



Empowering First Nations as Leaders in Canada's Economy

2024-2025 Annual Report





OUR MISSION

Helping First Nation communities build
their own futures on their own terms.

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TABLE OF CONTENTS

Message from the President and CEO	1
Message from the Board Chairperson	3
Board of Directors	4
What We Do	7
Issuance Highlights and Ratings	8
Member and Investor Protection	10
What is ESG and SDG	11
Current Initiatives	12
Member Feature Projects	15
We Wai Kai Nation	15
Batchewana First Nation	17
Long Plain First Nation	19
Qalipu First Nation	21
Meet The Team	23
Events, Community Engagement and Achievements	26
Audited Financial Statements	32
Glossary	58
Member Feature Project Motif Rationales	59





Message from the President and CEO

Ernie Daniels,
Salt River First Nation, NWT
CPA, CGA, CAFM

As First Nations Finance Authority (FNFA) reflects on a historic year, we must acknowledge the visionary leadership of our member communities who are working to improve the quality of life in their Nations.

We are proud to be the only organization in the world leveraging private capital to finance First Nations projects through a pooled-borrowing model – this is true economic reconciliation in action.

During a time of economic uncertainty and significant political change, the need for innovative solutions and collaborative action has never been more urgent. One critical priority must be a renewed focus on Indigenous economic development. Empowering First Nations to build strong, self-sustaining communities not only strengthens Indigenous economies but also contributes to the prosperity of the Canadian economy as a whole. The opportunity—and responsibility—to invest in Indigenous-led growth is clear. It's a path toward a more equitable and resilient future for generations to come.

FNFA remains steadfast in our mission to support First Nations across Canada to build strong and prosperous Nations by providing access to affordable capital. On March 31, 2025, FNFA's loan portfolio exceeded \$3.3 billion in financing for its members resulting in an estimated 33,000 job opportunities.

This isn't just prosperity for First Nations—with a national economic output of approximately \$7.1 billion to date, the success of FNFA member communities means prosperity for all Canadians.

Fiscal year 2024-25 was another year of celebration for FNFA members, its Board of Directors and staff: S&P Global Ratings upgraded FNFA's long-term issuer credit and issue-level ratings to 'AA-' from 'A+'. This significant achievement underscores FNFA's growing strength and importance as a leading public sector lender to First Nation communities across Canada.



185
MEMBERS



33,000
JOBS CREATED



12
DEBENTURES



\$7.1B
ECONOMIC OUTPUT

Due to a growing demand for Indigenous financing solutions, we increased our commercial paper program from \$600 million to \$900 million as our members pursue more projects to benefit their communities.

The commercial paper program was originally launched in 2021 for \$400 million and we have quickly seen the need for it to grow and expand as our members' needs have. The program raises capital for our Interim Financing Loan Program that is utilized to build the loan portfolio towards our next debenture issuance and for projects in the construction phase.

A pivotal achievement this year was the successful refinancing of our inaugural debenture issued in 2014. We reflect on how far we have come – from an initial issuance of \$90 million to a portfolio of over \$3 billion in just ten years, this milestone underscores FNFA's remarkable progress.

This past January, FNFA issued its 12th debenture, raising \$650 million to finance a gamut of project types that First Nations are pursuing. This is FNFA's third debenture issued in one year showing the growth in demand for financing and the benefits of working with FNFA. We see our members' participation and leadership in economic reconciliation opportunities across Canada and appreciate the opportunity to support them through financing.

We look toward the future with more economic opportunities and major projects being pursued by First Nations. FNFA is proud to be chosen as the lender of choice for many of these projects.

FNFA continues to explore innovative solutions to make more headway in closing the estimated \$349.2 billion infrastructure gap First Nation communities face over and above what current FNFA financing opportunities can do. We are committed to supporting the leadership of our members, working together to increase opportunity and quality of life, for the benefit of all.

From clean energy projects to schools for our children and housing for our Elders, projects being undertaken are creating jobs and prosperity for our communities while also contributing to the economy of Canada. The vision and mission of FNFA remains – to help First Nations build their own futures on their own terms.

Mahsi cho.



Message from the Board Chairperson

Chief Derek Epp,
Ch'iyáqtel First Nation

This year, I was honoured to step into the role as Chair of the Board for FNFA. Having served on the board for the past five years, I have witnessed remarkable growth within FNFA - supporting First Nations in building strong, prosperous communities, and improving quality of life for our members.

In my own community of Ch'iyáqtel First Nation (formerly Tzeachten), FNFA helped turn our community vision into action and today we are closer than ever to achieving self-sufficiency. FNFA supported our Nation with financing for multiple community projects - one of which is an affordable housing development. This was in collaboration with the Province of BC's Community Housing Fund. With some units specifically being outfitted for Elders, this means sacred knowledge of our culture and traditional ways can return to and stay with our people. This is about families growing up together in safe and healthy environments laying a solid foundation for the children and next generations.

Currently, over half of First Nations in Canada are scheduled to the First Nations Fiscal Management Act - the first step in becoming an FNFA Borrowing Member and accessing long-term financing at preferable rates for their community priorities.

Working with an organization who focuses on building trust and resilience among our growing membership is a meaningful contribution to First Nations taking back our rightful place in Canada's economy.

On behalf of the Board, we would also like to extend our deepest gratitude to outgoing FNFA Board Chairperson, former Chief Warren Tabobondung of Wasauksing First Nation on the Robinson-Huron Treaty Territory in Ontario for his outstanding contribution for the past 11 years. We honour Chief Warren's wisdom and teachings and will continue to remember:
**just like the medicine of sweetgrass, when braided
we are stronger together.**

Board of Directors



Chief Derek Epp

Chairpeson – Ch'iyáqtel First Nation

First elected to Board: **2021**

Chief Derek Epp serves as Chief of Ch'iyáqtel First Nation where he has focused on empowering his community through sustainable economic development and strategic partnerships. With a background in social work, Chief Epp balances sound financial oversight and desire for growth. He was inspired to join FNFA's Board after witnessing its progressive approach to meeting the capital and infrastructure needs of First Nation communities. Chief Epp wants other First Nations to know that FNFA works with members to provide competitive financing and build capacity to ensure the long-term success of projects.



Councillor Patrick Courtois

Director – la Première Nation des Pekuakamiulnuatsh (Mashteuiatsh)

First elected to Board: **2014**

Councillor Patrick Courtois serves on Council for the la Première Nation des Pekuakamiulnuatsh (Mashteuiatsh). He currently holds education, rights and land protection, governance, and constitution draft advisory commission portfolios, and prides himself on his bridge-building skills to unify Nations. He was motivated to join the Board because he wants to play a part in paving the future for First Nations throughout Canada. Councillor Courtois wants other First Nations to know that FNFA is the best tool that they can use to finance projects and achieve their goals.



Councillor Patrick Brennan

Director – Henvey Inlet First Nation

First elected to Board: **2023**

Councillor Patrick Brennan serves as a Councillor of Henvey Inlet First Nation. He holds portfolios in education, health, human resources, and lands, and has played a crucial role in establishing a trust for his community. Councillor Brennan is well-versed in developing land laws which were instrumental in bringing the Henvey Inlet Wind online. He was motivated to join the Board to raise awareness of FNFA's mandates after experiencing firsthand the support it provided during the \$1 billion wind farm energy installation. Councillor Brennan wants other First Nations to know that FNFA's adaptability and eagerness to explore new business endeavours are impressive and can increase the quality of life for members of our communities.



Councillor William Kaysaywaysemat

Director – Kahkewistahaw First Nation

First elected to Board: **2023**

Councillor William Kaysaywaysemat serves as Councillor of Kahkewistahaw First Nation. Throughout his tenure, he has held portfolios in administration, education, finance, lands and resources, membership and trust. He was motivated to join FNFA's Board because he feels like it is the responsibility of a leader to continue to educate themselves while helping communities develop capacity. Councillor Kaysaywaysemat is a certified trust officer providing him with the ability to become a trustee for any organization. He also recently completed AFOA's Certified Indigenous Leadership (CIL) program in 2023. Councillor Kaysaywaysemat wants other First Nations to know about the numerous resources available at no cost to assist communities to run smoothly, grow and prosper.



Councillor Veronica McGinnis

Director – Osoyoos Indian Band

First elected to Board: **2012**

Councillor Veronica McGinnis is serving her fifteenth consecutive two-year term as a Councillor for the Osoyoos Indian Band and acts as the Chair for the Application Review Committee of FNFA. She is responsible for the health and social services portfolio, and acts as a liaison for Osoyoos Indian Band Administration, Nk'Mip Cultural Centre and the Inkameep Vineyard. With over 25 years of experience nurturing the social fabric of the First Nations community, she prioritizes preventative measures to improve physical, emotional and mental wellbeing. Councillor McGinnis wants other First Nations to know that FNFA is a great resource to help assist communities to become self-sufficient.



Councillor Michael Paul

Director – Wasoqopa'q First Nation

First elected to Board: **2021**

Councillor Michael Paul is serving as a Councillor of Wasoqopa'q First Nation, which consists of six reserves, spanning 300 kms from Halifax to Yarmouth, along Nova Scotia's south shore. Elected since 2002, his portfolios include training and education, economic development, and finance. After 20 years of experience in governance, Councillor Paul understands firsthand that with education and wise financial management, communities and their members can develop, thrive and prosper. He was motivated to join FNFA's board because he believes in its purpose and wants to be involved in its growth. Councillor Paul wants other First Nations to know that FNFA provides Bands with options for financing at better rates than commercial banks offer.



Councillor Dawn Styran

Director – Leq'á:mel First Nation

First elected to Board: **2021**

Councillor Dawn Styran serves as a Councillor for Leq'á:mel First Nation and serves as FNFA's Chair of the Audit Committee. Her current Council portfolios include child and family services. As a registered social worker, Councillor Styran strives to offer meaningful social programming in her community. She wants members to know that FNFA is not simply in the business of lending money; they are helping empower communities to grow on their own terms and in ways that they know work best.



Councillor Gayle Bedard

Director – Lax Kw'alaams Band

First elected to Board: **2024**

Councillor Gayle Bedard serves on Council of the Lax Kw'alaams Band in British Columbia. She is responsible for the finance portfolio and also serves on the housing, health, and human resources committees for her Nation. Her educational background includes a Bachelor of Education, Master of Education, and a Master of Arts in Conflict Analysis and Management. As a newly elected board member, Councillor Bedard is passionate about increasing female representation within the organization's governance, recognizing the importance of diverse perspectives in shaping the future of First Nations financial well-being. She wants First Nations to know that FNFA provides essential services such as investment options, planning advice, and long-term loans to First Nation governments, enabling communities to build a stronger and more prosperous future.



What We Do

ABOUT FNFA




First Nations Finance Authority (FNFA) is a 100 per cent First Nations owned and governed not-for-profit, financial institution.

In 1992, a group of First Nation leaders envisioned an Indigenous-owned and operated institution to provide access to the same financing available to other levels of government in Canada to build safe, healthy, and prosperous communities.

Our goal is to provide First Nation government with access to loans and investment opportunities at the best possible rates.

OUR SERVICES

FNFA helps First Nations with financial and investment needs in three key areas, including:

-  **Financing Services:** FNFA raises short and long-term low-cost financing in the capital markets on behalf of borrowing members for their community priorities including infrastructure, economic, land, and social development projects.
-  **Investment Services:** we provide borrowing members with flexible, low-risk high-yield investment options; and,
-  **Advisory Services:** we offer First Nations capital planning support.

FNFA does not charge fees, our interest rates are well below bank prime, and we provide longer financing terms. Our objective is to ensure continuous and equitable access to affordable financing to First Nations in Canada who are scheduled to the *First Nations Fiscal Management Act (the Act)*.

FINANCING COMMUNITY PROJECTS

FNFA works with our members to identify community priorities, determine borrowing capacity, and identify eligible own-source revenues that could be used to secure financing.

BECOME A BORROWING MEMBER

1. First Nation community requests to be scheduled to the Act. More than 65% of Nations across Canada have chosen to become scheduled.
2. The First Nation works with the First Nations Financial Management Board to obtain a Financial Performance Certificate.
3. The First Nation passes a Band Council Resolution (BCR) to request to become an FNFA Borrowing Member.
4. The FNFA Board of Directors reviews and approves all membership and loan requests.

HOW WE ARE STRONGER TOGETHER

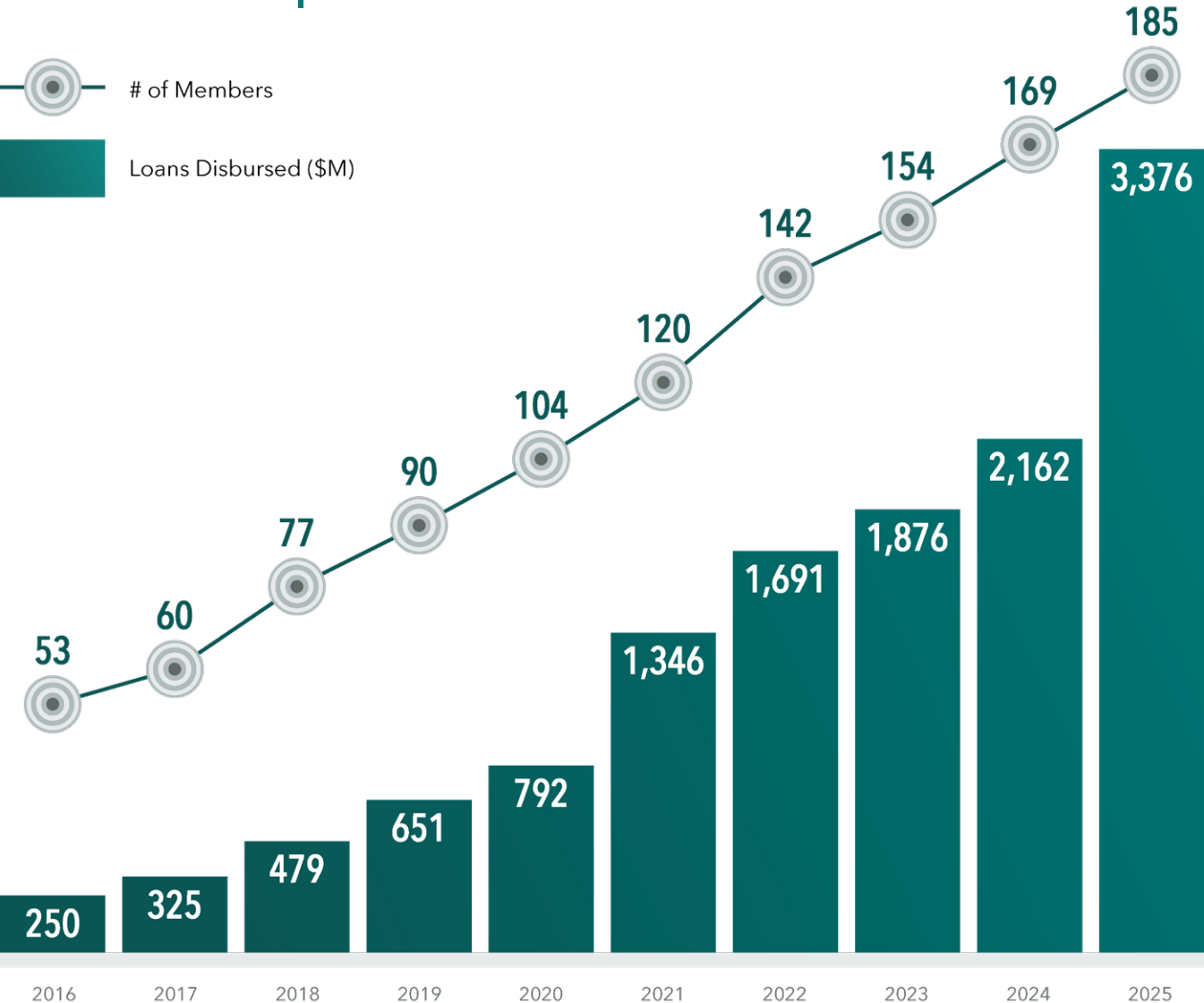
FNFA works with First Nations to understand revenue streams, what level of debt can be supported and provide Chief and Council with a calculation on borrowing capacity. We have established excellent relationships with our banking syndicates, our investors, and most importantly our members.

FNFA respects and affirms the inherent and Treaty Rights of all Indigenous Peoples across this land and will continue to honour the commitments to self-determination, self-sufficiency and economic sovereignty.

BECOME AN INVESTING MEMBER

1. Reach out to FNFA directly - no need for scheduling to the Act or certification process for investing members.
2. We will work with you on what investment options fit your goals.

Membership & Loan Growth



"Access to affordable capital is the key ingredient to economic self-sufficiency for First Nations. FNFA is the only First Nation organization in the world leveraging private capital to fund a pooled-borrowing model giving Nations access to financing for community projects - this is true economic reconciliation in action."

Ernie Daniels, FNFA President and CEO

Issuance Highlights and Ratings

DEBENTURES

2 Issues

Number of debentures issued in 2025

\$1,102,000,000

Dollar value of debentures issued in 2025

4.07%

Weighted average interest rate of issuances in 2025

\$3,085,000,000

Dollar value of all debentures issued

52

Number of loans financed by debentures issued in 2025

CREDIT RATINGS

AA- (Stable) / Aa3 (Stable) / AA (Low)

S&P Global
Ratings

Moody's Ratings
Ratings

Morningstar
DBRS

COMMERCIAL PAPER

\$900,000,000

Program size

Bi-weekly

Market presence

30 day

Term preference

\$450,000,000

Typical issuance size

CREDIT RATINGS

R-1 (Middle)

Morningstar DBRS



Member and Investor Protection

FNFA utilizes a pooled borrowing model that allows members to borrow at the same rates within a debenture, making it equitable for all. Utilizing our successful track record and investment-grade credit ratings, we can offer access to financing for member projects as required.

To protect our members, we have the following safeguards in place:

- **Unanimous Board approval** is required for every loan request.
- **Minimum debt coverage ratios (DCR)** are used to:
 - calculate borrowing capacity,
 - build in sensitivity of a pledged revenue stream decrease without impacting the ability of the member to make loan payments,
 - and monitor performance of pledged revenues compared to actual DCR throughout the loan life.
- **Pledged revenues** flow directly from the source to FNFA to cover loan payments (over 70% are federal/provincial contracts). Excess funds above loan payments are returned to the member.

- **Revenues stream health:** Since 2014, pledged revenues flowing to FNFA have exceeded annual interest obligations by 3.5+ times.
- **Other revenues available:** FNFA intercepts approximately \$327 million out of \$2.3 billion of our members' available revenues. A member is required to substitute a performing revenue stream for a non-performing stream, if necessary.
- **Debt Reserve Fund (DRF):** FNFA withholds five per cent (5%) of every loan for member default protection.
 - The DRF balance can service interest payments for 19 months, if necessary.
 - The DRF is repaid to the member, plus earnings, at final loan payment.
- **Contingency Fund (CF):** available to support borrowing members' loan payments in the event of widespread economic shock.

FNFA has never had a member default on a loan or had to enact any of the protections.

INVESTING WITH US

FNFA offers preferable investment rates for our investing members in both our flexible and locked-in options. With the same methodology as our borrowing programs, we do not charge fees for deposits, withdrawals, or marked-up investment management fees. Investment services are open to Indigenous organizations as well as communities.

We offer:

Accounts	Features
High-interest Savings Account (HISA)	<ul style="list-style-type: none">• Flexible: deposit and withdrawal as needed• Invest funds that are not immediately needed or while you make some decisions on what to do with it to earn passive income• Current earnings rate: 3.15% (June 2025)
Investment Funds	<ul style="list-style-type: none">• Multiple fund profiles to meet your investment goals
Locked-in Investments (GIC)	<ul style="list-style-type: none">• Locked-in options for when funds are not needed for 6 months or longer• Guaranteed rate of return for the investment term

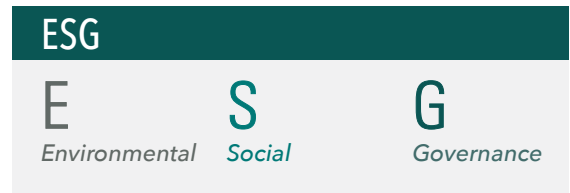


Sustainable Investing with FNFA

First introduced in 2015, the United Nations' Sustainable Development Goals (SDGs) became a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The importance of SDGs soon permeated the global financial markets, with many investors insisting that portions of their investment portfolios are held in securities that represent these goals. This umbrella of investments is known as Environmental, Social, and Corporate Governance (ESG).

The member projects we fund are the definition of these categories - whether it's a wind farm for cleaner energy production, on-reserve housing to reduce overcrowding and improve living conditions, or an economic development project where profits from the project go into community programs for education, health and social services.

FNFA is a non-profit organization that is focused on financing community priorities with a goal of compounding economic prosperity - the inherent nature of FNFA's purpose, mission and mandate is the intent of the sustainable investment category. Many investors recognize an investment in FNFA meets many of their criteria for social, sustainable, and/or impact investing. FNFA's latest issues have also been tagged by Bloomberg as "Sustainable" issues.





More Indigenous Led Major Projects

ACCELERATING CANADA'S PUSH TO BUILD

Across Canada, First Nations are taking their rightful place in Canada's economy as there is more opportunity for participation and leadership in major resource and energy projects across the country.

Imagine a major project that could transform a community or collective of communities and create generational wealth: resource and equity opportunities that create jobs, generate profits for investing in community, and contribute to Canada's economy.

For projects like these, often a partnership - a Special Purpose Vehicle (SPV) - is created to invest in these projects.

FNFA was created to help finance First Nations' projects and provide the lowest financing rates possible to our members. "First Nations" or "Indigenous" is not a product line to us, it is our sole focus.

Currently, FNFA can only lend directly to First Nation governments. If FNFA could lend to SPVs, where a loan guarantee exists, the impact could be equitable access to capital and prosperity for more Nations. Every Nation, large or small, could have access to the financing needed to grow, participate in major projects, and become more economically prosperous.

With just one small change, we could unleash new possibilities across all Nations, giving every community, and our future generations, an added path to prosperity.

FNFA's mandate as a not-for-profit is to offer the best rates possible to our borrowers.

"If FNFA could lend directly to SPVs that have the support of loan guarantees, Nations of any size could secure access to affordable financing to participate in major projects of their choosing faster than ever before,"

Ernie Daniels, FNFA President and CEO



Image: Enoch Cree Nation, AB - River Cree Crossing Development, Treaty No. 6

By increasing access to FNFA's borrowing programs, these savings could mean increased profits and returns for each Nation to better support housing, health, infrastructure, and community services.

This is about empowerment and autonomy; it's about creating wealth and an opportunity that flows right back to our people.

The Indigenous Federal Loan Guarantee Program to support Indigenous communities to become equity partners in large natural resource and energy projects could be utilized to support lending to SPVs.

We welcome this initiative. This would not only give access to low-rate financing to more communities but also make the lending process more streamlined and efficient – which is vital for these projects.

Contact us today and learn how you can support this initiative.

Together, we can create a legacy of prosperity for all our Nations, and we are stronger together.

Monetization

What is monetization? And how could it benefit your community?

Monetization is an approach that could create a renewed relationship with Canada on the road to reconciliation. It is a proven concept that is already used everyday by people buying a home or a vehicle, as an example. Rather than saving the entire amount for an asset upfront, you leverage your existing incoming revenue, over a period of time, to borrow/finance, through a mortgage or loan, and then make payments over time to pay that loan back.

This is monetization.

Why is this concept beneficial for Nations?

Canada currently uses a pay-as-you-go model, which is equivalent to saving up cash for an asset, so for example, saving \$500,000 for a home could take years and over time, the price of that home continues to increase reducing your purchasing power due to inflation.

Canada's pay-as-you-go model can only build a limited number of infrastructure projects each year, making this model extremely inefficient and next to impossible to close the widening infrastructure gap, which is estimated to be at least \$349.2 billion-dollars.

Monetization of federal government transfers would allow for the building of many more projects sooner and could help close the infrastructure gap, something the federal government has committed to do by 2030.

Canada's annual budget *could* actually support a larger number of projects today by committing to pay for them over a number of years, with a much smaller impact on the federal treasury. Also, funding more projects at today's prices removes the risk that inflation will make many projects unachievable.

Why use FNFA?

FNFA is the right vehicle to use for the monetization model because we are First Nations-owned and governed. We have access to capital markets to raise financing required to meet these needs and have a proven track record of doing so. FNFA has developed a comprehensive blueprint to accelerate building essential infrastructure for First Nations and the next seven generations that will follow.

Just imagine what we could do to provide more housing, roads, clean water, health care facilities, schools, sewer systems, Elder's lodges, telecommunications, and so much more.

That is reconciliation in action.



Feature Project

Administration Building

Location: British Columbia

Nation: We Wai Kai Nation

Total FNFA
financing:

\$23.6M

Estimated
jobs created:

214

Following the footsteps of their ancestral history, as stewards of their lands and waters, located on Quadra Island off the coast of Vancouver Island in British Columbia, is We Wai Kai Nation. The Nation is the band government of the We Wai Kai subgroup of the Ligwítłaxw, (Lee-Gweeth-Dachw) and they embrace Lik'wala, their language, to build a proud, healthy, safe and self-sufficient community.

We Wai Kai (formerly known as the Cape Mudge Band) has a current population of almost 1300 members, with about half living on-reserve and the other half off-reserve. Covering 1693 acres, they have five designated reserve lands: Village Bay (IR #7), Open Bay (IR #8), Drew Harbour (IR #9), Cape Mudge (IR #10), and Quinsam (IR #12).

The name We Wai Kai comes from the Chief named Weká'yí and those descending from Weká'yí who survived the great flood. Part of their Creation story is that the

ESG

S G

Social Governance

SDG

3 GOOD HEALTH
AND WELL-BEING



11 SUSTAINABLE CITIES
AND COMMUNITIES





original village was in Tak'a (Topaz Harbour) where Weka'yi gathered his tribe together when he had a vision about an upcoming flood. Woven cedar ropes were made that began in the village and ascended to the top of the mountain where Weka'yi lashed four canoes together.

Finally, the flood did occur; however, due to Weka'yi's hard work and planning, the tribe has lots to eat. The two canoes that remained after the flood are the descendants that are now known as the We Wai Kai Nation (Cape Mudge Band), and the Wei Wai Kum Nation (Campbell River Indian Band).

Today, hard work and planning continue to underpin the Nations' road to self government. Due to the growth in their community's leadership team and programming, the Nation has recently invested in the development of a new administration building for all staff to work together under one roof.

"Council wants this building here for multi-generations," said Jason Wilson, Director of Economic Development for We Wai Kai. "A place that acts as the hub of our Nation, a place that generations to come can be proud of."

Scheduled to open in November 2025, the \$32.2 million dollar building allows the community to build their government and expand services to their members. Sitting at five stories tall, the Nation will occupy the top

floor with the rest intended for leased commercial office space creating a profitable, revenue generating asset.

Embedding their culture into the building was essential in the design process - a 40-foot totem pole, carved from a rare yellow cedar log, will be installed on the property, and the pole will feature crests representing different parts of the Nation, with each crest figure carved by artists. With keeping language, design, and tradition at the core of this project, FNFA was chosen as the financial lender of choice due to being led by First Nations, for First Nations.

"We Wai Kai is a founding member of FNFA and the needs of our Nation to finance over a 30-year period made sense to partner," said Wilson. "At the end of the day, it was the borrowing rates that we just could not get from any major bank. From the approval process to the loan, FNFA has been so easy to work with."

FNFA helped finance We Wai Kai's project with \$23.6 million dollars that contributed to an estimated creation of 214 jobs.

As the We Wai Kai Nation grows, their commitment to cultural revitalization remains a pillar as their leadership continues to build a proud, healthy, safe and self-sufficient community today, for the leaders of tomorrow.

Feature Project

Bow Lake Wind Facility

Location: Ontario

Nation: Batchewana First Nation

Total FNFA
financing:
\$215.9M

Home to the Ojibway people at the rapids of Bawahting (BAH-WAH-TING), what is now known as Sault St. Marie, is where you find Batchewana First Nation (BFN) in northern Ontario.

With a total population of 3,600, the Nation comprises four reserves: Goulais Bay Reserve 15E, Obadjiwan Reserve 15E, Rankin Reserve 15D and Whitefish Island Reserve 15B. The lands were a traditional meeting place of many tribal Nations for trading, hunting, fishing of abundant whitefish, harvesting of other natural resources, and traditional ceremonies.

Like other Ojibway in the upper Great Lakes, the BFN has exercised its responsibility to use, possess and protect the waters, lands and resources from time immemorial. BFN continues to hold and to assert rights and interests in its original territory just as it did prior to any treaty with the Crown.





Today, Batchewana is a progressive First Nation participating in economic reconciliation opportunities by making significant investments in their community with clean energy projects including the Bow Lake Wind Facility. The facility first achieved commercial operations in 2015, and at the time of commissioning set the precedent as one of the largest economic partnerships between a First Nation and a wind energy developer in Canada.

“There is a lot of opportunity not just for clean energy generation, but revenue generation based on the natural resources we already have.”

In September 2024, the Nation acquired 100% ownership of the 58.3 MW wind facility located in Algoma district, on the eastern edge of Lake Superior and south of the Montreal River.

The intention to build and acquire the project had two major intentions: “One was to have control over what is happening on our traditional territory, but also to be able to use that revenue to invest in community initiatives that are often underfunded,” said Chief Mark McCoy, of Batchewana First Nation.

“Our Council wanted to pursue diverse opportunities not just for clean energy generation, but revenue generation that aligned with our values, protocols and interests,” added McCoy. This was the push for BFN to

pursue economic opportunities outside of the traditional ways they would receive either through independent or core funding.

FNFA helped finance Batchewana’s buyout of their partner’s interest in the Bow Lake Wind Facility as well as refinanced the project debt at a much lower cost of borrowing with total financing of \$215.9 million dollars.

The partnership with the operator, BluEarth Renewables, has been one of collaboration and trust, says McCoy. “We have always worked in tandem with them, just like the Two Row Wampum intended, traveling side by side in our own vessels but for the shared success of the project.”

With the step toward clean energy development and generation, the Nation’s natural resource department has been able to grow. “We have multiple people who are doing environmental assessments and bringing on youth who are going to school in the fish and wildlife programs,” added McCoy. “We hope that the success of this project will inspire more to come, and we look forward to working with FNFA as we build a more sustainable future.”

FNFA is proud of the visionary leadership of Chief Mark McCoy and his council to undertake a project that will benefit the community for generations to come.

Feature Project

ODÉ AKI (Heart, Mother Earth in Ojibway) Wyndham Garden Winnipeg Airport

Location: Treaty No. 1 Territory (Manitoba)

Nation: Long Plain First Nation

Total FNFA
financing:
\$38.8M

Estimated
jobs created:
390

Treaty No. 1 was the first of the numbered treaties signed between a First Nation and the Crown in 1871, and was made with the intention that it would be in place as long as the sun shines, the grass grows and the river flows.

This is where you will find Long Plain First Nation, a proud Ojibway and Dakota community in the central plains' region of what is now called Manitoba, situated on 10,800 acres and home to 4,658 members. Long Plain First Nation comprises a main reserve and two urban economic zones, situated along the city limits of Portage la Prairie, and within the City of Winnipeg, which resulted from Treaty Land Entitlement under a 2011 settlement.

One of the priorities of the Nation's economic development arm, Arrowhead Development Corporation, is to assist, support, build and strengthen the community's economic base. Participation in economic reconciliation



ESG

SDG

S
Social

8 DECENT WORK AND
ECONOMIC GROWTH

10 REDUCED
INEQUALITIES

11 SUSTAINABLE CITIES
AND COMMUNITIES



opportunities work to improve the quality of life for its members by creating long-term employment and stable revenue generation.

“Now people are beginning to understand how ‘Indigenomics’ work; how important partnerships are, and the opportunities that can come from these efforts.”

The Nation’s economic development plan began picking up momentum with a successful Microtel Inn & Suites hotel developed in 2019 on their urban reserve, Keeshkeemaquah (KEESH-KEE-MUK-WUH) meaning Short Bear in Ojibway. The name honours the first Chief of Long Plain under Treaty No. 1 and the last hereditary Chief of the Long Plain people. Just a few years later, their economic success continued with building Odé Aki, meaning heart, Mother Earth in Ojibway, known as the Wyndham Garden Winnipeg Airport in October 2022.

The Wyndham property boasts a 132-room facility and is the first First Nations-owned hotel on an urban reserve in Winnipeg. The hotel employs 115 full and part-time staff, almost half of whom are Indigenous, including members of Long Plain First Nation.

The facility offers amenities like a 300-seat banquet hall, swimming pool, dining room, fitness centre, cafe and flexible meeting space including a Knowledge Keepers

area. Approximately 80 per cent of the patrons of the hotel are Indigenous.

Its construction has also transformed the area, which was previously labelled ‘an eyesore’ but is now vibrant with numerous buildings and successful businesses. FNFA helped finance \$38.8 million dollars for the project which contributed to an estimated creation of 390 jobs.

The hotel has received large-scale recognition including the winner of Winnipeg’s Indigenous Tourism Awards and has placed Long Plain on the map of authentic Indigenous places to stay when travelling to Manitoba’s capital city.

Former Chief of Long Plain, Dennis Meeches, values the relationship built between the community and FNFA. “The idea of generational wealth is quite new to Indigenous people, because traditionally our wealth has been our language, tradition and customs. Now people are beginning to understand how ‘Indigenomics’ work; how important partnerships are, and the opportunities that can come from these efforts,” said Meeches.

On the road to economic reconciliation and self-sufficiency, it is projects like these that set a shining example to other Nations in Canada how access to affordable capital through FNFA can help turn a community’s dreams into reality.

Feature Project

Newdock St. John's Dockyard Ltd.

Location: Newfoundland and Labrador

Nation: Qalipu (+ Membertou) First Nations

Total FNFA
financing:
\$59.4M

Estimated
jobs created:
581

Located approximately 700 kilometers west from Newdock (St. John's Dockyard Ltd.) in Ktaqmuk (Newfoundland), on the ancestral lands of the Mi'kmaq and Beothuk, the City of Corner Brook is home to the head office of Qalipu First Nation. Qalipu (HA-LEE-BOO) is part of the Mi'kmaq Nation - a territory also known as Mi'kma'ki. In the Mi'kmaq language, Qalipu means caribou and like the caribou, generations of Mi'kmaq people have travelled far and wide building what is the oldest living culture in Newfoundland and Labrador, Canada.

Most Mi'kmaq ancestors who were denied rights when Newfoundland joined Canada in 1949 would not live long enough to see the government finally recognize their existence more than sixty years later. Instead, today, some twenty-five thousand of their descendants proudly claim Indian status in their place.



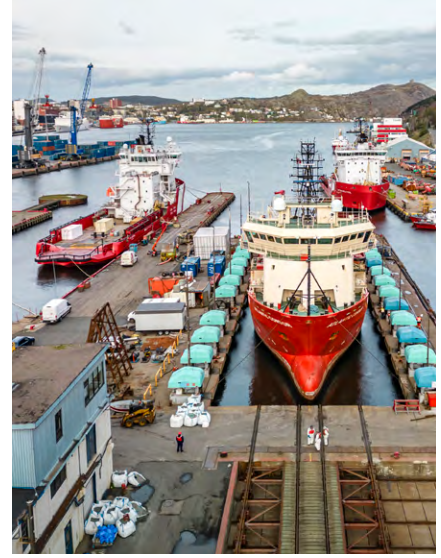
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8 DECENT WORK AND
ECONOMIC GROWTH

17 PARTNERSHIPS
FOR THE GOALS



Qalipu First Nation is made up of 67 traditional Mi'kmaq communities and spread out over 9 Electoral Wards. According to Chief Jenny Brake, collaboration was key to the successful acquisition of the dockyard in October 2024.

"Working with Membertou First Nation and Chief Terry Paul was instrumental in the acquisition of Newdock. This partnership reflects our shared values and vision for the future. Together, we shared a deep commitment to creating something lasting, ensuring a future for our members, our children and their children seven generations from now", said Chief Brake.

A historic landmark in the heart of downtown St. John's for over 140 years, Newdock delivers world-class ship repair and refit services for marine vessels spanning many industries. This acquisition is one of the most significant First Nations' economic investments in the province's history and paid immediate returns to Membertou and Qalipu First Nation members for social and cultural programming and will further create training and employment opportunities for youth.

"When we got to know FNFA and learned that its board of directors were all First Nations elected officials, that all decisions need to be unanimous, and that they were going to work with us if any issues arose, those are things you're never going to find at a bank," said Qalipu First Nation Band Manager, Charles Pender. "Then of course, there is the lower interest rate."

FNFA helped finance Qalipu First Nation with \$28.1 million dollars for 45 per cent ownership, and Membertou First Nation with \$31.3 million dollars for 50 per cent ownership of Newdock. This has resulted in the creation of an estimated 581 jobs and a total impact to Canada's economy of \$121.6 million dollars.

Chief Jenny Brake, the first woman and third elected Chief of Qalipu First Nation, is an artist, a strong advocate for women's rights and by trade, and a skilled tradesperson who completed her welding apprenticeship at the dockyard in pursuit of her Red Seal Certification. This investment in her community brings her journey full circle.

"The purchase of Newdock is a historic occasion and the significance of it now being Indigenous owned instils a pride that we will share with our next seven generations and beyond. Our ancestors and relatives have traditionally traveled the waters between Ktaqmkuk to Unama'kik," said Chief Brake. "Now, the descendants of the first boat builders will contribute as economic drivers in the marine sector of eastern Canada, the area which the Mi'kmaq have always known as Mi'kma'ki."

The Nation is proud of this acquisition standing as a strong and powerful symbol to all of Canada that First Nations are here, have always been here and continue to make our presence known as our members participate in more economic reconciliation opportunities.

Meet The Team



Ernie Daniels

CPA, CAFM

President and Chief Executive Officer

As President and Chief Executive Officer, Ernie Daniels manages the business affairs of First Nations Finance Authority (FNFA). He is a Chartered Professional Accountant and a Certified Aboriginal Financial Manager.

From Salt River First Nation (NWT), Ernie moved from Ottawa to Kelowna in 2011 to work with FNFA as Director of Finance and was subsequently appointed as President and CEO in June 2012. Prior to FNFA, he was the President and Chief Operating Officer of the Aboriginal Financial Officers Association (AFOA) of Canada for seven years and the Director of Assessment and Finance Operations at the Aboriginal Healing Foundation (AHF) for five years.

Ernie has worked for Indigenous non-profit organizations in various leadership and management positions and has served on numerous boards and committees. He is the first member of a First Nation to be appointed to the Board of the Bank of Canada. He was also a member of the Canadian Institute of Chartered Accountants (CICA) Research Study Group looking at financial reporting by First Nations; Chair of the NWT Legislative Assembly Society; Vice-Chair of the NWT Development Corporation; member of the First Nations Financial Management Board (FMB) and Chair of the Audit Committee, and was a member of the Standards, Approvals, and Certification Committee. He was also a member of the Canadian Executive Service Organization (CESO) Board.



Rachel McAllister

CPA, CA, CAFM

Chief Financial and Operating Officer

As Chief Financial and Operating Officer, Rachel McAllister is responsible for guiding the financial direction and reporting of the organization, as well as setting organizational objectives. Rachel provides leadership to drive and implement overall strategy and organizational mandates. She oversees various departments and strives for continuous improvement by adapting to industry changes, technological advancements, and streamlining processes to better serve our growing member base.

Rachel has been with the organization for nearly a decade focused on building structure and growing the internal capacity to support FNFA's growth in service, membership, and staff.

Rachel's background in public accounting and assurance fostered her skills in management, process and policy analysis, and critical thinking. Her experience contributes to her effective leadership and analytical mindset.

Rachel is proud to be leading a team dedicated to promoting equity and prosperity for Indigenous communities and organizations.



Jody Anderson

CAPA

Vice-President - Partnerships, Strategy & Public Affairs

Jody is an Anishinaabe kwe from Treaty 3 and a member of Couchiching First Nation. As Vice-President of Partnerships, Strategy, and Public Affairs, she plays a vital role in developing strategic frameworks that support the growth and prosperity of the organization and its members. She has also been appointed as a community trustee helping to manage a \$100 million dollar trust fund. Jody also hosts the FNFA podcast Let's Bond, promoting dialogue on Indigenous issues and finance. With over two decades of experience working with Indigenous communities and organizations, Jody brings a strong background in Indigenous leadership and administration. She holds a Business Diploma in HR Management, a CAPA designation, and has completed executive education on Leading People and Investing to Build Sustainable Communities at Harvard Business School. Her work emphasizes financial literacy, good governance, cultural identity, and reconciliation.

REPORTING TO EXECUTIVE

James Byra, CPA, CAFM, CIM
*Managing Director of
Finance & Investments*

Bobbi Setter
*Senior Executive Assistant
to President and CEO*

Johnathan Plante,
BASc, MPA
Strategic Policy Advisor

Manon Lamontagne, MA,
MBA, CRHA, CAPA
Human Resources Manager

FINANCE

Sarah Ward, CPA
Financial Controller

Scott Mazurkewich, BComm
Senior Financial Analyst

Ghislain Bruneau
Financial Analyst (Bilingual)

Lee Nevin
Junior Financial Analyst

Shelley Mills
Finance & Account Coordinator

Elsie Grass
Accounting Clerk

COMMUNICATIONS

Jennifer David
*Director of Communications
and Marketing*

Brianna Wilson
*Social Media and
Marketing Coordinator*

MEMBER SERVICES

Jo-Ann Derrickson
Director of Member Services

Ian Bear, MBA
*Associate Director of
Member Services*

Jerret Lafontaine, MBA, BBA
*Associate Director of
Member Services*

Sybil Campbell
Member Services Manager

Patricia Debassige, CAPA
Member Services Manager

Brenda Belmore, Cert. in PA
Member Services Manager

Nadia Robertson
Member Services Manager

Jacky Papatens
Member Services Manager

René Jeddore
Member Services Manager

Randy Mayes
*Member Services
Information Manager*

Johnathon Patrick
Member Services Associate

INFORMATION TECHNOLOGY

Stephen Blancher, BCIS
IT Manager

Nora Waldenberger, MCSE
*Cybersecurity and
Network Administrator*

Alexey Stepanets, BSc
Software Developer

Kirill Bibikov, MCS
Software Project Manager

ADMINISTRATION & MAINTENANCE

Sandee Greveling
Office Administrator

Corum Tarasevich
Custodian and Maintenance



Events, Community Engagement and Achievements

Gathering with Community at FNFA's Open House

The fall of 2024, FNFA opened its doors to members and friends to celebrate the new head office space on Westbank First Nation, home to the Okanagan (Syilx) peoples.

Elder Rose Lube (Westbank First Nation) began this event in a good way with prayer and blessing the space where our team will continue supporting and serving First Nations to build their own futures on their own terms.



First Nations Economic Forum

On May 13-14, 2024, several national Indigenous organizations (NIOs) collaborated to hold a First Nations Economic Forum (FNEF) in Winnipeg, with additional online participation later that month. The event brought together over 250 in-person attendees and 100 online participants, including representatives from various First Nations governments, NIOs, as well as economic development officers and entrepreneurs. The forum aimed to foster dialogue and collaboration on advancing First Nations economic interests.

The NIO forum organizers included the following organizations and institutions:

- Canadian Council for Indigenous Businesses (CCIB)
- First Nations Finance Authority (FNFA)
- National Aboriginal Capital Corporations Association (NACCA)
- First Nations Major Projects Coalition (FNMPC)
- National Aboriginal Trust Officers Association (NATOA)
- Council for the Advancement of Native Development Officers (CANDO)
- National Aboriginal Lands Managers Association (NALMA)
- First Nations Financial Management Board (FMB)

While there were many policy takeaways, the true value of the forum was in the discourse between First Nations leaders, economic development officers, businesspeople, and NIOs. It was the start of a conversation about empowering economic reconciliation and the beginning of a process to advance First Nations economic priorities. The discussions highlighted the importance of continuing dialogue and collaboration to advance First Nations economic interests over the long term. The event underscored several key themes and principles essential for fostering progress within First Nations communities:

The discussions were organized around 5 main categories:

- Access to Capital
- Business Support
- First Nations Working Together
- First Nations Government Revenue
- Sovereignty over Lands





POLICY TAKEAWAYS

The FNEF is only part of a journey toward economic reconciliation. The policy takeaways are not an end point; they are part of an ongoing conversation about how to remove colonial barriers to growth and support First Nations led solutions. The real value of this forum lies in the ongoing dialogue and collaborative efforts to advance First Nations economic interests. By advancing economic priorities and continuing to build on the principles of unity, capacity building, self-determination, forward-looking approaches, and sustainability, First Nations can create a prosperous future together. The forum highlighted the importance of Indigenous leadership and the need for Canada to listen and support these efforts, ensuring that First Nations have the tools and resources necessary to govern effectively and provide for their communities.

In summary, participants found that the Government of Canada should:

1. **Transfer control over lands to First Nations governments:** Canada should prioritize policy initiatives that transfer autonomy and control over lands to First Nations governments. It should also support First Nations to accelerate their progress through shared tools such as a lands registry, laws, regulations, capacity building organizations, and funding for modern business-grade infrastructure.
2. **Support First Nations governments and entrepreneurs to access capital, comparable to other Canadians and levels of government:** the Government of Canada should directly address the barriers to capital through development financing and additional financing options. It should also address gaps in the First Nations legal framework by supporting First Nations-led efforts to develop institutional frameworks that can support economic development and attract investment, including financing.
3. **Invest in First Nations capacity:** The Government of Canada should address the capacity deficit by investing heavily in education and skills acquisition for First Nations citizens. It should also invest in the acquisition of education and skills by prioritizing enhanced capacity supports for entrepreneurs and emerging First Nations businesses.



First Nations Leading the Way 7

The 2024 First Nations Leading the Way: Paddling Through the Currents of Change took place on Treaty No. 6 Territory in Edmonton, Alberta where over 700 delegates had the honour of listening to and learning from keynote speaker Jody Wilson-Raybould.

This conference is always a highlight for our members and our team to gather, connect and learn from other Nations on how the FNFA model can support them to achieve economic self-sufficiency, advance meaningful reconciliation and enhance the quality of life of generations to come.





"Reconciliation means transforming our broken relationship with the Crown. Unless and until that proper relationship exists, there is no amount of federal transfers that will properly address the legacy of colonization that holds our people down. True economic reconciliation occurs in the context of the recognition of self government. There are no shortcuts."

Jody Wilson-Raybould



Ernie Daniels Recieves BIV's BC Top BC CEO Award

In October 2024, FNFA's President and CEO Ernie Daniels was honoured to receive one of Business in Vancouver's Top CEO Awards in the Publicly Accountable Category. The awards took place in Vancouver, British Columbia, located on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh Nations.

During his acceptance speech, Daniels shared why he does this important work:

"What gets me up everyday to do my job is that I continue to seek for a better quality of life for our communities."

Statement of Management Responsibility

The financial statements of First Nations Finance Authority ("FNFA") for the year ended March 31, 2025 have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee. The Audit Committee meets with management no fewer than four times a year and the external auditors a minimum of two times a year.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination considers internal control relevant to management's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of FNFA's internal control. The external auditors have full and free access to the Audit Committee.

On behalf of First Nations Finance Authority



Ernie Daniels President & CEO

June 9, 2025



KPMG LLP

200-3200 Richter Street
Kelowna, BC V1W 5K9
Canada
Telephone 250 979 7150
Fax 250 763 0044

Independent Auditor's Report

To the Members of First Nations Finance Authority

Opinion

We have audited the financial statements of First Nations Finance Authority ("FNFA"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FNFA as at March 31, 2025, and its results of operations, its changes in net financial assets, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of FNFA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged With Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FNFA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on FNFA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause FNFA's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for KPMG LLP, featuring the letters 'KPMG' in a stylized, handwritten font, followed by 'LLP' in a similar style. A horizontal line is drawn underneath the text.

Chartered Professional Accountants

June 9, 2025
Kelowna, Canada

STATEMENTS OF FINANCIAL POSITION

March 31, 2025 with comparative figures for 2024 (in thousands)

	2025	2024
Financial Assets		
Cash and cash equivalents	\$ 597,889	\$ 304,628
Debt Reserve Funds investments (note 2(a))	178,170	118,936
Sinking Funds investments (note 3)	219,360	213,503
Loans to members (note 4)	2,963,139	1,908,323
Restricted cash and cash equivalents:		
Funds held due to members	129,912	114,545
Principal and interest payments received in advance	23,612	20,447
Other (Note 5)	324	324
	4,112,406	2,680,706
Liabilities		
Accounts payable and accrued liabilities	979	696
Accrued interest payable	30,603	17,613
Deferred contributions (note 13)	805	1,397
Due to members (note 2(b))	178,170	118,936
Funds held due to members	129,912	114,545
Principal and interest payments received in advance	23,612	20,447
Short-term indebtedness (note 6)	900,000	400,000
Debentures: (note 7)		
Principal	2,834,000	1,983,000
Unamortized premium and discounts, net	(7,694)	6,780
Unamortized debenture issuance costs	(9,253)	(7,860)
	4,081,134	2,655,554
Net Financial Assets	31,272	25,152
Non-Financial Assets		
Credit Enhancement Fund (note 8)	53,163	53,163
Contingency Fund (note 9)	38,029	35,540
Capital assets (note 10)	2,822	2,702
Prepaid expenses	1,333	1,045
	95,348	92,450
Commitments and contingencies (note 11)		
Accumulated surplus	\$ 126,620	\$ 117,602
Accumulated surplus is comprised of:		
Accumulated surplus (note 12)	\$ 126,370	\$ 117,173
Accumulated remeasurement gains	250	429
	\$ 126,620	\$ 117,602

See accompanying notes to the financial statements.

On Behalf of the Board:



Chief Derek Epp - Chair



Ernie Daniels - President & CEO

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended March 31, 2025 with comparative figures for 2024 (in thousands)

	2025 Budget	2025	2024
	(note 1(g))		
Revenue			
Interest from loan programs	\$ 104,794	\$ 105,636	\$ 70,230
Investment	12,989	12,872	12,789
Grants and contributions (note 13)	3,238	2,531	2,999
Debenture issuance premium amortization	1,708	1,986	2,864
Management fees	728	1,015	636
Other	-	189	43
	123,457	124,229	89,561
Expenses (note 1 (h))			
Interest on financing	96,615	95,917	64,692
Investment revenue due to members	5,285	5,743	5,560
Salaries and benefits	5,068	4,453	3,650
Financing fees	2,322	2,089	1,508
Professional fees	2,468	2,482	1,477
Debenture issuance costs amortization	1,340	1,558	1,432
Debenture issuance discount amortization	377	981	401
Operations and management	1,327	1,436	744
Travel, marketing and workshops	1,755	810	858
Amortization of capital assets	533	363	198
	117,090	115,832	80,520
Operating surplus	\$ 6,367	\$ 8,397	\$ 9,041
Contingency Fund contribution (note 9)	-	800	-
Annual Surplus	6,367	9,197	9,041
Accumulated surplus, beginning of year	117,173	117,173	108,132
Accumulated surplus, end of year	\$ 123,540	\$ 126,370	\$ 117,173

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended March 31, 2025 with comparative figures for 2024 (in thousands)

	2025 Budget	2025	2024
	(note 1(g))		
Annual Surplus	\$ 6,367	\$ 9,197	\$ 9,041
Changes to non-financial assets:			
Contingency Fund contributions	-	(800)	-
Contingency Fund earnings	-	(1,689)	(1,875)
Net acquisition of capital assets	-	(483)	(1,255)
Amortization of capital assets	533	363	198
	533	(2,609)	(2,932)
Net change in prepaid expenses	-	(289)	287
		(2,898)	(2,645)
Net remeasurement gains	-	(179)	155
Increase in net financial assets	6,900	6,120	6,551
Net financial assets, beginning of year	25,152	25,152	18,601
Net financial assets, end of year	\$ 32,052	\$ 31,272	\$ 25,152

REMEASUREMENT GAINS AND LOSSES

Year ended March 31, 2025 with comparative figures for 2024 (in thousands)

	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 429	\$ 274
Unrealized gains (losses) generated and reversed during the year from:		
Derivative contracts	(179)	155
Accumulated remeasurement gains, end of year	\$ 250	\$ 429

STATEMENT OF CASH FLOWS

Year ended March 31, 2025 with comparative figures for 2024 (in thousands)

	2025	2024
Cash provided by (used in):		
Operating transactions:		
Operating surplus	\$ 8,397	\$ 9,041
Debenture issuance premium amortization	(1,986)	(2,864)
Debenture issuance discount amortization	981	401
Debenture issuance costs amortization	1,558	1,432
Amortization of capital assets	363	198
Net change in non-cash assets and liabilities	13,192	5,275
	22,505	13,483
Investing transactions:		
Acquisition of investments	(67,580)	(72,905)
Increase in amounts due to members	59,234	17,840
Net increase in restricted cash and cash equivalents	(18,532)	(53,149)
Increase in funds held due to members	15,367	51,859
Increase in principal and interest payments received in advance	3,165	1,290
	(8,346)	(55,065)
Financing transactions:		
Loans to members issued	(1,189,471)	(285,700)
Repayment of loans to members	134,476	54,050
Debenture issued, principal	851,000	357,000
Discount on debenture issuance	(13,469)	(286)
Debenture issuance costs	(2,951)	(2,329)
Proceeds from short-term indebtedness	500,000	-
	279,585	122,735
Capital transactions:		
Net acquisition of capital assets	(483)	(1,255)
Increase in cash and cash equivalents	293,261	79,898
Cash and cash equivalents, beginning of year	304,628	224,730
Cash and cash equivalents, end of year	\$ 597,889	\$ 304,628
Supplemental cash flow information:		
Interest paid	\$ 66,355	\$ 59,807
Contingency Fund contribution	800	-

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 2025

(all tabular figures reported in thousands of dollars)

First Nations Finance Authority ("FNFA") was created on April 1, 2006 as a result of Bill C20 and operates under the First Nations Fiscal Management Act (the "Act") as a not for profit corporation without share capital to develop borrowing capacity for First Nations governments and to provide investment pooling arrangements for its investing members. FNFA is exempt from income taxes pursuant to Section 149 (1)(c) and 149 (1)(d.5) of the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements of FNFA have been prepared by management in accordance with Canadian Public Sector Accounting Standards, applying the following significant accounting policies.

(a) Basis of presentation:

These financial statements reflect the assets, liabilities, revenues, and expenses of FNFA's Operating, Credit Enhancement, Contingency, Sinking, and Debt Reserve Funds. All transactions and balances between the funds have been eliminated upon combination. Descriptions of FNFA's funds are as follows:

Operating Fund:

FNFA's Operating Fund includes revenue and expenses for all aspects of operations, including corporate administration and finance.

Credit Enhancement Fund:

Under the Act, FNFA is required to establish a Credit Enhancement Fund for the enhancement of FNFA's credit rating.

Contingency Fund:

Created through an agreement with Crown-Indigenous Relations and Northern Affairs Canada ("CIRNAC"), the Contingency Fund provides support for FNFA's borrowing members encountering difficulties through global pandemics or other widespread adverse economic events.

Sinking Funds:

Under the Act, FNFA is required to establish Sinking Funds to fulfill its repayment obligations to the holders of each debenture security issued by FNFA. Sinking Fund payments are required as a condition of loan agreements with members and are invested by FNFA and occur based upon the frequency of FNFA intercepting the revenues supporting the loans. Sinking Funds are not required for interim financing loans to members.

1. Significant accounting policies (a) (continued):

Debt Reserve Funds:

Under the Act, FNFA is required to establish Debt Reserve Funds. FNFA withholds 5% of the loan amount requested under a member's borrowing law. If at any time, FNFA lacks sufficient funds to meet the principal, interest or Sinking Fund payments due on its obligations because of a default in payment by the payor of the intercepted revenue stream or from a borrowing member using its own source business revenues, FNFA can utilize the Debt Reserve Funds to satisfy these obligations. Upon extinguishment of a member's loan, the Debt Reserve Fund contributed by the member and net earnings on investment of the Fund are repaid to the member. The Debt Reserve Fund terms do not provide for an accumulated surplus or deficit.

FNFA follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable (note 1(b)). Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Revenue recognition:

Transfers from governments are recognized as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers which include stipulations that give rise to an obligation are recognized as revenue in the period the stipulations giving rise to the obligation have been met. Transfers from governments which FNFA collects as an agent on behalf of its members are recorded on a net basis.

Interest from loan programs with members is recorded as revenue in accordance with FNFA's loan agreements with its members. Investment, management fees, and other revenue is recorded as revenue in the period earned.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash and investments in highly liquid money market funds, with a term to maturity of 90 days or less and are readily convertible to cash.

(d) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or an amortized cost instrument. The fair value category includes investments in equity instruments that are quoted in an active market, freestanding derivative instruments that are not in a qualifying hedging relationship and any other items elected by FNFA to be recorded at fair value. All other financial instruments, including cash and cash equivalents, government and corporate bonds, short-term indebtedness, and debentures are recorded at amortized cost. Corporate bonds held by FNFA are chartered bank investments as consistent with investment requirements under the Act. Transaction costs directly attributable to the acquisition or issuance of a financial instrument are added to the amortized cost or expensed if related to instruments recorded on a fair value basis. The effective interest rate method is used to measure interest for financial instruments recorded at amortized cost.

1. Significant accounting policies (d) (continued):

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss, calculated as the excess of the net recoverable amount of the asset and its carrying value, is reported in the statement of operations. Any unrealized gain or loss for financial assets or liabilities measured at fair value is recorded through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed, and the realized gain or loss is recognized in the statement of operations.

(e) Capital assets:

Capital assets are recorded at cost, net of accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution and are also recorded as revenue. When management determines that an asset no longer contributes to FNFA's operations, the asset's net book value is written down to its net realizable value. Amortization is provided over the asset's estimated useful life at the following bases and annual rates, once the asset is available for use:

Asset	Basis	Rate
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30 - 45%
Leasehold improvements	Straight-line	5 - 10 years

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Areas requiring management estimates include the net recoverable amount and any impairment of financial assets, the fair value of financial liabilities on issuance, the fair value of derivative instruments and the effective interest rate of financial assets and liabilities measured at amortized cost. Actual amounts can differ from these estimates.

(g) Budget data:

The budget data presented in these financial statements have been derived from the budget approved by the Board of Directors on April 16, 2024. The budget is reflected in the statement of operations and accumulated surplus and the statement of changes in net financial assets.

(h) Segmented disclosure:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. FNFA has determined that it had only one operating segment for the years presented. Accordingly, segmented disclosures have not been presented in these financial statements.

2. Debt Reserve Funds:

(a) Investments:

The Debt Reserve Funds' investments are held by FNFA as security for debenture payments to bondholders and interim financing providers. If, at any time, FNFA does not have sufficient funds to meet payments or Sinking Fund contributions due on its obligations, the payments or Sinking Fund contributions will be made from the Debt Reserve Funds.

The Debt Reserve Funds' assets, as at March 31, 2025 consist of the following:

	2025	2024
Cash and cash equivalents	\$ 89,076	\$ 30,735
Structured deposit notes (note 11 (a))	51,350	25,436
Government and corporate bonds	37,744	62,765
	\$ 178,170	\$ 118,936

Structured deposit notes include notes with maturities between May 2030 and May 2034, with interest rates from 3.90% to 4.50%.

Government and corporate bonds include bonds with maturities from December 2031 to June 2037, with coupon rates from 2.25% to 4.70% and have a total principal of \$37.0 million (2024 - \$63.5 million). The market value as at March 31, 2025 was approximately \$37.1 million.

(b) Due to members:

Amounts due to members in the Debt Reserve Funds will be repaid to a member when the member has satisfied all obligations related to the applicable loan agreement. The balance owing to members as at March 31, 2025, is due upon extinguishment of the underlying loan, consistent with the term of the financing agreements.

3. Sinking Funds:

The Sinking Funds' assets are held to fulfill the repayment obligations of the debentures. The Sinking Funds may only be invested in securities, investments or deposits specified under the Act.

The Sinking Funds' assets, as at March 31, 2025 consist of the following:

	2025	2024
Cash and cash equivalents	\$ 71,040	\$ 26,669
Guaranteed investment certificates	75,800	91,085
Structured deposit notes (note 11 (a))	46,000	550
Government and corporate bonds	26,520	95,199
	\$ 219,360	\$ 213,503

Guaranteed investment certificates include certificates with maturities from January 2028 to March 2032, with interest rates from 4.40% to 5.96%.

Structured deposit notes include notes with maturities between May 2030 and May 2034, with interest rates from 3.90% to 4.50%.

Government and corporate bonds include bonds with maturities from May 2027 to Dec 2032, with coupon rates from 1.71% to 4.25% and have a total principal of \$26.0 million (2024 - \$96.6 million). The market value as at March 31, 2025 was approximately \$26.1 million.

The Sinking Funds' investment portfolio includes FNFA issued bonds. At March 31, 2025, the book value of these investments was \$10.0 million (2024 - \$31.6 million) and related investment income during the year was \$0.3 million (2024 - \$0.7 million).

4. Loans to members:

	2025	2024
Debenture financing loans	\$ 2,597,487	\$ 1,774,260
Interim financing loans	365,402	133,634
	2,962,889	1,907,894
Unrealized gain on derivative contracts	250	429
	\$ 2,963,139	\$ 1,908,323

The aggregate maturity of loans to members as at March 31, 2025 are as follows:

2026	\$ 424,925
2027	75,338
2028	75,349
2029	78,739
2030	75,212
Thereafter	2,233,326
	\$ 2,962,889

(a) Debenture financing loans:

Debenture financing loans to members consists of loans to ninety-four (2024 - eighty- one) borrowing members. The loans, documented by way of a promissory note, are repayable in annual principal payments to maturity, with interest payable semi-annually at 1.90% to 4.47%.

(b) Interim financing loans:

Interim financing loans as at March 31, 2025, consists of loans to twenty-two (2024 - twelve) borrowing members, bearing interest at a floating rate of 2.40% to 6.00%, payable monthly. Loans to nineteen borrowing members are due on the earlier of demand or the date upon which FNFA issues debentures to replace the interim financing provided to the First Nation. The interim financing loans have been issued by FNFA in anticipation of a debenture issuance. Loans to three borrowing members are long-term financing arrangements due in June 2028, and June 2030. The remaining interim financing loans will be replaced by long-term financing agreements upon the issuance of such securities and the earlier of five years from the date of the issuance of the interim financing or the completion by the member of the purpose, as defined in their borrowing agreement, for the financing.

4. Loans to members (continued):

(c) Secured Revenues Trust Account:

FNFA determines which of the member's revenue streams are to be intercepted. These revenues are intercepted directly from the payor and are specified in the member's Borrowing Law. Each revenue stream must maintain a minimum debt service coverage ratio. These intercepted revenues cover both interest and principal payments and are deposited by the payor into a Secured Revenues Trust Account ("SRTA"), as governed by a Secured Revenues Trust Account Management Agreement between the member and FNFA. As directed by FNFA, the following amounts are withdrawn from the SRTA:

- Scheduled principal and interest payments to FNFA in accordance with the terms and timing outlined in the respective promissory notes and borrowing agreements; and
- The excess in the SRTA may be paid to the member based on the terms of their respective promissory note or borrowing agreement.

(d) Loan impairment:

FNFA conducts periodic evaluations of its loans to members to determine if the loans are impaired. No impairment provision has been recorded to March 31, 2025 (2024 - \$nil). A reduction in the carrying value of a loan may be recovered by a transfer from the applicable Debt Reserve Fund and, ultimately, intervention with the First Nations Financial Management Board on eligible revenue streams if it is believed that payments under the loan agreements may not be recovered within a reasonable period of time.

5. Members capital:

On April 1, 2006, assets and liabilities of FNFA Inc., a predecessor organization which was controlled by the same Board as FNFA, were transferred to FNFA. FNFA's Board of Directors has resolved by way of a bylaw that, upon dissolution of FNFA, the total contribution to FNFA of \$324,035, being tangible capital assets and retained earnings of FNFA Inc. on April 1, 2006, shall be first distributed to the public bodies having an interest in members' capital. The members' capital has been recorded as restricted cash and cash equivalents.

6. Short-term indebtedness:

FNFA operates a Commercial Paper Program to support its interim financing loans to members. FNFA can issue commercial paper up to a maximum aggregate amount of \$900 million, which is fully backed by a revolving credit facility. Outstanding commercial paper at March 31, 2025 had an average interest rate of 4.07% (2024 - 5.03%). The present value of the commercial paper at issuance was not significantly different than its principal amount.

The aggregate of \$900 million outstanding between the revolving credit facility and the Commercial Paper Program may not be exceeded. The outstanding balance of the credit facility at March 31, 2025 was \$nil (2024 - \$nil). Amounts borrowed under the revolving credit facility are due the earlier of the terms of FNFA's interim financing loans to members (note 4(b)) and October 2025.

7. Debentures:

Debentures consist of secured and unsubordinated bonds issued by FNFA. The bonds provide for semi-annual interest payments at 1.71% to 4.10% and payment of the principal at maturity on June 1, 2028 to June 1, 2035. Debenture discounts or premiums and debenture issuance costs including bond forward fees are amortized over the debenture term using the effective interest method. The resulting effective interest rate for the debenture financing is 1.66% to 4.29%.

The maturity of debenture financing as at March 31, 2025 is as follows:

2029	\$	427,000
2031		594,000
2033		354,000
2035		809,000
2036		650,000
	\$	2,834,000

8. Credit Enhancement Fund:

The Credit Enhancement Fund was established under the Act and funded through several deposits from CIRNAC. Funds included in the Credit Enhancement Fund may be invested only in securities, investments or deposits specified under the Act. Investment income from the Credit Enhancement Fund may be used to temporarily offset shortfalls in the Debt Reserve Funds, to defray FNFA's costs of operation, and for any other purpose prescribed by regulation. The capital of the Credit Enhancement Fund may be used to temporarily offset shortfalls in the Debt Reserve Funds and for any other purpose prescribed by regulation. During the year, no transfers were made to the Debt Reserve Funds.

The Credit Enhancement Fund, as at March 31, 2025 consists of the following:

	2025	2024
Cash and cash equivalents	\$ 12,902	\$ 5,107
Government and corporate bonds	40,325	48,130
Due to Operating Fund	(64)	(74)
	\$ 53,163	\$ 53,163

Government and corporate bonds include bonds with maturities of June 2030 to June 2037, a coupon rates of 1.25% to 4.70% and have a total principal of \$39.0 million (2024 - \$46.5 million). The market value as at March 31, 2025 was approximately \$39.1 million.

9. Contingency Fund:

The purpose of the Contingency Fund is to provide repayable financial support for FNFA's borrowing members encountering difficulties making loan payments to FNFA. The Contingency Fund must be deposited into a Canadian financial institution that is a member of the Canada Deposit Insurance Corporation. Interest income from the Contingency Fund may be used for FNFA's operations. During the year ended March 31, 2025, no loans from the Contingency Fund were made to borrowing members.

Fund activity for the year ended March 31, 2025 is as follows:

	2025	2024
Balance, beginning of year	\$ 35,540	\$ 33,665
Contributions	800	-
Interest income	1,689	1,875
Balance, end of year	\$ 38,029	\$ 35,540

10. Capital assets:

March 31, 2025	Furniture and equipment	Computer equipment	Leasehold improvements	Computer Software	Total
Cost:					
Balance, beginning of year	\$ 383	\$ 209	\$ 2,088	\$ 661	\$ 3,341
Additions	23	152	61	322	558
Disposals	(7)	(26)	(4)	(73)	(110)
Balance, end of year	399	335	2,145	910	3,789
Accumulated amortization:					
Balance, beginning of year	117	94	428	-	639
Amortization	59	76	228	-	363
Disposals	(7)	(25)	(3)	-	(35)
Balance, end of year	169	145	653	-	967
Net book value, end of year	\$ 230	\$ 190	\$ 1,492	\$ 910	\$ 2,822

March 31, 2024	Furniture and equipment	Computer equipment	Leasehold improvements	Computer Software	Total
Cost:					
Balance, beginning of year	\$ 213	\$ 132	\$ 1,135	\$ 646	\$ 2,126
Additions	177	107	956	15	1,255
Disposals	(7)	(30)	(3)	-	(40)
Balance, end of year	383	209	2,088	661	3,341
Accumulated amortization:					
Balance, beginning of year	92	82	307	-	481
Amortization	29	31	123	-	183
Disposals	(4)	(19)	(2)	-	(25)
Balance, end of year	117	94	428	-	639
Net book value, end of year	\$ 266	\$ 115	\$ 1,660	\$ 661	\$ 2,702

Computer software consists of costs incurred for software that is in the development phase. As it was not available for use as at March 31, 2025, no amortization has been recorded.

11. Commitments and contingent liabilities:

(a) Commitments

Office Lease – FNFA entered into a lease agreement for office space, which expires August 2029 and various office equipment leases expiring July 2029.

Total estimated operating lease commitments to maturity are as follows:

2026	\$	324
2027		324
2028		324
2029		324
2030		134
	\$	1,430

Structured Deposit Notes – FNFA entered into structured deposit note agreements to lock-in investment rates over the term of the notes. The investments are in the Debt Reserve Fund and Sinking Fund investments as described in note 2 and 3.

FNFA has the following structured deposit note commitments:

2026	\$	55,700
2027		56,700
2028		56,700
2029		56,700
2030		56,700
Thereafter		56,700
	\$	144,300

(b) Derivative financial instruments

At March 31, 2025, FNFA had the following outstanding derivative financial instruments:

- Interest rate swap contract with a notional value of \$6.6 million whose settlement extends to June 1, 2035.
- Interest rate swap contract with a notional value of \$2.3 million whose settlement extends to June 18, 2040.

11. Commitments and contingent liabilities (continued):

The contracts were entered into as devices to control interest rate risk for loans to members. They were entered into at the request of a borrowing member to provide a fixed lending rate for a predetermined period of time, commencing at the specified future date. At the specified future dates, FNFA will cash settle the derivative contract with the financial institution, realizing either a receipt of cash or a payment of cash dependent upon movements in interest rates.

The amount of cash received or paid upon contract termination is calculated using a present value formula at the benchmark yield upon settlement.

Under PSAS, these cash settlements are recorded as either a gain or a loss in the year of contract termination. FNFA is cash neutral, except for the contract fee, as it recovers or attributes these cash settlement amounts to its member(s) over the contract term.

FNFA categorizes its fair value measurements for derivative contracts and investments according to a three-level hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The three levels of the fair value hierarchy based on the reliability of inputs are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Government and corporate bonds and derivative contracts are considered level 2 financial instruments.

The net unrealized gain on outstanding derivative contracts at March 31, 2025, of \$0.25 million (2024 - \$0.43 million) has been reflected in the statement of remeasurement gains and losses and in the statement of financial position as an offset to loans to members.

12. Accumulated surplus:

(a) Accumulated surplus consists of the individual fund surpluses and reserves as follows:

	2025	2024
Credit Enhancement Fund	\$ 53,163	\$ 53,163
Contingency Fund	38,029	35,540
Operating Fund:		
Invested in tangible capital assets	2,822	2,702
Unrestricted	32,356	25,768
	35,178	28,470
Balance, end of year	\$ 126,370	\$ 117,173

(b) Change in accumulated surplus is calculated as follows:

	Credit Enhancement Fund	Contingency Fund	Operating Fund		Total
			Invested in capital assets	Unrestricted	
Balance, March 31, 2023	\$ 53,163	\$ 33,665	\$ 1,645	\$ 19,659	\$ 108,132
Annual operating surplus (deficit)	1,692	1,875	(198)	5,672	9,041
Acquisition of capital assets	-	-	1,255	(1,255)	-
Transfers	(1,692)	-	-	1,692	-
Balance, March 31, 2024	\$ 53,163	\$ 35,540	\$ 2,702	\$ 25,768	\$ 117,173
Annual operating surplus (deficit)	2,459	1,689	(363)	4,612	8,397
Contingency Contribution	-	800	-	-	800
Acquisition of capital assets	-	-	558	(558)	-
Disposal of capital assets	-	-	(75)	75	-
Transfers	(2,459)	-	-	2,459	-
Balance March 31, 2025	\$ 53,163	\$ 38,029	\$ 2,822	\$ 32,356	\$ 126,370

13. Grants and contributions:

During the year, FNFA received the following funding arrangements from CIRNAC:

	2025	2024
Comprehensive Funding Arrangement	\$ 939	\$ 2,301
Grant Agreement	1,000	1,000
Deferred contributions from prior year	1,397	1,095
Deferred contributions	(805)	(1,397)
	\$ 2,531	\$ 2,999

CIRNAC provided a Comprehensive Funding Arrangement, for delivery of specific programs, services and activities as set out in the arrangement. This funding agreement is reviewed annually based on the needs and the financial results of FNFA.

Under the terms of the Grant Agreement, which is for the purpose of covering costs associated with FNFA's core business, FNFA is to receive an annual maximum of \$1,000,000. This arrangement expires on March 31, 2025.

14. Financial instruments:

(a) Liquidity risk:

Liquidity risk is the risk that FNFA will not be able to meet its financial obligations as they become due. For the year ended March 31, 2025, each interim financing loan to members was funded through short-term indebtedness. FNFA maintains Sinking Funds (note 3) to assist with managing its liquidity risk with respect to its debenture financing. FNFA monitors the maturity of its financial liabilities and assesses whether it has sufficient cash to settle these financial obligations when due. FNFA is subject to non-financial covenants and restrictions in relation to its short-term indebtedness (note 6) and Credit Enhancement Fund (note 8).

The following table summarizes the remaining contractual maturities of FNFA's financial liabilities:

				2025
	On Demand	Within 1 Year	Greater Than 1 Year	Total
Non-derivative financial liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 978	\$ -	\$ 978
Accrued interest payable	-	30,603	-	30,603
Principal and interest received in advance	-	23,612	-	23,612
Funds held due to members	129,912	-	-	129,912
Due to members	-	18,931	159,239	178,170
Short-term indebtedness	900,000	-	-	900,000
Debentures	-	-	2,834,000	2,834,000
	\$ 1,029,912	\$ 74,124	\$ 2,993,239	\$ 4,097,275

				2024
	On Demand	Within 1 Year	Greater Than 1 Year	Total
Non-derivative financial liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 696	\$ -	\$ 696
Accrued interest payable	-	17,613	-	17,613
Principal and interest received in advance	-	20,447	-	20,447
Funds held due to members	114,545	-	-	114,545
Due to members	-	6,848	112,088	118,936
Short-term indebtedness	400,000	-	-	400,000
Debentures	-	-	1,983,000	1,983,000
	\$ 514,545	\$ 45,604	\$ 2,095,088	\$ 2,655,237

14. Financial instruments (continued):

(b) Credit risk:

Credit risk refers to the risk that the counterparty may default on its contractual obligations resulting in a financial loss. FNFA holds its cash and cash equivalents, Credit Enhancement and Contingency Fund assets and investments with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

FNFA's investment policies for its Credit Enhancement Fund, Debt Reserve Funds, and Sinking Funds are governed by the Act, which specifies eligible investments. FNFA's investment policy for other cash and investments is monitored by management and the Board, consistent with its mandate.

Credit risk on loans to members is reduced by ensuring that all members must first comply with imposed financial criteria which define borrowing limits and assess the ability to service new and existing debt. FNFA conducts periodic evaluations of its loans to members, including monthly reviews of expected interception of revenues to actual, to determine if the loans are impaired. FNFA has requirements under its loan agreements that members must pledge other revenues if a revenue stream pledged to FNFA to service debt is impaired.

(c) Interest rate risk:

Interest rate risk relates to the impact of changes in interest rates on FNFA's future cash inflows from its investments and loans to member and future cash outflows on its interim financing. FNFA's cash and cash equivalents, Credit Enhancement and Contingency Fund assets and investments are held in cash, short term money market instruments, or corporate and government bonds. FNFA is subject to interest rate risk in regard to its corporate and government bonds (notes 2, 3, and 8).

FNFA is subject to interest rate risk with respect to its short-term indebtedness, which bears interest at variable rates. FNFA monitors interest rate risk on short-term indebtedness and negotiates interest rates on interim financing loans to members in relation to these rates.

FNFA periodically enters into derivative financial instruments and structured deposit note arrangements (note 11) to manage certain interest rate exposure.

Fair value sensitivity analysis for fixed rate instruments

FNFA does not account for any fixed rate financial assets and liabilities at fair value through profit or loss therefore a change in interest rates at the reporting date would not affect profit or loss.

A 100 basis point change in interest rates would have a parallel change in annual operating surplus, at the reporting date, by \$97,000 (2024 - \$53,000).

Glossary

Commercial Paper (CP) Program: Issuance of short-term promissory notes to support FNFA's Interim Financing Program.

Contingency Fund (CF): Fund contributed by the Federal government to recognize the impact of widespread economic shock on borrowing members such as the pandemic-related government related closures; the CF can be borrowed by eligible existing borrowing members to cover loan payments to FNFA in the event of widespread economic shock.

Credit Enhancement Fund (CEF): Backup support for the DRF replenishment in the event it is used for member defaults. CEF is under an agreement with the Federal government.

Crown-Indigenous Relations (CIR): Arm of the Federal government dedicated to renewing the relationship between Canada and First Nations, Inuit and Métis.

Debenture Financing (DF) Program: long-term loan program with fixed rate, principal and interest payment requirements; once loan pool is built up to a marketable size it is rolled from the interim financing into the debenture financing program; rate is fixed for the term of the debenture.

Debt Reserve Fund (DRF): Withholding of 5% on each loan to support loan payments in the event of a member default; it is returned with all earnings to the member upon loan extinguishment.

Environmental, Social and Governance (ESG): a set of standards that socially conscious investors use to screen potential investments.

Environmental criteria consider how an organization performs as a steward of nature, for example, a green energy project.

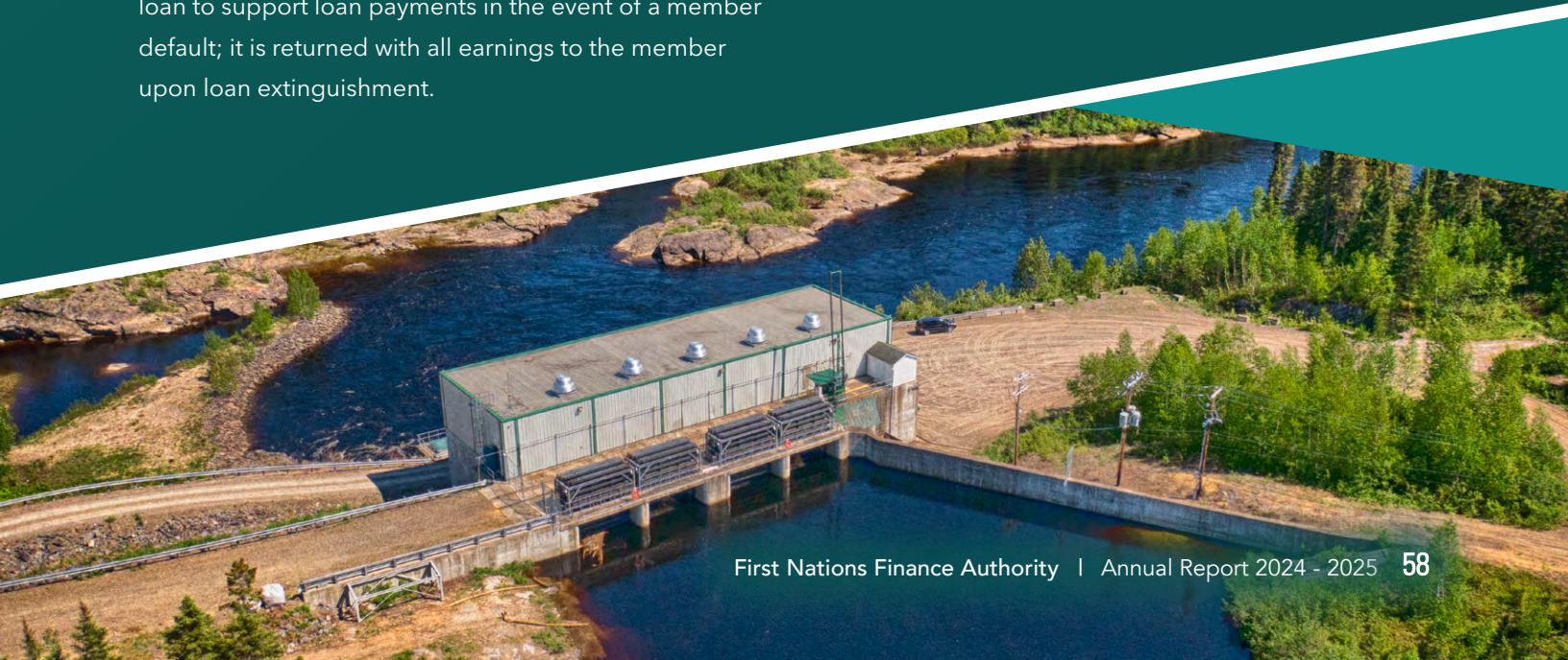
Social criteria examine how an organization contributes to society, for example, affordable housing or clean water.

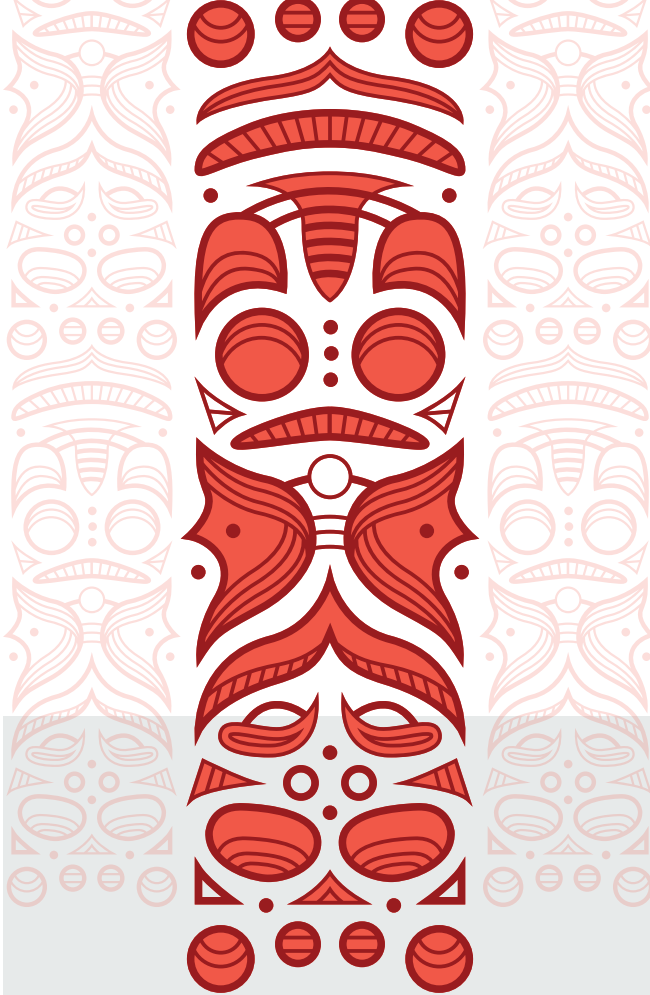
Governance criteria examine how an organization contributes to better leadership and internal controls, for example.

First Nations Fiscal Management Act (FNFMA): Federal Act that FNFA was first established and operates under.

Interim Financing (IF) Program: short-term loan program with floating rate, interest only payment requirements; used to build up loan pool ahead of debenture issuance and/or finance projects under construction.

Sinking Fund (SF): Required for each debenture issuance under the Act. Principal loan payments are held in the SF and invested until debenture maturity. Earnings on SF go towards member loan principal balances.





WE WAI KAI NATION

The We Wai Kai Nation motif uses elements of traditional coastal design to emphasize the planned accent art of their administration building. The community has worked closely with the architects to develop a visual pattern which will use the play of light and shadow to cast different effects throughout the building. Their work and intentions have been adapted to be reflected in this motif.



BATCHEWANA FIRST NATION

The Batchewana First Nation motif takes inspiration from the textiles and art of its community to depict the growth and prosperity of their complex project. Traditional organic shapes are used to showcase the beauty of the community and subtly display the success of their wind farm and clean energy initiatives. This motif intends to illustrate the natural resources of the area, in harmony with the growth within the community.





LONG PLAIN FIRST NATION

With their feature project adorned in a wide array of meaningful community artwork, the Long Plain First Nation motif draws its inspiration from their efforts. The outer Thunderbird mural in honour of John Daniels—a respected community leader—serves as a cornerstone of the motif. The remaining symbols and shapes utilize the distinct artistic style of the community work which is featured throughout the interior of the hotel.



QALIPU FIRST NATION

Adornments and art inspired by Qalipu First Nation, all strongly feature similar visual pieces and styles making the design of the motif come together quite easily. The famous Mi'kmaq eight-pointed star sits prominently in the middle of the motif to anchor the design. The organic swirling leaves bring a literal and figurative balance, appearing across their artistic disciplines and reinforces the success of their dockyard project.





every loan tells a story

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