



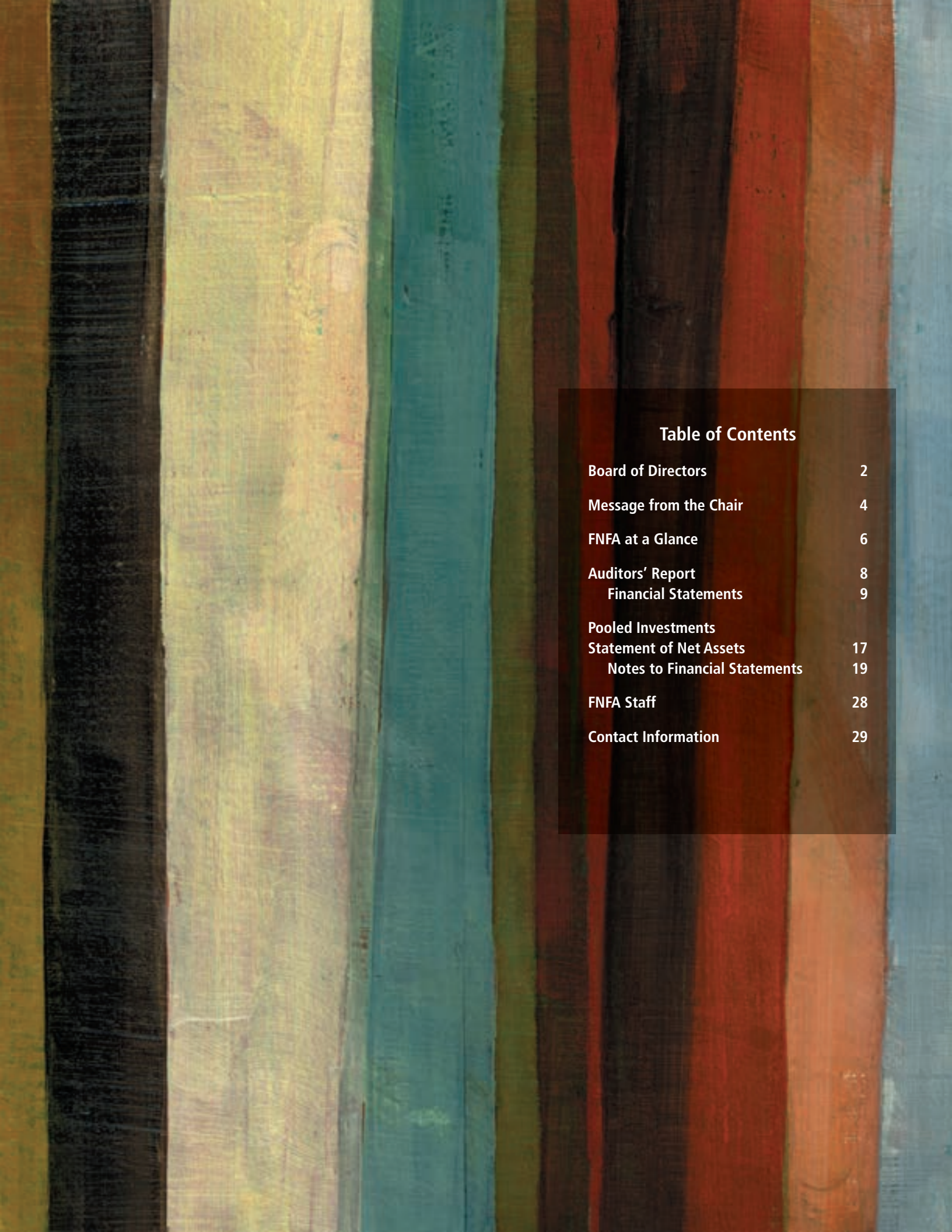
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**FNFA**   
FIRST NATIONS FINANCE AUTHORITY



*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



**Grand Chief Joe Hall, Chair**

Grand Chief Joe Hall has over 30 years of experience in the leadership of the Tzeachten First Nation. Tzeachten is located in the Fraser Valley and is a member First Nation of the Sto:lo Tribal Council. Joe Hall is currently the Grand Chief of Sto:lo; the Chairman of the Sto:lo Nation Chiefs Council; Chairman and Political advisor of the Sto:lo Xwexweilmexw Treaty Association; Director of the Tale'awtxw Aboriginal Capital Corporation; Chairman of the Tale'awtxw Economic Development Association; Director of the Lands Advisory Board; and Chairman of the Seven Generations Environmental Services. His former positions include President/CEO of Sto:lo Nation; President of the Ch-ihl-kway-uhk Tribal Society; and Vice President of Ch-ihl-kway-ukh Forest Limited Partnership.

A graduate of the BCIT and BC Vocational School, Joe subscribes to the life-long learning concept and has enhanced his skill set through training at UBC, the University of Victoria, the Justice Institute and the University College of the Fraser Valley.

Joe has served on a number of Boards and Committees including the First Nations Statistical Institute, BC AFN Director, BC AFN Chief's Committee on Fiscal Relations, BC AFN Chief's Committee on Housing, Chairman of the First Nation Education Steering Committee, to name a few. Joe has lectured at the University of Victoria on taxation and has been on the tax panel at the Union of BC Municipalities in Victoria.

Joe is married with two sons and is a very active in community sports.



**Deanna Hamilton, Deputy Chair**

Deanna Hamilton is Okanagan and a member of the Westbank First Nation in British Columbia. Ms. Hamilton coordinated the development of the First Nations Finance Authority (FNFA) from its conception in 1992 through to Royal Assent in March 2005. She is currently a director and President and Chief Executive Officer of the FNFA.

Ms Hamilton returned to her community in 1990 and accepted the position of Surveyor of Taxes and established the system of property tax administration at Westbank. Ms. Hamilton was elected Councillor to the Westbank First Nation (WFN) from 1996 to 1998 and then again from 2000 to 2002. She is very active in Band administration and governance and has been a part of numerous community organizations sitting on many community boards including: the WFN Self-Government Agreement and Constitution, the WFN treaty negotiations, additions to the reserve committee, and was a founding director of the WFN Economic Development Commission.

Ms. Hamilton is past President of the First Nation Tax Administrators Association, was a Board member of the Kelowna Chamber of Commerce, Economic Development Commissioner for WFN, Director of All Nations Trust Company Director of the British Columbia Assessment Authority and was a member of the National Revenue Options Technical Table.

Ms. Hamilton is married, has three children and resides in Westbank, British Columbia.



**Sophie Pierre OBC, Director**

Sophie Pierre served on Council for the St. Mary's Indian Band from 1978 to 2008, 26 of those years as Chief. She was also the Administrator before becoming Nation Chair for the Ktunaxa Nation Council, formerly the Ktunaxa/Kinbasket Tribal Council, for 30 years.

On April 2, 2009 Sophie was appointed as the Chief Commissioner of the BC Treaty Commission in recognition of her leadership and commitment to Aboriginal issues in British Columbia. As co-chair of the First Nations Summit, she was involved in the work of the British Columbia Claims Task Force which led to the creation of the BC Treaty Commission. Over the last three decades she has served on a number of Boards and Committees including: Chairperson of the Board of Regents for the Ktunaxa Independent School System, a board member of BC Hydro Power Authority, Chairperson of the St. Eugene Mission Development Board, an executive member of the First Nations Congress, a Board Member of the Native Courtworkers and Counselling Association, a Board Member of UNESCO - Decade for Culture, and a Board Member and Chairperson of the College of the Rockies.

Presently, Sophie serves as Board Chair for Aboriginal Tourism of BC and as Co-chair of the Native Nations Institute associated with the University of Arizona. Sophie Pierre was a recipient of the 2003 National Aboriginal Achievement Award for Public Service and in June 1994 was awarded the Order of British Columbia.



**Chief Robert Sam, Director**

Chief Robert Sam is the elected Chief of the Songhees First Nation, a position he has held for more than 15 years. Chief Sam was born and raised on Songhees land near the Township of Esquimalt, in Greater Victoria. He has been a leader within the Songhees Nation as a councillor since the 1960's and has been elected chief since 1996.

Chief Sam is the lead Negotiator for the Songhees Nation for Treaty Negotiations. He is also a Committee Member of the AFN's Chief's Committee on Treaties and sits on the Greater Victoria Harbour Authority Board.

Within the Songhees government, Chief Sam was the driving force in developing the local government bylaws including taxation and fire protection. He successfully negotiated a local education agreement with the Victoria School Board.

In addition to his duties as Chief, Chief Sam currently runs a garbage disposal business and employs local people. As a strong community member, he has been involved with the Songhees Canoe Club and owns Lekwammen Chief, an eleven man War Canoe. Chief Sam is active with the Songhees Youth Groups and trains the youth in canoe paddling for canoe races.



**Chief Terrance Paul, Director**

Mi'kmaq Chief Terrance Paul is a dedicated and highly respected leader in Nova Scotia. He has been instrumental in facilitating economic development, advancement, and opportunity for his community and the Mi'kmaq Nation. Originally elected as Chief twenty-seven years ago, Paul is a proud member of the Membertou First Nation in Unama'ki, Cape Breton Island, Nova Scotia.

As an innovative, strong and unyielding advocate for the recognition of Mi'kmaq, Aboriginal and Treaty Rights, Chief Paul has served Membertou as Economic Development Officer and Band Manager before being elected chief in 1984. Paul, one of the original founders of the National Aboriginal Capital Corporation Association, assisted the group to grow from seven members at inception, to presently, greater than fifty Aboriginal corporations across Canada.

Throughout his many dedicated years as Chief, 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.



Under Chief Paul's leadership Membertou opened its corporate office in Halifax, Nova Scotia. The Corporate Division forms the foundation for economic development efforts in Membertou. It was instrumental in instilling a corporate mindset for Membertou through its attainment of ISO 9000: 2001 certification. Membertou is the first Aboriginal government in the world to attain this certification.

Since the creation of the Corporate Division, Membertou has developed several businesses including the Membertou Trade & Convention Centre, the Membertou Entertainment Centre, the Membertou Market, the Membertou Gaming Commission, the Membertou Data Centre, Membertou Energy Group, etc.

Chief Paul's commitment, perseverance, ingenuity, and confidence in his people have guided Membertou to become one of the most progressive, efficient, and sustainable Native communities in the country.





Dear Members:

Fiscal year 2011-2012 was one of milestones at the FNFA. Of significance was the completion by AANDC, working with the FSMA institutions, of the *Financing Secured by Other Revenues Regulations* (Other Revenues Regulation), the approval by FNFA's Board of Directors of 5 First Nations as borrowing members, the completion of the 7-year review of the *First Nations Fiscal and Statistical Management Act* (FSMA), and the approval by FNFA of two loan requests.

Rules governing FNFA loans supported with property tax revenues came into force in 2006. However, the number of First Nations that generate property tax revenues is less than 20% of Canada's 633 First Nations. The completion of the Other Revenues Regulation was paramount to FNFA in that it opened-up FNFA borrowing membership to all First Nations across Canada. Non-property taxing communities could now apply for borrowing membership, and could utilize their other revenues to support loan requests. The passing of this Regulation provides FNFA with the ability to achieve the critical mass of borrowing members necessary to finalize its public credit rating, and afterwards the issuance of a debenture.

As of the writing of this Message, the Financial Management Board (FMB) has issued Financial Performance Certificates to five First Nations. Under the FSMA, this Certificate is a pre-requisite to any First Nation applying to the FNFA for borrowing membership. The FNFA's Board, after completing its due diligence, has approved borrowing membership to all five communities: three on March 2, one on March 13, and one on April 13. Two of these borrowing members submitted borrowing requests to the FNFA, and FNFA's Board approved these submissions on May 23rd. These borrowing requests, and others that follow, will be funded by the FNFA through an Interim Loan program. This Interim lending approach will continue until a sufficient number of borrowing members are approved and FNFA's loan portfolio grows to sufficient size, enabling the FNFA to complete the public credit rating process leading to a debenture issuance. The debenture issuance will convert these Interim Loans into long-term loans.

Investor safeguards built into both the FSMA/Regulation and the borrowing member documents parallel best practices in local government pooled borrowing models. In addition, the FNFA has included one additional safeguard that establishes trust accounts when loans are supported by non-property tax revenues. This trust system ensures the revenue streams supporting loan requests flow from the payor into a trust account that firstly pays FNFA the loan repayment monies, and secondly the balance to the First Nation. This arrangement is intended to strengthen FNFA's credit rating, and thereby reduce the interest rates to our borrowing members.

Another milestone that occurred on November 30, 2011, was the achieving of a Canada-wide securities exemption whereby the prospectus requirements do not apply to distributions of debt securities of the FNFA. In place of a prospectus, the FNFA has retained legal counsel to prepare an appropriate information package for distribution to potential investors.

Regular discussions are held with the FMB regarding the expected timelines for achieving the critical number of Certified First Nations that will create a diversified loan portfolio. Currently, approximately 90 First Nations are scheduled, or have requested to be scheduled, to the FSMA, and the FMB has established Certification relationships with 42 of these communities.



Under the FSMA, all borrowing members are required to appoint either their Chief or a Councillor as their FNFA representative. At the FNFA's Annual General Meeting on July 12, 2012, elections will be held and a new Board of Directors will be chosen from amongst these representatives. This is a strength of the FSMA model as the borrowing members themselves vote to approve or reject requests by other First Nation communities for borrowing membership and for loan financing. The FNFA is, then, self-monitoring.

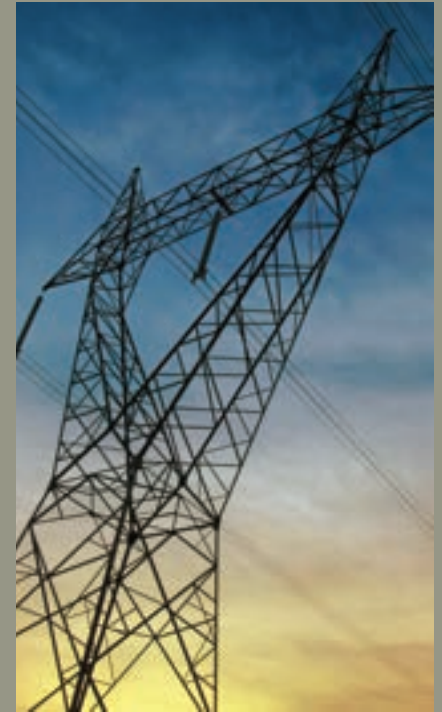
I would like to personally recognize the current members of the Board for their years of hard work and dedication. The FNFA Board demonstrated tremendous commitment and it was because of their perseverance that we have now arrived at a point where we can finally plan our first debenture issuance.

I would like to thank the staff for another productive year preparing the path for First Nations to be able to access financing at terms and rates that up to now were only available to other levels of government in Canada. Creating access to interim loans and to long-term loans will allow our communities to prepare capital plans that parallel best practices. The flexibility that FNFA's loan programs offer will allow Chief and Council to choose appropriate loan repayment terms to achieve their capital plans. These repayment terms can be out to 30 years.

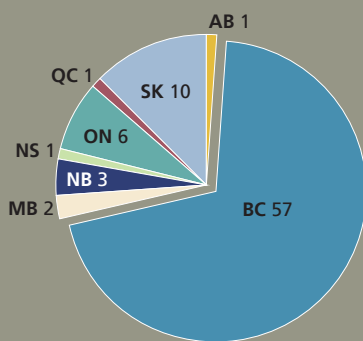
Lastly, I would like to welcome Ernie Daniels to the FNFA staff. Ernie was the former CEO of the Aboriginal Finance Officers Association (AFOA), and part of the Healing Foundation, and brings a wealth of experience and knowledge to the FNFA regarding the challenges and opportunities facing First Nations communities today.

Yours sincerely,

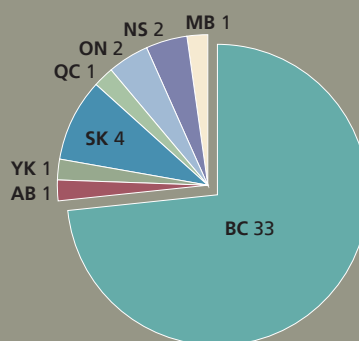
Grand Chief Joe Hall  
Chair



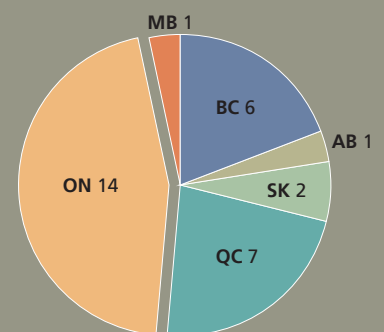
Scheduled First Nations by Province



First Nations Working Towards Certification by Province



First Nations in Discussions with FNFA and FMB by Province



# FNFA

## at a glance

### HOW WE OPERATE

#### Legal Authority

Under Part 4 of the *First Nations Fiscal and Statistical Management Act (FSMA)* which came into force on April 1st, 2006, the First Nations Finance Authority (FNFA) is established as a not-for-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 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 from amongst the Borrowing Members; the Investing Members cannot be elected.

#### 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; and
  - (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 mandates allow 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.

Appropriate oversight has been established for property tax revenues in the FSMA, 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 are now being finalized in consultation with AANDC 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.

Loan requests presented to the FNFA are subject to unanimous recommendation by the FNFA Loans Review Committee, and approval by the Board of Directors. Upon approving a loan request, the FNFA's Directors are stating that each member stands behind the loan – initiating the Debt Reserve Fund (DRF) replenishment obligation. And then taking into account market and economic conditions, the Directors of the FNFA may authorize staff to issue the sale of debentures in an amount sufficient to meet the loan requests of the borrowing members.

The FNFA has the power to provide for the creation, management and application of sinking funds or other means of securing the repayment of securities issued by the FNFA. A separate sinking fund account will be maintained for each debenture issue. Contributions to this fund may be invested only in eligible investments as outlined in the FSMA and the Regulations.





## HOW WE SAFEGUARD OUR INVESTORS

### Financial Protection

The FNFA has initiated various investor safeguards.

Firstly, when a Borrowing Member requests a loan, the FNFA withholds 5% and deposits into a 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 bondholders. The FNFA's Board may then require the Borrowing Members 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.

When a Borrowing Member has repaid its loan in full, the FNFA refunds back its 5% plus net interest earnings.

*Created by and for First Nations, allowing our communities access to loan financing on the same terms as other levels of government.*



**Large amounts of capital are required to finance roads, bridges, water and sewer systems, public buildings and amenities.**

**The FNFA provides access to affordable financing to First Nations across Canada.**



Secondly, both the FSMA 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.

Thirdly, in addition to the DRF, the FNFA must establish a fund for the enhancement of the FNFA's credit rating, the capital of which can be used to temporarily offset any shortfalls in either DRF. This fund is called the Credit Enhancement Fund (CEF) and is a secondary investor safeguard after the DRF. The FNFA contracted an agreement with Canada in March 2011, and received the \$10 million CEF monies on April 1, 2011.

Fourthly, the FNFA is establishing for other revenue borrowers an intercept mechanism (ie. Trust Account arrangement)

whereby the gross other revenue stream-supporting the other revenues loan flows into a trust account; and a trustee under an irrevocable Assignment Agreement allocates the monies – firstly to the FNFA in the amount of the loan payment, and the balance to the First Nation.

Fifthly, borrowing power factors on each revenue stream have been developed with banking syndicate input and will mitigate over leveraging by a Borrowing Member.

### Legislative Protection

The FSMA 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.

## 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.

The FNFA receives a small management fee off the monies invested, and uses these fees to help support FNFA operations.

# Financial Statements FNFA

Year ended March 31, 2012



KPMG LLP  
Chartered Accountants  
300-1674 Bertram Street  
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## INDEPENDENT AUDITORS' REPORT

### To the Members of the First Nations Finance Authority

We have audited the accompanying consolidated financial statements of the First Nations Finance Authority ("the FNFA") which comprise the consolidated statements of financial position as at March 31, 2012 and 2011 and April 1, 2010, the consolidated statements of operations, changes in net financial assets and cash flows for the years ended March 31, 2012 and 2011, and notes, comprising of a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the FNFA as at March 31, 2012 and 2011 and April 1, 2010 and its consolidated results of operations, consolidated changes in net financial assets and its consolidated cash flows for the years ended March 31, 2012 and 2011 in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 23, 2012

Kelowna, Canada

# Consolidated Statement of Financial Position

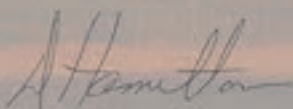
# FIRST NATIONS FINANCE AUTHORITY

March 31, 2012 and 2011 and April 1, 2010

	March 31, 2012	March 31, 2011 (note 1)	April 1, 2010 (note 1)
<b>Financial Assets</b>			
Cash and cash equivalents	\$ 709,383	\$ 689,704	\$ 558,887
Credit Enhancement Fund assets (note 3)	10,928,540	10,000,000	–
Accounts receivable	2,083	120,050	81,075
	<b>11,640,006</b>	<b>10,809,754</b>	<b>639,962</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	160,767	194,995	154,299
	<b>11,479,239</b>	<b>10,614,759</b>	<b>485,663</b>
<b>Net Financial Assets</b>			
<b>Non-financial Assets</b>			
Tangible capital assets (note 4)	87,442	114,500	128,040
Prepaid expenses	20,978	11,136	75,560
	<b>108,420</b>	<b>125,636</b>	<b>203,600</b>
Commitments and contingencies (note 9)			
<b>Accumulated surplus (note 5)</b>	<b>\$ 11,587,659</b>	<b>\$ 10,740,395</b>	<b>\$ 689,263</b>

See accompanying notes to financial statements.

On behalf of the Board



Director

# Consolidated Statements of Operations

# FIRST NATIONS FINANCE AUTHORITY

Years ended March 31, 2012 and 2011

	Budget 2012	2012 (unaudited note 2(h))	2011 (note 1)
<b>Revenue</b>			
Grants and contributions (note 6)	\$ 1,547,600	\$ 1,547,600	\$ 1,681,525
Investment income (note 7)	253,000	939,890	6,025
Management fees (note 8)	10,500	8,518	8,310
Credit Enhancement Fund contribution (note 3)	–	–	10,000,000
	<b>1,811,100</b>	<b>2,496,008</b>	<b>11,695,860</b>
<b>Expenses (note 2(i))</b>			
Professional fees	468,000	291,334	259,271
Travel and workshops	241,000	194,989	288,107
Salaries and benefits	680,000	659,240	590,664
Operation and management	422,100	455,673	454,282
Amortization of tangible capital assets	–	47,508	40,505
Write-down of capital assets	–	–	11,899
	<b>1,811,100</b>	<b>1,648,744</b>	<b>1,644,728</b>
<b>Surplus</b>	–	<b>847,264</b>	<b>10,051,132</b>
Accumulated surplus, beginning of year (note 1)	–	10,740,395	689,263
<b>Accumulated surplus, end of year</b>	<b>\$ –</b>	<b>\$ 11,587,659</b>	<b>\$ 10,740,395</b>

See accompanying notes to financial statements.



## Consolidated Statements of Changes in Net Financial Assets

Years ended March 31, 2012 and 2011

## FIRST NATIONS FINANCE AUTHORITY

	Budget 2012 (unaudited note 2(h))	2012	2011 (note 1)
Surplus	\$ -	\$ 847,264	\$ 10,051,132
Changes to non-financial assets			
Acquisition of tangible capital assets	-	(20,450)	(38,864)
Amortization of tangible capital assets	-	47,508	40,505
Write-down of tangible capital assets	-	-	11,899
	-	27,058	13,540
Net change in prepaid expenses	-	(9,842)	64,424
	-	17,216	77,964
Increase in net financial assets	-	864,480	10,129,096
Net financial assets, beginning of year	-	10,614,759	485,663
Net financial assets, end of year	\$ -	\$ 11,479,239	\$ 10,614,759

See accompanying notes to financial statements.

## Consolidated Statements of Cash Flows

## FIRST NATIONS FINANCE AUTHORITY

Years ended March 31, 2012 and 2011

	2012	2011
Cash provided by (used in):		
Operating transactions:		
Surplus	\$ 847,264	\$ 10,051,132
Amortization of tangible capital assets	47,508	40,505
Write down of tangible capital assets	-	11,899
Credit Enhancement Fund contribution receivable	10,000,000	(10,000,000)
Net change in non-cash operating working capital:		
Accounts receivable	117,967	(38,975)
Prepaid expenses	(9,842)	64,424
Accounts payable and accrued liabilities	(34,228)	40,696
	10,968,669	169,681
Investing transactions:		
Increase in restricted cash and cash equivalents	(928,540)	-
Capital transactions:		
Purchase of tangible capital assets	(20,450)	(38,864)
Increase in cash and cash equivalents	10,019,679	130,817
Cash and cash equivalents, beginning of year	689,704	558,887
Cash and cash equivalents, end of year	\$ 10,709,383	\$ 689,704

See accompanying notes to financial statements.



Years ended March 31, 2012 and 2011

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 and Statistical 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. The FNFA, through an agreement with the Municipal Finance Authority of British Columbia (the "MFA"), acts as a non assignable corporate investment vehicle contracting with the MFA for the provision of investment services for FNFA unitholders.

#### 1. Change in accounting standards – Public Sector Accounting Standards:

In response to recent changes in accounting frameworks, the FNFA performed a review of its operations and governance structure to assess the applicability of the new accounting standards to the FNFA and its financial statement users. Based on this review, management concluded that the FNFA met the definition of a government organization and that the appropriate accounting framework for the FNFA was Canadian public sector accounting standards ("PSAB"). Accordingly, the FNFA has adopted PSAB effective April 1, 2011 and has retrospectively applied PSAB to its comparative figures, with a transition date of April 1, 2010. In addition, the FNFA has retrospectively adopted new PSAB standards, PS3410 Government Transfers and PS 3450 Financial Instruments.

These consolidated financial statements are the first statements prepared by the FNFA applying PSAB. A summary of transition adjustments and the impact of those adjustments on accumulated surplus as at April 1, 2010 and surplus for the year ended March 31, 2011 are summarized below.

##### (a) Transition adjustments:

###### Revenues:

Under the previous accounting framework, endowment contributions, which are not available to fund the FNFA's service delivery activities, were recorded as direct increases in net assets and contributions of capital assets were deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets. Under PSAB, (note 2(c)) restricted revenue is recognized as received and once associated stipulations are met. Accordingly, amounts previously recorded as deferred capital contributions (totaling \$25,681 as at April 1, 2010) were adjusted to revenue in the year the contributions were received. In addition, the Credit Enhancement Fund contribution of \$10,000,000, previously recorded as a direct increase in net assets, has been adjusted to revenue in the year ended March 31, 2011.

##### (b) Accumulated surplus adjustments:

The following table summarizes the impact of the transition to PSAB on the FNFA's accumulated surplus as at April 1, 2010:

As previously reported under Canadian generally accepted accounting principles for not for profit organizations:

Investment in capital assets	\$ 102,359
Unrestricted surplus	561,223
	663,582
Transition adjustments:	
Deferred capital contributions	25,681
	\$ 689,263

##### (c) Year ended March 31, 2011 surplus adjustment:

The following table summarizes the impact of the transition to PSAB on the FNFA's surplus for the year ended March 31, 2011:

As previously reported under Canadian generally accepted accounting principles for not for profit organizations:

Excess of revenue over expenses	\$ 66,407
Transition adjustments:	
Amortization of deferred capital contributions	(15,275)
Credit Enhancement Fund contribution adjusted to revenue from direct increase in net assets	10,000,000
	\$ 10,051,132

#### 2. Significant accounting policies:

The consolidated financial statements of the FNFA have been prepared by management in accordance with PSAB, applying the following significant accounting policies.

##### (a) Basis of consolidation:

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the FNFA's reporting entity, which is comprised of all of the FNFA's funding, including its Operating, Credit Enhancement, Sinking and Debt Reserve funds. The Operating Fund and the Credit Enhancement Fund were the only Funds being utilized at March 31, 2012. All transactions and balances between the funds have been eliminated upon consolidation. Descriptions of the FNFA's funds are as follows:

###### Operating Fund:

The 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, the FNFA is required to establish a Credit Enhancement Fund ("CEF") for the enhancement of the FNFA's credit rating (note 3).

###### Sinking Fund:

Under the Act, the FNFA is required to establish a Sinking Fund to fulfill its repayment obligations to the holders of each security issued by the FNFA.

###### Debt Reserve Fund:

Under the Act the FNFA is required to establish one or more Debt Reserve Funds. If at any time the 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.

## 2. Significant accounting policies (continued):

### (b) Basis of accounting:

The 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. 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. Interest expense is accrued as the obligation is incurred.

### (c) Revenue recognition:

Restricted transfers from governments are deferred and recognized as revenue as the related stipulations in the agreement are met. Unrestricted transfers are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

The FNFA receives management fees with respect to investment services provided to unitholders related to short term investments held with the MFA (note 6). These fees are recognized over the related service period.

### (d) 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.

### (e) Financial instruments:

Financial instruments are initially classified upon initial recognition as a fair value or amortized cost instrument. The fair value category includes derivatives, portfolio investments in equity instruments that are quoted in an active market, and any other items elected by the Authority to be recorded at fair value. All other financial instruments are recorded at amortized cost. Transaction costs are added to the amortized cost or expensed if they relate to instruments recorded on a fair value basis. The effective interest rate method is used to recognize interest.

As at March 31, 2012 and 2011, the 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 provided.

### (f) Tangible capital assets:

Tangible capital assets are reported 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 the FNFA's operations, the tangible capital asset's net book value is written down. Amortization is provided on a declining balance basis over the assets' estimated useful life at the following rates:

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

### (g) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. The majority of the FNFA's assets and liabilities are recorded at amounts which, by their nature, do not require significant management estimates or assumptions.

### (h) Budget data:

The unaudited budget data presented in these consolidated financial statements was approved by the Board of Directors on June 24, 2011 and later amended on September 9, 2011. The original budget was presented using the previous Canadian generally accepted accounting principles for not for profit organizations; therefore, certain adjustments were made to adjust the presentation to be consistent with PSAB.

### (i) 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. The FNFA has determined that it had only one operating segment for the years ended March 31, 2012 and 2011. Accordingly, segmented disclosures have not been presented in these consolidated financial statements.

## 3. Credit Enhancement Fund assets:

The FNFA entered into an agreement with Aboriginal Affairs and Northern Development Canada ("AANDC"), previously Indian and Northern Affairs Canada, on March 24, 2011 to transfer funds to FNFA for deposit into the Credit Enhancement Fund ("CEF") (note 2(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 the 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 the 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 to include the following amended provisions:

- If the FNFA does not issue a bond in accordance with the Act by November 30, 2012, the FNFA could be required to repay the contribution by December 28, 2012. The Agreement may be further amended past November 30, 2012 by written request of FNFA to AANDC.
- If the FNFA does not issue bonds that, in aggregate, are equal to or greater than \$40.0 million within three years of the agreement date (March 24, 2011), the FNFA may be required to repay all or a portion of contribution.

The CEF assets consist of the following:

	March 31, 2012	March 31, 2011	April 1, 2011
Cash and cash equivalents	\$ 10,928,540	\$ -	\$ -
Contribution receivable	-	10,000,000	-
	\$ 10,928,540	\$ 10,000,000	\$ -



**4. Tangible capital assets:**

March 31, 2012	Furniture and equipment	Computer equipment	Leasehold improvements	Total
<b>Costs:</b>				
Balance, beginning of year	\$ 40,928	\$ 89,412	\$ 115,709	\$ 246,049
Additions	4,502	15,948	–	20,450
Write-downs/disposals	(855)	(4,264)	–	(5,119)
Balance, end of year	44,575	101,096	115,709	261,380
<b>Accumulated amortization:</b>				
Balance, beginning of year	22,325	44,629	64,595	131,549
Amortization	4,172	15,186	28,150	47,508
Write-downs/disposals	(855)	(4,264)	–	(5,119)
Balance, end of year	25,642	55,551	92,745	173,938
Net book value, end of year	\$ 18,933	\$ 45,545	\$ 22,964	\$ 87,442

March 31, 2011	Furniture and equipment	Computer equipment	Leasehold improvements	Total
<b>Costs:</b>				
Balance, beginning of year	\$ 63,856	\$ 66,411	\$ 111,406	\$ 241,673
Additions	1,826	32,735	4,303	38,864
Write-downs/disposals	(24,754)	(9,734)	–	(34,488)
Balance, end of year	40,928	89,412	115,709	246,049
<b>Accumulated amortization:</b>				
Balance, beginning of year	32,632	43,441	37,560	113,633
Amortization	4,213	9,257	27,035	40,505
Write-downs/disposals	(14,520)	(8,069)	–	(22,589)
Balance, end of year	22,325	44,629	64,595	131,549
Net book value, end of year	\$ 18,603	\$ 44,783	\$ 51,114	\$ 114,500

**5. Accumulated Surplus:**

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

	March 31, 2012	March 31, 2011	April 1, 2010
Accumulated surplus:			
Credit Enhancement Fund	\$ 10,928,540	\$ 10,000,000	\$ –
Operating Fund:			
Invested in tangible capital assets	87,442	114,500	128,040
Unrestricted (note 9(a))	571,677	625,895	561,223
	\$ 11,587,659	\$ 10,740,395	\$ 689,263

b) Change in accumulated surplus is calculated as follows:

	Operating Fund		
	Credit, Enhancement Fund (note 3)	Invested in tangible capital assets	Unrestricted
Balance, April 1, 2010	\$ –	\$ 128,040	\$ 561,223
Surplus (deficit)	10,000,000	(52,404)	103,536
Acquisition of tangible capital assets	–	38,864	(38,864)
Balance, March 31, 2011	10,000,000	114,500	625,895
Surplus (deficit)	928,540	(47,508)	(33,768)
Acquisition of tangible capital assets	–	20,450	(20,450)
Balance, March 31, 2012	\$ 10,928,540	\$ 87,442	\$ 571,677

**6. Grants and contributions:**

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

	2012	2011
Comprehensive Funding Arrangement 2011-2012 and 2010-2011	\$ 1,047,600	\$ 1,181,525
Grant Agreement 2011-2012 and 2010-2011	500,000	500,000
	\$ 1,547,600	\$ 1,681,525

The AANDC provided a Comprehensive Funding Arrangement for the 2011-2012 and 2010-2011 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, 2012. Management anticipates that this agreement will be renewed for future years.

**7. Investment income:**

	2012	2011
Credit Enhancement Fund:		
Investment income	\$ 937,199	\$ -
Transaction and bank charges	(8,659)	-
	928,540	-
Other interest income	11,350	6,025
	\$ 939,890	\$ 6,025

**8. Management fees:**

Management fees are accrued daily at the rate of 0.04% per annum of the net assets of the FNFA's share of the MFA's Pooled Investment Funds and are receivable semi annually on June 30th and December 31st. These management fees are paid to the FNFA through the MFA.

**9. Commitments and contingencies:****(a) 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.

**(b) Operating lease commitments:**

The FNFA entered into a lease agreement for office space. The agreement is for 60 months and expires January 2013.

**(c) Other commitments:**

The FNFA has an agreement with the MFA to which service fees are provided by the MFA at a cost of \$1,000 per month. This agreement expires on September 30, 2013.

The FNFA entered into an agreement with Moody's Canada Inc. to provide indicative rating services for the 2012 fiscal year for a cost of \$77,500.

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

2013	\$ 152,038
2014	6,000
	\$ 158,038

**10. Financial instruments:**

The maximum credit risk exposure for all financial assets is the carrying amount of that asset. Unless otherwise disclosed, the FNFA is not exposed to significant interest, currency or credit risks arising from its financial instruments.



**Pooled Investments**  
**Statement of Net Assets - (unaudited)**

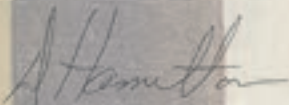
**FIRST NATIONS FINANCE AUTHORITY**

December 31, 2011, with comparative information for 2010

	Money Market Fund		Intermediate Fund		Bond Fund		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>Assets</b>								
Cash	\$ (16,154)	\$ 38	\$ 416	\$ 1,043	\$ 28	\$ -	\$ (15,710)	\$ 1,081
Receivable for investments sold	-	-	154	1,136,354	2,362	-	2,516	1,136,354
Unitholder receivable	-	4,868	236,981	-	-	-	236,981	4,868
Investments (note 3)	12,104,580	9,129,863	10,787,830	11,303,105	408,271	-	23,300,681	20,432,968
	<b>\$ 12,088,426</b>	<b>9,134,769</b>	<b>11,025,381</b>	<b>12,440,502</b>	<b>410,661</b>	<b>-</b>	<b>\$ 23,524,468</b>	<b>\$21,575,271</b>
<b>Liabilities</b>								
Accrued management fees	\$ 1,833	1,378	2,092	2,268	78	-	\$ 4,003	\$ 3,646
Securities purchase	-	-	68,153	1,120,770	-	-	68,153	1,120,770
Unitholder payable	25,985	-	88,867	-	1,800	-	116,652	-
	<b>27,818</b>	<b>1,378</b>	<b>159,112</b>	<b>1,123,038</b>	<b>1,878</b>	<b>-</b>	<b>188,808</b>	<b>1,124,416</b>
<b>Net assets and unitholders' equity</b>	<b>12,060,608</b>	<b>9,133,391</b>	<b>10,866,269</b>	<b>11,317,464</b>	<b>408,783</b>	<b>-</b>	<b>23,335,660</b>	<b>20,450,855</b>
	<b>\$ 12,088,426</b>	<b>9,134,769</b>	<b>11,025,381</b>	<b>12,440,502</b>	<b>410,661</b>	<b>-</b>	<b>\$ 23,524,468</b>	<b>\$21,575,271</b>

See accompanying notes to financial statements.

On behalf of the Board



Director



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

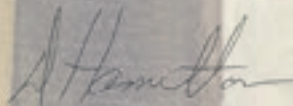
**FIRST NATIONS FINANCE AUTHORITY**

December 31, 2011, with comparative information for 2010

	Money Market Fund		Intermediate Fund		Bond Fund		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>Investment income:</b>								
Interest income	\$ 122,806	\$ 71,863	\$ 372,159	\$ 438,334	\$ 1,039	\$ -	\$ 496,004	\$ 510,197
Less management fees	16,720	14,877	23,783	21,974	62	-	40,565	36,851
	<b>106,086</b>	<b>56,986</b>	<b>348,376</b>	<b>416,360</b>	<b>977</b>	<b>-</b>	<b>455,439</b>	<b>473,346</b>
<b>Gain (loss) on investments:</b>								
Net realized gain (loss)	-	-	(225,416)	(282,146)	34	-	(225,382)	(282,146)
Net unrealized gain	-	-	60,845	(23,030)	50	-	60,895	(23,030)
Net gain on investments	-	-	(164,571)	(305,176)	84	-	(164,487)	(305,176)
<b>Net earnings distributed</b>	<b>\$ 106,086</b>	<b>\$ 56,986</b>	<b>\$ 183,805</b>	<b>\$ 111,184</b>	<b>\$ 1,061</b>	<b>\$ -</b>	<b>\$ 209,952</b>	<b>\$ 168,170</b>
<b>Net assets and unitholders' equity:</b>								
Units outstanding, beginning of the year	\$ 9,133,391	10,006,725	11,317,464	6,828,280	-	-	\$ 20,450,855	\$ 16,835,005
Units subscribed	4,953,901	5,781,185	-	4,490,000	416,442	-	5,370,343	10,271,185
Distributions reinvested	106,086	56,986	183,805	111,184	1,061	-	290,952	168,170
Units redeemed	(2,132,770)	(6,711,505)	(635,000)	(112,000)	(8,720)	-	(2,776,490)	(6,823,505)
<b>Units outstanding, end of the year</b>	<b>\$ 12,060,608</b>	<b>\$ 9,133,391</b>	<b>\$ 10,866,269</b>	<b>\$ 11,317,464</b>	<b>\$ 408,783</b>	<b>\$ -</b>	<b>\$ 23,335,660</b>	<b>\$ 20,450,855</b>

See accompanying notes to financial statements.

On behalf of the Board



Director



# Pooled Investments

## Notes to Financial Statements - (unaudited)

Year ended December 31, 2011

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 and Statistical 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 contracting with the MFA for the provision of investment services for FNFA unitholders. This contracting service was assumed from First Nations Finance Authority Inc. which administered the funds on the same basis as the FNFA.

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 MFA 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 and Statistical Management Act*, the FNFA has, by contract, 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 financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. 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 weekly and at month end 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 an effective 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.

## 2. FINANCIAL INSTRUMENTS (continued):

### 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 undertaken 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 investment 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, 2011 the duration of the funds was 61 days for Money Market Fund and 292 days for the Intermediate Fund and 2.2 years for the Bond Fund.

### 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, 2011.

### 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:

	2011			2010		
	Money Market Fund	Intermediate Fund	Bond Fund	Money Market Fund	Intermediate Fund	Bond Fund
Bankers' acceptance	4.33%	–	–	11.75%	–	–
Corporate bonds	–	–	85.03%	–	74.32%	70.95%
Treasury bills and term deposits	11.45%	12.91%	–	22.52%	25.68%	–
Commercial paper	78.87%	16.97%	11.88%	65.73%	–	11.83%
Government of Canada federal bonds	5.35%	70.12%	1.40%	–	–	4.35%
Provincial bonds	–	–	–	–	–	10.82%
Mortgages	–	–	1.69%	–	–	2.05%
	100%	100%	100%	100%	100%	100%

The investments of the FNFA unitholders represent approximately 1.18% (2010 - 0.84%) of the Money Market Fund, 3.71% (2010 - 4.56%) of the Intermediate Fund and 0.08% (2010 - 0%) 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 \$8,332 (2010 - \$7,588) were paid to the FNFA general operating fund through the MFA.

**The objective of the FNFA is to ensure continuous access to affordable financing for First Nation Governments**



## MFA MONEY MARKET FUND

## FIRST NATIONS FINANCE AUTHORITY

as of December 31, 2011

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
<b>PROVINCIAL</b>					
BC PROV		JUNE 06 12	7,000,000	6,965,630	0.68
BC PROV		JUNE 08 12	6,500,000	6,468,800	0.63
FINANCEMENT QUE		FEB 13 12	10,420,000	10,385,614	1.02
FINANCEMENT QUE		APR 25 12	7,500,000	7,460,250	0.73
FINANCEMENT QUE		MAY 15 12	55,000,000	54,727,200	5.35
MANITOBA PROV		JAN 25 12	4,300,000	4,290,196	0.42
NEW BRUNS PROV		JAN 09 12	5,910,000	5,892,270	0.58
ONTARIO PROV		JAN 11 12	41,500,000	41,415,233	4.05
ONTARIO PROV		JAN 18 12	37,500,000	37,407,750	3.66
ONTARIO PROV		FEB 15 12	3,575,000	3,567,028	0.35
ONTARIO PROV		FEB 29 12	22,550,000	22,495,655	2.20
ONTARIO PROV		MAY 30 12	2,050,000	2,041,390	0.20
<b>CORPORATE</b>					
BANK OF N.S.		JAN 11 12	21,000,000	20,939,940	2.05
BANK OF N.S.		FEB 01 12	28,400,000	28,318,776	2.77
BANK OF N.S.		FEB 08 12	5,500,000	5,484,105	0.54
BANK OF N.S.		FEB 27 12	5,325,000	5,309,930	0.52
BANK OF N.S.		MAY 15 12	25,000,000	24,853,750	2.43
BAY ST TRUST		MAR 21 12	10,200,000	10,170,216	0.99
BMO FIRST BANK		JUN 04 12	23,370,000	23,232,117	2.27
BMO FIRST BANK		JUN 05 12	11,000,000	10,934,550	1.07
BRKFLD ASSET MGT		JAN 05 12	7,000,000	6,976,060	0.68
BRKFLD ASSET MGT		MAR 07 12	6,550,000	6,527,599	0.64
C.I.B.C.		MAR 01 12	44,500,000	44,236,570	4.32
CDN MASTER TRUST		FEB 22 12	18,785,000	18,731,275	1.83
DARWIN REC TR		JAN 18 12	3,000,000	2,991,390	0.29
DARWIN REC TR		FEB 07 12	5,000,000	4,985,550	0.49
DARWIN REC TR		FEB 08 12	8,000,000	7,976,880	0.78
DARWIN REC TR		FEB 15 12	2,500,000	2,492,850	0.24
DARWIN REC TR		MAR 08 12	6,000,000	5,982,840	0.58
DARWIN REC TR		MAR 13 12	1,500,000	1,495,710	0.15
DARWIN REC TR		MAR 21 12	12,000,000	11,964,960	1.17
DARWIN REC TR		MAR 30 12	8,000,000	7,976,640	0.78
DIVERSIFIED TR		JAN 13 12	18,500,000	18,446,350	1.80
DIVERSIFIED TR		MAR 13 12	10,000,000	9,972,000	0.97
DIVERSIFIED TR		MAR 27 12	3,510,000	3,499,997	0.34
FUSION TRUST		JAN 17 12	11,750,000	11,716,395	1.15
FUSION TRUST		JAN 27 12	25,000,000	24,927,000	2.44
FUSION TRUST		FEB 08 12	10,200,000	10,170,216	0.99
FUSION TRUST		MAR 02 12	3,000,000	2,991,240	0.29
HSBC SECURITIES		JAN 04 12	12,500,000	12,420,375	1.21
HSBC SECURITIES		APR 04 12	20,000,000	19,881,600	1.94
HSBC SECURITIES		MAY 09 12	10,000,000	9,940,500	0.97
INTER PPL COR		JAN 03 12	2,300,000	2,292,594	0.22
INTER PPL COR		JAN 04 12	10,000,000	9,967,800	0.97
INTER PPL COR		JAN 09 12	12,500,000	12,454,250	1.22
INTER PPL COR		FEB 07 12	3,500,000	3,488,730	0.34
INTER PPL COR		FEB 16 12	2,000,000	1,993,560	0.19
MERIT TRUST		JAN 23 12	20,750,000	20,691,278	2.02
MERIT TRUST		JAN 25 12	8,200,000	8,176,794	0.80
MERIT TRUST		FEB 03 12	5,000,000	4,985,700	0.49
MERIT TRUST		FEB 27 12	1,500,000	1,495,710	0.15
MERIT TRUST		MAR 08 12	7,000,000	6,979,980	0.68



## CORPORATE (continued)

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
PRIME TRUST		FEB 01 12	18,500,000	18,444,130	1.80
PRIME TRUST		FEB 03 12	24,000,000	23,931,360	2.34
PRIME TRUST		FEB 08 12	8,675,000	8,649,929	0.85
RELIANT TRUST		JAN 20 12	15,200,000	15,156,376	1.48
RELIANT TRUST		FEB 15 12	3,600,000	3,589,704	0.35
RELIANT TRUST		FEB 27 12	12,000,000	11,966,040	1.17
RELIANT TRUST		MAR 30 12	10,000,000	9,970,800	0.97
RIDGE TRUST		JAN 31 12	19,250,000	19,194,945	1.88
SAFE TRUST S96 1		MAR 30 12	16,150,000	16,102,842	1.57
STORM KING		JAN 17 12	8,500,000	8,469,825	0.83
SUMMIT TRUST		JAN 13 12	6,900,000	6,879,990	0.67
SUMMIT TRUST		MAR 01 12	17,800,000	17,749,092	1.74
SUMMIT TRUST		MAR 27 12	20,900,000	20,840,435	2.04
TD BANK		JAN 18 12	25,000,000	24,829,500	2.43
TD BANK		JAN 26 12	10,000,000	9,932,200	0.97
TELUS CORP		JAN 06 12	3,000,000	2,990,880	0.29
TELUS CORP		JAN 09 12	7,000,000	6,978,510	0.68
TELUS CORP		FEB 10 12	4,000,000	3,988,120	0.39
TELUS CORP		MAR 08 12	5,000,000	4,985,400	0.49
THOMSON REUTERS		JAN 13 12	7,500,000	7,492,950	0.73
TRANSCANADA PIPE		JAN 17 12	10,000,000	9,971,300	0.97
VANCITY CR UNION		JAN 04 12	2,075,000	2,068,443	0.20
VANCITY CR UNION		JAN 05 12	10,000,000	9,968,100	0.97
VANCITY CR UNION		JAN 06 12	2,500,000	2,492,425	0.24
ZEUS REC TRUST		FEB 03 12	9,500,000	9,472,830	0.93
ZEUS REC TRUST		FEB 07 12	5,500,000	5,484,105	0.54
ZEUS REC TRUST		FEB 08 12	15,000,000	14,956,650	1.46
ZEUS REC TRUST		FEB 09 12	15,430,000	15,385,407	1.50
ZEUS REC TRUST		FEB 13 12	5,000,000	4,985,700	0.49
<b>BONDS</b>					
<b>FEDERAL</b>					
CANADA HOUSING TRUST	4.000	JUN 15 12	54,000,000	54,715,330	5.35



**MFA INTERMEDIATE FUND**

as of December 31, 2011

**FIRST NATIONS FINANCE AUTHORITY**

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
<b>SHORT TERM NOTES</b>					
<b>PROVINCIAL</b>					
BC PROV		MAR 05 12	2,000,000	1,994,760	0.69
BC PROV		JUN 08 12	5,000,000	4,976,000	1.72
FINANCEMENT QUE		MAR 13 12	15,475,000	15,395,923	5.31
FINANCEMENT QUE		APR 24 12	23,500,000	23,375,450	8.06
FINANCEMENT QUE		MAY 15 12	3,610,000	3,592,094	1.24
MANITOBA PROV		FEB 15 12	900,000	897,876	0.31
ONTARIO PROV		JAN 18 12	2,250,000	2,244,465	0.77
ONTARIO PROV		JAN 25 12	4,100,000	4,096,269	1.41
ONTARIO PROV		MAR 14 12	24,950,000	24,836,478	8.57
ONTARIO PROV		JUN 06 12	5,500,000	5,476,130	1.89
<b>BONDS</b>					
<b>FEDERAL</b>					
CANADA HOUSING TRUST	4.000	JUN 15 12	30,500,000	30,904,029	10.6
<b>CORPORATE</b>					
BANK OF MONTREAL	F/F 5.200	JUN 21 12/17	13,800,000	14,024,257	4.84
BANK OF N.S.	F/F 5.250	NOV 01 12/17	13,900,000	14,287,841	4.93
BEAR STEARNS CO INC	4.350	JUL 20 12	3,875,000	3,928,522	1.36
CARDS II TRUST	3.048	MAY 15 13	14,075,000	14,352,996	4.95
CATERPILLAR FIN SERV	5.200	JUN 03 13	10,000,000	10,494,180	3.62
CDN CREDIT CRD TRUST	5.365	MAR 25 13	13,575,000	14,180,725	4.89
CIBC	F/F 5.150	JUN 06 13/18	13,700,000	14,314,791	4.94
GOLDEN CREDIT CARD	5.421	APR 15 13	13,575,000	14,240,467	4.91
GREATER TOR AIRPORT	6.250	JAN 30 12	4,675,000	4,689,582	1.62
MASTER CDT CARD	5.237	MAY 21 13	13,625,000	14,301,730	4.93
MERRILL LYNCH & CO	4.500	JAN 30 12	1,940,000	1,939,878	0.67
MORGAN STANLEY	4.500	FEB 23 12	3,925,000	3,923,260	1.35
ROYAL BANK CDA	F/F 5.000	JUN 06 13/18	13,725,000	14,305,828	4.93
TORONTO DOMINION	F/F 5.382	NOV 01 12/17	13,875,000	14,280,190	4.93
TORONTO HYDRO CORP	6.110	MAY 06 13	10,000,000	10,607,411	3.66
TRANSCANADA PIPELINE	5.050	AUG 20 13	7,800,000	8,233,978	2.84

**MFA BOND FUND**

as of December 31, 2011

**FIRST NATIONS FINANCE AUTHORITY**

	<b>COUPON RATE</b>	<b>MATURITY DATE</b>	<b>PAR</b>	<b>MARKET VALUE</b>	<b>% OF TOTAL</b>
<b>SHORT TERM NOTES</b>					
<b>CORPORATE</b>					
BAY ST TRUST		JAN 13 12	3,300,000	3,296,964	0.66
BRKFLD ASSET MGT		JAN 17 12	2,675,000	2,671,897	0.54
CAISSE DESJARDIN		JAN 20 12	9,450,000	9,441,873	1.89
DARWIN REC TR		JAN 05 12	4,150,000	4,148,216	0.83
DARWIN REC TR		FEB 02 12	3,000,000	2,991,420	0.60
ENBRIDGE INC		JAN 19 12	6,450,000	6,443,099	1.29
FUSION TRUST		MAR 02 12	2,100,000	2,093,868	0.42
INTER PPL COR		JAN 03 12	1,000,000	996,780	0.20
INTER PPL COR		JAN 13 12	2,850,000	2,840,823	0.57
INTER PPL COR		FEB 21 12	2,600,000	2,591,628	0.52
MCCAIN FIN CDA		JAN 04 12	6,575,000	6,572,633	1.32
MERIT TRUST		FEB 13 12	3,975,000	3,963,632	0.79
MERIT TRUST		MAR 16 12	325,000	324,071	0.06
PRIME TRUST		FEB 16 12	2,850,000	2,841,849	0.57
PRIME TRUST		MAR 14 12	5,000,000	4,985,700	1.00
RELIANT TRUST		FEB 06 12	1,775,000	1,769,640	0.35
ZEUS REC TRUST		JAN 30 12	1,500,000	1,496,535	0.30
<b>BONDS</b>					
<b>FEDERAL</b>					
CANADA GOVT	1.000	FEB 01 14	307,000	307,297	0.06
CANADA GOVT	3.000	JUN 01 14	2,550,000	2,672,517	0.54
CANADA GOVT	2.750	SEP 01 16	3,753,000	4,002,418	0.80
CANADA HOUSING TRUST	4.800	JUN 15 12	90,172,000	91,685,403	18.38
CANADA HOUSING TRUST	2.700	DEC 15 13	1,019,000	1,050,919	0.21
CANADA HOUSING TRUST	3.150	JUN 15 14	13,908,000	14,591,407	2.93
CANADA HOUSING TRUST	2.750	SEP 15 14	17,918,000	18,682,268	3.75
CANADA HOUSING TRUST	2.750	JUN 15 16	11,641,000	12,258,389	2.46
NHA MBS 97555494	2.500	JUN 01 15	5,215,000	4,529,015	0.91
NHA MBS 97558746	2.170	SEP 01 15	2,450,000	2,250,284	0.45
NHA MBS 97558902	1.950	SEP 01 15	3,880,000	3,476,550	0.70
NHA MBS 97560841	2.750	NOV 01 15	1,865,000	1,741,449	0.35
NHA MBS 97563225	2.750	JAN 01 16	4,875,000	4,621,611	0.93
NHA MBS 97572770	4.022	SEP 01 16	1,900,000	1,818,318	0.36
NHA MBS 99009888	2.250	JAN 01 15	4,960,000	4,725,849	0.95
PSP CAPITAL	4.570	DEC 09 13	5,915,000	6,266,212	1.26
PSP CAPITAL	2.940	DEC 03 15	1,960,000	2,041,377	0.41
<b>PROVINCIAL</b>					
CADILLAC FAIRVIEW	3.240	JAN 25 16	9,266,000	9,691,962	1.94
ONTARIO PROV	4.750	JUN 02 13	4,499,000	4,724,840	0.95
ONTARIO PROV	5.000	MAR 08 14	2,199,000	2,377,087	0.48
407 INTL INC	3.880	JUN 16 15	370,000	393,839	0.08
ANHEUSER-BUSCH INBEV	3.650	JAN 15 16	1,160,000	1,216,833	0.24
BANK OF AMERICA F/F	4.810	JUN 01 11/16	5,766,000	4,612,800	0.92
BANK OF MONTREAL	3.930	APR 27 15	480,000	508,683	0.10
BANK OF MONTREAL	5.180	JUN 10 15	1,875,000	2,064,939	0.41
BANK OF MONTREAL	3.103	MAR 10 16	205,000	211,286	0.04

**BONDS (continued)**

	COUPON RATE	MATURITY DATE	PAR	MARKET VALUE	% OF TOTAL
<b>CORPORATE</b>					
BANK OF MONTREAL	3.490	JUN 10 16	3,865,000	4,039,765	0.81
BANK OF MONTREAL	2.960	AUG 02 16	4,375,000	4,468,695	0.90
BANK OF MONTREAL	F/F 5.200	JUN 21 12/17	4,835,000	4,913,571	0.99
BANK OF MONTREAL	F/F 4.870	APR 22 15/20	2,580,000	2,775,186	0.56
BANK OF MONTREAL	F/F 5.100	APR 21 16/21	1,020,000	1,116,391	0.22
BANK OF N.S.	F/F 5.300	JAN 31 13/18	800,000	828,499	0.17
BANK OF N.S.	F/F 4.990	MAR 27 13/18	1,639,000	1,699,550	0.34
BANK OF N.S.	F/F 6.000	OCT 03 13/18	3,290,000	3,514,333	0.70
BANK OF N.S.	F/F 4.940	APR 15 14/19	4,570,000	4,846,374	0.97
BANK OF NOVA SCOTIA	3.340	MAR 25 15	860,000	896,574	0.18
BANK OF NOVA SCOTIA	2.740	DEC 01 16	3,570,000	3,612,548	0.72
BANK OF NOVA SCOTIA	4.100	JUN 08 17	4,440,000	4,773,558	0.96
BEAR STEARNS CO INC	4.350	JUL 20 12	8,635,000	8,754,268	1.76
BELL ALIANT COMM	4.950	FEB 26 14	520,000	545,641	0.11
BELL ALIANT COMM	6.290	FEB 17 15	1,550,000	1,706,778	0.34
BELL ALIANT COMM	4.880	APR 26 18	1,250,000	1,323,721	0.27
BELL CANADA	3.600	DEC 02 15	520,000	541,206	0.11
BELL CANADA	3.650	MAY 19 16	190,000	197,591	0.04
BELL CANADA	4.400	MAR 16 18	2,510,000	2,682,285	0.54
BMO SUB NOTE TR	F/F 5.750	SEP 26 17/22	3,520,000	4,020,159	0.81
BROOKFIELD ASSET	8.950	JUN 02 14	1,025,000	1,166,284	0.23
CAISSE CENT DESJARD	3.788	JUN 08 15	1,360,000	1,432,652	0.29
CAISSE CENT DESJARD	3.502	OCT 05 17	1,710,000	1,772,847	0.36
CANADA SAFEWAY LTD	3.000	MAR 31 14	2,465,000	2,509,078	0.50
CARDS II TRUST	3.333	MAY 15 16	8,028,000	8,329,915	1.67
CATERPILLAR FIN SERV	5.200	JUN 03 13	2,275,000	2,387,426	0.48
CDN UTILITIES LTD	6.140	NOV 22 12	825,000	858,792	0.17
CENTRAL 1 CU	4.000	OCT 09 14	600,000	614,150	0.12
CI FINANCIAL	3.300	DEC 17 12	1,540,000	1,556,200	0.31
CI INVESTMENTS	3.940	DEC 14 15	510,000	528,099	0.11
CIBC	3.050	JUN 03 13	2,110,000	2,158,505	0.43
CIBC	4.750	DEC 22 14	300,000	324,604	0.07
CIBC	3.100	MAR 02 15	1,615,000	1,670,382	0.33
CIBC	3.400	JAN 14 16	1,800,000	1,876,304	0.38
CIBC	2.650	NOV 08 16	3,155,000	3,181,471	0.64
CIBC	F/F 5.150	JUN 06 13/18	1,037,000	1,083,536	0.22
CIBC	F/F 4.110	APR 30 15/20	9,133,000	9,582,723	1.92
CITIGROUP FIN CANADA	4.900	NOV 13 12	1,170,000	1,187,011	0.24
CITIGROUP FIN CANADA	5.500	MAY 21 13	1,315,000	1,351,573	0.27
ENBRIDGE GAS DIS	5.160	DEC 04 17	530,000	609,789	0.12
ENBRIDGE GAS DIS INC	5.160	SEP 24 14	623,000	678,697	0.14
ENBRIDGE INC	5.170	MAY 19 16	680,000	756,967	0.15
EPCOR UTILITIES	6.750	MAR 22 16	40,000	46,718	0.01
GAZ METROPOLITAIN	5.40	APR 15 13	500,000	523,679	0.10
GOLDEN CREDIT CARD	5.421	APR 15 13	4,522,000	4,743,675	0.95
GOLDEN CREDIT CARD	3.824	MAY 15 15	1,430,000	1,508,537	0.30
GOLDEN CREDIT CARD	3.510	MAY 15 16	10,070,000	10,533,259	2.11
GREATER TOR AIRPORT	6.250	DEC 13 12	2,980,000	3,114,290	0.62
GREATER TOR AIRPORT	4.700	FEB 15 16	1,515,000	1,667,589	0.33
GREATER TOR AIRPORT	4.850	JUN 01 17	135,000	151,658	0.03
HSBC BANK CANADA	3.558	OCT 04 17	390,000	405,336	0.08
HYDRO ONE	5.000	NOV 12 13	833,000	885,194	0.18
HYDRO ONE	3.130	NOV 19 14	2,206,000	2,291,360	0.46
HYDRO ONE	5.180	OCT 18 17	1,175,000	1,350,622	0.27
JOHN DEERE CRED INC	4.800	APR 20 12	450,000	454,572	0.09
JOHN DEERE CRED INC	3.900	JUL 29 13	655,000	678,439	0.14
MAN TELECOM SVS INC	5.050	MAY 11 12	1,700,000	1,719,693	0.34
MAN TELECOM SVS INC	4.590	OCT 01 18	466,000	482,241	0.10
MASTER CDT CARD	5.237	MAY 21 13	6,472,000	6,793,453	1.36
MASTER CR CARD TRUST	3.502	MAY 21 16	958,000	1,001,698	0.20

**BONDS (continued)**

	<b>COUPON RATE</b>	<b>MATURITY DATE</b>	<b>PAR</b>	<b>MARKET VALUE</b>	<b>% OF TOTAL</b>
<b>CORPORATE</b>					
MOLSON COORS CAP FIN	5.000	SEP 22 15	1,978,000	2,130,484	0.43
MOLSON COORS INTL LP	3.950	OCT 06 17	2,560,000	2,645,594	0.53
MORGAN STANLEY	4.500	FEB 23 12	7,880,000	7,876,508	1.58
NATIONAL BK CDA	.030	MAY 26 15	1,570,000	1,666,848	0.33
NATIONAL BK CDA	4.700	NOV 02 15	1,110,000	1,188,943	0.24
PLENARY HEALTH	3.157	DEC 13 13	1,050,000	1,068,233	0.21
PLENARY HEALTH	2.633	MAY 18 15	773,000	776,498	0.16
PLENARY PROPERTIES	3.801	AUG 18 14	450,000	467,551	0.09
RBC SUB NOTE TR	F/F 4.580	APR 30 12/17	4,100,000	4,140,385	0.83
ROGERS COMMUNICATION	5.800	MAY 26 16	3,355,000	3,771,351	0.76
ROYAL BANK CDA	3.180	MAR 16 15	996,000	1,034,902	0.21
ROYAL BANK CDA	3.360	JAN 11 16	2,670,000	2,779,741	0.56
ROYAL BANK CDA	3.030	JUL 26 16	1,658,000	1,702,001	0.34
ROYAL BANK CDA	F/F 5.000	JUN 06 13/18	2,231,000	2,325,414	0.47
ROYAL BANK CDA	F/F 5.450	NOV 04 13/18	1,149,000	1,220,178	0.24
ROYAL BANK OF CANADA	2.680	DEC 08 16	3,390,000	3,413,002	0.68
SHAW COMMUNICATIONS	7.500	NOV 20 13	1,402,000	1,536,916	0.31
SHAW COMMUNICATIONS	6.150	MAY 09 16	660,000	742,792	0.15
SHAW COMMUNICATIONS	5.700	MAR 02 17	660,000	732,549	0.15
SUN LIFE FIN INC	F/F 5.120	JUN 26 13/18	3,475,000	3,577,039	0.72
TD BANK	2.948	AUG 02 16	2,269,000	2,325,016	0.47
TELUS CORP	4.950	MAY 15 14	940,000	999,404	0.20
TELUS CORP	3.650	MAY 25 16	3,430,000	3,563,375	0.71
TERANET HOLDINGS LP	3.531	DEC 16 15	4,365,000	4,529,594	0.91
TERASEN INC	5.560	SEP 15 14	1,181,000	1,290,557	0.26
TIM HORTONS INC	4.200	JUN 01 17	190,000	205,068	0.04
TORONTO DOMINION BK	4.854	FEB 13 13	2,620,000	2,722,880	0.55
TORONTO DOMINION F/F	5.382	NOV 01 12/17	8,360,000	8,604,136	1.73
TORONTO DOMINION F/F	5.480	APR 02 15/20	1,776,000	1,941,627	0.39
TORONTO HYDRO CORP	6.110	MAY 06 13	710,000	753,126	0.15
TORONTO HYDRO CORP	6.110	MAY 07 13	800,000	848,102	0.17
TORONTO HYDRO CORP	5.150	NOV 14 17	765,000	875,395	0.18
TRANSALTA CORP	6.450	MAY 29 14	360,000	389,254	0.08
TRANSCANADA PIPELINE	5.050	AUG 20 13	1,463,000	1,544,399	0.31
TRANSCANADA PIPELINE	11.100	JUN 20 14	533,000	646,340	0.13
TRANSCANADA PIPELINE	4.650	OCT 03 16	4,500,000	4,962,748	0.99
UNION GAS LTD	7.900	FEB 24 14	1,180,000	1,327,991	0.27
UNION GAS LTD	4.640	JUN 30 16	530,000	584,526	0.12
VERESEN INC	4.000	NOV 22 18	699,000	699,455	0.14
WELLS FARGO FIN CDA	4.380	JUN 30 15	460,000	491,043	0.10
WESTCOAST ENERGY	8.500	NOV 23 15	807,000	985,629	0.20
WESTCOAST ENERGY	3.280	JAN 15 16	570,000	590,834	0.12
WESTON GEORGE LTD	5.050	MAR 10 14	580,000	611,312	0.12
WESTON GEORGE LTD	3.780	OCT 25 16	843,000	865,918	0.17
<b>MORTGAGES</b>					
CMHC 1346915 AB LTD	4.200	JAN 01 14	984,404	1,023,977	0.21
CMHC 642942 BC LTD	4.530	JAN 01 14	207,507	217,746	0.04
CMHC 688 FORTUNE PPY	4.800	MAR 01 12	496,540	496,540	0.10
CMHC 79229 MANITOBA	4.530	JAN 01 17	1,577,175	1,730,314	0.35
CMHC 9275 INVESTMENT	3.797	MAR 01 12	691,815	691,815	0.14
CMHC CDA N CONS TECH	4.930	JAN 01 15	136,619	146,881	0.03
CMHC CYPRESS GLEN	4.420	JUN 01 17	888,312	975,246	0.20
CMHC DAWSON LAKEWOOD	4.724	JUN 01 12	854,994	854,994	0.17
CMHC HORIZON HOUSING	4.200	JUN 05 15	278,794	295,471	0.06
CMHC JAY INDUSTRIES	3.920	JAN 01 15	1,014,292	1,066,832	0.21
CMHC PIPESTONE PROP	3.750	FEB 01 15	869,483	910,957	0.18

# FNFA

## Staff



**Deanna Hamilton**  
*President/CEO*

Deanna Hamilton has been involved with the FNFA as President/CEO since its inception in the mid 1990's. Deanna holds delegated powers to manage the business and affairs of the Authority. Deanna's key responsibility is to align the company, internally and externally, with their strategic vision.

Deanna also serves as the Deputy Chair on the FNFA's Board of Directors.



**Pamela Severson**  
*Financial Officer/Corporate Clerk*

As Corporate Clerk, Pam is responsible to the Board of Directors, Committee and Senior Management for organizing and managing activities and records. As Financial Officer, Pam is responsible for the day to day financial activities, program management and coordination, payroll, and review of contracts and agreements.



**Steve Berna, CA**  
*Chief Operating Officer*

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's responsibilities as COO of FNFA consists of overseeing operations and establishing programs for First Nations across Canada and include: short and long term financing loans, investment services, and advice on capital projects.



**Shannon Jenner**  
*Administrative Assistant*

Shannon is the voice and smile you hear when you call the FNFA. In addition to answering phones and greeting visitors Shannon is responsible for staff travel arrangements, incoming and outgoing mail, assisting in conference organization, monitoring the FNFA website and assisting administrative personnel with overflow projects.



**Ernie Daniels, CA**  
*Director of Finance*

Mr. Daniels recently moved from Ottawa to Kelowna to work with the First Nations Finance Authority as their Director of Finance. In this position, Ernie has management oversight and responsibility for all finance and accounting operations, financial policies, information systems, budget formulation and execution. In addition, he is responsible for managing investments as well as ensuring the efficiency, accuracy, integrity and compliance of all debt issuances.

Ernie is a Certified General Accountant and a Certified Aboriginal Financial Manager.





## Contact Information

### FIRST NATIONS FINANCE AUTHORITY

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### SENIOR POLICY ADVISORS

Dr. Tim Raybould,  
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