



First Nations Tax Commission

Corporate Plan 2020/2021





Mandate

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

As set out in section 29 of the FMA, the mandate of the FNTC is to:

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

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

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



Vision and Mission

Vision

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

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

Mission

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

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

A Positive Force in First Nation Economic Development and Self-Determination

The establishment of tax systems by First Nation governments secures reliable sources of revenue from taxpayers that have leasehold or other interests in reserve lands, with the revenues used to fund necessary infrastructure and community services. This applies to a wide range of activities and investments, including residential properties, commercial developments, recreation facilities, utility properties, resource development, and agricultural operations. In addition to providing tax revenues to help fund necessary infrastructure and community services, many of these business activities generate employment and commercial opportunities for community members.





Executive Summary

The First Nations Tax Commission (the FNTC) regulates, supports and advances First Nation taxation under the *First Nations Fiscal Management Act* (the FMA) and under section 83 of the *Indian Act*.

The FMA is a successful First Nation-led legislative and institutional framework that now has 282 participating First Nations. The FMA has helped First Nations to build economies and infrastructure and to implement jurisdiction. FMA institutions have helped First Nations generate over a billion dollars in revenues for better community services and infrastructure, and attract billions more of investment to First Nation communities. The FMA has been recognized internationally as a model to implement Indigenous jurisdiction and improve socio-economic outcomes. The FMA and the FNTC have become a cornerstone in Canada's strategy for expanded First Nation jurisdiction, an improved First Nation fiscal relationship, and better First Nation services and infrastructure.

Status and Progress

Since its inception in 2007, there has been continuous growth in the number of FMA-participating First Nations. Over 44% of all First Nations in Canada have now been added to the FMA, and this number continues to grow each year. There are now FMA-participating First Nations in every province and the Northwest Territories.

The number of First Nations in Canada that are taxing or developing taxation laws has more than doubled since 2007. First Nation taxation jurisdiction continues to expand beyond property tax, as more First Nations enact development cost charges laws, business activity tax laws, and other forms of taxation and fees to fund local services and enable communities to share in the economic activity that is happening on their lands. In 2019, anticipated local revenues collected by First Nations in Canada will exceed \$97 million.

Demand for capacity development and training, presentations, and outreach to First Nation governments that are interested in, or implementing, tax jurisdiction continues to increase significantly each year.

Building on the progress to date, and continuing the commitment to innovation, efficiency, service quality, better socio-economic outcomes, and expansion of First Nation jurisdiction, the FNTC has set out its objectives, strategic directions and priorities for 2020/2021 in this Corporate Plan.

Details of the FNTC's progress against its ongoing goals and past Corporate Plan commitments are set out in the "*Performance*" and "*Scorecard*" sections of this Plan.

Emerging Issues and Factors

The FNTC operates in a constantly changing policy environment, and evaluates ongoing and emerging conditions that may have an impact on the demand for, and nature of, its services and activities. This Plan reflects both ongoing and new initiatives to respond to growing demands and emerging opportunities for FNTC services anticipated in 2020/2021. Most notably these include strategies and initiatives to support:

- Greater First Nation participation in the FMA
- An expanding range of First Nation tax jurisdictions
- Continuous improvement in FNTC services and related processes
- International collaboration on best practices in Indigenous economic development

This Plan also includes measures to mitigate and respond to critical areas of risk and uncertainty that might otherwise impact the FNTC in achievement of its mission, most notably:

- Unpredictable and short-term funding that limits longer-term plans and commitments
- Increased demand for FNTC engagement and services
- Challenges to the regulatory framework

Directions and Priorities

This Plan identifies and highlights measures to advance the following strategic directions and priorities for the FNTC for 2020/2021:

- 1.** Continue to provide property tax system advice and support to First Nations.
- 2.** Strengthen FNTC service delivery through innovation and renewal.
- 3.** Improve the FNTC performance measurement system.
- 4.** Increase the number of First Nations with First Nation property tax systems.
- 5.** Expand and enrich FNTC services for First Nations.
- 6.** Advance a jurisdiction-based fiscal relationship for First Nations.
- 7.** Contribute to amendment of the FMA and FMA regulations.
- 8.** Develop and strengthen partner institutions.

Based on the activities and work plan outlined in this Corporate Plan, the FNTC has estimated its funding requirements from the Government of Canada to be \$7,681,000 for 2020/2021. In addition, the FNTC will seek supplemental funding to enable it to proceed with incremental work on advancing a jurisdiction-based fiscal relationship for First Nations (item 6 above) and developing and strengthening partner institutions (item 8 above).



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Profile Organization and Management

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

Participating First Nations

Participation in the FMA is optional. First Nations must request, through a Band Council Resolution (BCR), to be added to the Schedule to the FMA. Participating First Nation governments then have opportunities to exercise fiscal powers by enacting FMA laws—including property tax laws and financial administration laws—and to participate in pooled debenture financing for infrastructure and economic development.

As of December 2019, 282 First Nations (44% of all First Nations in Canada) have been scheduled on the FMA, with more requesting to be scheduled every year. Of these participating First Nations, 123 have enacted property tax laws under the FMA, 145 have had their financial performance certified by the First Nations Financial Management Board (FNFM), and 89 have qualified as borrowing members under provisions of the First Nations Finance Authority (FNFA). (See *FMA Institution Partners* further below.) There are now FMA-participating First Nations in every province plus Northwest Territories.

In addition, 33 First Nations currently have property tax by-laws under section 83 of the *Indian Act* (s. 83), of which 26 are actively taxing under their by-laws.

Commissioners

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

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

- Chief Commissioner
- Deputy Chief Commissioner

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

A tenth Commissioner is appointed by the Native Law Centre, University of Saskatchewan (the NLC)—the appointing body prescribed by the *First Nations Tax Commissioner Appointment Regulations*.

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

The current Commissioners are:

- **C.T. (Manny) Jules** (*Tk'emlúps te Secwepemc*, BC)—Chief Commissioner and CEO
- **David Paul** (*Tobique First Nation*, NB)—Deputy Chief Commissioner
- **Dr. Céline Auclair** (Gatineau, QC)—Commissioner
- **Terry Babin** (Canal Flats, BC)—NLC-appointed Commissioner
- **Leslie Brochu** (*Little Shuswap Indian Band*, BC)—Residential Taxpayer Commissioner
- **Ken Marsh** (Okotoks, AB)—Utility Taxpayer Commissioner
- **William McCue** (*Chippewas of Georgina Island First Nation*, ON)—Commissioner
- **Georjann Morriseau** (*Fort William First Nation*, ON)—Commissioner
- **Randolph Price** (North Vancouver, BC)—Commercial Taxpayer Commissioner

There is currently one vacancy on the Commission.

Governance

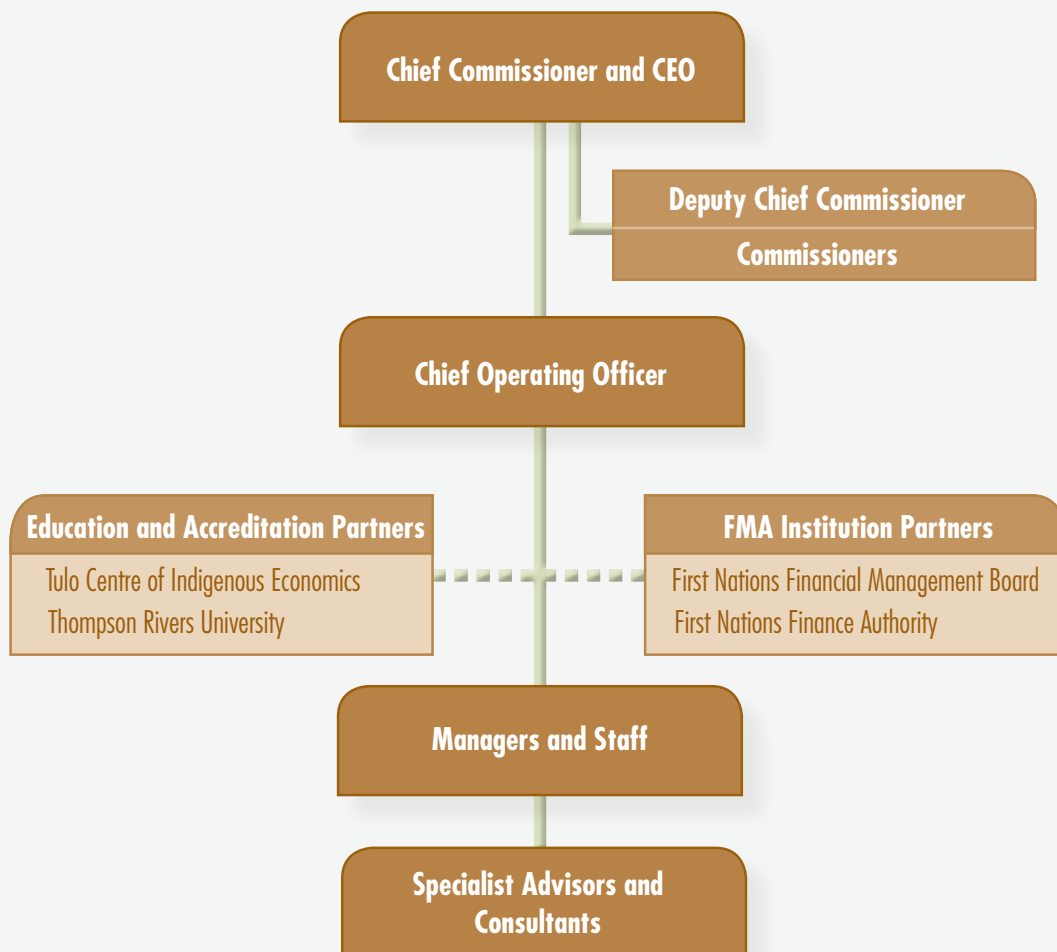
In addition to presiding over the Commission, the Chief Commissioner chairs the Executive Management Committee. In his capacity as CEO, the Chief Commissioner also oversees the general governance and operation of the FNTC.

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

The Chief Commissioner has established the following committees—which may consist of some Commissioners only, or some Commissioners plus staff and/or other professionals as appropriate—to guide and support the FNTC's work:

- **Executive Management Committee** (CC/CEO, DCC, COO):
 - Provide advice to the CEO on the development and revision of FNTC goals, objectives, work plans, budgets, schedules and resources.
 - Develop strategic, operational and tactical plans and approaches to evaluation.
 - Serve as a think tank for the CEO on planning, organization and control functions.
- **Management Committee** (COO and Directors):
 - Provide advice to the COO on the development and revision of goals, objectives and performance measures, corporate plans, work plans, budgets, schedules and resources required for long- and short-term planning activities.

- **Audit Committee** (three Commissioners)—as provided under s. 128(2) of the FMA:
 - Review and advise the Commission in respect of financial statements included in the *FNTC Annual Report*.
 - Oversee any internal audit of the FNTC.
 - Review and advise the Commission in respect of the annual Auditor’s report on the FNTC.
 - Review and advise the Commission in respect of any plan and report of a Special Examiner.
 - Perform any other functions assigned to it by the Commission.
- **Section 83 Rates Committee** (DCC and two Commissioners):
 - Review, and recommend for Ministerial approval, s. 83 rates and expenditure by-laws that are made in accordance with FNTC policy.
 - Develop appropriate review and recommendation procedures to guide the Committee in its deliberations, with a view to ensuring timely Ministerial approvals.
 - Report to the Commission, at the next regularly scheduled meeting of the FNTC, on its activities since the last meeting of the Commission.
- **First Nations Gazette Editorial Board:**
 - Provide advice to the *First Nations Gazette* Working Group on *First Nations Gazette* policies, planning, services and initiatives.
 - Provide input and support on Memoranda of Understanding (MOUs) and other collaborative arrangements involving the *First Nations Gazette*.



Offices and Staff

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

The FNTC is supported by a team of 23 full-time and contracted professionals dedicated to delivery of the functions and services detailed further below. This arrangement ensures the FNTC has ready access to the best experts in critical disciplines such as law, dispute mediation, economic development, and policy research and analysis.

FMA Institution Partners

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

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

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



TULO—Chinook for “Earned Profit”

The Chinook language was an innovative tool to facilitate an Indigenous economy stretching from Alaska to California over a century ago, creating wealth, and supporting the well-being and cultural practices of Indigenous communities. The Tulo Centre captures that entrepreneurial spirit by sharing modern-day practical solutions for First Nation governments to build their economies, providing the means to improve the income, health, education and well-being of their communities.

Education and Accreditation Partners

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

Incorporated on January 31, 2008, the Tulo Centre is a Canadian charitable organization whose mission is to assist interested First Nations in building legal and administrative frameworks that support markets on their lands. It delivers education programs and conducts research in the areas of First Nation public administration.

TRU is a public teaching and research university offering undergraduate and graduate degrees and vocational training. Its main campus is in Kamloops, British Columbia.

Under MOUs signed with each other and with the FNTC, the Tulo Centre and TRU offer a *First Nation Tax Administration Certificate* program that provides the knowledge and skills needed to implement and operate a First Nation property tax system using the powers set out in the FMA. This is complemented by the *First Nation Applied Economics Certificate* program delivered in conjunction with the FNTC and TRU, plus a range of other joint workshops, webinars and special courses. The Tulo Centre also offers an accredited certificate in *First Nation Applied Lands Management* with TRU.

Certification in First Nation Tax Administration

To date, 173 students from 78 First Nations have participated in the *Certificate in First Nation Tax Administration* program delivered under a partnership between the FNTC, the Tulo Centre of Indigenous Economics and Thompson Rivers University. A total of 81 students from seven provinces have completed all eight courses for successful graduation.



Programs Functions and Services

In delivering on its mandate, vision and mission, the FNTC undertakes a comprehensive range of functions and services designed to meet the evolving interests, needs and circumstances of First Nations and their taxpayers. The aim of these functions and services is to ensure the integrity of the system of First Nation real property taxation, and to promote a common approach to First Nation real property taxation nationwide, having regard to variations in provincial real property taxation systems.

Regulatory Framework Development

Policy Development

Policy development includes the design, development and promotion of policies and standards. The objective is to develop and implement—through a transparent process—effective standards and policies that support the FNTC’s policy objectives, including: expanding First Nation jurisdiction; promoting harmonization; fostering efficiencies; increasing First Nation, taxpayer and investor confidence in the integrity of the First Nation local revenue systems; and reconciling the interests of First Nation governments with those of stakeholders in the First Nation tax system. *Policies* address: section 83 by-law making with respect to property taxation, property assessment, tax rate setting, expenditures, and business licensing; as well as dispute resolution, and public input with respect to standards, policies and procedures. *Standards* address: the form and content of local revenue laws; enforcement procedures; criteria for approval of laws; notices relating to local revenue laws; the form in which information required is to be provided to the Commission; and the dates by which laws must be made by a council of a First Nation.

Legislative Affairs and Legal Services

Legislative affairs and legal services include monitoring legal developments and rulings, analyzing and providing advice regarding legislative and regulatory processes, and supporting other legal initiatives. The objective is to provide advice and to support decision making by the Commission, and to contribute to policy and standards development in the ongoing evolution and maturation of the regulatory framework for First Nation local revenue systems. This work includes analysis of the legal framework in jurisdictions across Canada, and assessment of implications for the design and implementation of First Nation tax systems. A core element involves working with the federal government to improve the legislative and regulatory framework, and monitoring legal developments that may impact First Nation property taxation under the FMA and the *Indian Act*.

Research and Innovation

Research and innovation activities include researching, exploring, testing and analyzing innovative approaches and mechanisms for the design, expansion and administration of First Nation tax systems. The objective is to: continually improve and enhance local revenue systems; expand First Nation jurisdiction; inform development of policies and standards; and identify means to reduce barriers to First Nation economic development.

Sample Laws and By-Laws

Sample law and by-law development includes developing and updating sample laws and by-laws, and providing related tools and advice. The objective is to support First Nations and professionals working with First Nations in law and by-law development processes. The sample laws and by-laws assist First Nations in the development of their own laws or by-laws. Sample laws are based on best practices, comply with the FMA requirements, the Regulations and any FNTC standards, and help to support the timely and efficient development of local revenue laws. Sample by-laws comply with the requirements under the *Indian Act* and any FNTC policies.

Law/By-Law Review and Commission Approval/Recommendation

Law and by-law review includes review and approval by the Commission of First Nation local revenue laws under the FMA, and Commission review and provision of recommendations to the Minister on by-laws under section 83 of the *Indian Act*. The objective is to assess compliance of First Nation laws and by-laws with applicable legislation, regulations, standards and policies.

Promulgation and Registration

First Nations Gazette

The FNTC operates and maintains the *First Nations Gazette*, a free searchable database of First Nation laws, by-laws and other enactments published on the website www.fng.ca. The objective—as set out in the *Gazette's* mission statement—is to “provide a comprehensive source for First Nation legislation in Canada, including laws, by-laws and other enactments, and to provide a public notification service for matters affecting First Nations.” The *First Nations Gazette* is the official record of all local revenue laws approved by the Commission, all standards and procedures established by the Commission under section 35 of the FMA, by-laws under section 83 of the *Indian Act* approved by the Minister, financial administration laws approved by the FNFMB, and standards developed by the FNFMB under section 55 of the FMA.

Protecting First Nation Jurisdiction

The FNTC's approval of the Mississaugas of Scugog Island First Nation Sewer Service Fee Law was the subject of an application of judicial review brought by the Ontario Lottery and Gaming Corp. (OLG). The application was dismissed and the FNTC's decision to confirm the law was affirmed. This was the third time First Nation tax jurisdiction has been challenged and confirmed by a court of law. Justice Grammond wrote in his decision: “As recognized by the Supreme Court in *Matsqui* and by Parliament in the preamble, the Act [the FMA], alongside other recent initiatives with respect to taxation and economic development, is aimed at recognizing and facilitating self-government.” The role of the FNTC in the law approval process was recognized by Justice Grammond: “(T)he Commission did exactly what Parliament intended it to do and, is doing so, fully complied with provisions of the Act.”

FMA and Section 83 Registries

The FNTC maintains and updates a registry of all approved local revenue laws and financial administration laws—as required under the FMA—and of all by-laws approved by the Minister under section 83 of the *Indian Act*. The objective is to provide comprehensive registries containing the originals of all approved local revenue laws, financial administration laws and s. 83 by-laws for formal reference as required.

First Nations Services

First Nation Law and By-Law Development

The FNTC provides advice and assistance to First Nations in their development and implementation of local revenue laws and by-laws. The objective is to support First Nations in the law development process, including providing assistance to First Nations entering the field of property taxation for the first time or transitioning to the FMA from *Indian Act* taxation. The work includes preparing technical reviews of submitted First Nations laws for compliance with the regulatory framework, providing presentations to First Nations governments on the law development process, and responding to enquiries.

Service Agreement Support

The FNTC provides support for the facilitation of service agreements between First Nations and local governments to advance implementation of property tax systems, additions to reserves, and treaty land entitlements. The objective is to help First Nations negotiate fair, efficient and effective service delivery arrangements with local governments. This also includes support for the development of samples, models and templates for service agreements.

Dispute Management and Negotiations

Dispute management includes support for negotiations relating to the implementation of First Nation property taxation and support for resolution of disputes in relation to the application of local revenue laws. The objective is to prevent disputes in relation to the application of local revenue laws and, where disputes do occur, to facilitate their timely, efficient and amicable resolution consistent with the principles and objectives of the applicable laws, regulations and procedures. This work also includes support for: negotiations for the provision of provincial assessment services; negotiations and coordination of First Nation taxation implementation with local and provincial governments; transition to assessment-based tax rates from service fees; response to taxpayer inquiries; and taxpayer relations systems, including taxpayer representation to council laws.

First Nations Leading the Way Conference 2019

At the 2019 *First Nations Leading the Way* conference in Calgary, 415 participants from 125 First Nations heard presentations from the FNTC, the FNFA, the FMB, the Lands Advisory Board and others, on leading the economy, celebrating success, and building vibrant communities. The Chairs of the institutions participated in a panel on legislative reform and economic opportunities, and signed an historic protocol agreeing to work together to improve governance, increase local jurisdiction and advance wealth generation for First Nations.

Engagement and Capacity Building

Communications and Outreach

Communications and outreach include engagement activities and the development of products and materials to promote the understanding of First Nation real property taxation systems. The objectives are to: support the voice of the FNTC in advocating for First Nation tax jurisdiction; promote broad understanding of the First Nation real property taxation systems and their benefits; strengthen linkages with other organizations and governments; promote best practices; and facilitate access to local revenue options and tools. This entails: aligning communications activities and messages with the FNTC's goals, objectives and plans; demonstrating the success and benefits of First Nation implementation of FMA powers; encouraging, engaging and supporting First Nation communities; building relationships with partners and stakeholders; and incorporating innovative media content in advancing the FNTC's communications and outreach goals.

Education, Training and Accreditation

Education, training and accreditation activities include the development and delivery of specialized training and formal certification for First Nation government staff in implementing FMA jurisdictions that lead to greater economic growth, investments, revenues and employment for First Nation communities. The objectives are to: promote understanding of the taxation systems of First Nations; develop knowledge and skills for First Nation real property tax administrators; and build capacity in First Nations to administer their taxation systems. This entails: sharing practical skills and knowledge for rebuilding the economic foundations for First Nation communities; developing and facilitating workshops; developing webinars; and providing logistics and support for students, graduation and convocation services, and alumni relations. It also includes implementation of a working agreement with the Tulo Centre and partnership with TRU for design and delivery of courses leading to an accredited First Nation Tax Administration certificate and an accredited First Nation Applied Economics certificate.

Commission Operations

Commission Support

Commission support includes provision of ongoing advice, logistical support and services for the Commission and its Committees. The objective is to ensure the timely and efficient functioning of the Commission in all aspects of its review, decision making, leadership and advocacy functions. This includes: oversight of processes for the appointment/reappointment of Commissioners and the orientation of new Commissioners; planning, scheduling and coordination of regular Commission and Committee meetings as well as special processes and events; preparation of briefing and presentation materials for Commission operations; recording and distribution—as appropriate—of relevant proceeding minutes, records and decisions; and other support as required.

International Respect and Collaboration

The FMA—and the institutional support provided by the FNTC—has been recognized in New Zealand, Australia and the United States as a model to implement Indigenous jurisdiction and improve socio-economic outcomes for Indigenous peoples. With a commitment to sharing insights and best practices, the FNTC will continue to build on its partnerships with organizations like the Ngai Tahu in New Zealand and the National Intertribal Taxation Alliance and Indian Land Tenure Foundation in the United States.

Corporate Services

Corporate services include the provision of planning, financial/accounting, personnel, administrative, legal, office facility, technology management, contracting and other support services to the Commission and the FNTC. The objective is to: operate the Commission in keeping with the FMA and the Corporate Plan; create an efficient and effective work environment for other service areas; and fulfill the financial management and control functions and requirements set out in the FMA. This includes: coordination and support for the annual Corporate Plan and the *Annual Report*; capital management for Head Office and National Capital Region Office; financial, human resource and administrative management; compliance with the *Access to Information Act* and the *Privacy Act*; staff and executive recruitment, training and professional development; negotiation of funding; client and e-mail records management; server and network maintenance; and development, training and implementation of FNTC policies and procedures.



Performance Measurement Against Goals

The FNTC has developed performance measures to track and assess the FNTC's success in delivering on its mandate, vision and mission. This section highlights progress and trends with respect to current indicators for which data are available. Additional indicators and related data will be added in future years, in support of the FNTC's plans for a more comprehensive suite of performance measures.

First Nation Participation in the FMA

Since its establishment in 2007 the FNTC's priority focus has been on:

- Promoting participation of First Nations in the FMA.
- Building the regulatory framework for First Nation taxation systems.
- Supporting First Nations in the successful development and implementation of local revenue systems.

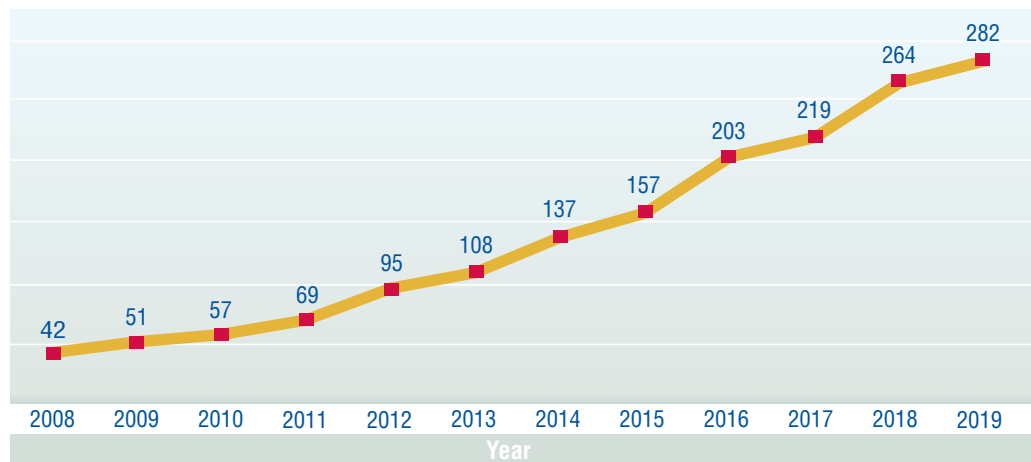
Figure 1 below shows the number of First Nations, by province and territory and by year, that have been added to the schedule of the FMA. Every year has seen increased participation in the FMA, and there are now 282 First Nations on the FMA schedule, including at least one in every province plus Northwest Territories.

Figure 1 First Nation Participants Under the *Fiscal Management Act*—Annual New and Cumulative

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
BC	35	5	5	5	11	5	15	6	10	5	10	2	114
AB	0	1	0	0	0	1	0	1	3	4	2	6	18
SK	3	2	0	4	2	2	2	2	9	1	7	1	35
MB	0	0	1	1	1	5	6	2	11	2	2	0	31
ON	1	0	0	2	5	0	3	6	7	3	14	6	47
QC	0	0	0	0	3	0	0	1	2	0	3	2	11
NB	3	1	0	0	2	0	1	0	0	0	1	1	9
NS	0	0	0	0	2	0	2	1	3	0	3	0	11
PE	0	0	0	0	0	0	0	0	0	0	1	0	1
NL	0	0	0	0	0	0	0	0	0	0	2	0	2
NT	0	0	0	0	0	0	0	1	1	1	0	0	3
New	42	9	6	12	26	13	29	20	46	16	45	18	282
Cumulative	42	51	57	69	95	108	137	157	203	219	264	282	

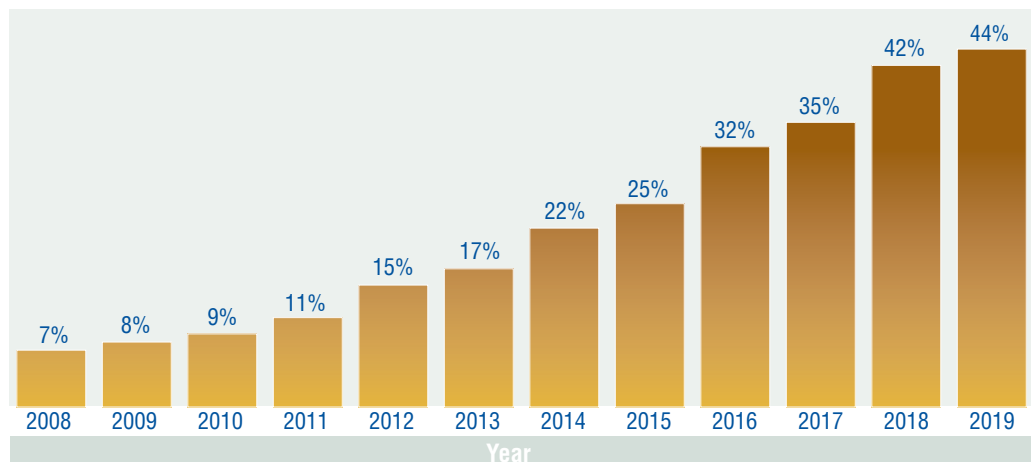
As shown in Figure 2 below, within the first year following the establishment of the FNTC in 2007, there were 42 First Nations participating in the FMA. Building on this momentum, there are now more than six times as many as in that first year.

Figure 2 Total First Nation Participants Under the *Fiscal Management Act*



Participation in the FMA has grown continually over the past 12 years. As shown in Figure 3 below, more than two fifths (44%) of the 634 First Nations in Canada now participate in the FMA, with more continuing to be added every year.

Figure 3 Proportion of all First Nations in Canada that are Registered under the *Fiscal Management Act*



Manitoba—Fast Growth in FMA Use

In recent years, Manitoba has seen significant growth in interest and participation in the FMA. The number of Manitoba First Nations using the FMA is now more than half of all First Nations in the province. This has led to a significant increase in demand for the FNTC to support FMA tax systems, additional fiscal powers, administrative capacity development and facilitation of service agreements, regional economic protocols, and better and faster additions to urban reserves. The FNTC signed a Memorandum of Understanding with the Southern Chiefs Organization in 2019 to work together in support of First Nation governments to break through economic barriers and participate in the economy. The FNTC is also working with other First Nations in Manitoba.

First Nation Tax Systems and Revenues

As shown in Figure 4 below, the number of First Nations (plus one Tribal Society with delegated property tax powers) that have a property tax system in place has grown from 15 in 2008 to 123 in 2019. This represents one fifth (19%) of the 634 First Nations across Canada.

Figure 4 First Nations with a Tax System Under the FMA—Annual New and Cumulative

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
New	15	8	5	4	12	8	9	17	21	6	13	5
Cumulative	15	23	28	32	44	52	61	78	99	105	118	123

As shown in Figures 5A and 5B below, revenues (based on First Nation budget information) are currently slightly more than \$26 million per year under s. 83, and more than \$70 million annually under the FMA. (Note: Amounts that are nil or not applicable are shown as —.)

Figure 5A Total Annual Tax Revenues (\$) by First Nations Under Section 83 of the *Indian Act*

	2013	2014	2015	2016	2017	2018	2019
BC	20,390,462	23,557,867	25,578,712	27,803,300	18,992,187	20,586,536	21,277,684
AB	12,476,290	7,941,084	8,642,752	6,122,213	5,423,102	5,068,720	4,039,950
SK	750,359	767,283	780,940	789,731	754,545	55,000	—
MB	312,874	582,672	375,198	515,204	—	—	—
ON	—	—	—	—	—	—	—
QC	663,253	665,000	629,000	629,000	629,000	600,000	622,904
NB	—	—	—	—	—	—	—
NS	49,760	74,133	74,134	156,997	157,780	161,772	159,968
PE	—	—	—	—	—	—	—
NL	—	—	—	—	—	—	—
NT	—	—	—	—	—	—	—
CANADA	\$34,642,998	\$33,588,039	\$36,080,736	\$36,016,445	\$25,956,614	\$26,472,028	\$26,100,506

Figure 5B Total Annual Tax Revenues (\$) by First Nations Under the FMA

	2013	2014	2015	2016	2017	2018	2019
BC	36,151,119	40,951,128	43,260,171	45,792,657	49,734,305	53,210,267	56,062,594
AB	1,255,153	1,187,075	2,092,715	4,566,969	4,252,205	4,293,235	5,531,675
SK	2,001,299	2,033,769	2,051,931	2,078,673	2,254,759	3,290,606	4,266,545
MB	413,621	432,116	439,001	448,599	931,265	963,601	969,330
ON	—	—	—	559,822	732,831	1,673,648	2,818,525
QC	—	—	—	—	—	—	—
NB	—	—	—	—	35,655	16,890	56,803
NS	651,699	626,090	700,048	724,595	753,120	874,504	917,190
PE	—	—	—	—	—	—	—
NL	—	—	—	—	—	—	—
NT	—	—	—	—	—	—	—
CANADA	\$40,472,891	\$45,230,178	\$48,543,866	\$54,171,315	\$58,694,140	\$64,322,751	\$70,622,662

As shown in Figure 6 below, combined revenues (based on First Nation budget information) from section 83 and the FMA now total almost \$97 million annually. While property taxes are the principal source of local revenues, the size and relative significance of other tax revenues will increase in the future.

Figure 6 Total Tax Revenues (\$) by First Nations Under FMA and Section 83, by Revenue Source, 2019

Source	FMA	Section 83	Total	%
Property Taxes	65,361,004	26,358,697	91,719,701	94.6%
Property Transfer Tax	2,968,688	—	2,968,688	3.1%
Development Cost Charge	1,006,501	—	1,006,501	1.0%
Service Fee	1,060,000	—	1,060,000	1.1%
Service Tax	127,008	0	127,008	0.1%
Business Activity Tax	99,461	—	99,461	0.1%
TOTAL	\$70,622,662	\$26,358,697	\$96,981,359	100%
Distribution (%)	73%	27%	100%	

New Revenues and Investments for First Nations

Since its inception in 2007, the FNTC—in partnership with other FMA institutions and the Tulo Centre of Indigenous Economics—has helped First Nations generate over \$1 billion in revenues to support better community services and infrastructure for residents and taxpayers. Their initiatives have also attracted billions more in investments to First Nation communities, leading to thousands of employment and business opportunities, higher incomes, better services, and improved social outcomes for participating First Nations.

FNTC Activities and Outputs

The FNTC continues to expand and enrich its services and activities in support of its mandate, vision and mission. The output measures in Figure 7 below are an initial suite of indicators that will be augmented in the future with other performance measures, as indicated in the FNTC's Strategic Directions and Priorities further below.

Figure 7 Selected Key Indicators of FNTC Activities and Outputs, by Fiscal Year

2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020*
# Law and By-Law Reviews Completed—Each Year and Cumulative Total											
79	87	87	91	134	138	147	185	213	219	216	233
79	166	253	344	478	616	763	948	1,161	1,380	1,596	1,829
# First Nation Tax-Related Courses, Webinars and Workshops Delivered—Each Year and Cumulative Total											
4	24	7	7	7	10	11	11	12	14	23	15
4	28	35	42	49	59	70	81	93	107	130	145
# Participants in First Nation Tax-Related Courses, Webinars and Workshops—Each Year and Cumulative Total											
65	131	84	84	84	145	124	183	178	205	298	315
65	196	280	364	448	593	717	900	1,078	1,283	1,581	1,896
# Accredited Graduates from First Nation Tax-Related Courses—Each Year and Cumulative Total											
—	—	—	—	11	13	13	5	10	15	15	6
—	—	—	—	11	24	37	42	52	67	82	88
# Laws and By-Laws Documented and Accessible in <i>First Nations Gazette</i> —Each Year and Cumulative Total											
142	155	138	148	197	365	283	562	2,878	353	376	344
142	297	435	583	780	1,145	1,428	1,990	4,868	5,221	5,597	5,941
# First Nation Tax-Related Presentations Delivered—Each Year and Cumulative Total											
40	40	30	70	100	50	50	34	73	74	56	96
40	80	110	180	280	330	380	414	487	561	617	713

* Note: Data for FY 2019/2020 as of December 31, 2019.



Scorecard Progress Against Plans

This “Scorecard” section provides a brief update on significant key commitments set out in the FNTC’s previous Corporate Plan. It highlights progress made on the commitments over the past year and planned next steps for follow-through and completion.

Commitment	Progress	Next Steps
Support continued delivery, growth and improvement in ongoing FNTC services, in response to needs and demands.	Ongoing.	Continue to expand and enhance services and support in response to identified needs and opportunities.
Initiate national meetings of First Nations scheduled under the FMA and/or the <i>First Nations Land Management Act</i> (the FNLMA) as a means of advancing communication and dialogue on First Nation economic development and fiscal relationships.	Two national meetings convened by May 2019.	Third national meeting set for spring 2020, with a view to establishing a regular system of national meetings as a prominent and accessible means of promoting awareness, dialogue and sharing of best practices.
Explore feasibility and continue to advance new fiscal powers for First Nations, including taxes/fees for cannabis, tobacco, fuel, alcohol, and resource projects.	Analysis and advocacy underway.	Continue to advance fiscal power proposals for new taxes/fees, while building interest and support.
Promote and support establishment of a new First Nations Infrastructure Institute (FNII) under the FMA, to provide skills and processes needed by First Nations to plan, procure, own and manage infrastructure assets in their lands.	Advocacy and planning work underway.	Develop and advance detailed proposals and supporting rationale for FNII; build and reinforce advocacy and support; and continue with proof of concept work.
Promote amendments to the FMA to support more fiscal powers.	Analysis and advocacy underway.	Develop draft amendments for discussion with Canada.
Implement a transition plan for the FNTC to adjust to, and prepare for, next phases of growth and maturation.	First phases of expansion and reorganization plan nearing completion.	Develop and implement reorganization plan; establish measures and criteria to monitor effectiveness and pace of growth; and refine measures as needed.



Environment Emerging Issues and Factors

The FNTC operates in a constantly changing environment and evaluates ongoing and emerging conditions that may have an impact on the demand for, and nature of, its services and activities, and how they are carried out. These factors include ongoing and newly emerging demands and opportunities relevant to the FNTC's objectives and priorities. They also include known and potential risks and matters of uncertainty, for which the FNTC must adopt and adjust appropriate mitigation measures and strategies.

Demands and Opportunities

Greater First Nation participation: There are continued—and growing—opportunities to promote and deliver FNTC services and support to both those First Nations already participating under the FMA and additional First Nations who wish to be scheduled under the FMA. Building on the existing base, there are opportunities for further expansion in all regions, with specific growth anticipated in Manitoba, Ontario, Québec and Atlantic Canada.

New tax powers: There is also strong demand and growing opportunities for the FNTC to work with its FMA institution partners, First Nations and the federal and provincial governments to advance more fiscal powers for First Nations as part of expanding the jurisdiction-based fiscal relationship using the FMA. These include advancing proposals for new forms of taxes and local revenue sharing, including new arrangements for cannabis, fuel, tobacco, alcohol, and resource projects.

Continuous improvement: There are continuing pressures and opportunities to improve, update, and make more efficient and accessible the FNTC's services, functions and offerings, including application of new partnership arrangements, media/technologies and/or delivery mechanisms for the FNTC's education and training offerings, information and communications functions, enquiry services and tools, templates and best practices.

International collaboration: As the FNTC's reputation grows there are growing demands and opportunities for increased and enhanced collaboration and sharing of information, tools, strategies and best practices with the FNTC's domestic and international partners.

Risks and Uncertainty

Unpredictable and short-term funding: The FNTC's current dependence on one-year funding and year-by-year approval of "special projects"—most of which have multi-year timeframes—is an obstacle to the development of meaningful long-term plans, innovations and commitments normally expected of a national institution with ongoing programs and multi-year strategies and initiatives. The approach is to advance a new multi-year planning and budget commitment arrangement for the FNTC.

Increased demand for FNTC engagement and support: There are many economic, social, political and institutional factors (economic growth; resource projects; fiscal pressures; institutional readiness and capacity) that affect First Nation interest in, and demand for, the establishment or expansion of their tax jurisdictions. The approach is to anticipate and respond to the expected continued increase in demand for FNTC support, notably:

- Continued interest on the part of the Government of Manitoba to work with the FNTC to encourage more FMA taxation, expand FMA fiscal powers, support faster and better outcomes on Treaty Land Entitlement lands, implement the FNII, and improve the First Nation–provincial–federal fiscal relationship.
- Change in assessment methods for manufactured homes in British Columbia that will require additional FNTC policy review and communication support in 2020/2021.
- Continued increase each year in demand for Tulo Centre courses, workshops and programs.
- Expansion of the FNTC’s law development support, outreach, education, capacity development, and policy and communications activities, in response to overall increased demand for FNTC support.

Challenges to the regulatory framework: The FNTC could face challenges related to the services it provides to First Nations, including advice respecting the design and application of their local revenue laws, or with respect to Commission law approval. The approach is to continue to take steps to minimize the risk of challenges—and the consequences of any such challenges—by continuing to offer professional advice and support and, when needed, to provide timely dispute mitigation and resolution services to help address and resolve issues. The Commission will also consistently communicate, clarify and defend its mandate and authority in response to any challenges.



Strategy | Directions and Priorities

The strategic directions and priorities set out below identify key themes that will characterize the FNTC's work in 2020/2021. These reflect a balanced consideration of factors from three essential sources: the FNTC's core mandate and ongoing functions and services; follow-up actions to complete delivery on past Corporate Plan commitments; and newly emerging issues and opportunities identified through the FNTC's Corporate Plan process.

Ongoing Functions and Services

1. Continue to provide property tax system advice and support to First Nations.

A central and ongoing focus of the FNTC will be to continue to provide support to First Nations to pragmatically and effectively implement their tax jurisdictions.

This will entail:

- Ongoing development, maintenance and updating of the regulatory framework for First Nation local revenue systems.
- Support for First Nations in the development and implementation of local revenue systems for their communities.
- Support for the ongoing implementation and operation of First Nation local revenue systems, through sharing of information, tools, advice and best practices.
- Assistance with the prevention, mediation and resolution of disputes in relation to the application of local revenue laws.
- Support for the development and strengthening of First Nation capacities, skills and institutional mechanisms for administration and management of their local revenue systems.
- Support for relations with taxpayers and further strengthening of engagement, dialogue and participation.

2. Strengthen FNTC service delivery through innovation and renewal.

With the aim of developing and implementing a well-planned approach to managing organizational changes and continuous improvement, the FNTC will continue with the transition management plan work initiated in 2019/2020.

This will entail:

- Implementation of the succession plan for executive and senior management positions.
- Seeking the finalization of Commission appointments to achieve a full complement.
- Continued discussions with the Government on the development of regulations to support a First Nation-led appointment process for FNTC Commissioners.
- Recruitment, retention and support for human capacity development throughout the FNTC.
- Administrative changes to facilitate expansion of First Nation local revenue jurisdictions under the FMA.
- Support for innovation and creativity within the organization, including:
 - Evaluation of management and organizational structures and service delivery models, with revisions identified and implemented.
 - Strengthening of collaboration within the FNTC.
 - Improvement of coordination with FMA institutions and governments.
 - Support for the growth of First Nation fiscal powers.
 - Continued collaboration with international organizations to share best practices in Indigenous economic development and models to implement Indigenous jurisdiction.
- Advancement of a proposal for new five-year grant funding to provide stability and flexibility to the FNTC.
- Exploration of new means to measure the needs, concerns and preferences of the FNTC's audiences, to provide input to help further shape and strengthen products and services.
- Launching of technological improvements for the production and operation of the *First Nations Gazette*.

3. Improve the FNTC performance measurement system.

The FNTC will build on the set of performance measures included in this Corporate Plan (see *Performance—Measurement Against Goals*, above) to improve its suite of statistical and other indicators that will be used to track and assess progress toward the FNTC's long-term vision and ongoing goals.

This will entail:

- Research and synthesis of FNTC administrative information and other sources to improve existing performance measures and provide more comprehensive baseline reference points and longer-term data for evaluation, planning and communication purposes.
- Development of other indicators—and related data collection processes—to address additional key areas of interest for performance assessment, including:
 - Demand for FNTC services.
 - FNTC outputs, including timeliness and efficiency of delivery.
 - Measures of tax and other revenues leveraged through FMA jurisdictions.
 - Requests for FNTC mediation/resolution services, and successful outcomes.

Service Enhancement, Outreach and Growth

4. Increase the number of First Nations with First Nation property tax systems.

First Nation interest in the FMA system and the services offered by the institutions is growing each year. Recognizing the interest of First Nations in establishing First Nation property tax systems to advance their economic, fiscal and broader community development goals, and building on the demonstrated successes of First Nations that have implemented property tax systems, the FNTC will prioritize work necessary to increase the number of First Nations implementing tax jurisdiction in Canada.

This will entail:

- Increasing regional communications and outreach activities to promote understanding of tax jurisdiction and expanded use of tax powers.
- Providing advice and assistance to interested First Nation governments in their assessment of the merits, feasibility and implications of establishing property tax systems for their communities.

5. Expand and enrich FNTC services for First Nations.

Supporting the evolving needs of taxing First Nations—and as a way of supporting new First Nations to implement tax jurisdiction—the FNTC will continue to expand and enrich the range of services it will provide.

This will entail:

- Ongoing evaluation and improvement of services to existing taxing First Nations in areas of law development, law review and approval, standards, sample laws, education, training and dispute resolution.
- Modernization of the access platform for the *First Nations Gazette* as the definitive source of First Nation law in Canada.
- Strengthening of capacity development and governance support for First Nations, through increased communications and outreach activities, workshops, courses and webinars.
- Enhancement of support for service agreement negotiations.

Framework Development and Innovation

6. Advance a jurisdiction-based fiscal relationship for First Nations.

The FMA represents a jurisdiction-based fiscal relationship because it associates local revenues with local services. Interested First Nations, the FNTC and the other FMA institutions propose to enhance this fiscal relationship by advancing several proposals to expand FMA fiscal powers and jurisdictions. The FNTC will seek additional funding to advance these proposals.

This will entail:

- Collaboration with First Nations, First Nation organizations and Canada to develop and support a First Nation cannabis excise tax sharing framework.
- Continued advancement of proposals that seek improvements to the First Nations Goods and Services Tax (FNGST), including re-enabling the Fuel, Alcohol, Cannabis and Tobacco (FACT) tax option and providing FNTC support to interested First Nations for FNGST and FACT tax systems.
- Continued advancement of proposals for the development of a comprehensive cannabis fiscal and regulatory option for interested First Nations, which could include proposed amendments to cannabis-related legislation and the FMA to enable First Nation cannabis taxation and regulatory laws and related standards.

- Collaboration with the Government and interested First Nations to enable an option for First Nations to participate in tobacco, alcohol and fuel excise tax sharing.
- Provision of support for broad First Nation tobacco tax systems in situations where there is an agreement between the province and interested First Nations.
- Continued advancement of proposals to explore the establishment of a First Nation Resource Charge that can be offset by a federal corporate tax credit to ensure that First Nations receive an administratively efficient and transparent fiscal benefit from resource projects in their territories while preserving the resource project investment climate.

7. Contribute to amendment of the FMA and FMA regulations.

The FNTC will work with the FMA institutions and Canada to pursue amendments to the FMA and related regulations to support the work of the FNTC and to expand participation in the FMA.

This will entail:

- Exploration, development, advocacy and promotion of policy proposals to advance renewal and expansion of the FNTC mandate.
- Work with Canada to advance amendments to First Nation Taxation Enforcement and Assessment Appeal regulations.
- Work with the fiscal institutions and Canada to advance regulatory amendments to enable First Nation organizations and Treaty First Nations to participate in the FMA.

Partnership Development

8. Develop and strengthen partner institutions.

Working with its FMA and training and accreditation partners, the FNTC will promote the development and strengthening of institutions to: enrich and accelerate the development of legal and administrative frameworks to expand First Nation jurisdictions; enable economies of scale; support research and innovation; facilitate knowledge transfer among First Nations; and to support and advocate on behalf of participating First Nations. The FNTC will seek additional funding to advance this work.

This will entail:

- Addition to the FMA of the fiscal powers identified above, so that the FNTC can support First Nations in accessing FNFA programs and services to secure revenues in support of economic infrastructure.
- Promotion of a First Nations Infrastructure Institute (FNII) as the fourth FMA institution, to enable participating First Nations to build more durable economic and community infrastructure faster and more cost-effectively, advanced through collaboration between the FNTC and the FNII Development Board and the First Nation proponents, on drafting amendments to the FMA and development of related communications.
- Continued advancement of the development of an Indigenous land title registry system with interested First Nations and First Nation organizations.
- Promotion of a First Nations statistics institute that can support a First Nation jurisdiction-based fiscal relationship option and an improved First Nation investment climate.
- Continuation of work with the Tulo Centre to secure stable long-term funding to expand the Tulo Centre's capacity, in keeping with its five-year growth plan and supporting its key role as an accredited First Nation public service educational institution supporting FMA jurisdictions and capacities.



Finance Resources and Plans

The FNTC financial plan presents the actual financial results for the 2018/2019 fiscal year, forecasts of financial results for 2019/2020 and financial plans for the years 2020/2021 to 2024/2025. Figure 8 below is a summary of the financial plan for 2020/2021 and a summary of the financial performance for 2019/2020 (forecast) and 2018/2019 (actual).

Based on the activities and work plan outlined in this Corporate Plan, the FNTC has estimated its funding requirements from the Government of Canada to be \$7,681,000 for 2020/2021. In addition, the FNTC will seek supplemental funding to enable it to proceed with incremental work on advancing a jurisdiction-based fiscal relationship for First Nations and developing and strengthening partner institutions.

Figure 8 Financial Summary

	2020/2021 Plan	2019/2020 Forecast	2018/2019 Actual
Revenue			
Government of Canada—Corporate Plan	\$7,681,000	\$7,361,000	\$6,834,000
Government of Canada—Special Initiatives	—	2,060,432	2,588,701
Other	12,000	54,881	51,547
	\$7,693,000	\$9,476,313	\$9,474,248
Expenses			
Commission Services	992,293	922,720	869,976
Corporate Services	2,275,104	1,858,551	1,589,946
<i>First Nations Gazette</i>	177,124	203,599	99,488
Policy Development	713,346	672,205	813,532
Education	1,086,086	978,788	915,679
Dispute Management and Negotiations	224,341	131,478	335,670
Communications	631,674	969,257	820,349
Law/By-Law Development and Review	1,593,032	1,679,283	1,480,783
Special Initiatives	—	2,060,432	2,588,701
	\$7,693,000	\$9,476,313	\$9,514,124
Annual Surplus (Deficit)	\$ —	\$ —	\$ (39,876)

Financial Performance 2018/2019 and 2019/2020

Financial assets at the end of 2018/2019 totalled \$3.54 million and are forecasted to be \$3.80 million at the end of 2019/2020. Financial assets for the FNTC consist of cash and accounts receivable. Financial liabilities for the FNTC consist of accounts payable, contracts payable and deferred revenue, and totalled \$3.51 million at the end of 2018/2019 and are forecasted to be \$3.40 million at the end of 2019/2020.

Non-financial assets of the FNTC, which consist of prepaid expenses and tangible capital assets, totalled \$417 thousand at the end of 2018/2019 and are forecasted to be \$401 thousand at the end of 2019/2020. The FNTC's tangible capital assets are comprised of furniture, IT infrastructure, equipment, software, website development costs, and leasehold improvements relating to its business premises in both the National Capital Region (NCR) Office and the Head Office. The Commission does not own real property and does not carry debt. The Commission leases space for its Head Office on the reserve lands of the *Tk'emlúps te Secwepemc* and in Ottawa for its NCR Office.

Figures 9–11 below provide an overview of the FNTC's financial activities by business line for the 2018/2019 fiscal year against its Plan and its forecasted performance for the 2019/2020 fiscal year against its Plan. Significant variances are explained below.

Figure 9 Statement of Financial Activities	2018/2019			2019/2020		
	Actual	Plan	Variance	Forecast	Plan	Variance
Revenue						
Government of Canada— Corporate Plan	\$6,834,000	\$6,834,000	\$ —	\$7,361,000	\$7,361,000	\$ —
Government of Canada— Special Initiatives	2,588,701	2,965,792	(377,091)	2,060,432	2,060,432	—
Other	51,547	10,000	41,547	54,881	25,000	29,881
	\$9,474,248	\$9,809,792	\$ (335,544)	\$9,476,313	\$9,446,432	\$ 29,881
Expenses						
Commission Services	869,976	971,591	101,615	922,720	961,318	38,598
Corporate Services	1,589,946	1,515,162	(74,784)	1,858,551	1,669,771	(188,780)
<i>First Nations Gazette</i>	99,488	133,423	33,935	203,599	128,813	(74,786)
Policy Development	813,532	788,653	(24,879)	672,205	640,068	(32,137)
Education	915,679	852,250	(63,429)	978,788	970,324	(8,464)
Dispute Management and Negotiations	335,670	285,503	(50,167)	131,478	279,765	148,287
Communications	820,349	869,666	49,317	969,257	1,031,207	61,950
Law/By-Law Development and Review	1,480,783	1,427,752	(53,031)	1,679,283	1,704,734	25,451
Special Initiatives	2,588,701	2,965,792	377,091	2,060,432	2,060,432	—
	\$9,514,124	\$9,809,792	\$ 295,668	\$9,476,313	\$9,446,432	\$ (29,881)
Annual Surplus (Deficit)	\$ (39,876)	\$ —	\$ (39,876)	\$ —	\$ 0	\$ —

Figure 10 Statement of Financial Position

	2018/2019 Actual	2019/2020 Forecast
Financial Assets		
Cash	\$3,440,575	\$3,700,851
Accounts receivable	96,915	100,000
	3,537,490	3,800,851
Liabilities		
Accounts payable	1,324,503	1,450,000
Contracts payable	1,806,864	1,950,000
Deferred revenue	377,091	—
	3,508,458	3,400,000
Net Financial Assets	29,032	400,851
Non-Financial Assets		
Prepaid expenses	64,728	70,000
Tangible capital assets	352,570	350,000
	417,298	420,000
Accumulated Surplus	\$ 446,330	\$ 820,851
Accumulated Surplus		
Investment in tangible capital assets	\$ 352,570	\$ 350,000
Current funds	93,760	470,851
Accumulated Surplus	\$ 446,330	\$ 820,851

Figure 11 Statement of Cash Flows

	2018/2019 Actual	2019/2020 Forecast
Operating Activities		
Annual surplus (deficit)	\$ (39,876)	\$ —
Items not involving cash		
Amortization	231,263	100,000
Changes in non-cash operating balances		
Accounts receivable	(11,373)	(3,085)
Prepaid expenses	12,503	(5,272)
Accounts payable and contracts payable	692,249	268,633
Deferred revenue	377,091	(377,091)
Cash Flows from Operating Activities	1,261,857	360,276
Capital Activities		
Purchase of tangible capital assets	(197,367)	(100,000)
	(197,367)	(100,000)
Net increase (decrease) in cash during the year	1,064,490	260,276
Cash, beginning of the year	2,376,085	3,440,575
Cash, end of the year	\$3,440,575	\$3,700,851

2018/2019 Actual vs. Plan and 2019/2020 Forecast vs. Plan

Revenues

Revenues for 2018/2019 were \$9.47 million, \$335 thousand under a budgeted plan of \$9.81 million. For 2018/2019, \$377 thousand of Government of Canada revenues for special initiatives including the First Nations Infrastructure Institute and the First Nations FMA Institutions and LAB National Meeting 2019 were deferred and expended in the 2019/2020 fiscal year.

Revenues for 2019/2020 are forecast to be \$9.47 million, approximately \$30 thousand over Plan. The forecasted revenues for 2019/2020 include \$7.36 million from the Government of Canada for core business activities and \$2.06 million for special projects relating to the First Nations Infrastructure Institute and for costs for hosting the National Meeting for FMA and FNLMA First Nations. Other income arising from bank interest is forecasted to be \$55 thousand.

Expenses

Expenses for 2018/2019 were \$9.51 million, \$295 thousand below planned expenditures of \$9.81 million, resulting in a \$40 thousand deficit for the year.

Expenses relating to core business activities totalled \$6.92 million for 2018/2019 and overall, core business activities expenditures were consistent with planned amounts. Expenditures for Corporate Services, Policy, Education, Dispute Management and Negotiations, and Law/By-Law Development and Review business lines were greater than planned and were offset by lower than planned expenditures in Commission Services and Communications business lines.

Expenses relating to special initiatives undertaken by the FNTC were \$377 thousand below planned expenditures for \$2.96 million and totalled \$2.59 million for the year.

Total expenses for 2019/2020 are forecast to be \$9.48 million, consistent with forecasted revenues, resulting in a forecasted surplus/deficit of \$0. Expenses relating to core business activities are forecast to be \$7.42 million, \$30 thousand over planned expenses of \$7.38 million. Corporate Services, *First Nations Gazette* and Policy Development are forecasted to be higher than planned and will be offset by lower than planned expenditures in the remaining business lines.

Capital Expenditures

Capital expenditures for 2018/2019 totalled \$200 thousand and consisted of costs related to the completion of the leasehold improvements for reorganization of the business premises at the FNTC NCR Office, acquisition of furniture and equipment and fit-up costs, and information technology related software and equipment purchases, including lifecycle replacement of desktop computers and laptops.

Capital expenditures for 2019/2020 are forecast to be approximately \$100 thousand, relating to furniture and equipment and acquisition of information technology related equipment, including lifecycle replacement of desktop computers, laptops and software licensing costs.

Five-Year Financial Plan 2020/2021 to 2024/2025

Figures 12A, 12B and 12C below contain the five-year financial plan for the FNTC for 2020/2021 to 2024/2025. The following assumptions have been used in the preparation of the financial plans:

1. The financial plans for the periods 2020/2021 to 2024/2025 cover the 12-month fiscal years ending March 31.
2. The financial plans for the periods 2020/2021 to 2024/2025 have been prepared based on the FNTC's best estimates of the funding requirements, activities and costs required to:
 - a. Support a full complement of Commissioners;
 - b. Expand and improve operational services to tax collecting First Nations in areas of law development, law review and approval, standards, sample laws, education and training, communications, and dispute resolution and negotiation;
 - c. Expand the number of First Nations using local revenues to secure debentures;
 - d. Seek to expand the number of First Nation tax systems in Manitoba, Ontario, Québec, and the Atlantic;
 - e. Continued work on transition management activities;
 - f. Expand the education program to provide more accredited training and workshops in support of First Nation public administration that supports economic development; and
 - g. Expand the *First Nations Gazette* to become the voice for all First Nation law.
3. The financial plan for the FNTC for 2020/2021:
 - a. Is balanced, and has planned revenues and expenditures of \$7.69 million;
 - b. Has planned revenue from the Government of Canada for core activities of \$7.68 million, and \$12 thousand from other sources. This represents an increase of approximately 4.3% over funding levels for 2019/2020; and
 - c. Has been prepared based on a detailed review of the FNTC business lines including the initiatives, strategies and activities planned for 2020/2021, an external risk assessment, the expected policy environment for the coming fiscal year, and best estimates of management for the cost of activities planned under each business line as outlined in this Corporate Plan.
4. No provision has been made for an increase in Commissioner remuneration for 2020/2021 as these rates are determined and set by the Governor in Council.
5. The financial plan includes the estimated costs of continuing to provide services to First Nations under s. 83 of the *Indian Act*.
6. Other income consists of revenue forecasted to be earned from bank interest.
7. The financial plans do not include revenue or expenditures relating to special initiatives that have been identified by the FNTC. The FNTC will seek additional funding for these initiatives during the planning period. The financial plans for 2020/2021 to 2024/2025 include only those revenues and projected costs for core business activities.

Figure 12A
**Statement of
Financial Activities**

	Financial Plan				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Revenue					
Government of Canada	\$7,681,000	\$7,980,000	\$8,244,270	\$8,404,605	\$8,557,365
Other	12,000	10,000	10,000	10,000	10,000
	7,693,000	7,990,000	8,254,270	8,414,605	8,567,365
Expenses					
Commission Services	992,293	1,007,464	1,022,468	1,037,801	1,053,474
Corporate Services	2,275,104	2,319,671	2,352,204	2,379,060	2,466,826
<i>First Nations Gazette</i>	177,124	178,192	179,286	180,409	181,559
Policy Development	713,346	774,309	828,752	820,346	837,355
Education	1,086,086	1,098,348	1,144,162	1,164,136	1,181,279
Dispute Management and Negotiations	224,341	230,449	240,335	296,344	252,502
Communications	631,674	707,887	777,040	796,416	816,276
Law/By-Law Development and Review	1,593,032	1,673,680	1,710,023	1,740,093	1,778,094
Special Initiatives	—	—	—	—	—
	7,693,000	7,990,000	8,254,270	8,414,605	8,567,365
Annual Surplus (Deficit)	\$ —	\$ —	\$ 0	\$ 0	\$ —

Figure 12B
**Statement of
Financial Position**

	Financial Plan				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Financial Assets					
Cash	\$2,551,960	\$2,363,834	\$2,375,826	\$2,387,941	\$2,399,615
Accounts receivable	91,809	92,728	93,656	94,593	96,100
	2,643,769	2,456,562	2,469,482	2,482,534	2,495,715
Liabilities					
Accounts payable	850,000	861,500	863,015	864,546	866,092
Contracts payable	1,950,000	1,212,000	1,224,120	1,236,362	1,248,726
Deferred revenue	—	—	—	—	—
	2,260,000	2,073,500	2,087,135	2,100,908	2,114,818
Net Financial Assets	383,769	383,062	382,347	381,626	380,897
Non-Financial Assets					
Prepaid expenses	70,700	71,407	72,122	72,844	73,573
Tangible capital assets	350,000	350,000	350,000	350,000	350,000
	420,700	421,407	422,122	422,844	423,573
Accumulated Surplus	\$ 804,469	\$ 804,469	\$ 804,469	\$ 804,470	\$ 804,470
Accumulated Surplus					
Investment in tangible capital assets	350,000	350,000	350,000	350,000	350,000
Current funds	454,469	454,469	454,469	454,470	454,470
Accumulated Surplus	\$ 804,469	\$ 804,469	\$ 804,469	\$ 804,470	\$ 804,470

Figure 12C**Statement of Cash Flows**

	Financial Plan				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Operating Activities					
Annual surplus (deficit)	\$ —	\$ —	\$ —	\$ —	\$ —
Items not involving cash					
Amortization	235,000	180,000	170,000	175,000	170,000
Changes in non-cash operating balances					
Accounts receivable	(8,191)	(919)	(928)	(937)	(1,507)
Prepaid expenses	(700)	(707)	(715)	(722)	(729)
Accounts payable and contracts payable	(1,140,000)	(186,500)	13,635	13,773	13,910
Cash Flows from Operating Activities	(913,891)	(8,126)	181,992	187,114	181,674
Capital Activity					
Purchase of tangible capital assets	(235,000)	(180,000)	(170,000)	(175,000)	(170,000)
Net (decrease) increase in cash during the year	(1,148,891)	(188,126)	11,992	12,114	11,674
Cash, beginning of the year	3,700,851	2,551,960	2,363,834	2,375,826	2,387,941
Cash, end of the year	\$2,551,960	\$2,363,834	\$2,375,826	\$2,387,941	\$2,399,615



Glossary of Acronyms

- BCR**—Band Council Resolution
- CC**—Chief Commissioner (of FNTC)
- CEO**—Chief Executive Officer (of FNTC)
- COO**—Chief Operating Officer (of FNTC)
- DCC**—Deputy Chief Commissioner (of FNTC)
- FACT**—Fuel, Alcohol, Cannabis and Tobacco
- FAL**—Financial Administration Law
- FMA**—*First Nations Fiscal Management Act*
- FNFA**—First Nations Finance Authority
- FNFMB**—First Nations Financial Management Board
- FNGST**—First Nations Goods and Services Tax
- FNII**—First Nations Infrastructure Institute
- FNLMA**—*First Nations Land Management Act*
- FNTC**—First Nations Tax Commission
- ILTRS**—Indigenous Land Title Registry System
- MOU**—Memorandum of Understanding
- NLC**—Native Law Centre, University of Saskatchewan
- S. 83**—Section 83 of the *Indian Act*
- TRU**—Thompson Rivers University
- Tulo Centre**—Tulo Centre of Indigenous Economics