



A N N U A L R E P O R T 2 0 1 3 ~ 2 0 1 4

FNFA 
FIRST NATIONS FINANCE AUTHORITY

THE OBJECTIVE OF THE

FNFA

IS TO ENSURE

CONTINUOUS ACCESS

TO AFFORDABLE FINANCING

FOR FIRST NATION GOVERNMENTS



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FNFA BOARD OF DIRECTORS



Chief Terrance Paul

Chairperson, Chief Terrance Paul, Membertou First Nation, a dedicated and highly respected leader in Canada. Named after the Grand Chief Membertou (1510-1611) the community of Membertou belongs to the greater tribal group of the Mi'kmaw Nation. Membertou is situated 3 kms from the heart of the city of Sydney, Nova Scotia, within its tribal district of Unama'ki (Cape Breton). Throughout his many dedicated years as Chief, Terrance Paul has been the driving force behind Membertou's success, doubling the land base and increasing the employment rate within Membertou to nearly 80 per cent. The evolution of business and community development in Membertou is a testament to Paul's leadership and the confidence he has in his people. Chief Paul brings a wealth of experience and business acumen to the FNFA.



Councillor Jody Wilson-Raybould

Deputy Chairperson, Councillor Jody Wilson-Raybould, We Wai Kai Nation, a lawyer, a Distinguished Alumni of the University of Victoria and an internationally recognized advocate for indigenous rights. The We Wai Kai Nation is located on the eastern shores of Vancouver Island near Campbell River, BC. Noticing the decline in the fishing industry (in which approximately 90% of the community was employed) leadership of We Wai Kai took proactive measures, implementing their own land code and engaging in economic development. Through diversification into an impressive array of business ventures, they turned a potentially disastrous situation into an opportunity to showcase a model for success. Councillor Wilson-Raybould brings her legal and political expertise to the FNFA.



Councillor Garry Albany

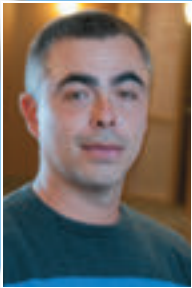
Councillor Garry Albany, Songhees Nation, an uncompromising defender of Aboriginal Rights and Title and Treaty negotiator. The Songhees Nation is located in Esquimalt 5 kilometers from Victoria. The original site of the Songhees Indian Reservation was located in Victoria's Inner Harbour. The main village sites were located at the BC Legislature and James Bay, and across the harbour on the Victoria west side. Songhees Nation has the distinction in Canada of being the first First Nation certified for financial performance by the First Nations Financial Management Board. Garry has a strong working knowledge of logging, trucking, hunting and fishing from his years of experience in those fields. Understanding the needs of First Nations across diverse and overlapping sectors, Councillor Albany contributes his ability to balance the necessities of all First Nations stakeholders for sustainable economic and environmental management to the FNFA.

**Created by and for First Nations,
the FNFA enables our communities access to loan financing
on the same terms as other governments.**



Councillor Allan Claxton

Councillor Allan Claxton, Tsawout First Nation, has spent a lifetime serving his people including 20 years as Chief. His focus has been First Nations community health, lands and environmental resource management. Tsawout First Nation is a signatory to the Douglas Treaties and the main village is located approximately 15 minutes north of the City of Victoria and lies on the east side of the Saanich Peninsula. The Saanich people, as they are called, are fierce protectors of language and culture. So much so, they recently reclaimed Pkols (formerly Mount Douglas) and returned it to its original and rightful name. While holding onto their culture, Tsawout First Nation is also cognizant of their prime location for business and real estate development. Councillor Claxton brings grassroots leadership and sustainable development to the FNFA.



Councillor Patrick Courtois

Councillor Patrick Courtois, la Première Nation de Mashteuatsh, adds representation from the First Nation communities of Quebec. Mashteuatsh First Nation is in the Saguenay–Lac-Saint-Jean region of Quebec, located on a headland jutting out of the western shores of Lake Saint-Jean known as Pointe-Bleue. The economy is based on logging, construction, transport, and tourism. There are 130 businesses on the reserve providing a wide range of services such as: accommodations, restaurants, mechanics, taxi, arts and crafts, post office, excavation, plumbing, camping and hardware. Mashteuatsh has the distinction of being the first Quebec First Nation to be certified by the First Nations Financial Management Board and to achieve Borrowing Membership in the FNFA. Councillor Courtois works with First Nations youth to preserve culture, increase sustainable employment and reduce poverty. He brings his bridge-building skills to the FNFA to open communication and create unity among nations.



Councillor Cathy Hall

Councillor Cathy Hall, Tzeachten First Nation, carries expertise in Finance, Housing, Education, Youth and Land Codes. Tzeachten First Nation is located east of the Greater Vancouver/Lower Mainland Region of British Columbia. The Tzeachten Council and their administration strive to work with the entire community to preserve and promote their language and culture, support the educational, social and economic growth of the community so that the membership and residents can flourish and prosper. Councillor Hall has served the First Nations community for many years and sits on a wide variety of committees. She is active in many aspects of First Nations daily life and planning for the future. Her tireless effort is to achieve self-sustainability for First Nations through good governance, financial management and responsible land use policy. Councillor Hall brings her positive outlook and vast knowledge of First Nations Administration to the FNFA.



Councillor Katy Gottfriedson

Councillor Katy Gottfriedson, Tk'emlúps te Secwépemc, could be described as a 'people person' who brings expertise in human resources, business and social justice to the FNFA. Tk'emlúps te Secwépemc is located east of the North Thompson River and north of the South Thompson River, adjacent to the City of Kamloops, BC. The Tk'emlúps te Secwépemc are proud caretakers who strive to protect their lands and exercise rights for the greatest good of their people and future generations. This is achieved by ensuring that all stakeholders accept individual and collective responsibility and accountability through a focused, supportive approach to service delivery. Councillor Gottfriedson's broad vision ensures that the FNFA is inclusive, fair and practical in fulfilling its mandate.



Councillor Veronica McGinnis

Councillor Veronica McGinnis, Osoyoos Indian Band, a staunch advocate of transparency and accountability for First Nations band members. The Osoyoos Indian Band is renowned as a leader in First Nations Economic Development and for the tenacity of its people. The Osoyoos Indian Band honours the hard working, self-supporting lifestyle of their ancestors by developing their own economy through homegrown business initiatives, including the spectacular Spirit Ridge Resort and the award winning Nk'Mip Wine Cellars. Councillor McGinnis places her focus on the stabilization of the physical, emotional and mental wellbeing of First Nations with priority on prevention methods. Councillor McGinnis brings her 25 years of experience in nurturing the social fabric of the First Nations community to the FNFA.

FNFA MESSAGE FROM THE CHAIR



Dear Members;

In 2013-2014 the FNFA's focus was to complete the capital market's steps necessary to allow issuance of a debenture to meet FNFA Borrowing Members' financing needs. These steps included achieving two investment-grade credit ratings – from Moody's Investors Service and DBRS – and the presentation to the potential investor base. By March 31, 2014 the FNFA had achieved its credit ratings and properly informed investors, creating the path forward. The focus of the FNFA after March 31 was to work with each Borrowing Member towards completion of their loan request processes.

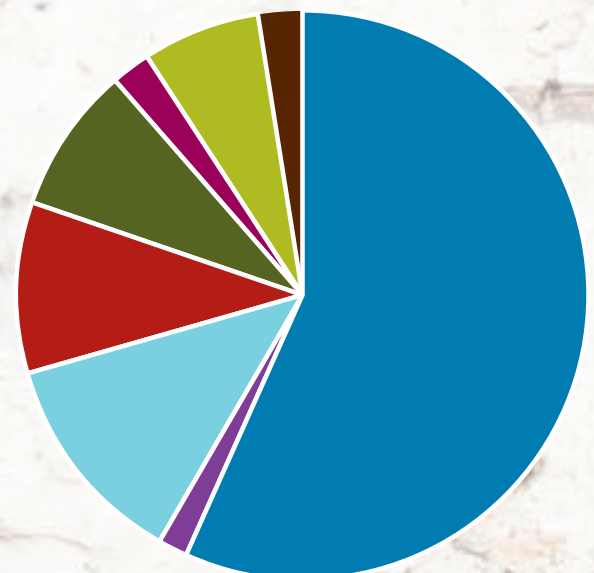
After unanimous approval of the inaugural loan request by Membertou on May 23, 2012, the FNFA continued to issue Interim Loans in 2013-2014. As at March 31, 2014, the FNFA's loan portfolio measured \$54.3 million to 9 Borrowing Members. All Interim Loans were set at an interest rate of 2.60%. These Interim Loans plus new loan requests received after March 31 are set to make up the inaugural debenture.

For those Borrowing Members in receipt of an Interim Loan from the FNFA, an estimated benefit to these communities totalled approximately \$3,617,545 in cash flow savings. These savings were re-invested into the communities, whereas in previous years would have been lost as payments to financial institutions. As the borrowing membership increases each year, so will the annual cash flow savings experienced by FNFA's membership.

At the time of this message, there are 124 First Nations nationwide that are scheduled to the Fiscal Management Act. Of these 124 First Nations, 33 First Nations have completed the steps necessary to achieve Borrowing Member status. An estimated 15 to 20 more will complete the process in 2014-2015. This growing borrowing membership base will ensure continuing loan portfolio growth and a second debenture is planned within the current fiscal year.

The FNFA membership voted last year to increase the number of Board members from 6 to 9. Currently, we have 8 of the 9 positions filled. Ultimately, the Board will consist of 11 members with the hope that there is geographical representation across Canada. The Authority is governed by the First Nations that become its Borrowing Members. In this way, these 11 Board members will set policies and procedures that work for the very First Nations that use FNFA's services.

124 Scheduled First Nations by Province



BC = 70 AB = 2 SK = 15 MB = 12
ON = 10 QC = 3 NB = 8 NS = 3

The Board of Directors of the Authority, elected annually, currently include:

Chair – Chief Terry Paul (Membertou)

Deputy Chair – Councillor Jody Wilson-Raybould (We Wai Kai)

Councillor Catherine Hall (Tzeachten)

Councillor Veronica McGinnis (Osoyoos)

Councillor Garry Albany (Songhees)

Councillor Patrick Courtois (Mashteuiatsh)

Councillor Katy Gottfriedson (Tk'emlúps te Secwépemc)

Councillor Allan Claxton (Tsaout)

Starting with the requirement of unanimous approval by the FNFA's Board for all new borrowing membership requests, and for subsequent loan financing requests, investor safeguards were developed to minimize any potential risk to full loan service recovery (see Investor Safeguard section on page 7). Parallel-ing best-practices in the markets, the FNFA has established stringent debt service requirements, protection of revenue streams supporting the loans, and an all-for-one approach that will allow our credit ratings to improve as our membership grows.

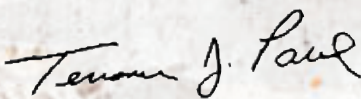
Over my past two years as Chair I have witnessed the FNFA staff execute a knowledge sharing process. A change of thinking has occurred in our First Nations communities. Our outlook has changed from simply "accepting whatever conditions financial institutions offer us" to "demanding the loan conditions we deserve as governments." Our First Nation governments can now create budget scenarios knowing that the FNFA, through the capital markets, can tailor loans to meet each community's needs: fixed versus floating rates, short repayment terms versus long. Each Borrowing Member's responsibility now is to determine their own priorities, their own community's dreams, realizing that loan access through the FNFA is quick and available up to what their revenues can support.

It is the FNFA's job to arrange each loan to meets those needs, which simultaneously empowers First Nations to make their dreams a reality. In this manner, multiple priorities can occur in a First Nations government's term of office, making us stronger and more effective. To date, we have seen Borrowing Members choose various loan repayment terms from 2 years to 30 years. Each Council is now evaluating what works for their budgets.

Through pooled borrowing, FNFA members have been able to accomplish a lot since the inaugural loan went out in the summer of 2012. FNFA representatives have attended ribbon cutting ceremonies, toured facilities and help celebrate achievements such as Tzeachten First Nation's brand-new Multi-purpose Recreation Facility, Taku River Tlingit's run-of-river hydro-electric generating station and the spectacular Songhees Wellness Centre. These projects, and those still under construction, will serve as milestones in the continuing development and improvement of FNFA member nations.

Opportunities for First Nations economic and community development are staggering. Opportunities that seemed impossible 20 years ago are increasing exponentially. With access to the capital markets now available, coupled with the flexibility for each First Nations government to set its own loan repayment terms, we can take advantage of desirable opportunities to make our communities healthier and more prosperous. The future looks bright and prosperous for First Nations and the FNFA.

Here's to a very successful 2014-2015!



Chief Terrance Paul, Chair



FNFA AT A GLANCE

HOW WE OPERATE

Legal Authority

Under Part 4 of the First Nations Fiscal Management Act (FMA) which came into force on April 1st 2006, the First Nations Finance Authority (the FNFA) is established as a non-profit corporation without share capital. The FNFA is not an agent of Her Majesty or a Crown corporation. The FNFA is governed by the First Nations that join as borrowing members.

Representation

The FNFA has two types of members: borrowing members and investing members. Borrowing members are First Nations that have applied to and have been accepted by the FNFA's Board as a borrowing member. Investing members are First Nations that have invested in the FNFA's Pooled Investment Funds. The FNFA is managed by a Board of Directors, consisting of 5 to 11 directors, including a Chairperson and Deputy Chairperson. These Directors are elected by the borrowing members.

Mandated Areas

The purposes of the FNFA are to:

- (a) secure for its borrowing members, through the use of property tax revenues,
 - (i) long-term financing of capital infrastructure for the provision of local services on reserve lands;
 - (ii) lease financing of capital assets for the provision of local services on reserve lands; or
 - (iii) short-term financing to meet cash flow requirements for operating or capital purposes under a law made under paragraph 5(1)(b) or to refinance a short-term debt incurred for capital purposes;
- (b) secure for its borrowing members, through the use of other revenues prescribed by regulation, financing for any purpose prescribed by regulation;
- (c) secure the best possible credit terms for its borrowing members;
- (d) provide investment services to its members and First Nations organizations; and
- (e) provide advice regarding the development of long-term financing mechanisms for First Nations.

OUR CAPITAL FINANCING PROGRAMS

Long Term Loans

The FNFA's mandate allows First Nations to support loan requests with two types of revenue streams: property taxation revenues, and other revenues. Other revenues are defined in the Financing Secured by Other Revenues Regulations and are revenue streams other than property tax.

This distinction is made since property tax revenues are almost exclusively collected from ratepayers that are non-band members, and rules are established to protect their rights since they are non-voting. Other revenues are a First Nation's own monies, and might be subject to rules under which the revenues were generated or a band's own governance policies.

Interim Financing Loans

The FNFA offers all First Nations that become FNFA borrowing members access to Interim Financing. The current FNFA Interim Loan rate is 2.60% (bank prime for comparison is currently 3.00%). Interim Financing is temporary financing and has two functions:

1. **To Cover Costs During Construction:**
A borrowing member can request Interim Loans, to a maximum of 5 years from the FNFA to cover the construction costs of a project. When the project has been completed, these Interim Loans which are floating can be converted into a fixed-rate longer term loan called a debenture which provides budget certainty.
2. **Bridge Financing Until FNFA Issues its Next Debenture:**
Or, where FNFA does not plan to issue a debenture for a few months, but the borrowing member wants financing now to start a project, FNFA will lend monies from its Interim Loan program. When the debenture is issued, the borrowing member will have their Interim Loan rolled into a fixed-rate long term debenture loan.

The size of the loans a community may request is determined by the type and size and stability of the revenue stream that will be used to service the debt. Communities may use almost any revenue stream available to them to access the loans and all borrowing member communities receive the same rates.





Oversight

Appropriate oversight has been established for property tax revenues in the FMA, and incorporates the First Nations Tax Commission (FNTC) approval process. The FNTC represents the collective interests of First Nations and ratepayers and promotes the fairness of the First Nation's property tax system, which safeguards ratepayer interests. Oversight processes regarding other revenues including the eligible revenue streams to support financing from the FNFA and the eligible uses of the financing are set in the FMA and in the Financing Secured by Other Revenues Regulations.

Regardless of which revenue stream the First Nation chooses to support its loan, they must receive certification from the First Nations Financial Management Board (FMB) prior to requesting borrowing member status in the FNFA. Certification is intended to provide comfort that a First Nation has implemented appropriate elements of a financial management system and has passed stringent financial ratio tests.

Acceptance of applications for both borrowing membership and loan requests must be by unanimous approval of FNFA's Board.

HOW WE SAFEGUARD OUR INVESTORS

Financial Protection

The FNFA has structured various investor safeguards.

Firstly, borrowing factors, developed through banking syndicate feedback, are applied to each revenue stream. Under this approach a borrowing member's revenues must at a minimum be a certain prescribed amount greater than the annual debt service requirement on the loan.

Secondly, prior to the release of any loan the FNFA establishes for other revenues borrowers an irrevocable intercept mechanism (i.e. Trust Account arrangement) whereby the other revenues stream supporting a loan flows from the payor into the trust account, bypassing the First

Nation. Under an agreement the FNFA has contracted with Computer-share to act as trustee of these accounts, who firstly allocates out of the trust account the debt service payments to the FNFA, and secondly the remaining balance to the borrowing member.

Thirdly, when a borrowing member requests a loan, the FNFA withholds 5% and deposits into a Debt Service Reserve Fund (DRF). A separate DRF is operated for property tax supported loans, and a separate DRF for loans supported by other revenues. Should a borrowing member default on its loan payment to the FNFA, the FNFA will pull sufficient funds from the appropriate DRF to fully cover its loan obligation to the lenders. The defaulting member must replenish their DRF within a reasonable period. If this does not occur, the FNFA's Board may then require the full borrowing membership to proportionally replenish the DRF. If the loan default is related to a property tax supported loan then those borrowing members with property tax loans outstanding will replenish the property tax DRF; and vice versa for borrowing members with other revenues supported loans. These members will be reimbursed their replenishment monies when the defaulting member covers its default. The Board is obligated to initiate DRF replenishment should the value of the DRF fall below 50% of its intended value.

To date, all loans in the inaugural debenture will be supported by other revenues.

When a borrowing member has repaid its loan in full, the FNFA refunds back its 5% plus interest earnings.

Fourthly, both the FMA and the Regulations provide the FNFA with the power of intervention through Third Party Management or Co-Management, should a First Nation default on its loan payments, or appear imminent of default. The FNFA works with the FMB in the intervention area. FMB has the authority to act as the treasurer of the First Nation's finances.

Fifthly, in addition to the DRF, the FNFA contracted an agreement with Canada in March 2011, and received \$10 million in Credit Enhancement Fund monies (CEF) monies on April 1, 2011.

This CEF is a secondary investor safeguard whose purpose is to support the DRF.

Legislative Protection

The FMA and the Regulations establish a strict regulatory system that ensures borrowing members are certified and meet specific borrowing standards that ensure safeguards on indebtedness are maintained. The FNFA shall only accept a First Nation as a borrowing member where the FNFA is of the opinion that the loan will be repaid. A First Nation may cease to be a borrowing member after all their outstanding loans have been repaid in full, and only with the consent of the other borrowing members.

**The FNFA provides
First Nations access to the large
amounts of capital required
to finance roads, bridges,
water/sewer systems, public
buildings and amenities.**

INVESTOR SAFEGUARD - DETAILS

To become a Borrowing Member of the Authority each First Nation must be in receipt of a Certificate from the FMB. To receive a Certificate, each First Nation must create a FAL (Financial Administration Law) that mandates how the First Nation functions, and must also pass financial ratio tests. A FAL outlines financial policies and requires the First Nation to establish committees (audit, finance and budgeting, and the appointments of personnel to each), and the duties of staff and Council. The financial ratio tests parallel the scrutiny performed by the banks' credit departments. The FMB can decline awarding a Certificate if the tests are not passed.

Once a Certificate is received by a First Nation it can apply to the FNFA for Borrowing Membership. Approval of each application must be by unanimous vote of the Directors.

Prior to the vote by the Directors on approving a new Borrowing Member, the staff of the Authority works with the First Nation to gather the documents supporting their revenue streams. This gathering of contracts, agreements, et al, provides details on stability of the revenue streams, their duration, roll-over covenants, and ability for the FNFA to intercept the revenue stream (intercept mechanism) by having the payor of the revenue stream deposit into a bank account established for loan service payments. Once the revenue streams have been analyzed, staff calculates the First Nation's borrowing power. This borrowing power is an aggregate of a calculation on each revenue stream. Each revenue stream, depending upon the security rating of the payor, has its own debt coverage ratio applied to it. In this manner, the intercept bank account – called the SRTA (Secured Revenues Trust Account) – collects a multiple of the amount of money needed to service the loan (see chart below for the Authority's debt coverage ratios). The SRTA is managed by a third party called Computershare Trust Company of Canada, and Computershare upon direction only from the Authority pays firstly monies from the SRTA to the Authority to cover the debt service, and secondly pays the balance to the First Nation. In this manner, the Authority has eliminated the risk of collection from the First Nation, and focuses on the revenue streams.

This SRTA is established and functioning prior to the Authority issuing the approved loan request.

Should the revenue stream intercepted into the SRTA experience a short-fall in collection in excess of the debt coverage ratio safeguard built-in the Borrowing Member is obligated to use another revenue stream for debt service. If needed, the Authority also has under legislation the power to impose intervention either in the form of co-management or third-party management upon the Borrowing Member. This function is performed by the FMB who has the mandate under the Act to take over treasury functions of the Borrowing Member, and then has access to all the revenue streams of the Borrowing Member not just the stream intercepted into the SRTA, in order to make good on the missed debt service payment. This arrangement can continue until FMB determines it to be unnecessary.

When the Authority's Board awards Borrowing Membership and then receives a loan request from the new Borrowing Member, the SRTA is established. Under its lending rules, the Authority withholds 5% of the loan request and deposits these monies into a Debt Reserve Fund (DRF). Should both the SRTA arrangement and the FMB intervention not make a Borrowing Member's annual debt service payment whole, the Authority can pull monies from the DRF. All 5% withholdings in the Debt Reserve Fund are available to make payments to bondholders, not just the 5% contributed by the defaulting member. In this manner, the DRF monies should cover many years of loan service problems. Should the DRF be accessed, the Authority by working with the defaulting Borrowing Member, or through FMB intervention, will work to recover the missed

loan service payment. Should either approach not recover from the defaulting Borrowing Member the accessed DRF monies, the Authority's Board can implement the DRF Replenishment provisions on all Borrowing Members who received loans.

A secondary reserve fund called the Credit Enhancement Fund (CEF), cash value of \$10 million invested in money market fixed-income instruments, is held by the Authority and its purpose is to transfer monies, as needed, into the DRF to ensure full loan service payments to the bondholders. If the CEF is accessed to support the DRF, the Authority must repay the CEF within 18 months either through working with the defaulting Borrowing Member, FMB intervention, or enacting the DRF replenishment provisions.

The Authority collects into the SRTA as often as the payor's obligation to the First Nation. Most revenue streams are due monthly. In this manner, the Authority, which invoices its Borrowing Members under a sinking fund method, collects both interest and principal loan service payments in advance of its obligations to the bondholders. Intervention, if required by an insufficient SRTA collection can be implemented months prior to the Authority's obligation to the bondholders. Principal collections are transferred to a separate bank account set up for sinking fund purposes.

RATIO DESCRIPTION	Debt Coverage Ratios
Federal or Provincial Transfer	1.23
Municipal Transfer	1.30
Independent Power Projects	1.25
Provincial Gaming Revenues	1.60
Land Benefit Agreements	2.25

RATIO DESCRIPTION	LOW RISK	HIGHER RISK
Contracts & Leases	1.75	4.0
Band Business	1.75	4.0

To date, no "High Risk" revenue streams have been accepted as supporting a loan.

OUR POOLED INVESTMENT FUNDS PROGRAM

Organization

The FNFA has established short-term pooled investment funds. These Funds are operated by the Municipal Finance Authority of BC, and are governed by the Investment Advisory Board which sets parameters around eligible investment purchases.

FINANCIAL STATEMENTS

FIRST NATIONS
FINANCE AUTHORITY



YEAR ENDED
MARCH 31, 2014

STATEMENT OF MANAGEMENT RESPONSIBILITY

The financial statements of First Nations Finance Authority (the "FNFA") for the year ended March 31, 2014 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 the 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
Chief Executive Officer
May 29, 2014



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Canada

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INDEPENDENT AUDITORS' REPORT

To the Members of the First Nations Finance Authority

We have audited the accompanying financial statements of First Nations Finance Authority, which comprise the statement of financial position as at March 31, 2014, the statements of operations, changes in net financial assets and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Nations Finance Authority as at March 31, 2014 and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 22, 2013

Kelowna, Canada

STATEMENT OF FINANCIAL POSITION

FIRST NATIONS
FINANCE AUTHORITY



YEAR ENDED
MARCH 31, 2014

March 31, 2014, with comparative figures for 2013

	2014	2013
Financial Assets		
Cash and cash equivalents	\$ 174,392	\$ 363,554
Credit Enhancement Fund assets (note 2)	10,000,000	10,503,810
Accounts receivable	2,899	2,358
Investments (note 3(a))	2,744,651	1,046,056
Interim financing loans to members (note 4(a))	54,142,894	20,777,505
Restricted cash and cash equivalents	678,307	324,035
	67,743,143	33,017,318
Liabilities		
Accounts payable and accrued liabilities	233,950	149,833
Due to members (note 3(b))	2,744,671	1,046,056
Interim financing (note 4(b))	54,048,958	20,776,000
Principal and interest payments received in advance	354,272	–
	57,381,851	21,971,889
Net Financial Assets	10,361,292	11,045,429
Non-Financial Assets		
Tangible capital assets (note 5)	52,701	54,338
Prepaid expenses	44,846	18,483
	97,547	72,821
Commitments and contingencies (note 9)		
Accumulated surplus (note 6)	\$ 10,458,839	\$ 11,118,250

See accompanying notes to financial statements.

On behalf of the Board:

Jody Wilson-Raybould
Director

Ernie Daniels
Chief Executive Officer

STATEMENT OF OPERATIONS

FIRST NATIONS
FINANCE AUTHORITY



YEAR ENDED
MARCH 31, 2014

Year ended March 31, 2014, with comparative figures for 2013

	2014 Budget (note 1(g))	2014	2013
Revenue			
Grants and contributions (note 7)	\$ 1,508,880	\$ 1,508,880	\$ 1,112,460
Interest from members (note 4(c))	—	824,989	298,900
Investment income (note 8)	131,400	133,365	137,104
Management fees (note 9)	64,000	3,704	9,707
	1,704,280	2,470,938	1,558,171
Expenses (note 1(h))			
Interest on interim financing (note 4(c))	—	770,328	276,115
Professional fees	462,000	878,886	340,807
Travel and workshops	312,200	168,833	219,649
Salaries and benefits	850,000	780,124	704,786
Financing fees	—	137,226	—
Operation and management	571,980	376,290	441,544
Amortization of tangible capital assets (note 5)	—	18,662	44,679
	2,196,180	3,130,349	2,027,580
Deficit (note 1(g) and 6)	(491,900)	(659,411)	(469,409)
Accumulated surplus, beginning of year	11,118,250	11,118,250	11,587,659
Accumulated surplus, end of year	\$ 10,626,350	\$ 10,458,839	\$ 11,118,250

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FIRST NATIONS
FINANCE AUTHORITY



YEAR ENDED
MARCH 31, 2014

Year ended March 31, 2014 with comparative figures for 2013

	2014 Budget (note 1(g))	2014	2013
Deficit	\$ (491,900)	\$ (659,411)	\$ (469,409)
Changes to non-financial assets			
Acquisition of tangible capital assets (note 5)	—	(17,025)	(11,575)
Amortization of tangible capital assets (note 5)	—	18,662	44,679
	—	1,637	33,104
Net change in prepaid expenses	—	(26,363)	2,495
	—	(24,726)	35,599
Decrease in net financial assets	(491,900)	(684,137)	(433,810)
Net financial assets, beginning of year	11,045,429	11,045,429	11,479,239
Net financial assets, end of year	\$ 10,553,529	\$ 10,361,292	\$ 11,045,429

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

FIRST NATIONS
FINANCE AUTHORITY



YEAR ENDED
MARCH 31, 2014

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
Cash provided by (used in):		
Operating transactions:		
Deficit	\$ (659,411)	\$ (469,409)
Amortization of tangible capital assets	18,662	44,679
Amortization of deferred financing fees	11,478	-
Net change in non-cash assets and liabilities:		
Accounts receivable	(541)	(275)
Prepaid expenses	(26,363)	2,495
Accounts payable and accrued liabilities	84,117	(10,934)
	(572,058)	(433,444)
Investing transactions:		
Net decrease in Credit Enhancement Fund assets	503,810	424,730
Interim financing loans to members	(33,565,389)	(20,777,505)
Repayment of interim financing loans to members	200,000	-
Acquisition of investments	(1,698,595)	(1,046,056)
Increase in amounts due to members	1,698,595	1,046,056
Increase in restricted cash	(354,272)	-
Principal and interest payments received in advance	354,272	-
	(32,861,579)	(20,352,775)
Financing transactions:		
Proceeds from interim financing	54,120,000	20,776,000
Repayment of interim financing	(20,776,000)	-
Deferred financing fees paid	(82,500)	-
	33,261,500	20,776,000
Capital transactions:		
Purchase of tangible capital assets	(17,025)	(11,575)
Decrease in cash and cash equivalents	(189,162)	(21,794)
Cash and cash equivalents, beginning of year	363,554	385,348
Cash and cash equivalents, end of year	\$ 174,392	\$ 363,554

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

FIRST NATIONS
FINANCE AUTHORITY



YEAR ENDED
MARCH 31, 2014

First Nations Finance Authority ("FNFA") was announced April 1, 2006 as a result of Bill C-20 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, through an agreement with the Municipal Finance Authority of British Columbia ("MFA"), acts as a non assignable corporate investment vehicle with MFA for the provision of investment services for FNFA unit holders. 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, Sinking and Debt Reserve funds. As at and for the year ended March 31, 2014, the Operating, Credit Enhancement and a Debt Reserve Fund were utilized. All transactions and balances between the funds have been eliminated upon combination. Descriptions of FNFA's funds are as follows:

Operating Fund:

FNFA has established an Operating Fund to meet the annual operating budget. In addition to funds received from grants and interest, the Operating Fund receives management fees from the Pooled Investment Funds and pays the cost of their operations.

Credit Enhancement Fund:

Under the Act, FNFA is required to establish a Credit Enhancement Fund ("CEF") for the enhancement of FNFA's credit rating (note 2).

Sinking Fund:

Under the Act, FNFA is required to establish a Sinking Fund to fulfill its repayment obligations to the holders of each debenture security issued by FNFA. No debenture security was outstanding as at March 31, 2014. A Sinking Fund is not required for interim financing loans to members.

Debt Reserve Funds:

Under the Act FNFA is required to establish one or more Debt Reserve Funds. 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 a borrowing member it can utilize the Debt Reserve Funds to satisfy these obligations.

FNFA follows the accrual method of accounting for revenues and expenses. Revenues are normally 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.

Interest on loans to members is recorded as revenue in the period in accordance with FNFA's loan agreements with members. Investment income is recorded as revenue in the period earned.

(c) Cash and cash equivalents:

Cash and cash equivalents includes 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, and any other items elected by FNFA to be recorded at fair value. All other financial instruments are recorded at amortized cost. Transaction costs directly attributable to the acquisition or issue 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.

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 and any unrealized gain is adjusted 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 recognized in the statement of operations.

As at March 31, 2014, FNFA does not have any financial instruments that required or were elected to be recorded at fair value. Accordingly a statement of remeasurement gain (loss) has not been presented.

(e) Tangible capital assets:

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

Asset	Basis	Rate
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30 - 45%
Leasehold improvements	Straight-line	lesser of lease term and 20%

(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. Significant areas requiring management estimates include the net recoverable amount and any impairment of financial assets and the fair value of financial liabilities on issuance. 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 July 4, 2013. The approved budget projected a deficit for the year of \$491,900, to be partially funded from previous years surplus in the Credit Enhancement Fund (note 6(c)).

(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 year ended March 31, 2014. Accordingly, segmented disclosures have not been presented in these financial statements.

2. Credit Enhancement Fund assets:

FNFA entered into an agreement with Aboriginal Affairs and Northern Development Canada ("AANDC"), on March 24, 2011 to transfer funds to FNFA for deposit into the Credit Enhancement Fund ("CEF") (note 1(a)).

The funds of the CEF may be invested only in securities, investments or deposits specified under the Act. Investment income from the CEF 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 CEF may be used to temporarily offset shortfalls in the Debt Reserve Funds and for any other purpose prescribed by regulation.

The funding agreement includes provisions pursuant to which FNFA may be required to repay all or a portion of the \$10.0 million contribution. The original agreement was amended on March 29, 2012, November 15, 2012 and March 25, 2014 to include the following amended provisions:

- i) If FNFA does not issue a bond in accordance with the Act by June 30, 2014, FNFA could be required to repay the contribution by July 30, 2014. The Agreement may be further amended by written request of FNFA to AANDC.
- ii) The Minister of AANDC has the right to require the Authority to return the transferred funds if, in the Minister's opinion, FNFA does not make adequate progress towards its first bond issue. The Minister has not, to the date of these financial statements, given any indication that, in their opinion, FNFA has not made adequate progress.
- iii) If the FNFA does not issue bonds that, in aggregate, are equal to or greater than \$40.0 million at any time up to and including June 30, 2014, the FNFA may be required to repay all or a portion of the contribution.

The CEF assets, as at March 31, 2014 consist of cash and cash equivalents.

3. Debt Reserve Fund:

a) Investments:

Debt Reserve Fund investments consists of cash and cash equivalents 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 Fund.

b) Due to members:

Amount due to members in the Debt Reserve Fund 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, 2014 is due on demand, upon extinguishment of the underlying loan, consistent with the term of the financing agreements.

4. Interim financing:

a) Interim financing loans to members:

Interim financing loans to members as at March 31, 2014 consists of loans to nine (2013 - three) borrowing members with a total face value of \$54,142,894 (2013 - \$20,777,505). The loans bear interest at 2.6% (2013 - 2.50%) and are due on the earlier of demand or the expiry of FNFA's credit facility described in note 5(b). The interim financing loans have been issued by FNFA in anticipation of a bond issuance by FNFA. The 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 FNFA financing.

The interim financing loans require monthly interest only payments by the members, arising from member revenues as specified in the members' Borrowing Law, 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:

- Monthly interest payments to FNFA under the terms of the respective Borrowing Agreements; and
- The excess in the SRTA may be paid to the member based on the terms of their respective Borrowing Agreement.

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, 2014. 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 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.

b) Interim financing:

	2014	2013
National Bank of Canada ("National Bank"), revolving credit facility:		
Prime rate loan	\$ 40,000,000	\$ -
Bankers acceptance liabilities	14,120,000	-
	54,120,000	-
Deferred financing fees	(71,042)	-
	54,048,958	-
Non-revolving credit facility refinanced in the year	-	20,776,000
	\$ 54,048,958	\$ 20,776,000

The National Bank revolving credit facility is available up to a maximum aggregate amount of \$100 million, conditional upon FNFA satisfying certain conditions precedent in the revolving credit facility agreement, including obtaining credit ratings for its senior unsecured debt and completion of a successful senior debt issuance. The maximum available facility prior to the satisfaction of the conditions precedent, and as at March 31, 2014, is \$55,000,000. The revolving credit facility is available through the issuance of loans bearing interest calculated in relation to the lender's prime rate ("Prime Rate Loans") or the issuance of bankers acceptances ("Bankers Acceptance Liabilities"). The Prime Rate Loan as at March 31, 2014 bears interest at the lender's prime rate plus 0.25% (3.25% at March 31, 2014) with interestingly payments on a monthly basis. The Bankers Acceptance Liabilities as at March 31, 2014 bear interest at the lender's 30 to 60 day bankers' acceptance fee (average rate of 1.2205%) plus a stamping fee of 1.25%. Amounts borrowed under the revolving credit facility are due the earlier of the terms of FNFA's interim financing loans to members (note 4(a)) and October 22, 2016.

The interim financing is secured by first ranking liens on all real and personal, corporeal and incorporeal, present and future assets, including on all of the accounts of FNFA and the debt accounts of members with outstanding loans and the rights of FNFA in the Secured Revenues Trust Account ("SRTA") and the Property Tax Trust Accounts ("PTTA"). Each member with loans secured by "other revenues" must establish a SRTA and enter into a SRTA Management Agreement in respect to the account. Where there are "local revenues", a PTTA must be established and a PTTA Management Agreement in respect of the account.

c) Net interest on interim financing:

Interest received from members for the year-ended March 31, 2014 was \$824,989 (2013 - \$298,900). Interest expense on interim financing for the year-ended March 31, 2014 was \$770,328 (2013 - \$276,115).

5. Tangible capital assets:

March 31, 2014	Furniture and equipment		Computer equipment		Leasehold improvements		Total
Costs:							
Balance, beginning of year	\$	43,229	\$	109,169	\$	115,709	\$ 268,107
Additions		6,936		10,089		–	17,025
Balance, end of year		50,165		119,258		115,709	285,132
Accumulated amortization:							
Balance, beginning of year		28,368		69,692		115,709	213,769
Amortization		3,897		14,765		–	18,662
Balance, end of year		32,265		84,457		115,709	232,431
Net book value, end of year	\$	17,900	\$	34,801	\$	–	\$ 52,701

March 31, 2013	Furniture and equipment		Computer equipment		Leasehold improvements		Total
Costs:							
Balance, beginning of year	\$	44,575	\$	101,096	\$	115,709	\$ 261,380
Additions		–		11,575		–	11,575
Write-downs/disposals		(1,346)		(3,502)		–	(4,848)
Balance, end of year		43,229		109,169		115,709	268,107
Accumulated amortization:							
Balance, beginning of year		25,642		55,551		92,745	173,938
Amortization		4,072		17,643		22,964	44,679
Write-downs/disposals		(1,346)		(3,502)		–	(4,848)
Balance, end of year		28,368		69,692		115,709	213,769
Net book value, end of year	\$	14,861	\$	39,477	\$	–	\$ 54,338

6. Accumulated surplus:

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

	2014	2013
Accumulated surplus:		
Credit Enhancement Fund	\$ 10,000,000	\$ 10,503,810
Operating Fund:		
Invested in tangible capital assets	52,701	54,338
Unrestricted	406,138	560,102
	458,839	614,440
	\$ 10,458,839	\$ 11,118,250

The accumulated surplus in FNFA's Debt Reserve Funds as at March 31, 2014 was \$nil (2013 - \$nil).

b) **Members capital:**

On April 1, 2006, assets and liabilities of the FNFA Inc., a predecessor organization which was controlled by the same Board as the FNFA, were transferred to the FNFA. The FNFA's Board of Directors has resolved by way of a bylaw that, upon dissolution of the FNFA, the total contribution to the FNFA of \$324,035, being tangible capital assets and retained earnings of the 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. Accumulated surplus (continued):

c) Change in accumulated surplus is calculated as follows:

	Operating Fund				Total
	Credit Enhancement Fund (note 2)	Invested in tangible capital assets	Unrestricted		
Balance, March 31, 2012	\$ 10,928,540	\$ 87,442	\$ 571,677	\$	11,587,659
Surplus (deficit)	120,215	(44,679)	(544,945)		(469,409)
Acquisition of tangible capital assets	–	11,575	(11,575)		–
Transfers	(544,945)	–	544,945		–
Balance, March 31, 2013	10,503,810	54,338	560,102		11,118,250
Surplus (deficit)	121,105	(18,662)	(761,854)		(659,411)
Acquisition of tangible capital assets	–	17,025	(17,025)		–
Transfers	(624,915)	–	624,915		–
Balance, March 31, 2014	\$ 10,000,000	\$ 52,701	\$ 406,138	\$	10,458,839

7. Grants and contributions:

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

	2014	2013
Comprehensive Funding Arrangement	\$ 1,008,880	\$ 612,460
Grant Agreements	500,000	500,000
	\$ 1,508,880	\$ 1,112,460

The AANDC provided a Comprehensive Funding Arrangement for the 2013-2014 fiscal years. The contribution is 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 the FNFA.

Under the terms of the Grant Agreements, which is for the purpose of covering costs associated with the FNFA's core business, the FNFA is to receive an annual maximum of \$500,000. This arrangement expires on March 31, 2014 and has been renewed. Management anticipates that this agreement will be renewed for future years.

8. Investment income:

	2014	2013
Credit Enhancement Fund:		
Investment income	\$ 124,015	\$ 129,351
Transaction and bank charges	(2,910)	(9,136)
	121,105	120,215
Other interest income	12,260	16,889
	\$ 133,365	\$ 137,104

9. Commitments:

(a) Operating lease commitments:

The FNFA entered into a lease agreement for office space. The agreement is for 60 months and expires February 2018.

(b) Other commitments:

The FNFA entered into an agreement with Moody's Canada Inc. to provide credit rating services for a cost of \$ 86,500 annually for issuer rating and \$20,000 upfront fee for commercial paper rating services. The contract can be renewed on an annual basis.

The FNFA entered into an agreement with DBRS Ltd. to provided credit rating services for a cost of \$ 91,000 annually. The contract can be renewed on an annual basis.

Total estimated operating lease and other commitments for the next five years are as follows:

2015	\$ 279,652
2016	82,152
2017	82,152
2018	68,460
	\$ 512,416

10. Financial instruments:

(a) Fair value:

Fair value represents the estimated consideration that would be agreed upon in a current transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair value of a financial instrument on initial recognition is the fair value of the consideration given or received. Subsequent to initial recognition, financial instruments measured at fair value are remeasured based on the available information. As at March 31, 2014 and 2013, FNFA did not have any financial instruments that were required or elected to be recorded at fair value. Accordingly, no disclosure regarding the information used in determining fair value measurements has been provided.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. FNFA holds its cash and cash equivalents, Credit Enhancement Fund assets and investments with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, FNFA's cash accounts are insured up to \$300,000.

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.

(c) 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, 2014, each interim financing loan to members was funded through interim financing with the same term. 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 interim financing (note 4) and Credit Enhancement Fund (note 2). As at March 31, 2014, FNFA was in compliance with these covenants and restrictions.

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

In thousands of dollars		March 31, 2014			
		On demand	Within 6 months	6 months to 1 year	Total
Financial Assets					
Cash and cash equivalents	\$	174	\$ —	\$ —	\$ 174
Credit Enhancement Fund assets		10,000	—	—	10,000
Accounts receivable		—	3	—	3
Investments		2,745	—	—	2,745
Interim financing loans to members		54,143	—	—	54,143
Restricted cash and cash equivalents		678	—	—	678
		67,740	3	—	67,743
Financial Liabilities					
Accounts payable and accrued liabilities		—	234	—	234
Due to members		2,745	—	—	2,745
Interim financing		54,049	—	—	54,049
Principal and interest received in advance		354	—	—	354
		57,148	234	—	57,382
Net Financial Assets	\$	10,592	\$ (231)	\$ —	\$ 10,361

In thousands of dollars		March 31, 2013			
		On demand	Within 6 months	6 months to 1 year	Total
Financial Assets					
Cash and cash equivalents	\$	364	\$ —	\$ —	\$ 364
Credit Enhancement Fund assets		10,504	—	—	10,504
Accounts receivable		—	2	—	2
Investments		1,046	—	—	1,046
Interim financing loans to members		20,777	—	—	20,777
Restricted cash and cash equivalents		324	—	—	324
		33,015	2	—	33,017
Financial Liabilities					
Accounts payable and accrued liabilities		—	150	—	150
Due to members		1,046	—	—	1,046
Interim financing		20,776	—	—	20,776
		21,822	150	—	21,972
Net Financial Assets	\$	11,193	\$ (148)	\$ —	\$ 11,045

10. Financial instruments (continued):

(d) 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 Fund assets and investments are held in cash or short term money market instruments, accordingly, FNFA is not subject to significant interest rate risk in regards to these financial assets.

FNFA is subject to interest rate risk with respect to its interim financing, which bears interest at variable rates based on the lenders' prime and 30-60 bankers' acceptance rates. A 10 basis point change in variable interest rates would impact interest expense on interim financing by approximately \$60,000.

For the year ended March 31, 2014, FNFA's interest on its interim financing loans to members were not subject to significant interest rate risk for the year ended March 31, 2014. FNFA monitors interest rate risk on interim financing borrowing and negotiates and renegotiates interest rates on interim financing loans to members in relation to these rates.

**SONGHEES
WELLNESS
CENTRE**



Christina Clarke



Chief Ron Sam



Empowering First Nations to make their dreams a reality.

**TZEACHTEN
MULTI PURPOSE
FACILITY
including a Sports Field
and Playground**



POOLED INVESTMENTS

Year ended December 31, 2013

Pooled Investments Statement of Net Assets - (unaudited)


December 31, 2013, with comparative information for 2012

FIRST NATIONS FINANCE AUTHORITY

	Money Market Fund		Intermediate Fund		Bond Fund		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Assets								
Cash	\$ 134	979	255	1,316	8	50	\$ 397	\$ 2,345
Receivable for investments sold	–	–	–	2,354	1,427	897	1,427	3,251
Unitholder receivable	–	267,449	3,864	–	–	–	3,864	267,449
Investments (note 3)	9,532,141	13,993,144	7,401,838	8,456,776	1,522,377	1,118,916	18,456,356	\$ 23,568,836
	\$ 9,532,275	14,261,572	7,405,957	8,460,446	1,523,812	1,119,863	\$ 18,462,044	\$ 23,841,881
Liabilities, Net Assets and Unitholders' Equity								
Accrued management fees	\$ 1,283	2,080	1,308	1,566	277	200	\$ 2,868	\$ 3,846
Unitholder payable	19,241	42,215	–	–	–	–	19,241	42,215
	20,524	44,295	1,308	1,566	277	200	22,109	46,061
Net assets and unitholders' equity	9,511,751	14,217,277	7,404,649	8,458,880	1,523,535	1,119,663	18,439,935	23,795,820
	\$ 9,532,275	14,261,572	7,405,957	8,460,446	1,523,812	1,119,863	\$18,462,044	\$ 23,841,881

See accompanying notes to financial statements.

On behalf of the Board



Director

Pooled Investments
Statement of Earnings and Unitholders' Equity - (unaudited)

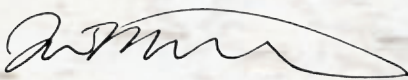
FIRST NATIONS FINANCE AUTHORITY

December 31, 2013, with comparative information for 2012

	Money Market Fund		Intermediate Fund		Bond Fund		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Investment income:								
Interest income	\$ 136,727	153,578	243,176	384,497	37,809	36,367	\$ 417,712	\$ 574,442
Less management fees	17,088	20,110	15,587	21,678	2,903	2,470	35,578	44,258
	119,639	133,468	227,589	362,819	34,906	33,897	382,134	530,184
Liabilities, Net Assets and Unitholders' Equity								
Cash	\$ 136,727	153,578	243,176	384,497	37,809	36,367	\$ 417,712	\$ 574,442
Less management fees	17,088	20,110	15,587	21,678	2,903	2,470	35,578	44,258
	119,639	133,468	227,589	362,819	34,906	33,897	382,134	530,184
Gain (loss) on investments:								
Net realized gain (loss)	–	17	(153,514)	(164,731)	(6,737)	(4,021)	(160,251)	(168,735)
Net unrealized gain (loss)	–	–	35,194	(59,961)	(5,046)	(2,739)	30,148	(62,700)
Net gain (loss) on investments	–	17	(118,320)	(224,692)	(11,783)	(6,760)	(130,103)	(231,435)
Net earnings distributed	\$ 119,639	133,485	109,269	138,127	23,123	27,137	\$ 252,031	\$ 298,749
Net assets and unitholders' equity:								
Units outstanding, beginning of the year	\$ 14,217,277	12,060,608	8,458,880	10,866,269	1,119,663	408,783	\$ 23,795,820	\$ 23,335,660
Units subscribed	1,149,689	4,554,598	–	–	420,277	729,966	1,569,966	5,284,564
Distributions reinvested	119,639	133,485	109,269	138,127	23,123	27,137	252,031	298,749
Units redeemed	(5,974,854)	(2,531,414)	(1,163,500)	(2,545,516)	(39,528)	(46,223)	(7,177,882)	(5,123,153)
Units outstanding, end of the year	\$ 9,511,751	14,217,277	7,404,649	8,458,880	1,523,535	1,119,663	\$ 18,439,935	\$ 23,795,820

See accompanying notes to financial statements.

On behalf of the Board



Director



Pooled Investments

Notes to Financial Statements - (unaudited)

FIRST NATIONS FINANCE AUTHORITY

Year ended December 31, 2013

First Nations Finance Authority (the "FNFA") was announced April 1, 2006 as a result of Bill C-20 and operates under the *First Nations Fiscal Management Act* (the "Act") as a non-profit corporation without share capital to provide investment pooling arrangements and to develop borrowing capacity for First Nations governments. The FNFA, through an agreement with the Municipal Finance Authority of British Columbia (the "MFA"), acts as a non-assignable corporate investment vehicle with the MFA for the provision of investment services for FNFA unitholders.

Under the Act the FNFA may establish short-termed pooled investment funds. Funds in FNFA short-term pooled investment funds may be invested only in:

- a. securities issued or guaranteed by Canada, a province or the United States;
- b. fixed-term deposits, notes, certificates or other short-term paper of, or guaranteed by, a bank, trust company or credit union, including swaps in United States currency;
- c. securities issued by the Authority or by a local, municipal or regional government in Canada;
- d. commercial paper issued by a Canadian company that is rated in the highest category by at least two recognized security-rating institutions;
- e. any class of investments permitted under an Act of a province relating to trustees; or
- f. any other investments or class of investments prescribed by regulation.

In accordance with the Pooled Investment Regulation made under the First Nations Fiscal Management Act, the Authority has arranged to continue to participate in the short to intermediate term investment pools established by the MFA. These funds are the Money Market Fund, the Intermediate Fund and the Bond Fund.

1. Significant accounting policies:

Monies received from unitholders are invested in three pooled investment funds administered by the MFA:

- Money Market Fund;
- Intermediate Fund; and
- Bond Fund.

These funds are authorized to issue an unlimited number of units, each of which represents an equal undivided interest in the net assets of the respective funds, pro rata, with all other units from time to time issued and outstanding. Units are issued or redeemed at \$1,000 per unit. Under Section 149(1)(c) of the *Income Tax Act*, the funds are exempt from income taxes.

The following is a summary of the significant accounting policies used in the preparation of the financial statements.

(a) Money Market Fund:

- (i) Investments are carried at market value.
- (ii) Interest income is recognized as earned.
- (iii) Management fees are accrued daily at the rate of 0.15% per annum of the net assets of the fund and are paid monthly to the MFA.
- (iv) Net earnings from operations are distributed to unitholders daily as additional units of the fund.

(b) Intermediate Fund and Bond Fund:

- (i) Investments are carried at market value.
- (ii) Investment transactions are accounted for on the trade date and gains/losses from such transactions are calculated on an average cost basis.
- (iii) Interest income is recognized as earned.
- (iv) Management fees are accrued daily at the rate of 0.20% per annum of the net assets of the fund and are paid monthly to the MFA.
- (v) Net earnings from operations are distributed to unitholders weekly and at month end as additional units of the fund.
- (vi) Accretion of discounts and premiums are amortized on a straight line rate basis over the term of the investment.

2. Financial instruments:

All unitholder receivables, receivables for investments sold, accrued management fees and unitholder payables have been classified as loans and receivables or other liabilities and are recorded at amortized cost using the effective yield basis.

Transaction costs are expensed and included in the statement of earnings and unitholders' equity in the period incurred.

Investments are designated as held for trading and recorded at market value measured at mid-market prices which approximate bid values.

a. Risk management

Risk management is achieved through segregation of duties whereby the investment management decisions are undertaken by a professional fund manager (Phillips Hager North Investment Management Ltd.), custody of the assets and accounting functions under-taken by a professional custodian (CIBC Mellon Trust Company), and overall governance of the funds monitored by the Investment Advisory Committee comprised of Trustees of the MFA.

The Investment Advisory Committee establishes the investing guidelines and reviews the fund manager's compliance and assesses performance in comparison to the DEX 91-Day Treasury Bill Index, the DEX 365-Day Treasury Bill Index, and the DEX Short Term Index.

b. Liquidity risk

Liquidity risk arises from the risk that a portfolio may not be able to settle or meet its obligation on time or at a reasonable price.

Each portfolio is exposed to daily and weekly cash redemptions of units at the current Net Assets Value per unit at the option of the unitholder. The funds invest the majority of their assets in securities that are traded in an active market and can be readily disposed of. In addition each Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

As of December 31, 2013 the duration of the funds was 56 days for Money Market Fund, 329 days for the Intermediate Fund and 2.7 years for the Bond Fund.

2. Financial instruments (continued):

c. Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

The funds invest primarily in interest bearing securities and are therefore susceptible to market rate fluctuations. The short duration of the investments lessens the affect of changes in interest rates.

d. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its obligation or commitment.

The fund manager moderates risk through a conservative selection of securities and diversification within the parameters of the investment policy.

The investment portfolio is carried at fair value and represents the maximum credit risk exposure as at December 31, 2013.

e. Currency risk

The funds are not subject to currency risk. The functional currency is the Canadian dollar and all transactions are denominated in Canadian dollars.

3. Investments:

The investments held by the FNFA represent their unitholders proportionate share of securities invested in the Money Market Fund, Intermediate Fund and Bond Fund administered by the MFA's Pooled Investment Funds.

As at December 31 the Money Market Fund, Intermediate Fund and Bond Fund of the MFA held the following securities:

	2013			2012		
	Money Market Fund	Intermediate Fund	Bond Fund	Money Market Fund	Intermediate Fund	Bond Fund
Bankers' acceptance	6.04%	–	–	6.97%	–	–
Corporate bonds	4.06%	69.05%	54.45%	7.69%	72.24%	54.52%
Treasury bills and term deposits	–	10.21%	–	7.60%	12.75%	20.92%
Commercial paper	89.90%	0.84%	–	77.74%	11.58%	4.88%
Government of Canada federal bonds	–	–	25.09%	–	–	7.54%
Provincial bonds	–	19.90%	5.69%	–	3.43%	5.63%
Mortgages	–	–	7.25%	–	–	6.51%
Pooled Funds	–	–	7.52%	–	–	–
	100%	100%	100%	100%	100%	100%

The investments of the FNFA unit holders represent approximately 0.80% (2012 - 1.24%) of the Money Market Fund, 2.17% (2012 - 2.74%) of the Intermediate Fund 0.25% and (2012 - 0.18%) of the Bond Fund administered by the MFA's Pooled Investment Funds.

4. Management fees:

A portion of management fees paid to the MFA is attributable and paid to the FNFA general operating fund by the MFA. Management fees of \$5,906 (2012 - \$9,432) were paid to the FNFA general operating fund through the MFA.

Due to FNFA developing internal capacity, the FNFA and MFA agreed to allow the service agreement to expire in 2013. The MFA continues to offer First Nations access to the Pooled Investment Funds however no management fees will be paid to either party.

MFA MONEY MARKET FUND

as of December 31, 2013

SHORT TERM NOTES

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
CORPORATE					
BANK OF N.S.	BDN DISCNT	JAN 20 14	16,400,000	16,353,096	1.38
BANK OF N.S.	BDN DISCNT	FEB 19 14	33,315,000	33,220,719	2.80
BANNER TRUST	D/N DISCNT	APR 16 14	9,450,000	9,389,426	0.79
BANNER TRUST	D/N DISCNT	APR 21 14	2,500,000	2,483,975	0.21
BANNER TRUST	D/N DISCNT	APR 22 14	7,500,000	7,451,925	0.63
BANNER TRUST	D/N DISCNT	MAY 05 14	3,000,000	2,981,070	0.25
BANNER TRUST	D/N DISCNT	MAY 15 14	5,500,000	5,465,295	0.46
BANNER TRUST	D/N DISCNT	MAY 23 14	30,000,000	29,808,600	2.51
BAY ST TRUST	D/N DISCNT	FEB 11 14	10,000,000	9,970,800	0.84
BAY ST TRUST	D/N DISCNT	FEB 13 14	11,500,000	11,465,270	0.97
BAY ST TRUST	D/N DISCNT	FEB 21 14	11,000,000	10,966,780	0.92
BELL CANADA	D/N DISCNT	JAN 13 14	6,000,000	5,960,820	0.50
BELL CANADA	D/N DISCNT	JAN 15 14	17,550,000	17,432,942	1.47
BELL CANADA	D/N DISCNT	JAN 16 14	4,000,000	3,973,160	0.34
BELL CANADA	D/N DISCNT	JAN 22 14	5,500,000	5,488,890	0.46
BMO FIRST BANK	BDN DISCNT	FEB 10 14	14,650,000	14,559,903	1.23
BMO FIRST BANK	BDN DISCNT	MAR 03 14	60,675,000	60,301,242	5.08
BMO FIRST BANK	BDN DISCNT	MAR 10 14	27,000,000	26,832,870	2.26
BRKFLD ASSET MGT	D/N DISCNT	JAN 13 14	3,500,000	3,495,835	0.29
BRKFLD ASSET MGT	D/N DISCNT	JAN 14 14	17,175,000	17,158,512	1.45
BRKFLD ASSET MGT	D/N DISCNT	JAN 23 14	5,500,000	5,486,745	0.46
BRKFLD ASSET MGT	D/N DISCNT	JAN 28 14	3,225,000	3,221,033	0.27
CAISSE DESJARDIN	BDN DISCNT	FEB 20 14	24,425,000	24,270,878	2.05
CDN MASTER TRUST	D/N DISCNT	JAN 03 14	11,000,000	10,927,950	0.92
CENTRAL 1 CU	D/N DISCNT	JAN 07 14	9,375,000	9,347,438	0.79
CENTRAL 1 CU	D/N DISCNT	FEB 04 14	5,000,000	4,985,300	0.42
CENTRAL 1 CU	D/N DISCNT	FEB 24 14	6,000,000	5,982,900	0.50
CENTRAL 1 CU	D/N DISCNT	MAR 10 14	4,000,000	3,988,360	0.34
CENTRAL 1 CU	D/N DISCNT	MAR 12 14	11,000,000	10,968,140	0.92
CENTRAL 1 CU	D/N DISCNT	MAR 17 14	6,750,000	6,730,358	0.57
CENTRAL 1 CU	D/N DISCNT	MAR 18 14	16,000,000	15,953,620	1.35
CLARITY TRUST	D/N DISCNT	JAN 16 14	7,500,000	7,451,925	0.63
CLARITY TRUST	D/N DISCNT	MAR 18 14	2,000,000	1,994,100	0.17
CLARITY TRUST	D/N DISCNT	MAY 15 14	5,000,000	4,968,450	0.42
CLARITY TRUST	D/N DISCNT	JUN 06 14	20,000,000	19,872,400	1.68
DARWIN REC TR	D/N DISCNT	JAN 02 14	9,500,000	9,438,440	0.80
DARWIN REC TR	D/N DISCNT	JAN 06 14	5,000,000	4,967,160	0.42
DARWIN REC TR	D/N DISCNT	JAN 07 14	6,000,000	5,961,120	0.50
DARWIN REC TR	D/N DISCNT	JAN 13 14	5,000,000	4,967,800	0.42
DARWIN REC TR	D/N DISCNT	JAN 30 14	8,000,000	7,975,840	0.67
DARWIN REC TR	D/N DISCNT	FEB 03 14	4,000,000	3,987,680	0.34
DARWIN REC TR	D/N DISCNT	FEB 25 14	2,100,000	2,086,749	0.18
DARWIN REC TR	D/N DISCNT	MAR 13 14	6,900,000	6,855,771	0.58
DARWIN REC TR	D/N DISCNT	JUN 13 14	5,500,000	5,468,595	0.46
ENBRIDGE INC	D/N DISCNT	JAN 07 14	11,000,000	10,988,230	0.93
ENBRIDGE INC	D/N DISCNT	JAN 08 14	2,000,000	1,998,020	0.17
ENBRIDGE INC	D/N DISCNT	JAN 13 14	10,000,000	9,989,200	0.84
ENBRIDGE INC	D/N DISCNT	JAN 23 14	8,500,000	8,493,370	0.72
ENBRIDGE INC	D/N DISCNT	JAN 27 14	3,000,000	2,993,340	0.25
FUSION TRUST	D/N DISCNT	JAN 09 14	14,500,000	14,406,040	1.21
FUSION TRUST	D/N DISCNT	JAN 29 14	21,500,000	21,435,070	1.81
FUSION TRUST	D/N DISCNT	MAY 16 14	6,855,000	6,811,265	0.57
FUSION TRUST	D/N DISCNT	JUN 10 14	10,000,000	9,936,200	0.84
FUSION TRUST	D/N DISCNT	JUN 11 14	3,300,000	3,278,946	0.28
HSBC SECURITIES	B/A DISCNT	JAN 06 14	5,000,000	4,995,550	0.42
HSBC SECURITIES	B/A DISCNT	JAN 13 14	28,825,000	28,799,496	2.43
HSBC SECURITIES	B/A DISCNT	JAN 20 14	22,500,000	22,479,975	1.90
HSBC SECURITIES	B/A DISCNT	JAN 27 14	2,500,000	2,497,775	0.21
IMPERIAL OIL LTD	D/N DISCNT	JAN 07 14	12,850,000	12,839,463	1.08
IMPERIAL OIL LTD	D/N DISCNT	JAN 14 14	2,300,000	2,298,045	0.19
IMPERIAL OIL LTD	D/N DISCNT	JAN 16 14	10,150,000	10,141,373	0.86
INTER PPL COR	D/N DISCNT	JAN 06 14	10,000,000	9,968,200	0.84
INTER PPL COR	D/N DISCNT	JAN 07 14	12,500,000	12,460,625	1.05
INTER PPL COR	D/N DISCNT	JAN 22 14	2,500,000	2,492,700	0.21
INTER PPL COR	D/N DISCNT	JAN 23 14	2,000,000	1,993,960	0.17
INTER PPL COR	D/N DISCNT	MAR 13 14	2,500,000	2,492,450	0.21
INTER PPL COR	D/N DISCNT	MAR 19 14	5,000,000	4,985,250	0.42
KING ST TRUST	D/N DISCNT	FEB 13 14	10,000,000	9,969,800	0.84
KING ST TRUST	D/N DISCNT	FEB 20 14	12,000,000	11,963,760	1.01
KING ST TRUST	D/N DISCNT	FEB 25 14	18,000,000	17,947,440	1.51
KING ST TRUST	D/N DISCNT	MAR 18 14	7,500,000	7,477,350	0.63
MERIT TRUST	D/N DISCNT	JAN 03 14	5,000,000	4,967,250	0.42
MERIT TRUST	D/N DISCNT	JAN 06 14	5,500,000	5,463,900	0.46

CORPORATE (continued)

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
MERIT TRUST	D/N DISCNT	JAN 14 14	2,460,000	2,444,231	0.21
MERIT TRUST	D/N DISCNT	JAN 22 14	4,000,000	3,974,360	0.34
MERIT TRUST	D/N DISCNT	FEB 25 14	10,000,000	9,936,900	0.84
MERIT TRUST	D/N DISCNT	MAR 20 14	2,500,000	2,483,975	0.21
MERIT TRUST	D/N DISCNT	MAR 24 14	4,500,000	4,471,155	0.38
MERIT TRUST	D/N DISCNT	APR 01 14	3,500,000	3,477,565	0.29
MERIT TRUST	D/N DISCNT	MAY 22 14	9,000,000	8,943,210	0.75
MERIT TRUST	D/N DISCNT	JUN 10 14	7,500,000	7,452,150	0.63
MERIT TRUST	D/N DISCNT	JUL 02 14	2,500,000	2,483,975	0.21
NATL BK CDA	B/A DISCNT	JAN 09 14	11,600,000	11,589,096	0.98
NATL BK CDA	B/A DISCNT	JAN 20 14	1,425,000	1,423,575	0.12
NOVA SCOTIA PWR	D/N DISCNT	JAN 07 14	1,400,000	1,398,726	0.12
NOVA SCOTIA PWR	D/N DISCNT	JAN 23 14	5,000,000	4,996,200	0.42
NOVA SCOTIA PWR	D/N DISCNT	JAN 30 14	8,000,000	7,992,160	0.67
NOVA SCOTIA PWR	D/N DISCNT	JAN 31 14	7,450,000	7,442,699	0.63
OMERS FIN TRUST	D/N DISCNT	FEB 14 14	2,940,000	2,932,121	0.25
PLAZA TRUST	D/N DISCNT	JAN 30 14	16,700,000	16,590,949	1.40
PRIME TRUST	D/N DISCNT	JAN 02 14	3,250,000	3,228,940	0.27
PRIME TRUST	D/N DISCNT	JAN 06 14	5,500,000	5,463,900	0.46
PRIME TRUST	D/N DISCNT	JAN 07 14	3,000,000	2,980,560	0.25
PRIME TRUST	D/N DISCNT	JAN 22 14	4,000,000	3,974,360	0.34
PRIME TRUST	D/N DISCNT	FEB 12 14	2,500,000	2,492,450	0.21
PRIME TRUST	D/N DISCNT	FEB 25 14	10,000,000	9,936,900	0.84
PRIME TRUST	D/N DISCNT	MAR 13 14	2,000,000	1,987,180	0.17
PRIME TRUST	D/N DISCNT	APR 01 14	10,000,000	9,935,900	0.84
PRIME TRUST	D/N DISCNT	JUN 06 14	4,000,000	3,974,480	0.34
PRIME TRUST	D/N DISCNT	JUN 10 14	2,500,000	2,484,050	0.21
PRIME TRUST	D/N DISCNT	JUN 11 14	7,000,000	6,955,340	0.59
RELIANT TRUST	D/N DISCNT	JAN 02 14	2,500,000	2,483,800	0.21
RELIANT TRUST	D/N DISCNT	JAN 03 14	7,500,000	7,450,875	0.63
RELIANT TRUST	D/N DISCNT	JAN 06 14	5,000,000	4,967,250	0.42
RELIANT TRUST	D/N DISCNT	JAN 13 14	9,700,000	9,637,823	0.81
RELIANT TRUST	D/N DISCNT	JAN 15 14	10,000,000	9,935,900	0.84
RELIANT TRUST	D/N DISCNT	JAN 22 14	2,465,000	2,449,199	0.21
RELIANT TRUST	D/N DISCNT	MAR 13 14	2,000,000	1,987,180	0.17
RELIANT TRUST	D/N DISCNT	MAR 21 14	2,000,000	1,987,040	0.17
RELIANT TRUST	D/N DISCNT	MAR 24 14	3,400,000	3,378,206	0.28
RELIANT TRUST	D/N DISCNT	MAR 25 14	2,000,000	1,987,180	0.17
RELIANT TRUST	D/N DISCNT	APR 01 14	3,050,000	3,030,450	0.26
RIDGE TRUST	D/N DISCNT	JAN 03 14	12,000,000	11,921,400	1.01
RIDGE TRUST	D/N DISCNT	APR 07 14	10,000,000	9,948,200	0.84
SAFE TRUST S96 1	D/N DISCNT	JAN 15 14	4,250,000	4,237,165	0.36
SAFE TRUST S96 1	D/N DISCNT	FEB 20 14	6,800,000	6,779,464	0.57
SOUND TRUST	D/N DISCNT	FEB 20 14	5,500,000	5,483,390	0.46
STORM KING	D/N DISCNT	MAR 25 14	12,700,000	12,618,593	1.06
STORM KING	D/N DISCNT	MAR 26 14	17,280,000	17,172,346	1.45
T D BANK	BDN DISCNT	APR 16 14	15,100,000	15,007,135	1.27
TORONTO HYDRO	D/N DISCNT	JAN 03 14	7,100,000	7,096,663	0.60
TORONTO HYDRO	D/N DISCNT	JAN 06 14	3,350,000	3,349,263	0.28
TRANSCANADA PIPE	D/N DISCNT	JAN 16 14	4,000,000	3,992,000	0.34
TRANSCANADA PIPE	D/N DISCNT	JAN 23 14	16,500,000	16,467,495	1.39
TRANSCANADA PIPE	D/N DISCNT	MAR 18 14	13,000,000	12,962,840	1.09
ZEUS REC TRUST	D/N DISCNT	JAN 02 14	5,500,000	5,464,360	0.46
ZEUS REC TRUST	D/N DISCNT	JAN 06 14	3,500,000	3,476,970	0.29
ZEUS REC TRUST	D/N DISCNT	JAN 07 14	10,000,000	9,935,200	0.84
ZEUS REC TRUST	D/N DISCNT	JAN 22 14	2,500,000	2,483,975	0.21
ZEUS REC TRUST	D/N DISCNT	FEB 03 14	2,500,000	2,492,300	0.21
ZEUS REC TRUST	D/N DISCNT	FEB 25 14	5,500,000	5,464,910	0.46
ZEUS REC TRUST	D/N DISCNT	MAR 20 14	3,000,000	2,980,770	0.25
ZEUS REC TRUST	D/N DISCNT	APR 01 14	1,500,000	1,490,385	0.13
ZEUS REC TRUST	D/N DISCNT	APR 14 14	11,500,000	11,426,285	0.96
ZEUS REC TRUST	D/N DISCNT	JUN 10 14	6,550,000	6,508,211	0.55
ZEUS REC TRUST	D/N DISCNT	JUN 11 14	4,000,000	3,974,480	0.34
ZEUS REC TRUST	D/N DISCNT	JUL 02 14	3,000,000	2,980,770	0.25

BONDS

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
CORPORATE					
BANK OF MONTREAL	FRN FLTG	OCT 15 14	8,850,000	8,852,036	0.75
BANK OF N.S.	FRN FLTG	NOV 07 14	8,000,000	8,026,480	0.68
CAISSE CENT DESJ	FRN FLTG	MAY 23 14	7,125,000	7,126,354	0.60
CIBC	FRN FLTG	AUG 08 14	9,500,000	9,510,165	0.80
NATIONAL BANK	FRN FLTG	FEB 25 14	6,500,000	6,501,105	0.55
ROYAL BANK CDA	FRN FLTG	SEPT 19 14	8,250,000	8,255,775	0.70

MFA INTERMEDIATE FUND

as of December 31, 2013

SHORT TERM NOTES

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
PROVINCIAL					
BC PROV	DPN DISCNT	JUN 02 14	20,190,000	20,103,183	5.93
SASK PROV	DPN DISCNT	JAN 23 14	1,225,000	1,221,987	0.36
SASK PROV	DPN DISCNT	FEB 20 14	13,500,000	13,470,365	3.97
CORPORATE					
BRKFLD ASSET MGT	D/N DISCNT	JAN 23 14	530,000	528,723	0.16
RELIANT TRUST	D/N DISCNT	MAR 21 14	1,625,000	1,614,470	0.48
ZEUS REC TRUST	D/N DISCNT	MAY 15 14	725,000	720,425	0.21
BONDS					
PROVINCIAL					
ONTARIO PROV	5.000	MAR 08 14	26,595,000	26,777,634	7.90
ONTARIO PROV	3.250	SEP 08 14	10,465,000	10,620,892	3.13
QUEBEC PROV	5.500	DEC 01 14	28,660,000	29,802,941	8.79
CORPORATE					
407 INTL INC	3.880	JUN 16 15	12,550,000	12,989,291	3.83
AMERICAN EXPRESS CDA	4.853	OCT 03 14	12,793,000	13,119,305	3.87
BANK OF MONTREAL	3.930	APR 27 15	16,080,000	16,591,328	4.89
BANK OF NOVA SCOTIA	2.250	MAY 08 15	16,500,000	16,671,778	4.92
CAISSE CENT DESJARD	3.114	DEC 04 14	16,420,000	16,682,136	4.92
CANADIAN CR CD TST	2.306	APR 24 15	16,475,000	16,641,055	4.91
CIBC	3.100	MAR 02 15	16,240,000	16,550,698	4.88
EMERA INC	4.100	OCT 20 14	2,615,000	2,667,789	0.79
EMPIRE LIFE INS	F/F 6.730	MAY 20 14/19	5,111,000	5,204,075	1.54
GLOUCESTER CR 04-1	5.376	MAY 15 14	7,645,000	7,755,579	2.29
GOLDEN CREDIT CARD	3.824	MAY 15 15	15,690,000	16,177,627	4.77
HSBC BANK CANADA	3.860	MAY 21 15	16,135,000	16,650,373	4.91
JOHN DEERE CRED INC	2.250	OCT 14 14	16,525,000	16,641,134	4.91
NATIONAL BK CDA	2.231	JAN 30 15	16,420,000	16,563,052	4.89
ROYAL BANK CDA	2.050	JAN 13 15	16,440,000	16,557,713	4.88
TELUS CORP	5.950	APR 15 15	2,615,000	2,756,841	0.81
WELLS FARGO FIN CDA	3.970	NOV 03 14	16,265,000	16,611,578	4.90
bcIMC REALTY CORP	4.650	FEB 10 15	7,050,000	7,292,919	2.15



MFA BOND FUND

as of December 31, 2013

SHORT TERM NOTES

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
POOLED FUNDS					
PHILLIPS HAGER&NORTH		INST STIF SR O	4,630,571	46,305,709	7.55
BONDS					
FEDERAL					
CANADA GOVT	1.000	FEB 01 14	35,000,000	34,998,229	5.71
CANADA GOVT	2.000	DEC 01 14	1,065,000	1,074,844	0.18
CANADA GOVT	1.250	FEB 01 16	33,153,000	33,232,291	5.42
CANADA GOVT	1.250	SEP 01 18	7,752,000	7,511,804	1.23
CANADA HOUSING TRUST	2.450	DEC 15 15	32,228,000	33,012,886	5.39
CANADA HOUSING TRUST	2.750	DEC 15 15	14,724,000	15,167,279	2.47
CANADA HOUSING TRUST	1.700	DEC 15 17	4,395,000	4,365,226	0.71
CANADA HOUSING TRUST	1.750	JUN 15 18	14,556,000	14,366,226	2.34
CANADA HOUSING TRUST	2.050	JUN 15 18	3,159,000	3,157,818	0.52
CANADA HOUSING TRUST	4.100	DEC 15 18	6,569,000	7,148,300	1.17
NHA MBS 97500720	0.650	JUN 01 16	2,675,000	2,306,189	0.38
NHA MBS 97500721	1.250	DEC 01 17	2,395,000	2,210,830	0.36
NHA MBS 97500982	1.650	APR 01 18	3,860,000	3,635,244	0.59
NHA MBS 97501189	1.670	MAY 01 18	1,373,000	1,314,955	0.21
NHA MBS 97501190	1.500	DEC 01 17	1,790,000	1,698,454	0.28
NHA MBS 97501915	2.290	OCT 01 18	1,935,000	1,923,868	0.31
NHA MBS 97502070	2.050	NOV 01 18	1,055,000	1,040,025	0.17
NHA MBS 97502071	1.750	OCT 01 18	2,015,000	1,966,029	0.32
NHA MBS 97537187	1.700	DEC 01 17	3,950,000	3,628,747	0.59
NHA MBS 97547608	2.150	OCT 01 14	0	0	0.00
NHA MBS 97555494	2.500	JUN 01 15	5,215,000	3,429,008	0.56
NHA MBS 97558746	2.170	SEP 01 15	0	0	0.00
NHA MBS 97558902	1.950	SEP 01 15	3,880,000	2,694,874	0.44
NHA MBS 97560841	2.750	NOV 01 15	1,865,000	1,268,148	0.21
NHA MBS 97570790	1.200	AUG 01 16	430,000	346,026	0.06
NHA MBS 97572770	1.500	SEP 01 16	1,900,000	1,468,426	0.24
NHA MBS 97578983	1.350	MAR 01 16	1,000	839	0.00
NHA MBS 97591051	1.700	AUG 01 17	4,065,000	3,703,430	0.60
NHA MBS 97592513	1.850	DEC 01 17	0	0	0.00
NHA MBS 97594733	1.500	SEP 01 17	2,520,000	2,356,184	0.38
NHA MBS 99009888	2.250	JAN 01 15	4,960,000	4,312,985	0.70
PROVINCIAL					
ONTARIO PROV	1.900	SEP 08 17	8,185,000	8,171,457	1.33
ONTARIO PROV	2.100	SEP 08 18	26,934,000	26,660,854	4.35
CORPORATE					
407 INTL INC	3.870	NOV 24 17	2,341,000	2,462,273	0.40
ALTAGAS INCOME TRUST	7.420	APR 29 14	4,302,000	4,371,771	0.71
ALTALINK INV LP	3.674	JUN 05 19	981,000	986,961	0.16
ALTALINK INV LP	3.265	JUN 05 20	695,000	672,331	0.11
ALTALINK LP	3.621	SEP 17 20	765,000	784,985	0.13
ANHEUSER-BUSCH INBEV	3.650	JAN 15 16	2,161,000	2,241,846	0.37
ANHEUSER-BUSCH INBEV	2.375	JAN 25 18	1,840,000	1,831,600	0.30
AT&T INC	3.825	NOV 25 20	2,130,000	2,134,300	0.35
BANK OF AMERICA	F/F 4.810	JUN 01 11/16	5,216,000	5,161,686	0.84
BANK OF MONTREAL	3.490	JUN 10 16	5,641,000	5,866,419	0.96
BANK OF MONTREAL	2.960	AUG 02 16	6,117,000	6,284,050	1.03
BANK OF MONTREAL	2.390	JUL 12 17	1,435,000	1,442,660	0.24
BANK OF MONTREAL	2.240	DEC 11 17	1,644,000	1,629,711	0.27
BANK OF MONTREAL	6.020	MAY 02 18	707,000	805,470	0.13
BANK OF MONTREAL	F/F 4.870	APR 22 15/20	2,580,000	2,684,840	0.44
BANK OF MONTREAL	F/F 5.100	APR 21 16/21	1,020,000	1,090,221	0.18
BANK OF MONTREAL	F/F 6.170	MAR 28 18/23	856,000	969,240	0.16
BANK OF N.S.	2.100	NOV 08 16	7,569,000	7,600,135	1.24
BANK OF N.S.	4.940	APR 15 14/19	4,570,000	4,612,534	0.75
BANK OF NOVA SCOTIA	1.800	MAY 09 16	4,934,000	4,935,119	0.81
BANK OF NOVA SCOTIA	2.740	DEC 01 16	1,720,000	1,756,539	0.29
BANK OF NOVA SCOTIA	2.598	FEB 27 17	2,380,000	2,418,485	0.39
BANK OF NOVA SCOTIA	4.100	JUN 08 17	7,622,000	8,096,517	1.32
BANK OF NOVA SCOTIA	2.242	MAR 22 18	105,000	103,676	0.02
BC GAS UTILITY	11.800	SEP 30 15	1,161,000	1,357,513	0.22
BC GAS UTILITY	10.300	SEP 30 16	869,000	1,055,057	0.17
BELL ALIANT COMM	6.290	FEB 17 15	824,000	863,852	0.14
BELL ALIANT COMM	3.540	JUN 12 20	265,000	261,729	0.04
BELL CANADA	3.500	SEP 10 18	2,160,000	2,195,223	0.36
BELL CANADA	3.250	JUN 17 20	2,630,000	2,582,448	0.42
BMO SUB NOTE TR	F/F 5.750	SEP 26 17/22	2,675,000	2,966,648	0.48

CORPORATE (continued)

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
BROOKFIELD ASSET MGT	3.950	APR 09 19	2,300,000	2,336,757	0.38
BROOKFIELD INFRSTRTR	3.455	OCT 10 17	83,000	83,967	0.01
CAISSE CENT DESJARD	2.795	NOV 19 18	2,545,000	2,537,255	0.41
CANADA SAFEWAY LTD	3.000	MAR 31 14	1,069,000	1,072,218	0.17
CANADIAN CR CD TST	2.306	APR 24 15	8,000,000	8,080,634	1.32
CARDS II TRUST	3.096	SEP 15 15	375,000	384,301	0.06
CARDS II TRUST	1.984	JAN 15 16	15,626,000	15,700,817	2.56
CATERPILLAR FIN SERV	2.120	NOV 25 16	775,000	777,065	0.13
CATERPILLAR FIN SERV	2.290	JUN 01 18	1,754,000	1,725,405	0.28
CDN CREDIT CRD TRUST	1.596	SEP 24 15	2,020,000	2,018,811	0.33
CENTRAL 1 CU	4.000	OCT 09 14	600,000	609,584	0.10
CIBC	4.750	DEC 22 14	300,000	309,696	0.05
CIBC	1.750	JUN 01 16	4,060,000	4,057,506	0.66
CIBC	2.650	NOV 08 16	3,347,000	3,411,285	0.56
CIBC	2.220	MAR 07 18	7,530,000	7,427,091	1.21
CIBC	F/F 4.110	APR 30 15/20	9,554,000	9,861,221	1.61
CROMBIE REIT	3.986	OCT 31 18	930,000	930,328	0.15
DOLLARAMA INC	3.095	NOV 05 18	890,000	886,643	0.14
EAGLE CREDIT CARD TR	2.849	OCT 17 18	1,343,000	1,341,749	0.22
EMERA INC	4.100	OCT 20 14	1,109,000	1,131,387	0.18
EMPIRE LIFE INS	F/F 6.730	MAY 20 14/19	2,071,000	2,108,714	0.34
ENBRIDGE GAS DIS	5.160	DEC 04 17	1,530,000	1,695,214	0.28
ENBRIDGE GAS DIS	4.040	NOV 23 20	605,000	638,354	0.10
ENBRIDGE GAS DIS INC	5.160	SEP 24 14	623,000	640,347	0.10
ENBRIDGE INC	5.170	MAY 19 16	3,155,000	3,396,224	0.55
ENBRIDGE INC	4.530	MAR 09 20	940,000	1,005,890	0.16
ENBRIDGE INCOME FUND	2.920	DEC 14 17	1,260,000	1,267,161	0.21
ENMAX CORP	6.150	JUN 19 18	1,600,000	1,783,274	0.29
EPCOR UTILITIES	6.750	MAR 22 16	40,000	44,292	0.01
FINNING INTL INC	6.020	JUN 01 18	212,000	239,203	0.04
GENESIS TRUST II	2.295	FEB 15 17	3,253,000	3,275,570	0.53
GOLDEN CREDIT CARD	3.824	MAY 15 15	1,644,000	1,695,094	0.28
GOLDEN CREDIT CARD	3.510	MAY 15 16	2,586,000	2,688,975	0.44
HOLLIS REC TR II	2.235	SEP 26 16	3,069,000	3,090,968	0.50
HSBC BANK CANADA	2.572	NOV 23 15	2,756,000	2,799,231	0.46
HSBC BANK CANADA	2.901	JAN 13 17	10,308,000	10,555,305	1.72
HSBC BANK CANADA	2.938	JAN 14 20	192,000	189,916	0.03
HYDRO ONE	5.180	OCT 18 17	1,175,000	1,297,365	0.21
HYDRO ONE	2.780	OCT 09 18	3,410,000	3,429,358	0.56
HYDRO ONE	4.400	JUN 01 20	450,000	486,266	0.08
INTER PIPELINE LTD	3.448	JUL 20 20	2,170,000	2,171,106	0.35
JOHN DEERE CDA FUND	1.950	JAN 14 16	704,000	706,924	0.12
JOHN DEERE CDA FUND	1.950	APR 12 17	5,000	4,977	0.00
JOHN DEERE CDA FUND	2.650	JUL 16 18	1,060,000	1,060,797	0.17
JOHN DEERE CRED INC	2.250	OCT 14 14	773,000	778,432	0.13
JP MORGAN CHASE & CO	2.920	SEP 19 17	1,204,000	1,213,862	0.20
LOBLAW COS	3.748	MAR 12 19	5,600,000	5,729,356	0.93
LOWER MATTAGAMI ENGY	2.228	OCT 23 17	755,000	752,990	0.12
MOLSON COORS CAP FIN	5.000	SEP 22 15	1,978,000	2,081,937	0.34
MOLSON COORS INTL LP	3.950	OCT 06 17	310,000	321,859	0.05
NATIONAL BK CDA	2.231	JAN 30 15	4,851,000	4,893,262	0.80
NATIONAL BK CDA	4.030	MAY 26 15	1,570,000	1,624,117	0.26
NATIONAL BK CDA	4.700	NOV 02 15	3,128,000	3,284,513	0.54
NATIONAL BK CDA	2.050	JAN 11 16	3,875,000	3,897,496	0.64
NATIONAL BK CDA	3.580	APR 26 16	847,000	880,787	0.14
NATIONAL BK CDA	2.794	AUG 09 18	188,000	188,740	0.03
NATL GRID ELECT TRAN	2.900	NOV 26 19	6,970,000	6,855,105	1.12
NAV CANADA	1.949	APR 19 18	875,000	858,069	0.14
NOVA GAS TRANS LTD	11.200	JUN 01 14	513,000	532,512	0.09
NOVA GAS TRANS LTD	12.200	FEB 28 16	1,031,000	1,247,909	0.20
OMERS REALTY CORP	2.498	JUN 05 18	4,749,000	4,716,183	0.77
OMERS REALTY CORP	3.203	JUL 24 20	840,000	835,927	0.14
PLENARY PROPERTIES	3.801	AUG 18 14	3,450,000	3,491,702	0.57
ROGERS COMMUNICATION	5.800	MAY 26 16	3,355,000	3,649,377	0.60
ROGERS COMMUNICATION	3.000	JUN 06 17	1,193,000	1,214,369	0.20
ROYAL BANK CDA	3.360	JAN 11 16	381,000	393,250	0.06
ROYAL BANK CDA	2.070	JUN 17 16	3,628,000	3,651,684	0.60
ROYAL BANK CDA	2.680	DEC 08 16	7,115,000	7,251,513	1.18
ROYAL BANK CDA	3.660	JAN 25 17	105,000	109,965	0.02
ROYAL BANK CDA	2.580	APR 13 17	2,694,000	2,731,204	0.45
ROYAL BANK CDA	2.364	SEP 21 17	449,000	448,299	0.07
ROYAL BANK CDA	2.260	MAR 12 18	715,000	706,033	0.12
ROYAL BANK CDA	2.820	JUL 12 18	2,709,000	2,729,345	0.45
ROYAL BANK CDA	2.890	OCT 11 18	3,780,000	3,796,788	0.62
ROYAL BANK CDA	2.770	DEC 11 18	5,900,000	5,881,575	0.96
SHAW COMMUNICATIONS	5.700	MAR 02 17	1,213,000	1,328,443	0.22
SOBEYS INC	3.520	AUG 08 18	3,570,000	3,611,505	0.59
TD BANK	2.948	AUG 02 16	3,038,000	3,123,711	0.51
TD BANK	2.171	APR 02 18	1,370,000	1,351,258	0.22

CORPORATE (continued)

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
TELUS CORP	11.900	NOV 22 15	1,695,000	2,005,243	0.33
TELUS CORP	3.650	MAY 25 16	838,000	871,373	0.14
TELUS CORP	4.950	MAR 15 17	659,000	712,939	0.12
TELUS CORP	5.050	DEC 04 19	1,044,000	1,139,051	0.19
TELUS CORP	3.600	JAN 26 21	1,055,000	1,052,586	0.17
TERANET HOLDINGS LP	3.531	DEC 16 15	4,595,000	4,737,976	0.77
THOMSON REUTERS CORP	3.369	MAY 23 19	4,676,000	4,673,004	0.76
THOMSON REUTERS CORP	4.350	SEP 30 20	830,000	861,503	0.14
TIM HORTONS INC	4.200	JUN 01 17	2,090,000	2,196,536	0.36
TMX GROUP INC	3.253	OCT 03 18	2,680,000	2,700,187	0.44
TORONTO DOMINION BK	2.433	AUG 15 17	3,865,000	3,879,039	0.63
TORONTO DOMINION	F/F 5.480	APR 02 15/20	3,976,000	4,162,059	0.68
TRANSALTA CORP	6.450	MAY 29 14	360,000	366,302	0.06
TRANSCANADA PIPELINE	11.100	JUN 20 14	533,000	554,716	0.09
TRANSCANADA PIPELINE	4.650	OCT 03 16	500,000	537,084	0.09
TRANSCANADA PIPELINE	9.450	MAR 20 18	1,895,000	2,373,994	0.39
UNION GAS LTD	7.900	FEB 24 14	1,031,000	1,039,666	0.17
UNION GAS LTD	11.500	AUG 28 15	1,930,000	2,230,405	0.36
UNION GAS LTD	9.700	NOV 06 17	1,152,000	1,446,415	0.24
VERESEN INC	3.950	MAR 14 17	601,000	622,677	0.10
VERESEN INC	4.000	NOV 22 18	699,000	713,107	0.12
WELLS FARGO FIN CDA	2.774	FEB 09 17	1,521,000	1,551,633	0.25
WESTCOAST ENERGY	8.500	NOV 23 15	647,000	723,465	0.12
WESTCOAST ENERGY	5.600	JAN 16 19	2,523,000	2,808,612	0.46
WESTCOAST ENERGY	4.570	JUL 02 20	2,302,000	2,445,867	0.40
WESTON GEORGE LTD	5.050	MAR 10 14	3,051,000	3,070,673	0.50
bcIMC REALTY CORP	2.650	JUN 29 17	1,861,000	1,884,820	0.31
bcIMC REALTY CORP	2.790	AUG 02 18	2,875,000	2,887,094	0.47

MORTGAGES

CMHC 1346915 AB LTD	4.200	JAN 01 14	943,427	943,427	0.15
CMHC 642942 BC LTD	4.530	JAN 01 14	879	879	0.00
CMHC 642942 BC LTD	4.530	MAY 01 14	186,481	186,481	0.03
CMHC 79229 MANITOBA	4.530	JAN 01 17	1,500,615	1,592,325	0.26
CMHC CYPRESS GLEN	4.420	JUN 01 17	855,535	906,982	0.15
CMHC HORIZON HOUSING	4.200	JUN 05 15	264,200	272,366	0.04
CMHC JAY INDUSTRIES	3.920	JAN 01 15	933,835	952,542	0.16



MANAGEMENT TEAM



Ernie Daniels
President/CEO

As a Certified General Accountant (CGA) and a Certified Aboriginal Financial Manager (CAFM), Ernie is well equipped to navigate the organization through new

and unexplored territory. As President/CEO he has been delegated authority by the Board of Directors to manage the business affairs of the FNFA. Prior to coming to the FNFA, he was President/COO of the Aboriginal Financial Officers Association of Canada and Director of Assessment and Finance Operations at the Aboriginal Healing Foundation.

Ernie has a lifetime of experience with Aboriginal development corporations and non-profit organizations in leadership and management positions. He was a member of the CICA Research Study Group looking at financial reporting by First Nations and has served as Chair of the NWT Legislative Assembly Society, Chair of the NWT Development Corporation and is a former Board member of the First Nations Financial Management Board (FMB). His dedication to advancing First Nations in business and finance has won him the AFOA-Xerox Excellence in Aboriginal Leadership Award.

Ernie is a member of the Salt River First Nation in the Northwest Territories.



Steve Berna
Chief Operating Officer

As Chief Operating Officer, Steve is responsible for operating the FNFA loan programs, as well as managing the rating agency and banking syndicate relationships

that lead to debenture issuances. Steve also manages FNFA's internal investment portfolios.

Steve spent 17 years, 7 as CEO, developing the cooperative borrowing/investing model used in British Columbia, where all 210 local governments, regardless of size, received the benefits of a "AAA" credit rating (Municipal Finance Authority of BC). Debenture issuance was international in scope, and included complex Public Private Partnerships in Metro Vancouver area. Steve is a Chartered Accountant and has successfully completed the Canadian Securities Course with honours.



Pam Severson
Finance Officer/Corporate Clerk

As Finance Officer, Pam is responsible for all finance and accounting operations, payroll, management of the capital financing program, interim

financing program, coordinating the information systems, and debenture software development. As Corporate Clerk, Pam is responsible to the Board of Directors, Committees and Senior Management for organizing and managing activities and records.

Pam has been with the FNFA since it started in the mid 1990's. Throughout the early development phase the FNFA was supported by the Westbank First Nation for which Pam was employed for 10 years as manager and accountant of the property tax department.



Shannon Jenner
Administrative Assistant

Shannon is the voice you hear when you call, and the smile you see when you visit the FNFA. In addition to answering phones and greeting visitors, Shannon is

responsible for staff travel arrangements, various office management functions, incoming and outgoing mail, assisting in conference organization, monitoring the FNFA website and assisting administrative personnel with overflow projects.

Shannon is a member of the Westbank First Nation and prior to working with the FNFA she worked 15 years for the WFN in several administrative positions.



Jo-Ann Derrickson
Client Services Coordinator

As Client Services Coordinator, Jo-Ann works very closely with the First Nations to assist them through the FNFA Membership and Borrow-

ing processes. Her knowledge and experience in the area of First Nations business administration and governance provides an extensive skill set in leadership, managing both people and systems with a strong focus on organizational excellence.

Jo-Ann is a member of the Westbank First Nation and has contributed to her community through her various roles over the past twenty years as Health Care Administrator, Director of Operations, Residential Care Facility Administrator and Manager of Community Services.



Frank Busch
Director of Information and Marketing

Frank is responsible for building and for maintaining relationships with First Nations as well as providing information to First Nation Councils,

Finance Staff and Members that increases awareness of the FNFA Financing, Investment and Advisory Services.

Frank is a member of the Nisichawayasihk Cree Nation and grew up in Northern Manitoba. He was educated at the University of Manitoba and has spent his professional life in the Finance Sector. In addition to working with large corporations in Canada, he also has experience with First Nations business, non-profits and government at the band, regional tribal council, provincial, national and international levels.

**Ensuring continuous access
to affordable financing
for First Nation Governments**



CONTACT INFORMATION

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Vancouver, BC

SENIOR POLICY ADVISOR

Dr. Tim Raybould,
Quathiaski Cove, BC



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