

FINANCIAL MATTERS

Carcross/Tagish First Nation (C/TFN) will receive millions of dollars if the land claim agreements are approved. Some of this will be money for compensation and some will be money for economic development. There will be revenues from taxation and from resource royalties. Some of the money will be one-time payments to help the First Nation implement its agreements while other money will be paid yearly to help C/TFN run its government. There will also be money to run programs and services for C/TFN citizens.

As a self-governing First Nation, C/TFN will have much more control over how its money is spent and managed. It will be able to make long-term decisions about its land claims money so that it can provide benefits for both current and future generations. It will be able to invest its land claims money to earn interest or create economic benefits. It won't have to spend it by a certain time. Most importantly, C/TFN will be directly accountable to its citizens, not the federal government, for how it spends its money.

FINANCIAL COMPENSATION

Canada will pay C/TFN approximately \$38.8 million in financial compensation over a period of 15 years (this amount is the sum of the fifteen equal annual payments shown in Schedule B to Chapter 19 of the C/TFN Final Agreement). C/TFN does not have to pay tax on this money.

C/TFN will also receive another \$5.28 million as a "re-indexation" payment. This amount represents an adjustment to the compensation amount to reflect the price increases that occurred as C/TFN was negotiating its land claim agreements (this re-indexation payment is set out in a Memorandum on Certain Financial and

Other Arrangements which is attached as Appendix C to the Final Agreement).

Money that was borrowed to pay for C/TFN's land claim negotiations and the elders benefit program will be deducted from C/TFN's compensation amount. The loan repayment totals approximately \$21.66 million, including interest on the revised principal (this amount is the sum of the fifteen annual payments listed in the revised Schedule C to Chapter 19 of the C/TFN Final Agreement).

Financial compensation at a glance

\$38,832,045	Amount Government of Canada will pay (tax free) in financial compensation to C/TFN over 15 years
+ \$ 5,283,512	PLUS an additional amount the government will pay C/TFN as a one-time interest payment ("re-indexation")
- \$21,659,916	LESS loans for elders benefit program and to negotiate land claim agreements (including interest on these loans)*
\$22,455,641	TOTAL AMOUNT of compensation money that C/TFN will receive after it has paid back its loans.*

*Note: These amounts are estimates. They differ from the amounts in the Final Agreement as they reflect updates in the amount of money borrowed by C/TFN and additional interest on the loans since the agreement was signed in March 2003. For updated versions of the Final Agreement payment schedule, please contact the Ratification committee. The figures will be adjusted further based on the effective date of the land claim agreements.

The TOTAL AMOUNT shown in the chart does not include interest that C/TFN is likely to earn by investing the payments it receives over the 15-year period.



ADDITIONAL PAYMENTS AND FUNDS

C/TFN will also receive the following funding:

Economic Development Strategic Investment Fund

This fund contains approximately \$5.6 million to assist with economic development, training and education for the benefit of C/TFN and its citizens. It will be managed by C/TFN.

Section 87 payment

Canada will pay C/TFN approximately \$2.9 million to help with adjustment to the changes in taxation (because Section 87 of the *Indian Act* will no longer apply to the C/TFN Reserve).

Resource royalty sharing

A royalty is a payment that a company makes to a government for the use of public resources.

In the future, C/TFN will receive a share of the royalties that companies pay to the Yukon government for mining, oil and gas development on lands where the Yukon controls the subsurface rights. Based on current levels of resource development, C/TFN could receive about \$80,000 per year.

C/TFN will be able to decide whether or not any new resource developments will be allowed on its Category A Settlement Land. If it allows new resource development, C/TFN will determine the rate of royalty payments and collect the money itself.

When C/TFN's land claim agreements are approved, the Yukon will also make a one-time payment of \$349,000 to C/TFN for its share of revenues from the

Kotaneelee gas field. This payment is not part of the Final Agreement.

Programs and services

C/TFN has negotiated arrangements under its Self-Government Agreement to deliver a number of programs and services. C/TFN will receive \$3,321,304 in the first year to deliver these programs and services. Annual funding amounts will increase every year as population and prices rise.

Money to implement the agreements

C/TFN will receive over \$402,750 every year to implement the Final Agreement and over \$143,840 every year to implement the Self-Government Agreement. C/TFN will also receive an additional ten annual payments of \$119,674 to further help implement the Self-Government Agreement. All of these amounts will increase every year if there is inflation. The amount to implement self-government will also increase if C/TFN's population increases.

C/TFN will also receive a one-time payment of over \$1 million to implement the Final Agreement and a one-time payment of about \$236,000 to implement the Self-Government Agreement.

Taxation revenues

C/TFN may enter into negotiations with the governments of Canada and the Yukon on tax sharing arrangements to allow C/TFN to receive a share of income tax and GST revenues. C/TFN would receive the largest share of income taxes paid by people on C/TFN's Settlement Lands. Most self-governing Yukon First Nations have entered into these arrangements.



Both photos courtesy of Brian Shanahan

Contact the Ratification Committee for more information.

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This information sheet highlights elements of the Carcross/Tagish land claim agreements. It should not be relied on for legal interpretation of the Final and Self-Government agreements.