and Northern

Affairs Canada during the course of the year. The revenue-based fiscal relationship was a key rationale for FNTC proposals to expand FMA tax powers to include the FNGST, cannabis tax, tobacco tax, and a resource tax on resource developments within traditional territories.

The FNTC will continue to advance a revenue- or jurisdiction-based fiscal relationship in 2018/19. The concept and proposed new fiscal powers will be presented at the May 2018 National Meeting – Our Lands, Our Jurisdiction, Our Institutions: First Nations Leading the Way, in Richmond, BC.

### Expanding Jurisdiction

#### ABORIGINAL RESOURCE TAX

Court decisions and the United Nations Declaration on the Rights of Indigenous Peoples have confirmed that First Nations retain rights to the lands that comprised their traditional territories. Governments now need the support of First Nations to implement strategically important projects such as mines, pipelines, softwood lumber, and hydroelectricity.

The proposed Aboriginal Resource Tax (ART) would create more reliable revenues for First Nations, reduce dependency on other governments, recognize and implement First Nation rights, and reduce administration costs.

In 2017/18 the FNTC worked with a growing group of proponent First Nations on a proposal to implement the proposed ART. Key elements of the proposal include facilitated agreements among participating First Nations, coordination with other governments to improve the resource development investment climate, and institutional and capacity support to implement ART for interested First Nations. The FNTC worked with interested First Nations last year on possible ART applications to the proposed Trans Mountain Expansion Project, mines, and softwood lumber.





## FIRST NATIONS GOODS AND SERVICES TAX IN THE FMA

The FNTC has had success helping First Nations implement the FNGST. Currently the FNGST cannot be used for financing FNFA debentures and infrastructure because it is excluded from the FMA. In 2017/18, several First Nations expressed an interest in collecting FNGST on future cannabis sales in their communities and the FNTC has begun to work with them. Other First Nations expressed an interest in working with the FNTC on proposals to adjust the FNGST revenue sharing provisions, as well as accessing FNTC support for communications and preliminary revenue estimates to advance FNGST proposals in their communities.

## FIRST NATION TOBACCO TAX JURISDICTION

Some First Nations have started to process, manufacture, and distribute tobacco products without some or all the taxes. The result is a significant price discount for consumers and a tax loss for provincial and federal governments.

In 2017/18, the Ontario government expressed an interest in possibly vacating its provincial tobacco tax jurisdiction on reserve in favor of interested First Nations and possibly sharing off-reserve tobacco tax revenues with participating First Nations. The FNTC worked with some interested First Nations in Ontario and the Ontario government to advance a legal and administrative framework proposal to enable interested First Nations to implement their tobacco tax jurisdiction, in the hopes that a tobacco tax precedent established in Ontario could spread to the rest of Canada for interested First Nations.

## FIRST NATION CANNABIS TAX JURISDICTION

Throughout 2017, the federal government continued to move toward the legalization of recreational cannabis use across the country. In March 2017, the federal government proposed the draft *Cannabis Act* (Bill C-45) to create the regulatory regime for the cannabis industry. In September 2017, the federal government proposed changes to the *Excise Act, 2001* to establish the excise tax framework. In December 2017, the federal and

provincial governments announced a deal to split the excise tax from cannabis sales 25% / 75% in favour of the provinces. However, despite this agreement, First Nation jurisdictions were not considered.

The FNTC first proposed First Nation cannabis tax jurisdiction in March 2017 when the original legislation was introduced. The FNTC included this proposal in its pre-budget submission in August 2017 and presented it to representatives of the federal government over the course of the year. The FNTC pointed out that the federal government has committed to a new First Nation fiscal relationship based on First Nation fiscal powers to implement First Nation jurisdictions, such as cannabis regulation. However, the lack of First Nation inclusion in the cannabis tax framework could be a missed opportunity for the federal government to demonstrate its commitment to a nation-to-nation relationship that reconciles First Nation governments within the Canadian federation.

The FNTC wanted to ensure that First Nation jurisdiction was not excluded from the cannabis tax framework. In February 2018, the Senate committed to holding a final vote on the *Bill C-45* on or before June 7, 2018. The legislation was then sent to five different Senate committees for review, including the Senate Standing Committee on Aboriginal Peoples. On February 28, 2018, the Chief Commissioner was invited to appear before the Committee on Aboriginal Peoples to discuss cannabis tax jurisdiction. The Chief Commissioner's presentation on enabling First Nation cannabis tax powers utilizing the FMA framework was well received by the Committee, and was followed by significant, supportive media coverage. The Chief Commissioner did several follow-up media interviews concerning the proposed First Nation cannabis tax jurisdiction.

At the Committee's request, the FNTC provided suggested wording for possible legislative amendments to Bill C-45. The FNTC also proposed amendments to the FMA, the *Excise Act, 2001* and the *First Nations Goods and Services Tax Act* to support First Nation cannabis tax jurisdiction and related regulatory powers. The FNTC will continue to work in 2018/19 on achieving a cannabis tax power for First Nations.





### First Nations Infrastructure Institution

The problems with the current First Nation infrastructure system are well known – infrastructure takes too long to develop, costs too much to build, and does not last long enough. This contributes to a series of poor health, social, and economic outcomes on reserve. For years, First Nations, tribal councils, technical services groups, and provincial and territorial organizations have been working to improve First Nation infrastructure.

Over the last several years, the FNTC and several proponent First Nations have been advancing the concept of a new First Nations Infrastructure Institution (FNII) to offer support to participating First Nations to develop more sustainable infrastructure and improve outcomes.

Significant progress was made in 2017/18, beginning with the assembly of the FNII Development Board (DB) to provide advice on institutional design and services to guide its development. With ongoing support and mentoring from the FNTC, the DB was able to accomplish the following over the last year:

- **Engagement Process:** The DB led a substantial engagement process. With its Technical Working Group, the DB met with infrastructure experts, regional First Nation infrastructure organizations, the FMA institutions, and government.
- **Additional Research:** The DB directed additional research necessary to improve the business case, identify existing gaps and potential improvements and efficiencies, and examine proposed services and innovations.
- **Principles and Purposes:** Based on this research and engagement, the DB identified six principles and 16 purposes for the proposed institution. These will likely form FNII's legislative mandate.
- **Innovations and Services:** The DB identified 10 innovations to improve the sustainability of First Nations infrastructure systems. Some include improved access to capital; new, more stable revenues for financing; procurement standards, tools, and templates; more efficient review processes; insurance options; and incorporating economic and fiscal potential into planning.

- **Implementation Plan:** The DB developed a two-stage implementation strategy working towards a legislative framework.

After receiving feedback from First Nations and the federal government, the DB compiled this information into a FNII Business Plan (available at [www.fnii.ca](http://www.fnii.ca)). The DB was prepared to have the FNII concept, principles, purposes, innovations, and services highlighted at the May 2018 National Meeting of FMA and *First Nation Land Management Act* (FNLMA) First Nations (Our Land, Our Jurisdiction, Our Institutions: First Nations Leading the Way, Richmond, BC.)

### Indigenous Land Title Initiative

In 2017/18, the Commission continued its efforts in support of this important initiative. Work on the 'ready to use legal framework' continued, as well as assistance to proponent First Nations on their communications needs. A meeting of the Indigenous Land Title Initiative Joint Working Group was held in March 2018, at which progress to date and work to be done in the next fiscal year was discussed.

The FNTC has developed a strong working relationship with the Lands Advisory Board and the BC Lands and Title Survey Authority to advance a proposal to develop a new First Nation land title registry system. In February 2018, the FNTC and the Lands Advisory Board met with senior INAC officials to advance a preliminary version of the proposal. The FNTC and the Lands Advisory Board are currently working together on a more substantive new land registry proposal for 2018/19.

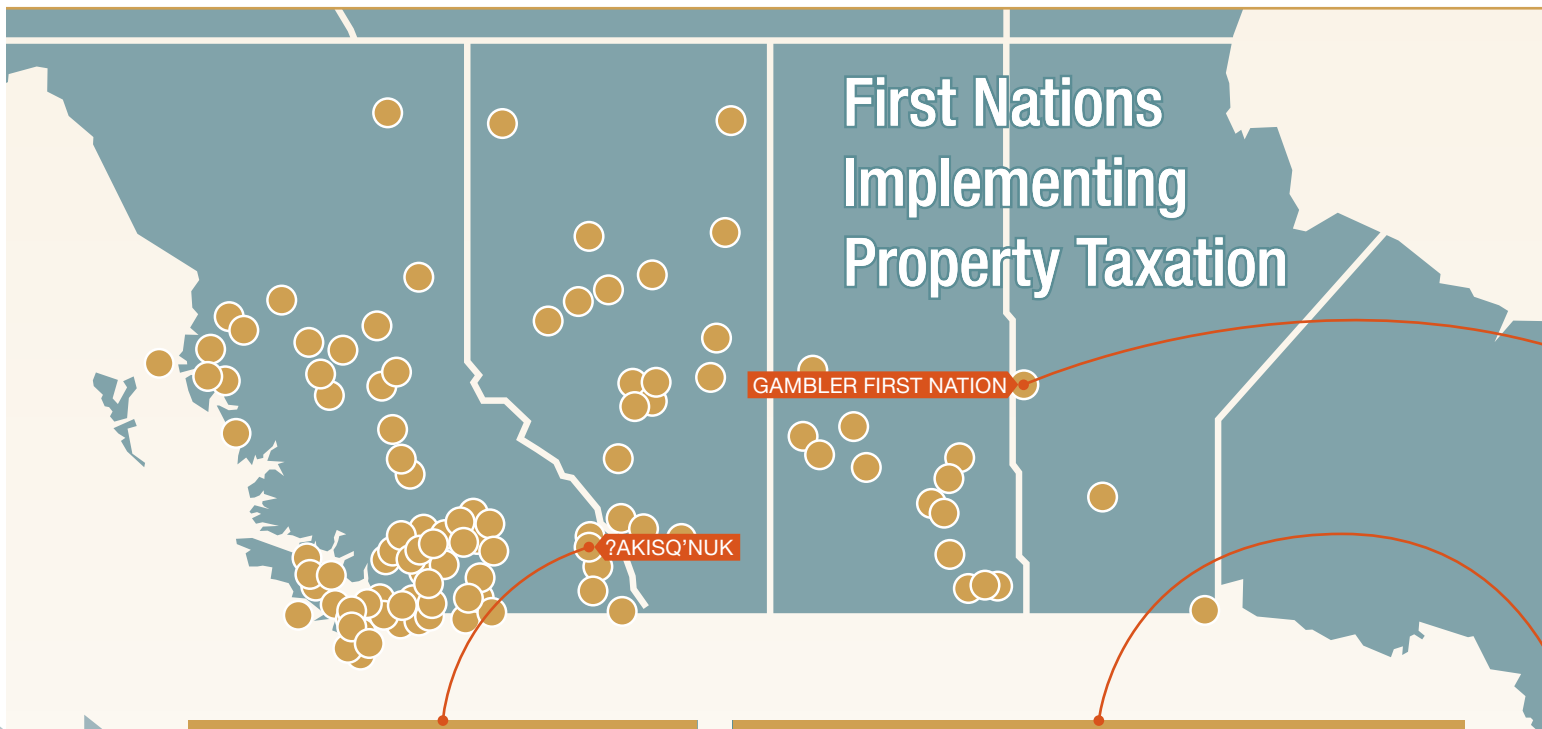
**"We've got momentum,  
now we just need to keep  
pushing forward."**

—Jesse James, 2017 Tulo Centre Valedictorian and  
Shxw'ow'hamel First Nation Tax Administrator



## First Nations Leading the Way

### First Nations Implementing Property Taxation



#### ?AKISQ'NUK SERVICE TAX AND BORROWING LAWS

In 2017/18, the **?Akisq'nuk First Nation** became the initial First Nation in Canada to implement a service tax under the FMA and then use those revenues to borrow from the FNFA. ?Akisq'nuk is part of the Ktunaxa Nation and is home to 300 members in the Columbia Valley, near Invermere, BC. It was one of the first to develop property tax laws under the FMA in 2008. The new service tax will cover the cost of the water system infrastructure to a leased section of ?Akisq'nuk's lands named Indian Beach Estates.

#### IMPLEMENTING FMA SYSTEMS IN ONTARIO

The **Chippewas of Georgina Island (GIFN)** is a small First Nation on three islands in Lake Simcoe with approximately 475 cottage leases. In 2017/18, after implementing four-year election terms and participating in the workshop *Implementing FMA Taxation System in Ontario*, GIFN started to develop First Nation property tax and assessment laws with FNTC support. A tax administrator was hired in a training position and attended the Certificate in First Nation Tax Administration program. Subsequently, the proposed laws were enacted after a 45-day notice and representation period, which included an open house with GIFN leadership, Municipal Property Assessment Corporation assessors, and leaseholders. Interest in FMA tax laws in Ontario continues to grow and the FNTC will continue to provide information and support to interested First Nations.

## Highlights



*"Our taxpayers receive a direct benefit from getting the water system upgraded and for the community, it strengthens our relationship with our taxpayers. The revenues generated from those land leases and property taxes will serve the community for years to come."*

—? Akisq'nuk Chief  
Lorne Shovar

CHIPPEWAS OF GEORGINA ISLAND

### NEW TAX-BASED SERVICE AGREEMENT IN MANITOBA

The FNTC continues to facilitate service agreements between First Nations and local governments on request. FNTC provided support for a tax-based service agreement between the **Gambler First Nation** and the City of Brandon. This service agreement was signed on March 16, 2018, and has set a Manitoba pricing precedent for service agreements utilizing a tax-based approach. This could lead to more First Nation service agreements, taxation systems, and improved economic outcomes for both local governments and First Nations.

### FMA FIRST NATIONS

There were **18 First Nations added** to the FMA Schedule in 2017/18. There are now **229 FMA First Nations** in Canada.

- Kehewin Cree Nation
- Namgis First Nation
- Salt River First Nation #195
- Taykwa Tagamou Nation
- Cold Lake First Nations
- Driftpile Cree Nation
- Esquimalt Nation
- McLeod Lake Indian Band
- Sunchild First Nation
- Chapleau Cree First Nation
- Esdilagh First Nation
- Lake Cowichan First Nation
- Listuguj Mi'gmaq Government
- Okanagan Indian Band
- Paul First Nation
- Sheguiandah First Nation
- Snuneymuxw First Nation
- Sturgeon Lake First Nation





**Corporate Profile** ►►



## 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;*
- 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.*

## MOU with Minister of Indigenous and Northern Affairs Canada

Through a memorandum of understanding with the Minister of Indigenous and Northern Affairs Canada (INAC), the FNTC provides advice regarding the approval of section 83 by-laws and delivers services to First Nations exercising property tax jurisdiction under section 83 of the *Indian Act*.



“Let’s work together so our people can share in the bounty this land has to offer.”

—Chief Commissioner Jules,  
CANDO Conference 2017





## 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 (GIC) appoints nine of the Commissioners and, under regulations, the Native Law Centre, University of Saskatchewan, appoints one Commissioner. The Commissioners for 2017/18 were as follows:

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

**David Paul**, Tobique, NB,  
(Deputy Chief Commissioner)

**Dr. Céline Auclair**, Gatineau, QC

**Latrica (Terry) Babin**, Windermere, BC

**Leslie Brochu**, Chase, BC

**Lester Lafond**, Saskatoon, SK

**Ken Marsh**, Okotoks, AB

**William McCue**, Georgina Island, ON

**Randy Price**, North Vancouver, BC

**Ann Shaw**, Chateauguay, QC



As of March 31, 2018, there was one vacancy on the Commission. All GIC appointments to the Commission will expire in 2018. Work is being undertaken within the new federal appointment process to identify and select new Commissioners.

## Commissioners of the First Nations Tax Commission



*Back row: William McCue, David Paul, Leslie Brochu, Randy Price, Ken Marsh  
Front row: Ann Shaw, Céline Auclair, C.T. (Manny) Jules, Latrica (Terry) Babin, Lester Lafond*



## Governance

The FNTC maintains a best practices approach for good governance. It operates in keeping with a comprehensive governance and management policy and 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

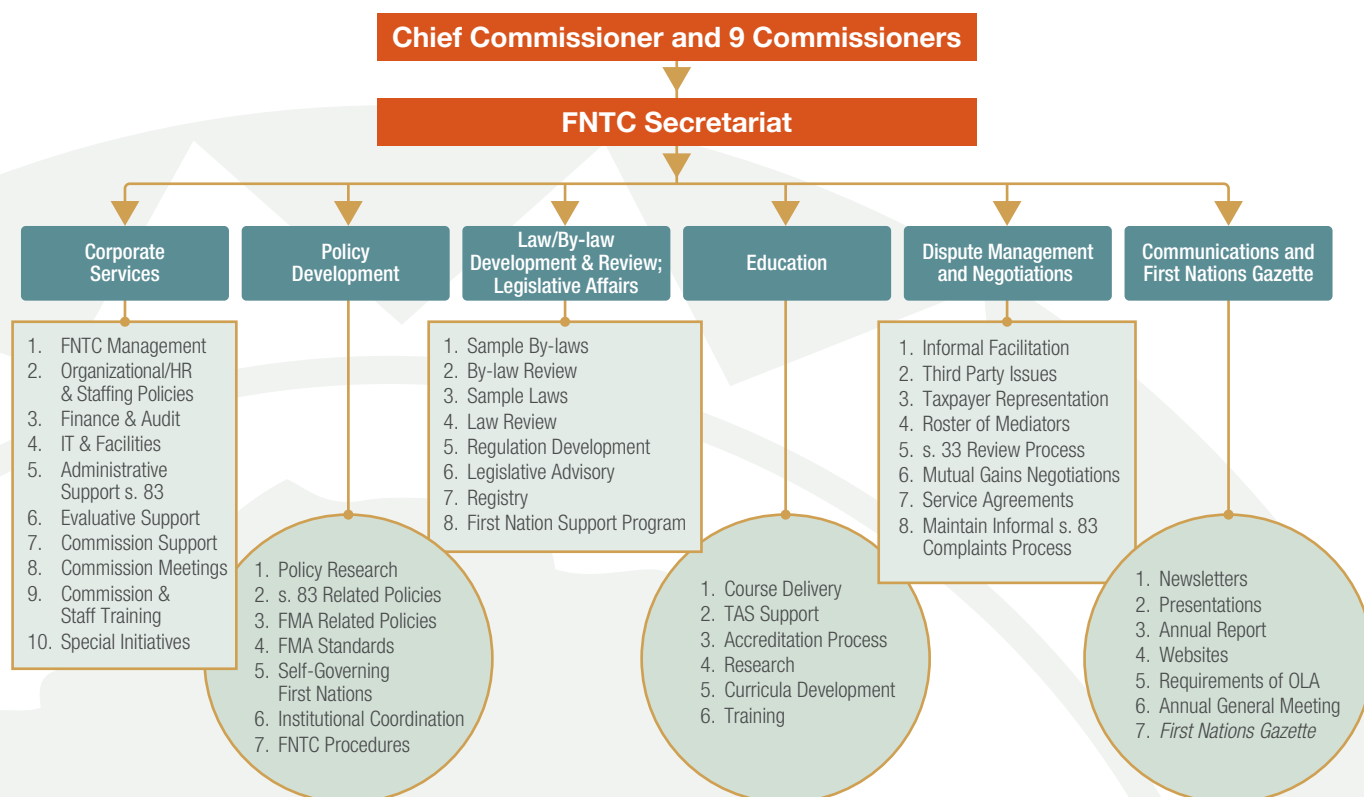
Committees consist of Commissioners only, or a mix of Commissioners, staff, and other professionals, as appropriate.

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.

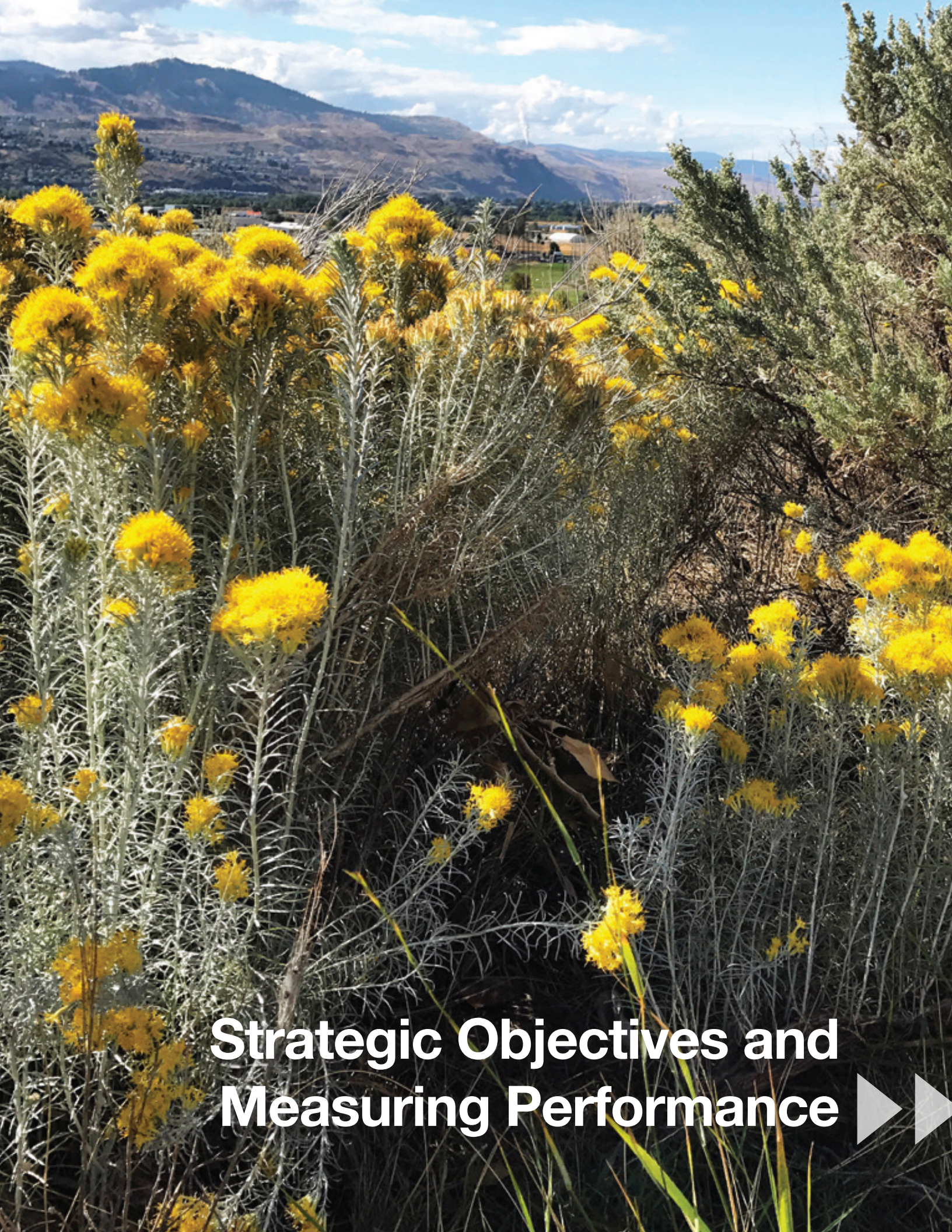
The FNTC is supported by a Secretariat with an allocation of twenty-five full time equivalents comprised of staff and professionals with expertise related to the FNTC mandate who assist the FNTC on a contract basis.

**The FNTC operates six business lines, as illustrated below:**

## Organizational Chart and Business Lines







# Strategic Objectives and Measuring Performance







## Strategic Objectives and Measuring Performance

The FNTC sets out its strategic objectives and performance measures annually in its Corporate Plan. On the following pages is a summary of the FNTC 2017/18 objectives and its performance against each objective.



In October 2017, Statistics Canada released results on Indigenous peoples from the 2016 Census of Population. The FNTC conducted an analysis of the results and possible implications for the work of the FNTC. The policy implications for the FNTC include

- 1 higher demand for Indigenous services and infrastructure
- 2 increased demand for Indigenous housing and additional Indigenous lands
- 3 increased demand for education and training for Indigenous labour force entrants
- 4 increased interest in Indigenous economic development

# Strategic Objectives and Measuring Performance



OBJECTIVES, ACTIVITIES AND STRATEGIES	PERFORMANCE
<b>Corporate Services</b>	
Annual Corporate Plan, work plan and financial plan produced and approved	Completed
Capital requirements for HO and NCR office managed	Completed
10 Commission meetings held	Completed
Administrative management and committee support provided	Completed
<i>Access to Information and Privacy Act</i> requirements met	Completed
Manage the annual audit and financial reporting process	Completed
Human resource plans developed	Completed
Staff training delivered	Completed
Five-year business, financial plan and work plan updated	Completed
Risk management plan updated	Completed
Special initiatives managed	Completed
<b>Policy Development</b>	
3 standards approved	Completed
2 s. 83 policies reviewed	Completed
Minimum of 8 policies developed or research initiated	Completed
4 projects with other institutions initiated or continued	Completed
Pre-Budget Submission completed and submitted	Completed
Property tax statistics reporting mechanism developed	Completed
<b>Law/By-law Development &amp; Review; Legislative Affairs</b>	
4 sample laws produced or modified	Completed
Support to 20 First Nations provided	Completed
216 FMA laws reviewed	Completed
Legislative amendments advanced	Completed
Legal Support to Policy Working Group provided	Completed
Treaty and self-government First Nations' participation in FMA advanced	Completed
50 by-laws reviewed	Completed
FMA and s. 83 registries maintained	Completed
Report to Commission on legal developments	Completed





# Strategic Objectives and Measuring Performance



OBJECTIVES, ACTIVITIES AND STRATEGIES	PERFORMANCE
<b>Communications and First Nations Gazette</b>	
FNTC, ILTI, FNG websites updated and maintained	Completed
Mobile app updated and maintained	Completed
Newsletter published quarterly, email database maintained	Completed
First Nation success story series expanded	Completed
Annual Report published	Completed
Annual General Meeting materials produced	Completed
<i>Official Languages Act</i> requirements met	Completed
Five-year communications strategy updated	Completed
Communication materials updated	Completed
National meeting plan and marketing completed	Completed
Communications procedures and operations manual developed and maintained	Completed
First Nation laws, by-laws, notices, FMA standards, procedures, sample laws and s. 81 and s. 85.1 by-laws published in FNG	Completed
FNG Procedure and Operations Manual developed and maintained	Completed
FNG communications plan developed	Completed
FNG 5-year strategic plan developed	Completed
<b>Education</b>	
Coordinate delivery of 10 courses	Completed
Support public education about First Nations taxation	Completed
4 regional workshops delivered	Completed
TAS webinars delivered	Completed
Webinar Program delivered	Completed
Client Resource Management staff training developed and delivered	Completed
Commissioner orientation and training program developed	Completed
Legal webinar series developed	Completed
Instructor recruitment plan developed	Completed
Tulo Centre operations and 5-year strategy supported	Completed
Education procedures and operations manual updated and maintained	Completed
Curriculum Retreat delivered	Completed
FNTAA / Tulo Centre alumni working group supported	Completed
<b>Dispute Management and Negotiations</b>	
Roster of mediators maintained	Completed
Support for negotiations with local and provincial governments provided	Completed
Training managed and coordinated	Completed
Responding to inquiries and facilitation of disputes	Completed
Support provided to negotiations and service agreements	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 and Part 6 and the Corporate Plan. Corporate Services is also responsible for any special projects or initiatives that the FNTC undertakes.

### KEY ACCOMPLISHMENTS

#### Core Activities

In 2017/18, Corporate Services continued to manage the integrated strategic business, financial and human resource plans and reports for the FNTC. The services included producing the annual corporate plan, work plan, and financial plan; managing the capital requirements for the head office and the National Capital Region office; and managing the annual audit and financial reporting processes.

Following the release of the INAC/FMA Institutions report, Corporate Services reviewed and revised the five-year business and financial plan to incorporate an implementation plan.

Corporate Services commenced work with Library and Archives Canada on records retention for the FNTC. Work was also undertaken to begin development of retention and disposition policies, schedules, and other information management policies and procedures.

Significant changes were made to the Core Records Management System (CRM), formerly the Client Resource Management system, which will now manage the FNTC's records and information. A number of projects were started in support of the changes, including a project to transfer material from other FNTC information systems to the CRM; the development of CRM modules relating to the management of meetings and events; and the integration of by-law processing into the CRM.

In support of transition management activities, job descriptions for all FNTC positions were reviewed and updated and training and professional development activities were provided to staff. Corporate services also began the planning and development of orientation materials to support the Commissioner appointment process in 2018.

In 2017/18, Corporate Services convened four general FNTC meetings and nine law review meetings; continued to provide financial, human resource and administrative







management; ensured the *Access to Information Act* and *Privacy Act* requirements were met; finalized succession plans to meet human resource requirements; and managed the annual audit and financial reporting process.

### Special Initiatives

Corporate Services provided management oversight for special initiatives and continued to provide support or seek additional resources to advance the following projects in 2017/18:

- Aboriginal Resource Tax
- First Nation Infrastructure Institution
- Indigenous Land Title
- FNGST
- Revenue-based fiscal relationship
- First Nation tobacco tax jurisdiction
- First Nation cannabis tax jurisdiction
- Planning for the May 2018 national meeting

“First Nations should be proud because by doing this they are taking control of their own jurisdiction, they’re creating their own revenues and they’re exercising their rights as a government.”

—**Commissioner McCue** on the success of First Nations implementing property tax





## Policy Development

The objective of the Policy Development business line is to develop and implement, through a transparent process, effective standards and policies. These standards and policies 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 and Sample Laws** – In 2017/18, Policy Development developed, modified, sought public input on, and presented the following standards to the Commission for approval:

- Standards Establishing Criteria for the Approval of First Nation Borrowing Laws
- Standards for First Nation Expenditure Laws
- Standards for First Nation Fee Laws
- Standards for First Nation Property Transfer Tax Laws
- Standards for the Timing of First Nation Annual Tax Rates and Expenditure Law

**Notice Standards** – In 2016 the FMA was amended to provide the FNTC with standard-making powers for First Nation law notification requirements. This meant that the FNTC could develop different notice standards for different types of laws. These proposals were presented to the Canadian Property Taxpayers Association (CPTA) and the First Nations Tax Administrators Association in the fall of 2017. The CPTA were particularly supportive of the proposed notification policies for annual laws as an enhancement for taxpayer relations. New notification standards will come into effect in June 2018.

**Research and Policy Development** – In 2017/18, Policy Development initiated the following research projects:

- Research paper on Provincial Grants in Lieu of Taxation
  - › This research paper examined how provincial utility crown corporations pay grants in lieu of taxation (PILTs) to local governments, and what legislative or policy actions would be needed for FMA First Nations to participate. Findings included

that the FNTC should continue to affirm the capacity of First Nation tax authorities to receive PILTs from provincial utility crown corporations and support First Nation tax authorities that want to pursue provincial PILTs in respect of crown corporation utility property on their reserve lands.

- Responding to the Statistics Gap
  - › In 2012, the First Nations Statistical Institute (FNSI) was removed from the FMA. The failure of FNSI means all of the potential benefits from the FMA have not been realized by participating First Nations, and the statistical data to support a new fiscal relationship is absent. The FNTC reviewed research that suggested a new FNSI within the FMA has the potential to be efficient, cost effective and successful, especially if the FNSI mistakes from the past are not repeated. The research proposed a four-part strategy to advance this proposal: (1) review the proposed statistical requirements for a new fiscal relationship with all the required parties; (2) develop a proposal to create a First Nations fiscal relationship focused statistical institute that collects and coordinates First Nation administrative data; (3) advance legislation to establish a statistical institute that supports a new fiscal relationship using the previous FNSI legislation and possibly the FMA framework; and (4) focus the work of this statistical institute on administrative data from Canada, FMA First Nations and institutions, and other interested First Nations in support of an improved fiscal relationship.







***“The greatest evolution is that we no longer require somebody from away to give us permission to govern. Now we are passing laws for ourselves”***

—Deputy Chief Commissioner Paul on the FMA

- First Nation Local Revenue Statistics
  - › The local revenue statistical reporting model project is intended to produce consistent, verifiable statistical information on First Nation property tax. The model will serve as an important analytical tool to better understand the complexion of the First Nation tax base, monitor trends, and enhance reporting documents and communication materials.
- Aboriginal Census 2016
  - › In October 2017, Statistics Canada released results on Indigenous peoples from the 2016 Census of Population. The FNTC conducted an analysis of the results and possible implications for the work of the FNTC. The policy implications for the FNTC include (1) higher demand for Indigenous services and infrastructure; (2) increased demand for Indigenous housing and additional Indigenous lands; (3) increased demand for education and training for Indigenous labour force entrants; and (4) increased interest in Indigenous economic development.

**Pre-Budget Submission** – The 2017/18 Pre-Budget Submission highlighted the following initiatives:

- First Nations Infrastructure Institution
- Aboriginal Resource Tax
- development of new First Nations tax powers for tobacco and cannabis
- expanding FMA First Nation institutions and adding a First Nation statistics organization and a new land registry system
- new revenue-based fiscal relationship
- continued support for the Indigenous Land Title initiative





## Law/By-law Development and Review; Legislative Affairs

The objective of Law/By-law Development and Regulations; Legislative Affairs is to ensure the integrity of the First Nations real property taxation system and promote a common approach to First Nations real property taxation nationwide, having regard to variations in provincial real property taxation systems. This is accomplished by providing support to First Nations in the law development process, reviewing submitted First Nations laws for compliance with the regulatory framework, and working with the federal government to improve the legislative and regulatory framework.

Law/By-law Development and Review; Legislative Affairs also monitors legal developments that may impact the exercise of property tax jurisdiction by First Nations.

### KEY ACCOMPLISHMENTS

**Law Approval/By-law Review** – In 2017/18, Law/By-law Development and Review prepared technical reviews for 192 annual laws and 32 non-annual FMA laws for the Commission's consideration. It also prepared 54 technical reviews of section 83 by-laws for the Commission's consideration in making their recommendations to the Minister for by-law approval.

**First Nation Law Development Support** – Law/By-law Development and Review provided support for First Nations entering the field of property taxation for the first time or transitioning to the FMA from *Indian Act* taxation.

**Law Development** – Updates and changes were made to sample laws in the following areas:

- Sample First Nation Property Assessment Law – Ontario
- Sample First Nation Property Taxation Law – Alberta
- Sample First Nation Property Taxation Law – British Columbia
- Sample First Nation Property Taxation Law – Manitoba
- Sample First Nation Property Taxation Law – New Brunswick
- Sample First Nation Property Taxation Law – Nova Scotia
- Sample First Nation Property Taxation Law – Ontario
- Sample First Nation Property Taxation Law – Quebec
- Sample First Nation Property Taxation Law – Saskatchewan
- Sample First Nation Property Transfer Tax Law – British Columbia
- Sample First Nation Property Transfer Tax Law – Ontario

- Sample First Nation Fee Law
- Sample First Nation Annual Expenditure Law

**Proposals for New FMA Amendments** – Legislative Affairs continued to work with the other fiscal institutions to advance legislative amendments to improve the FMA and to expand its scope. With respect to the FMA regulations, FNTC continued its work with FMB and FNFA to develop regulations that would enable First Nations in the BC Treaty Process to participate in FNFA pooled borrowing under the FMA.

### 224 FMA LAWS APPROVED BY COMMISSION

LOCAL REVENUE LAWS	2017/2018
Property Assessment Laws	9
Property Assessment Laws – Amended	7
Property Taxation Laws	9
Borrowing Agreement Laws	1
Long-term Capital Borrowing Laws	1
Property Transfer Tax Laws	2
Property Transfer Tax Laws - Amended	1
Development Cost Charges Laws	1
Fee Laws	1
Annual Rates Laws	93
Annual Rates Laws – Amended	1
Annual Expenditure Laws	93
Annual Expenditure Laws – Amended	2
Annual Expenditure Laws – Replacement	3

### SUMMARY TOTALS

**224**





## Communications and *First Nations Gazette*

The objective of the Communications and *First Nations Gazette* business line is to promote the understanding of the First Nation real property taxation system, strengthen linkages with other organizations and governments, promote best practices, and facilitate access to local revenue options and tools, as well as to manage the *First Nations Gazette*. The *First Nations Gazette* provides a comprehensive source for First Nation legislation in Canada, including laws, by-laws and codes, and provides a public notification service for matters affecting First Nations.



### KEY ACCOMPLISHMENTS

Throughout 2017/18, Communications coordinated, developed, and updated presentations and other communication materials, including an information sheet series and newsletter inserts to support other business lines. Communications also maintained websites for special initiatives such as the First Nations Infrastructure Institution [www.fnii.ca](http://www.fnii.ca) and Indigenous Land Title [www.ilti.ca](http://www.ilti.ca).

**Clearing the Path Newsletter** – Communications published the quarterly electronic newsletter *Clearing the Path*. Subscriber numbers grew steadily over 2017/18 with 682 subscribers for the digital version. The printed version is mailed to every First Nation across Canada.

**TAS Webinar Series** – Communications worked with a representative from TAS to develop several short webinars that guide users through various menus and features of the TAS web application.

**First Nations Summit** – The FNTC was invited along with the other FMA institutions to participate in the First Nation Summit event – Defining a New First Nations Fiscal Relationship with the Crown. The Communications department organized an information table to support the presentations, including brochures and promotional items, and worked with the Tulo Centre to release the “Beyond Transfers” video on social media.

**National Meeting Support** – Communications undertook work to support the National Meeting of FMA and FNLMA First Nations (Our Lands. Our Jurisdiction. Our Institutions: First Nations Leading the Way, Richmond, BC, May 2018). Communications published a conference website [www.FNleadingtheway.ca](http://www.FNleadingtheway.ca) designed to hold the conference information, be a portal to the online registration component, and to host the live stream and other post-conference material.

**Presentations** – FNTC provided 56 presentations in 2017/18, including one to the National Intertribal Taxation Alliance (NITA). NITA is an organization of American tribes that shares knowledge to advance tribal taxation jurisdiction. In September 2017, the FNTC and Tulo Centre made a series of presentations about taxation and capacity development in Canada to the annual NITA conference in Connecticut. The presentations were well received, and it was proposed that a formal relationship be established between NITA and the FNTC in 2018/2019.

**First Nations Gazette** – In 2017/18, Communications managed the *First Nations Gazette* (FNG), continuing to operate its full and expanded range of online services through its website [www.fng.ca](http://www.fng.ca). During this period, the FNG published 342 laws, by-laws, and codes; 207 notices; and 20 new policies, procedures, and standards. There was also an increase of 106 new FNG customers.

On June 21, 2017, the **FNG celebrated its 20th anniversary**. For the past two decades, the FNG has been supporting the legal voice of First Nations and continues in its role supporting the emerging voice of First Nation self-determination. First Nations publish their laws in the FNG to support the enforcement and governance of their laws. Because of this, First Nations have been moving the FNG forward, and have requested new services that have led to many of FNG's technical innovations.

### In recognition of this milestone, the FNG

- created a special logo
- produced a video series documenting the history of the FNG
- presented Clearing the Path spotlight
- created a timeline graphic







## Education

The Education business line promotes an understanding of the real property taxation systems of First Nations, develops training programs for First Nation real property tax administrators, and builds capacity in First Nations to administer their taxation systems.

The FNTC works with the Tulo Centre and Thompson Rivers University to support the delivery of courses for the Certificate in First Nation Tax Administration, the Certificate in First Nation Applied Economics, and the Certificate in First Nation Applied Lands Management.

### KEY ACCOMPLISHMENTS

**Course Delivery** – In 2017/18, Education and the Tulo Centre delivered 10 accredited courses of the Certificate in First Nation Tax Administration program and the Certificate in Applied Economics. Included for the first time was Resource Development on First Nation Lands, APEC 2660 in the Applied Economics program.



**Graduation** – The Class of 2017 included 15 graduates from the Certificate in First Nation Tax Administration program.

- **Kimberly Albinet**, Stellat'en First Nation
- **Mercedes Brown**, We Wai Kai Nation
- **Jennifer Doss**, Xaxli'p First Nation
- **Heather Fader**, Shackan Indian Band
- **Rena Gregoire**, Adams Lake Band
- **Lisa Hall**, Kwaw-kwaw-Apilt First Nation
- **Jesse James**, Shxw'ow'hamel First Nation
- **Winston Lapatak**, Saddle Lake Cree Nation
- **Kenneth Large**, Saddle Lake Cree Nation
- **Keith Morgan**, Kispiox Band
- **Beth Nicholas**, Tobique First Nation
- **Tania Solonas**, McLeod Lake Indian Band
- **Miranda Squakin**, Upper Similkameen Indian Band
- **Bernice Whalley**, Kwantlen First Nation
- **Gailene William**, Williams Lake Indian Band



**Regional Workshops** – In 2017/18, the FNTC and the Tulo Centre delivered four regional workshops (Ontario, Alberta, Atlantic, BC) to First Nations:

- Implementing FMA Taxation Systems in Ontario – Toronto, August 10/2017 (22 participants from 7 First Nations)
- Implementing FMA Taxation Systems in Alberta – Edmonton, November 2, 2017 (over 25 participants from 13 First Nations)
- Implementing FMA Taxation Systems in Mi'kmaq and Maliseet Nations – Halifax, January 25, 2018 (19 participants from 10 First Nations and organizations)
- Towards a New First Nation Fiscal Relationship – Vancouver, February 15, 2018 (19 participants from 12 First Nations)

**"Beyond Transfers" Video** – A video was produced to help explain what fiscal power is, how it is different than transfers, and why fiscal powers are preferable. The video was part of the communications at the BC Summit Meeting on October 13, 2017. The video is available at [fntc.ca/videos/](http://fntc.ca/videos/).

Education also maintained and provided support for TAS, supported training in First Nation tax administration, maintained and updated the Tulo Centre website, supported the Tulo Centre graduation, and maintained alumni support.





## Dispute Management and Negotiations

The objective of Dispute Management and Negotiations is to prevent or provide for the timely resolution of disputes in relation to the application of local revenue laws in fulfilment of the Commission's purposes. The Dispute Management and Negotiations business line also supports negotiations related to the implementation of First Nations property taxation.

### KEY ACCOMPLISHMENTS

In 2017/18, Dispute Management and Negotiations continued to respond to requests for negotiation facilitation and dispute resolution support and maintained a roster of qualified mediators. Highlights and key accomplishments from 2017/18 included the following:

- Worked with New Brunswick Assessment, Municipal Property Assessment Corporation (Ontario), and BC Assessment Authority to improve assessment services and efficiency for First Nations in those provinces;
- Conducted research to support the selection of the court of competent jurisdiction (federal or provincial) for First Nation tax system support;
- Updated and enhanced FNTC model service agreement between First Nations and local governments with respect to service agreement pricing, recognition of First Nation jurisdiction, and shared land use planning processes;
- Facilitated service agreement and provided support in Manitoba, Saskatchewan, and Alberta leading to a new pricing precedent based on the FNTC model being established in Manitoba between the City of Brandon and the Gambler First Nation;
- Worked with and provided support to interested Saskatchewan First Nations, First Nation organizations, and the provincial government in support of a Business Activity Tax for casino gaming;
- Developed options, presentations, and proposals to support First Nations interested in implementing Ontario tobacco tax jurisdiction in discussions with the provincial government;
- Provided communications and negotiation training in partnership with the Consensus Building Institute to 19 participants from First Nations in the Atlantic region in support of implementing First Nation property tax systems in their respective provinces;
- Responded to legal challenges to the First Nations tax system.

“When I think of property taxation, I think of that as a

fundamental right of a government.

It's a way that we express our jurisdiction and our sovereignty for these lands. And it's a way that we are able to provide the kind of services that our taxpayers want to see and be accountable to our taxpayers in a direct and meaningful way.”

—Christina Clarke, Songhees  
Nation Tax Administrator





# Financial Statements







# First Nations Tax Commission

## Financial Statements

For the year ended March 31, 2018

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## Management's Responsibility for Financial Reporting

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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 FNTC 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 FNTC'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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BDO Canada LLP  
300 - 275 Lansdowne Street  
Kamloops BC V2C 6J3

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the First Nations Tax Commission ("FNTC") as at March 31, 2018, 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 information.

### 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 error.

### 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, 2018 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.



Chartered Professional Accountants

Kamloops, British Columbia  
June 12, 2018

## First Nations Tax Commission Statement of Financial Position

As at March 31	2018	2017
<b>Financial Assets</b>		
Cash (Note 3)	\$ 2,376,085	\$ 2,469,066
Accounts receivable (Note 4)	85,542	73,987
	<u>2,461,627</u>	<u>2,543,053</u>
<b>Liabilities</b>		
Accounts payable (Note 5)	804,055	762,793
Contracts payable (Note 6)	1,635,063	1,609,100
	<u>2,439,118</u>	<u>2,371,893</u>
<b>Net financial assets</b>	<u>22,509</u>	<u>171,160</u>
<b>Non-financial Assets</b>		
Prepaid expenses	77,231	42,574
Tangible capital assets (Note 7)	386,466	277,558
	<u>463,697</u>	<u>320,132</u>
<b>Accumulated Surplus</b> (Note 11)	<u>\$ 486,206</u>	<u>\$ 491,292</u>

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 Assets

For the year ended March 31	Financial plan	2018	2017
<b>Annual deficit</b>	\$ -	\$ (5,086)	\$ (1,271)
Acquisition of tangible capital assets	-	(353,525)	(178,750)
Amortization of tangible capital assets	-	244,617	208,810
	-	(113,994)	28,789
Acquisition of prepaid expenses	-	(34,657)	(6,128)
<b>Net change in net financial assets</b>	-	(148,651)	22,661
<b>Net financial assets, beginning of year</b>	171,160	171,160	148,499
<b>Net financial assets, end of year</b>	\$ 171,160	\$ 22,509	\$ 171,160

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	2018	2017
<b>Revenue</b>			
Corporate Plan	\$ 6,157,450	\$ <b>6,172,411</b>	\$ 6,019,222
Initiatives: First Nations Infrastructure Institution, Aboriginal Resource Tax, and Indigenous Land Title	947,710	<b>947,710</b>	995,652
First Nations Infrastructure Institution – Phase 2 and First Nations FMA National Meeting Planning	444,528	<b>444,528</b>	-
National Meeting Planning and Tulo Centre Workshops	-	-	101,608
Research: One Window Service	-	-	44,231
Tulo Certificate in FNALM*	-	-	54,600
Tulo Long Term Strategy	-	-	35,532
	<u>7,549,688</u>	<u><b>7,564,649</b></u>	<u>7,250,845</u>
<b>Expenses</b>			
Corporate Plan	6,157,450	<b>6,177,497</b>	6,020,493
Initiatives: First Nations Infrastructure Institution, Aboriginal Resource Tax, and Indigenous Land Title	947,710	<b>947,710</b>	995,652
First Nations Infrastructure Institution – Phase 2 and First Nations FMA National Meeting Planning	444,528	<b>444,528</b>	-
National Meeting Planning and Tulo Centre Workshops	-	-	101,608
Research: One Window Service	-	-	44,231
Tulo Certificate in FNALM*	-	-	54,600
Tulo Long Term Strategy	-	-	35,532
	<u>7,549,688</u>	<u><b>7,569,735</b></u>	<u>7,252,116</u>
<b>Annual deficit</b>	-	<b>(5,086)</b>	(1,271)
<b>Accumulated surplus, beginning of year</b>	491,292	<b>491,292</b>	492,563
<b>Accumulated surplus, end of year</b>	\$ 491,292	\$ <b>486,206</b>	\$ 491,292

\* FNALM – First Nations Applied Land Management

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



## First Nations Tax Commission Statement of Cash Flows

For the year ended March 31	2018	2017
<b>Operating activities</b>		
Annual deficit	\$ (5,086)	\$ (1,271)
Items not involving cash		
Amortization	244,617	208,810
Changes in non-cash operating balances		
Accounts receivable	(11,555)	22,531
Prepaid expenses	(34,657)	(6,128)
Accounts payable and contracts payable	67,225	(196,634)
<b>Cash flows from operating activities</b>	<b>260,544</b>	<b>27,308</b>
<b>Capital activity</b>		
Purchase of tangible capital assets	(353,525)	(178,750)
<b>Net decrease in cash</b>	<b>(92,981)</b>	<b>(151,442)</b>
<b>Cash, beginning of year</b>	<b>2,469,066</b>	<b>2,620,508</b>
<b>Cash, end of year</b>	<b>\$ 2,376,085</b>	<b>\$ 2,469,066</b>

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

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## First Nations Tax Commission

### Notes to Financial Statements

March 31, 2018

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#### 1. 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:

<u>Asset</u>	<u>Rate</u>
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.



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## First Nations Tax Commission

### Notes to Financial Statements

March 31, 2018

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

##### Segmented Information

The FNTC has a head office on the reserve lands of the Tk'emlups te Secwepemc 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, a Deputy Chief Commissioner, and seven Commissioners appointed by the Governor-in-Council and one Commissioner appointed by the Native Law Centre of Canada at the University of Saskatchewan. At March 31, 2018, one Commissioner position appointed by the Governor-in-Council was vacant. 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 presentations to First Nations, attending and hosting professional conferences, preparing and distributing the FNTC 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, 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 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") administrative requirements.

##### Dispute Management and Negotiations

The objective of the Dispute Management and Negotiations 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 First Nation tax authorities as requested. Dispute Management and Negotiations supports and manages the review of complaints.

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## First Nations Tax Commission

### Notes to Financial Statements

March 31, 2018

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#### 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 adopted property taxation.

##### First Nations Gazette

The Gazette business line manages the publication and distribution 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 Development and Review; Legislative Affairs

The Law/By-law Development and Review; Legislative Affairs 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 Development and Review; Legislative Affairs business line also develops sample laws under the FMA and by-laws under s.83 of the *Indian Act*. The Law/By-law Development and Review; Legislative Affairs business line reviews and liaises with Indigenous and Northern Affairs Canada ("INAC") 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 system.

##### Research and Other Special Projects

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



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## First Nations Tax Commission

### Notes to Financial Statements

March 31, 2018

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#### 2. Nature of Operations

The FNTC is a national shared governance institution with a head office on the reserve lands of the Tk'emlups te Secwepemc 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. FNTC was created through passage of the *First Nations Fiscal Management Act*.

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#### 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%.

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#### 4. Accounts Receivable

	2018	2017
Goods and Services/Harmonized Sales Tax rebates receivable	\$ 71,979	\$ 57,804
Other	13,563	16,183
	<u>\$ 85,542</u>	<u>\$ 73,987</u>

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#### 5. Accounts Payable

The FNTC is the sponsor of an employee benefit plan. Included in accounts payable at March 31, 2018 is \$380,300 (2017 – \$475,626) of accrued benefits payable based on an actuarial report dated March 31, 2018.

## First Nations Tax Commission Notes to Financial Statements

March 31, 2018

### 6. Contracts Payable

The FNTC 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, 2018, all accrued amounts are planned for completion as part of current funded initiatives.

### 7. Tangible Capital Assets

	2018			2017		
	Leasehold Improvements	Equipment, Furniture & Fixtures	Total	Leasehold Improvements	Equipment, Furniture & Fixtures	Total
Cost, beginning of year	\$ 445,811	\$ 1,138,654	\$ 1,584,465	\$ 417,081	\$ 1,929,744	\$ 2,346,825
Additions	94,655	258,870	353,525	28,730	150,020	178,750
Disposals	-	-	-	-	(941,110)	(941,110)
Cost, end of year	540,466	1,397,524	1,937,990	445,811	1,138,654	1,584,465
Accumulated amortization, beginning of year	316,451	990,456	1,306,907	264,670	1,774,537	2,039,207
Accumulated amortization of assets disposed of	-	-	-	-	(941,110)	(941,110)
Amortization	60,135	184,482	244,617	51,781	157,029	208,810
Accumulated amortization, end of year	376,586	1,174,938	1,551,524	316,451	990,456	1,306,907
Net carrying amount, end of year	\$ 163,880	\$ 222,586	\$ 386,466	\$ 129,360	\$ 148,198	\$ 277,558

### 8. Economic Dependence

FNTC receives substantially all of its revenue pursuant to a funding arrangement with the Government of Canada. In addition to the Government's funding of \$6,147,450 (2017 – \$6,000,000) for Corporate Plan activities, contributions by the Government and through other income are necessary for the FNTC to undertake specific research and policy development initiatives.



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## First Nations Tax Commission

### Notes to Financial Statements

March 31, 2018

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#### 9. Financial Instruments

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

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#### 10. Commitments

FNTC entered into an operating lease for its premises in Ottawa, ON. The office is leased at base rent of \$3,177 per month plus applicable taxes under a lease expiring in March 2023.

FNTC entered into an operating lease for its premises in Kamloops, BC. The office is leased at basic rent of \$6,997 per month plus applicable taxes under a lease expiring in March 2021.

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 \$371 – \$1,706 per month plus applicable taxes with lease expiration dates ranging from July 2019 – February 2020.

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

2019	\$	130,390
2020		125,149
2021		122,083
2022		38,120
2023		38,120
		<hr/>
	\$	<u>453,862</u>

## First Nations Tax Commission Notes to Financial Statements

**March 31, 2018**

### 11. Accumulated Surplus

The Commission segregates its accumulated surplus in the following categories:

	2018	2017
Investment in tangible capital assets	\$ 386,466	\$ 277,558
Operational surplus	99,740	213,734
	<b>\$ 486,206</b>	<b>\$ 491,292</b>

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

### 12. Statements of Expenditures by Object

	2018	2017
Amortization	\$ 244,617	\$ 208,810
Goods and services	4,897,171	4,562,981
Salaries and honorarium	2,427,947	2,480,325
	<b>\$ 7,569,735</b>	<b>\$ 7,252,116</b>

### 13. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.

# First Nations Tax Commission

## Notes to Financial Statements

March 31, 2018

### 14. Segmented Information

For the year ended March 31, 2018	Commission Services	Communications	Corporate Services	Dispute Management and Negotiations	Education	First Nations Gazette	Law/By-Law Development and Review; Legislative Affairs	Policy Development	Research and Other Special Projects	2018 Total
<b>Revenue</b>										
Government of Canada	\$ 893,085	\$ 786,336	\$ 1,332,898	\$ 222,770	\$ 624,796	\$ 120,518	\$ 1,373,116	\$ 793,931	\$ 1,392,238	\$ 7,539,688
Interest	-	-	24,961	-	-	-	-	-	-	24,961
	893,085	786,336	1,357,859	222,770	624,796	120,518	1,373,116	793,931	1,392,238	7,564,649
<b>Expenses</b>										
Salaries and honoraria	600,419	212,847	470,856	65,615	192,420	-	576,979	308,811	-	2,427,947
Goods and services	234,841	540,555	686,144	187,661	513,594	71,698	838,398	432,042	1,392,238	4,897,171
Amortization	7,364	18,440	186,694	-	3,246	14,692	7,474	6,707	-	244,617
	842,624	771,842	1,343,694	253,276	709,260	86,390	1,422,851	747,560	1,392,238	7,569,735
<b>Net surplus (deficit)</b>	\$ 50,461	\$ 14,494	\$ 14,165	\$ (30,506)	\$ (84,464)	\$ 34,128	\$ (49,735)	\$ 46,371	\$ -	\$ (5,086)

For the year ended March 31, 2017	Commission Services	Communications	Corporate Services	Dispute Management and Negotiations	Education	First Nations Gazette	Law/By-Law Development and Review; Legislative Affairs	Policy Development	Research and Other Special Projects	2017 Total
<b>Revenue</b>										
Government of Canada	\$ 893,085	\$ 734,777	\$ 1,267,130	\$ 248,585	\$ 596,853	\$ 145,238	\$ 1,330,421	\$ 783,911	\$ 1,231,623	\$ 7,231,623
Interest	-	-	19,222	-	-	-	-	-	-	19,222
	893,085	734,777	1,286,352	248,585	596,853	145,238	1,330,421	783,911	1,231,623	7,250,845
<b>Expenses</b>										
Salaries and honoraria	607,352	230,440	481,030	62,322	201,149	-	580,239	317,793	-	2,480,325
Goods and services	194,527	452,825	783,522	138,645	418,740	174,203	782,218	386,678	1,231,623	4,562,981
Amortization	11,200	17,461	140,598	-	19,919	4,000	8,677	6,955	-	208,810
	813,079	700,726	1,405,150	200,967	639,808	178,203	1,371,134	711,426	1,231,623	7,252,116
<b>Net surplus (deficit)</b>	\$ 80,006	\$ 34,051	\$ (118,798)	\$ 47,618	\$ (42,955)	\$ (32,965)	\$ (40,713)	\$ 72,485	\$ -	\$ (1,271)





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## Notice to Reader

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On the basis of information provided by management, we have compiled the schedules for various programs of the First Nations Tax Commission for the ended March 31, 2018.

We have not performed an audit or a review engagement in respect of this financial information and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

A handwritten signature in black ink that reads 'BDO Canada LLP'.

Chartered Professional Accountants  
Kamloops, British Columbia  
June 12, 2018

**First Nations Tax Commission**  
**Schedule 1 – Corporate Plan**  
**(Unaudited)**

<b>For the year ended March 31</b>	Financial plan	<b>2018</b>	2017
<b>Revenue</b>			
Government of Canada	\$ 6,147,450	<b>\$ 6,147,450</b>	\$ 6,000,000
Interest and other income	10,000	<b>24,961</b>	19,222
	<u>6,157,450</u>	<b><u>6,172,411</u></b>	<u>6,019,222</u>
<b>Expenses</b>			
Commission Services	893,085	<b>842,624</b>	813,079
Communications	786,336	<b>771,842</b>	700,727
Corporate Services	1,342,898	<b>1,343,693</b>	1,405,149
Dispute Management and Negotiations	222,770	<b>253,276</b>	200,967
Education	624,796	<b>709,260</b>	639,808
First Nations Gazette	120,518	<b>86,390</b>	178,203
Law/By-law Development and Review; Legislative Affairs	1,373,116	<b>1,422,851</b>	1,371,134
Policy Development	793,931	<b>747,561</b>	711,426
	<u>6,157,450</u>	<b><u>6,177,497</u></b>	<u>6,020,493</u>
<b>Deficiency of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ (5,086)</b>	<b>\$ (1,271)</b>

**First Nations Tax Commission**  
**Schedule 2 – First Nations Infrastructure Institution,**  
**Aboriginal Resource Tax, and Indigenous Land Title Initiatives**

<b>For the year ended March 31</b>	<b>Financial plan</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Government of Canada	\$ 947,710	\$ <b>947,710</b>	\$ 995,652
<b>Expenses</b>			
First Nations Infrastructure Institution			
Institution – Phase 1			
Legal Professional Support	16,000	<b>8,760</b>	-
Policy Support	175,500	<b>186,863</b>	-
Development Board	92,000	<b>75,009</b>	-
Meetings	60,000	<b>58,181</b>	-
IT and Website	24,000	<b>36,900</b>	-
Administration Support & Reporting	29,400	<b>29,400</b>	-
Communication Support	-	-	127,179
Business Case Research Project	-	-	145,946
Preliminary Design and Pilot Project Proposal	-	-	114,789
Coordination and Strategic Planning	-	-	31,018
	<b>396,900</b>	<b>395,113</b>	418,932
Aboriginal Resource Tax			
Legal Professional Support	33,600	<b>15,330</b>	12,300
Policy Professional Support	108,000	<b>141,404</b>	206,713
Meetings & Presentations	123,910	<b>110,749</b>	82,987
Administration Support & Reporting	21,240	<b>21,240</b>	24,160
	<b>286,750</b>	<b>288,723</b>	326,160
Indigenous Land Title			
Legal Professional Support	100,000	<b>128,565</b>	-
Policy Professional Support	98,000	<b>73,800</b>	-
Meetings & Presentations	46,500	<b>41,949</b>	-
Administration Support & Reporting	19,560	<b>19,560</b>	-
TDP* Finalization and Communication Materials	-	-	80,318
Torrens System and Modernization Option	-	-	68,457
Ready to Use Legal Framework Completion	-	-	85,153
Coordination and Strategic Planning	-	-	16,632
	<b>264,060</b>	<b>263,874</b>	250,560
	<b>947,710</b>	<b>947,710</b>	995,652
<b>Excess of revenue over expenditures</b>	\$ -	\$ -	\$ -

\*TDP – Technical Discussion Paper



**First Nations Tax Commission**  
**Schedule 3 – First Nations Infrastructure Institution**  
**and First Nations FMA National Meeting Planning**

<b>For the year ended March 31</b>	Financial plan	<b>2018</b>	2017
<b>Revenue</b>			
Government of Canada	\$ 444,528	<b>\$ 444,528</b>	\$ -
<b>Expenses</b>			
First Nations Infrastructure Institution			
Institution – Phase 2			
Policy Support	80,600	<b>78,823</b>	-
Communications Support	46,800	<b>40,180</b>	-
Development Board Participation/Review	63,700	<b>30,750</b>	-
Research and Infrastructure Expert Support	49,500	<b>61,057</b>	-
Meetings and Travel	95,000	<b>124,640</b>	-
IT Support and Maintenance	6,000	<b>6,150</b>	-
Administrative Support & Reporting	27,328	<b>27,328</b>	-
	368,928	<b>368,928</b>	-
First Nations FMA National Meeting Planning			
Professional Fees	30,000	<b>30,000</b>	-
Planning Support	40,000	<b>40,000</b>	-
Administrative Support & Reporting	5,600	<b>5,600</b>	-
	75,600	<b>75,600</b>	-
	444,528	<b>444,528</b>	-
<b>Excess of revenue over expenditures</b>	\$ -	<b>\$ -</b>	\$ -

**First Nations Tax Commission**  
**Schedule 4 – National Meeting of Taxing**  
**First Nations Planning and Tulo Centre Workshops**  
**(Unaudited)**

<b>For the year ended March 31</b>	Financial plan	<b>2018</b>	2017
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 101,608
<b>Expenses</b>			
National Meeting Planning:			
Professional Support and Materials	-	-	25,000
Meetings	-	-	3,000
Policy and Professional Support	-	-	13,000
Reporting and Support	-	-	3,824
	-	-	44,824
Tulo Centre Workshops:			
Identifying Opportunities	-	-	2,300
Workshop Materials	-	-	16,900
Workshop Delivery	-	-	33,600
Administration	-	-	3,984
	-	-	56,784
	-	-	101,608
<b>Excess of revenue over expenditures</b>	\$ -	\$ -	\$ -

**First Nations Tax Commission**  
**Schedule 5 – Research: One Window Service**  
**(Unaudited)**

<b>For the year ended March 31</b>	Financial plan	<b>2018</b>	2017
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 44,231
<b>Expenses</b>			
Research and Drafting	-	-	33,085
Travel and Meetings	-	-	7,870
Administration and Reporting	-	-	3,276
	-	-	44,231
<b>Excess of revenue over expenditures</b>	\$ -	\$ -	\$ -



**First Nations Tax Commission**  
**Schedule 6 – Tulo Certificate In First Nations Applied Land Management**  
**(Unaudited)**

<b>For the year ended March 31</b>	<b>Financial plan</b>		<b>2018</b>	<b>2017</b>
<b>Revenue</b>				
Government of Canada	\$	-	\$	-
			\$	54,600
<b>Expenses</b>				
Professional and Technical Services		-	-	30,000
Communications and Marketing		-	-	3,000
Administrative Support & Accreditation		-	-	21,600
		-	-	54,600
<b>Excess of revenue over expenditures</b>	\$	-	\$	-
			\$	-

**First Nations Tax Commission**  
**Schedule 7 – Tulo Long Term Strategy**  
**(Unaudited)**

<b>For the year ended March 31</b>	Financial plan	<b>2018</b>	2017
<b>Revenue</b>			
Government of Canada	\$ -	\$ -	\$ 35,532
<b>Expenses</b>			
Professional Development and Support Activities	-	-	32,900
Administration	-	-	2,632
	-	-	35,532
<b>Excess of revenue over expenditures</b>	\$ -	\$ -	\$ -



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