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FIRST NATIONS FINANCE AUTHORITY



2001 Annual Report

First Nations Finance Authority

#202 - 515 Highway 97 South, Kelowna, B.C. V1Z 3J2
Telephone (250) 769-2404 Fax (250) 769-2407

2001 ANNUAL REPORT

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MEMBERS

- | | | |
|---|---|--------------------------------|
| Adams Lake Indian Band | Lower Kootenay Band | Squiala First Nation |
| Chawathil Indian Band | Matsqui Band Taxation | St. Mary's Band |
| Chemainus First Nation | Matsqui First Nation | Sto:lo Nation Investment |
| Ch-ihl-kway-uhk Tribe Society | Millbrook First Nation | T'it'q'et |
| Columbia Lake First Nation | Namgis First Nation | Te'mexw Treaty Association |
| Greater Massett Development Corporation | Old Massett Village Council | Tsawout First Nation |
| Kamloops Indian Band | Seabird Island Indian Band | Tsawwassen First Nation |
| Kwakiutl Laich-Kwil-Tach Nations Treaty Society | Skowkale Band Taxation | Tzeachten Band Taxation |
| Kwaw Kwaw A Pilt Band Taxation | Sliammon Taxation Authority | Tzeachten First Nation |
| Lakahahmen Band Taxation | Songhees Indian Band | Westbank First Nation |
| | Songhees Indian Band & Esquimalt First Nation Trust | Westbank First Nation Taxation |
| | | White Bear First Nation |

DIRECTORS



President/Executive Director
Deanna Hamilton



Vice President
Chief Joe Hall



Secretary/Treasurer
Chief Robert Sam



Director
Chief Sophie Pierre



Director
Alexander Cope

CONSULTANTS
Municipal Finance
Authority of B.C.
Victoria, B.C.

AUDITORS
KPMG
Victoria, B.C.

SOLICITORS
R.T. Bryant
Bryant & Co.
Victoria, B.C.

**SENIOR POLICY
ADVISOR**
T. J. Raybould
Westbank, B.C.

President's Report 2001

To the Members of the First Nations Finance Authority

On behalf of the Board of Directors of the First Nations Finance Authority (FNFA) I am pleased to report that we are close to seeing the necessary legislation in place to establish a statutory FNFA to facilitate the raising of affordable long term capital. This is an exciting time as we finalize the legislation to create a truly First Nation institution; established by and operated for, First Nations' governments.

The FNFA is to be one of a suite of four national First Nations Fiscal Institutions to help us build stronger communities; the First Nations Tax Commission (FNTC), the First Nations Financial Management Board (FMB) and First Nations Statistics (FNS). Together they represent an important component of the First Nations' agenda to establish a new fiscal relationship with Canada in support of our inherent right of self-government. The year 2001 saw the jelling of the fiscal institutions' initiative with the continued support of dozens of first nations across Canada and, collectively, through the Assembly of First Nations. The FNFA is pleased to be a part of this proactive and forward thinking initiative. There are many opportunities that lie before us as we create our own institutions to support our governments. By pooling our efforts we are stronger. The FNFA builds on the concept of pooling and will be optional to those First Nations that chose this path.

It is expected that the fiscal institutions legislation will be tabled in the fall of 2002 by the Minister of Indian and Northern Affairs, Robert Nault. Canada has agreed to our involvement in the legislative development process to ensure that the Bill meets our borrowing needs. A legislative outline will also be available for general distribution to all First Nations across Canada before the Bill is introduced into the House of Commons. The fundamentals of our debenture program remain the same as we set out to you eight years ago when we first embarked upon this initiative. The FNFA will pool the capital requirements of qualified First Nations, issue bonds, sell them, and then lend the proceeds of the bond issues back to the participating First Nations. Borrowing in the first instance will be for local infrastructure purposes (such as sewer and water) that will support economic development, and the bonds will be paid back using property tax revenues. The FNFA is exploring its options to issue other types of bonds, such as housing bonds to raise capital for much needed housing on-reserves.

The FNFA continues to coordinate with the Indian Taxation Advisory Board and how it's successor, FNTC, will regulate the use of property tax dollars for long term debt. For property tax backed bonds, project viability, debt carrying capacity and debt servicing levels will be regulated through an expansion of the First Nation bylaw approval process. The Financial Management

Board will set standards for accountability and financial management that our Borrowing Members will adhere to. In order to participate in FNFA debt issues a Borrowing Member will be certified by the FMB. The Statistical Institute will collect statistical information that will provide useful data for First Nations and useful information for the credit rating agencies and the purchasers of FNFA debentures.

The FNFA continues with its successful investment pools as an activity separate and apart from the proposed long term debt program. We are looking at developing other products for our Members, such as interim financing and pooled leasing, that will be available shortly following the passage of the legislation. Our investment pools have now been in existence for eight years and are already used by over 50 First Nations from across Canada. The year 2001 was another cautious one in the financial markets and investment returns reflected this uneasiness with the new economy. Canada, however, is a bright spot with economic growth outperforming most other industrialized nations. With the US economy poised to rebound with a reversing of the recessionary trends the investment climate should improve in 2002. The FNFA continues to provide two high quality investment funds for our Members; an intermediate fund (primarily investing in high quality fixed income securities) and a money market fund (investing primarily in short term financial obligations). Both of these funds continue to perform well in their class. The FNFA is looking to expand the range of funds available to its Members.

It now looks like 2002 will be our transitional year and I would like to thank the many Chiefs and First Nations from across Canada who have helped to make this initiative possible and who have supported us in the pre-legislated stage. We would also like to thank Mr. Frank Leonard, Chairman of the Municipal Finance Authority of BC (MFA), and his Trustees for their continued and ongoing support and the support of the MFA staff. In 2001 we saw the retiring of Mr. James Craven as Executive Director of the MFA and his successor, Mr. Steve Berna taking up the reins. We wish both Steve and Jim all the best. At the same time, I am pleased to announce that Jim, despite retiring, will continue to be working with the FNFA as we have retained him to assist us in our growth and transition.



Deanna Hamilton
President

The FNFA is governed by an all aboriginal Board made up of political leaders representing the participating First Nations. The current Board is:



Deanna Hamilton
President/Executive Director

After attending the University of British Columbia, Deanna directed her career towards the management/supervisory positions of business administration and has successfully operated her own development companies. A member of the Westbank First Nation she has been active in Band administration and governance since her return to her community in 1990. In 1991 she was appointed Surveyor of Taxes and elected as Band Councillor for a two-year term from 1996 to 1998 and again in 2000. In addition, Deanna is a member of the Westbank First Nation Self-government Steering Committee, and a Director for a number of Westbank First Nation Corporations. She is also currently serving a second consecutive term as a Director of BCAA. As the founding Director and President of the FNFA, Deanna continues to coordinate the development of the FNFA and oversees the day-to-day administration of the FNFA head office.

Past positions include:

- Chairperson of the Westbank First Nation Treaty Negotiation Table
- President of the First Nation Tax Administrators' Association
- Representative on the Kelowna Chamber of Commerce (1996)
- Director of All Nations Trust Company
- Westbank Town Centre Planning Committee
- Regional District of Central Okanagan Growth Management Steering Committee



Chief Joe Hall
Vice President

Joe Hall is the Executive Director of the Community Development department at Sto:lo Nation. Under his leadership the department provides the following services: Capital Management, Community Economic

Development, Education, Land Management, Human Resource Development, and Xa:ytem Longhouse Interpretive Centre.

A graduate of the BC Institute of Technology and BC Vocational School, Joe subscribes to the life-long

learning concept and has enhanced his skill set through training at the University of BC, the University of Victoria, the Justice Institute and the University College of the Fraser Valley.

Prior to coming to the Sto:lo Nation in 1996, Joe was employed for eleven years with Genstar Development Company as a Civil Engineering Technician, where he was primarily involved in land development. A member of the Tzeachten First Nation, Joe after several terms on Council became Chief in 1999.

Affiliations:

- Chairman of the Sto:lo Development Corporation Investment Committee;
- Chairman of the Tale'awtxw Economic Development Association;
- Vice-President of the First Nations Finance Authority;
- Director of the Sto:lo Nation Development Corporation;
- Director of the Tale'awtxw Aboriginal Capital Corporation;
- Member of the Chilliwack Economic Partners Corporation Board;

Joe is married with two sons and is a very active participant and coach, with more than 30 years involvement in community sports (baseball, soccer).



Chief Robert Sam
Secretary/Treasurer

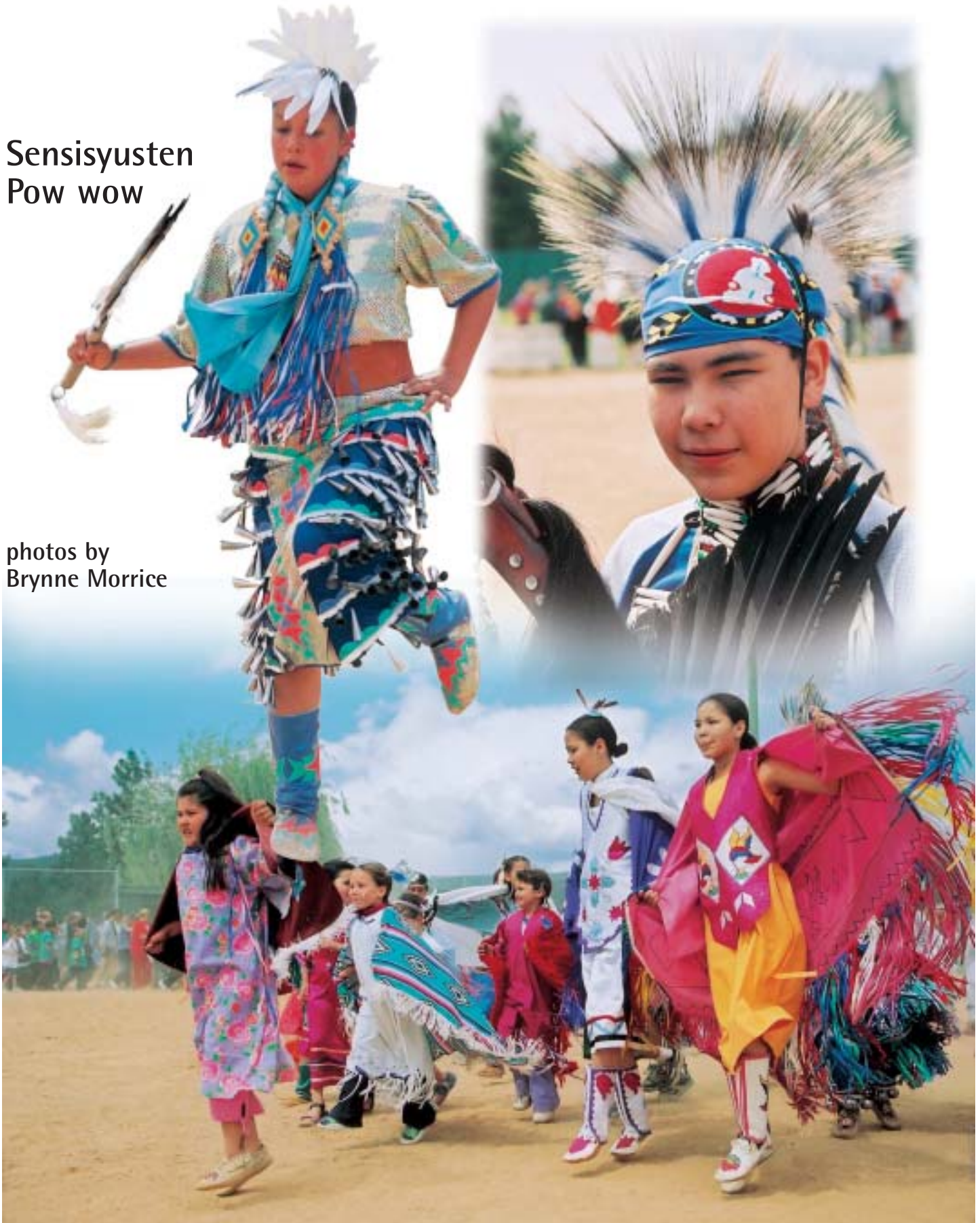
Chief Robert Sam attended residential school in Kamloops before moving to St. Louis College for Boys in Victoria. He has attended the University of Victoria. Robert Sam was elected Chief of the Songhees First Nation in June

1996 and re-elected for a second term in June 2000. He was elected Councillor numerous times since the 1960's. Chief Sam is the Chief Negotiator for the Songhees Nation for Treaty Negotiations. Chief Sam has worked in the area of economic development in Prince George for the Carrier Sekani people. As Chief of his community Robert was the driving force in developing the local government bylaws including taxation and fire protection. 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 Leburingen Chief, an eleven man War Canoe. Chief Sam is active with the Songhees Youth Group and trains the youth in canoe paddling for canoe races. Chief Sam's strong cultural beliefs guide his leadership style.

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photos by
Brynne Morrice



Continued from page 4



Chief Sophie Pierre

Director at large

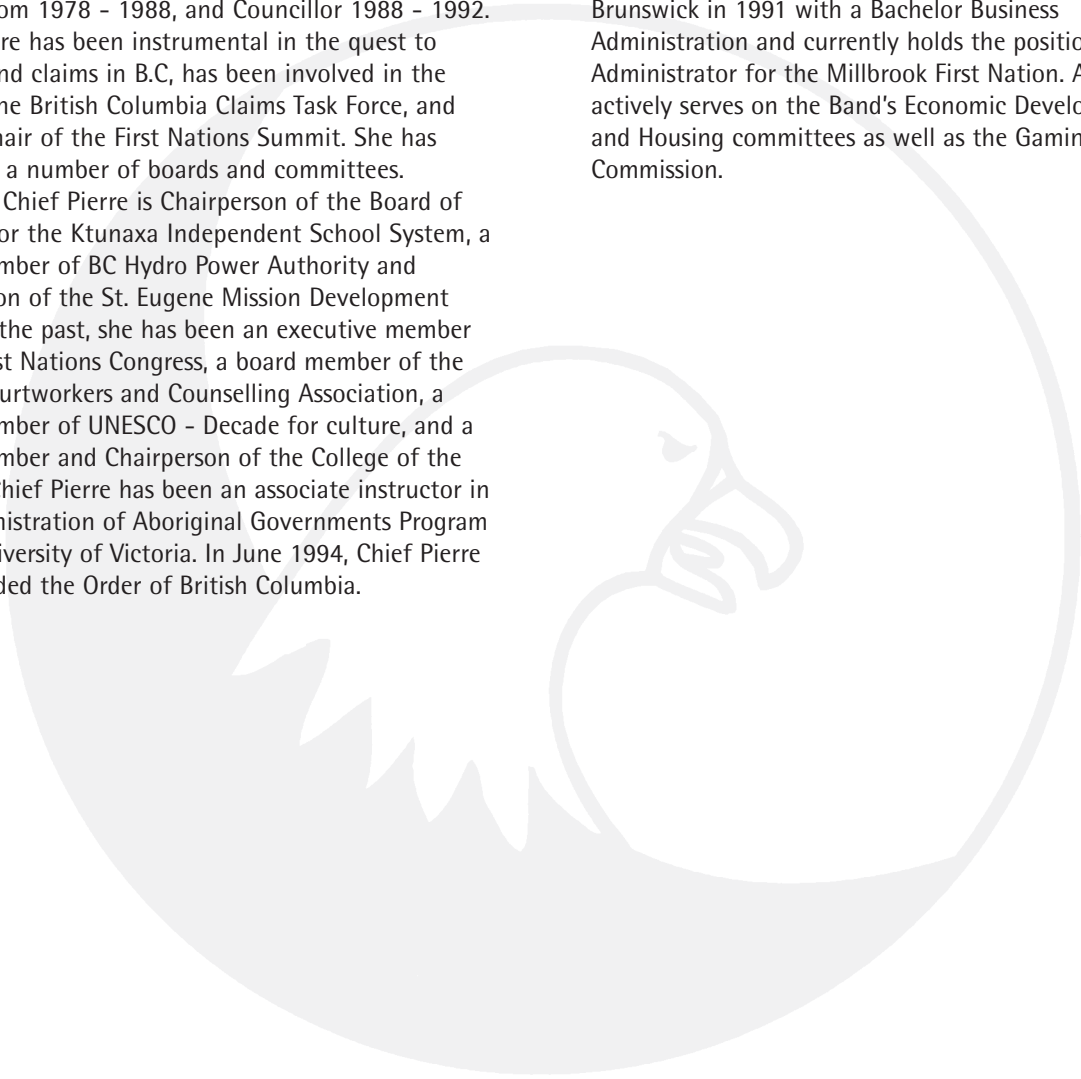
Sophie Pierre is the elected Chief of the St. Mary's Indian Band and Administrator for the Ktunaxa/Kinbasket Tribal Council. Previously she served as Chief of the St. Mary's Indian Band for a decade from 1978 - 1988, and Councillor 1988 - 1992. Chief Pierre has been instrumental in the quest to resolve land claims in B.C, has been involved in the work of the British Columbia Claims Task Force, and was co-chair of the First Nations Summit. She has served on a number of boards and committees. Currently Chief Pierre is Chairperson of the Board of Regents for the Ktunaxa Independent School System, a board member of BC Hydro Power Authority and Chairperson of the St. Eugene Mission Development Board. In the past, she has been 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. Chief Pierre has been an associate instructor in the Administration of Aboriginal Governments Program at the University of Victoria. In June 1994, Chief Pierre was awarded the Order of British Columbia.



Alexander Cope

Director at large

A member of the Millbrook First Nation, located in Truro, Nova Scotia, Alexander Cope is presently serving his fifth 2-year term as Band Councillor. Alex graduated from the University of New Brunswick in 1991 with a Bachelor Business Administration and currently holds the position of Band Administrator for the Millbrook First Nation. Alex actively serves on the Band's Economic Development and Housing committees as well as the Gaming Commission.



Auditor's Report to the Members of the
First Nations Finance Authority Inc.

We have audited the statements of net assets of the Money Market Fund and the Intermediate Fund of the **First Nations Finance Authority Inc.** (the "FNFA") as at December 31, 2001 and the statements of operations and unitholders' equity of each of these Funds for the year then ended. These Financial statements are the responsibility of the FNFA's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of these funds as at December 31, 2001, and the results of their operations and the changes in their net assets for the year then ended in accordance with the accounting principles described in note 1 to the financial statements.

A stylized, handwritten signature of KPMG LLP in black ink.

Chartered Accountants

Victoria, Canada

April 18, 2002

FIRST NATIONS FINANCE AUTHORITY INC.
Pooled Investments - Statements of Net Assets

December 31, 2001, with comparative figures for 2000

	Money Market Fund		Intermediate Fund		Total	
	2001	2000	2001	2000	2001	2000
ASSETS						
Cash	\$ 139	\$ 488	\$ 601	\$ 3,042	\$ 740	\$ 3,530
Investments (note 2)	3,505,753	5,567,281	4,772,056	4,135,901	8,277,809	9,703,182
Accrued interest	-	26,339	-	56,099	-	82,438
	\$3,505,892	\$5,594,108	\$4,772,657	\$4,195,042	\$8,278,549	\$9,789,150
LIABILITIES						
Accrued management fees	\$ 459	\$750	\$745	\$714	\$1,204	\$1,464
Unitholder payable	948	-	-	-	948	-
	1,407	750	745	714	2,152	1,464
NET ASSETS AND UNITHOLDERS' EQUITY	3,504,485	5,593,358	4,771,912	4,194,328	8,276,397	9,787,686
	\$3,505,892	\$5,594,108	\$4,772,657	\$4,195,042	\$8,278,549	\$9,789,150

See accompanying notes to financial statements.

Approved by the Director



FIRST NATIONS FINANCE AUTHORITY INC.
Pooled Investments - Statements of Operations and Unitholders' Equity

Year ended December 31, 2001, with comparative figures for 2000

	Money Market Fund		Intermediate Fund		Total	
	2001	2000	2001	2000	2001	2000
INVESTMENT INCOME						
Interest income	\$204,239	\$181,967	\$192,761	\$204,640	\$397,000	\$386,607
Less management fees	6,807	4,861	8,952	8,282	15,759	13,143
	197,432	177,106	183,809	196,358	381,241	373,464
GAIN (LOSS) ON INVESTMENTS						
Net realized gain (loss)	-	-	96,350	2,336	96,350	2,336
Net unrealized gain	-	-	30,708	44,159	30,708	44,159
Net gain on investments	-	-	127,058	46,495	127,058	46,495
NET EARNINGS DISTRIBUTED	\$197,432	\$177,106	\$310,867	\$242,853	\$508,299	\$419,959
NET ASSETS AND UNITHOLDERS' EQUITY						
Units outstanding, beginning of the year	\$5,593,358	\$2,433,219	\$4,194,328	\$4,871,473	\$9,787,686	\$7,304,692
Units subscribed	509,729	5,533,030	266,717	100,000	776,446	5,633,030
Distributions reinvested	197,432	177,109	310,867	242,848	508,299	419,957
Units redeemed	(2,796,034)	(2,550,000)	-	(1,019,993)	(2,976,034)	(3,569,993)
Units outstanding, end of the year	\$3,504,485	\$5,593,358	\$4,771,912	\$4,194,328	\$8,276,397	\$9,787,686

See accompanying notes to financial statements.

FIRST NATIONS FINANCE AUTHORITY INC.
Pooled Investments – Notes To Financial Statements

Year ended December 31, 2001

First Nations Finance Authority Inc. (the "FNFA") was incorporated February 13, 1995 under the Canada Business Corporation Act and operates as a federally incorporated entity 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. The operations of the funds are monitored by a FNFA Investment Committee appointed from various First Nations' governments.

1. SIGNIFICANT ACCOUNTING POLICIES

The FNFA invests monies received from unitholders in two pooled investment funds administered by the MFA:

- Money Market Fund; and
- Intermediate 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.

The financial statements have been prepared by management in accordance with the following significant accounting policies that are generally accepted in the investment fund industry.

(a) Money Market Fund

- (i) Investments are carried at cost, adjusted for amortization of premiums and accretion of discounts on an effective yield basis, which approximates market value except the investments may be marked to market value at the discretion of the Board of Trustees of the FNFA should the yield on the net assets of the fund vary by more than 100 basis points from the market yield on Government of Canada 30-day treasury bills.
- (ii) Interest income is recognized as earned.
- (iii) Management fees are accrued daily at the rate of 3/20 of one percent 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

- (i) Investments are carried at market values which are determined as follow:
 - Bonds and debentures - at the quoted mid-market value.
 - Treasury bills, short-term notes, etc. - at amortized cost which approximates mid-market value.
- (ii) Investments 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 1/5 of one percent 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 basis over the term of the investment.

FIRST NATIONS FINANCE AUTHORITY INC.
Pooled Investments – Notes To Financial Statements

Year ended December 31, 2001

2. INVESTMENTS:

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

As at December 31, 2001, the Money Market Fund and Intermediate Fund of the MFA held the following securities:

	2001		2000	
	Money Market Fund	Intermediate Fund	Money Market Fund	Intermediate Fund
Bankers' acceptance	1.31%	-	24.2%	-
Bearer deposit notes	-	-	2.3%	4.6%
Corporate bonds, coupons and notes	-	29.7%	-	11.7%
Government of Canada:				
- Bonds	-	45.1%	-	-
- Treasury bills	59.65%	25.2%	17.3%	56.1%
Mortgage backed - NHA	-	-	-	5.7%
Provincial and provincial guaranteed				
- Treasury bills	-	-	2.9%	21.9%
Commercial paper	39.04%	-	53.3%	-
	100%	100%	100%	100%

The investments of the FNFA unitholders represent approximately 0.5% (2000 - 1%) of the Money Market Fund and 2.9% (2000 - 5.9%) of the Intermediate Fund administered by the MFA's Pooled Investment Funds.

3. MANAGEMENT FEES:

A portion of management fees paid to the MFA are attributable and paid to the FNFA general operating fund by the MFA. In 2001, management fees of \$3,133 (2000 - \$2,876) were paid to the FNFA general operating fund through the MFA.

POOLED INVESTMENTS (MFA)

Money Market Fund - Schedule of Investments - (Schedule 1)

December 31, 2001

Thousands of Dollars

	MATURITY DATE	PAR	COST	% OF TOTAL
SHORT TERM INVESTMENTS:				
Treasury Bills				
Canada Treasury Bill	March 14, 2002	\$ 83,700	83,283	
Canada Treasury Bill	March 28, 2002	255,550	254,355	
Canada Treasury Bill	April 11, 2002	<u>68,560</u>	<u>68,089</u>	
		407,810	405,727	59.65
Bankers' Acceptance				
HongKong Canada Bank	February 6, 2002	8,900	8,881	1.31
Discount Commercial Paper				
Associates Capital	February 5, 2002	7,300	7,285	
Associates Capital	March 13, 2002	10,900	10,854	
Associates Capital	March 14, 2002	5,600	5,576	
Associates Capital	March 18, 2002	10,200	10,155	
Cadbury Beverages Canada	January 17, 2002	6,000	5,992	
Credit Union British Columbia	March 1, 2002	14,000	13,950	
Credit Union British Columbia	March 8, 2002	20,000	19,921	
Diversified Trust	January 30, 2002	5,000	4,984	
Diversified Trust	February 4, 2002	3,800	3,791	
Diversified Trust	February 20, 2002	4,600	4,586	
Diversified Trust	March 11, 2002	3,000	2,988	
Diversified Trust	March 12, 2002	10,000	9,959	
Enbridge Pipeline Inc.	March 13, 2002	20,000	19,917	
Foothills Pipelines Limited	February 11, 2002	18,000	17,955	
Gaz Metropolitan Inc.	January 22, 2002	13,000	12,977	
Gaz Metropolitan Inc.	March 11, 2002	2,200	2,191	
General Electric Capital Canada	January 18, 2002	1,250	1,248	
General Electric Capital Canada	February 5, 2002	4,000	3,992	
General Electric Capital Canada	February 22, 2002	1,750	1,745	
General Electric Capital Canada	March 12, 2002	20,000	19,918	
General Electric Capital Canada	April 1, 2002	1,850	1,840	
Honda Canada Finance	January 30, 2002	13,400	13,375	
Household Finance Corp.	April 3, 2002	19,300	19,197	
Hydro One Inc.	March 11, 2002	6,500	6,473	
Summit Trust	January 30, 2002	5,000	4,984	
Summit Trust	February 7, 2002	10,300	10,277	
Summit Trust	February 20, 2002	3,150	3,140	
Summit Trust	March 7, 2002	6,900	6,873	
Toyota Credit Canada	March 14, 2002	8,500	8,464	
Trans Mountain Pipeline	March 11, 2002	<u>11,000</u>	<u>10,956</u>	
		266,500	265,563	39.04
TOTAL INVESTMENTS PORTFOLIO		\$683,210	680,171	100.00

Intermediate Fund - Schedule of Investments - (Schedule 2)

December 31, 2001

Thousands of Dollars

	MATURITY DATE	PAR	MARKET	% OF TOTAL
SHORT TERM INVESTMENTS:				
Treasury Bills				
Canada Treasury Bills	June 20, 2002	\$ 33,900	33,590	
Canada Treasury Bills	August 15, 2002	1,000	988	
Canada Treasury Bills	September 12, 2002	7,650	7,542	
Total Short Term Investments		42,550	42,120	25.20
CANADIAN BONDS:				
Federal Bonds				
Government of Canada	June 1, 2003	71,950	75,378	45.10
Corporate Bonds				
Associates Capital	September 3, 2002	5,245	5,469	
Bank of Montreal	August 7, 2007	1,375	1,432	
Bank of Montreal	May 1, 2002	3,700	3,862	
GMAC of Canada	August 16, 2002	5,000	5,219	
Hollis Receivables Term Trust	September 23, 2002	5,000	5,220	
Household Finance Corp.	September 3, 2002	331	346	
Master Credit Card Trust	August 21, 2002	5,000	5,218	
New Brunswick Telephone	June 15, 2002	4,000	4,158	
NIF-T CLA-1 SNR MTN Series 2001	September 23, 2002	5,000	5,094	
Royal Bank of Canada	September 3, 2007	7,000	7,276	
Transcanada Pipelines Ltd.	October 21, 2002	1,085	1,157	
York Receivables Trust II	October 21, 2002	5,000	5,176	
		47,736	49,627	29.70
Total Canadian Bonds		119,686	125,005	74.80
TOTAL INVESTMENTS PORTFOLIO		\$ 162,236	167,125	100.00

INCORPORATION

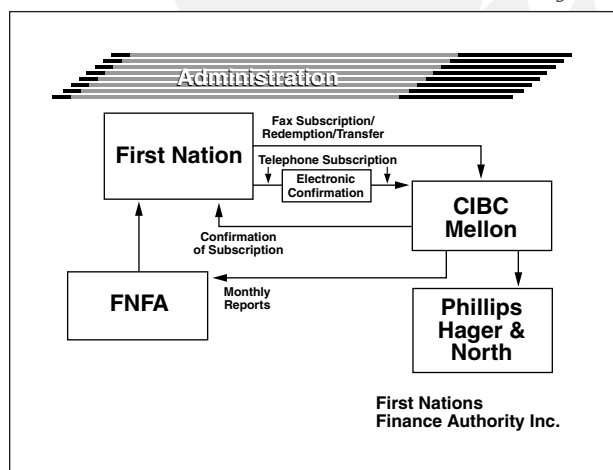
Federally incorporated February 13, 1995, the First Nations Finance Authority (the Authority) is governed by an all aboriginal Board of Directors. The corporation is authorized to issue unlimited class A (voting) and class B (non-voting) shares. The beneficial interests in the shares can only be owned by First Nation governments. Articles of Incorporation restrict the sale, transfer or disposal of shares without consent by resolution of the Board of Directors.

On February 23, 1995 the FNFA entered into a contract with the Municipal Finance Authority of British Columbia to provide consulting services and access to MFA investment pooling activities.

POOLED INVESTMENTS

Organization

The First Nations Finance Authority has by contract arranged to participate in the MFA short to intermediate term investment pool. These funds are the Money Market Fund and the Intermediate Fund. Both of these funds offer flexibility of subscription and redemption with ease of electronic access.



The diagram above shows how the Funds are managed: (Fig. 1)

Investment Activities

By contract the investment activities of the funds are governed by the Municipal Finance Authority Act and a charter of investment policies, objectives and guidelines.

The operation of the Funds is monitored by the FNFA Investment Committee who coordinates with the Fund Manager to review investment performance and proposed strategy. The custodian reports annually on the Funds' administration, reporting and custodial system.

FUTURE ACTIVITIES

Funding

Once legislation has been enacted it is proposed that participating First Nations, either through their tribal councils or on their own behalf, wishing to finance capital projects, will present their approved requests to the Authority.

Taking into account market and economic conditions, the members of the Authority may authorize the issue and sale of securities in an amount sufficient to meet the requests.

Securities of the Authority, the proceeds of which would not exceed the amount authorized, may then be issued at such rates and pursuant to such terms and conditions and in such markets and currencies as the Directors may determine. The Authority would have the power to provide for the creation, management and application of reserve sinking funds or other means of securing the repayment of securities issued by the Authority.

A separate account would be maintained for each sinking fund that could not be immediately applied toward paying the debt or discharging the obligation and would be in the highest quality money market instruments.

PROTECTION FOR INVESTORS

The future federal legislation would establish the terms and conditions for securities of the Authority providing protection of investors. In the Authority, the combined credit of all the participants would stand behind the Authority's obligations.

In addition, the Authority would establish a debt reserve fund into which each participating member shares in the proceeds of a securities issue having a term to maturity of five years or over must contribute an amount equal to one-half the average annual installment of principal and interest for repayment of the issue; such amount would be payable to the Authority at the time of issue either in full or in an amount equal to five percent of the principal amount borrowed with the balance secured by a non-interest bearing demand note of the participating member issued to the Authority. Moneys paid into the debt reserve fund, and interest earned thereon, would be obligations of the Authority to the member and would be refunded to them when the final installments of their loans have been repaid.

If at any time the Authority lacked sufficient funds to meet the principal, interest or sinking fund payments due on its obligations, it would utilize the debt reserve fund, all or any part of which is available to satisfy the Authority's obligations, regardless of the sources of the moneys in the fund. In the event that payments were ever made from the debt reserve fund, the Authority would be able to recover such payments from the member involved in order to restore the debt reserve fund. If the Directors were of the opinion that payments made from the debt reserve fund would not be recovered within a reasonable period, they would be able to levy upon all taxable land or other improvements of the participants a tax or charge sufficient to restore the fund to its required amount. It would be mandatory for the Directors to levy such a charge or tax when the balance in the debt reserve fund is less than fifty percent of the amount that would have been in the fund had no such payments been made. The Directors' power to impose

taxes or charges would not require the permission or approval of any other governmental authority. Pending the receipt of such taxes or charges, the Authority would be able to borrow an equivalent amount to meet its obligations. It is anticipated that there will be a legislated governing body that will assure the debt reserve fund will be maintained in accordance with the legislation.

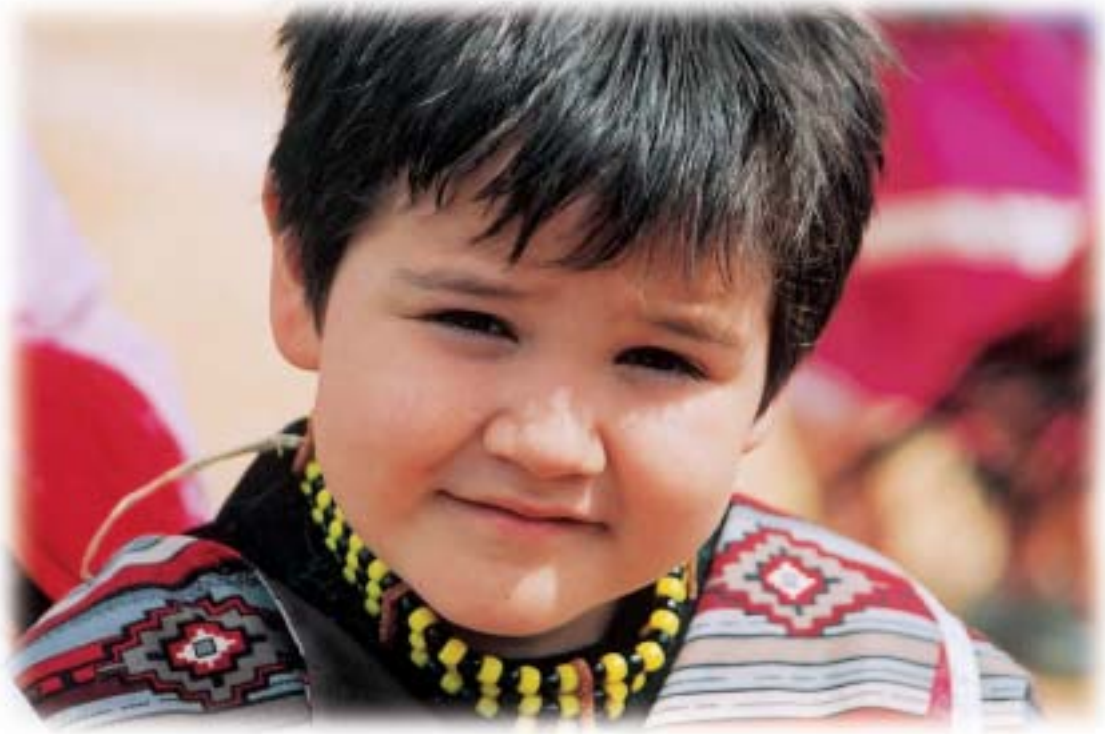
Moneys in the debt reserve fund would be invested primarily in the highest quality money market investments.

It may be required that investments mature or be callable within a specific time and that a percentage of the fund be callable within a limited time frame.

Additional Protection for Investors

Participating First Nations will be required to meet specific borrowing standards to ensure safeguards on indebtedness are retained. Such safeguards will include the requirement that the debt and user charges, if any, are sufficient to service the debt.

The total indebtedness which a First Nation would be able to contract would be limited to a percentage of the assessed value for general governmental purposes of the taxable land and improvements within their First Nation and the value of the utility system and other First Nation government enterprise.



**"Building Strong
Communities For
Our Future"**

photos by
Brynne Morrice

ADAMS LAKE BAND

Location: Adam Lake Band consists of seven (7) parcels of individual reserves located along the shores of Little Shuswap, Shuswap and Adams Lake, British Columbia. Total acreage of all seven (7) parcels is 7,271.2 acres.

Population: Total population of the Adams Lake Band is 641.



CHAWATHIL FIRST NATION

Location: West of Hope, British Columbia.

History: Formerly part of the Hope Band. Consists of 5 reserves on 614 hectares. Part of Coast Salish linguistic group. Member of Sto:lo Nation.

CHEMAINUS FIRST NATION

Location: On the point between Ladysmith Harbour and Stuart Channel, Vancouver Island, British Columbia.

Population: Approximately 1,000.



COLUMBIA LAKE FIRST NATION

Location: Approximately 3,272 hectares. East Kootenay District, on the Columbia Valley, on Windemere Lake.

Population: Total population of the Columbia Lake Band is 241.

ESQUIMALT FIRST NATION

Location: On Esquimalt Harbour near Victoria, British Columbia.

Population: Total registered population is approximately 216.



KAMLOOPS INDIAN BAND

Description: The Kamloops Indian Band is a community of Shuswap people who live at the junction of the North and South Thompson rivers in British Columbia. Kamloops means "Where the rivers meet".

Population: There are 860 band members living on the 13,400 hectare reserve.

KWAKIUTL LAICH-KWIL-TACH NATIONS TREATY SOCIETY

Location: North east area of Vancouver Island, between Comox and Port Hardy.

Member Bands: Mamaleleqala-Qwe'Owa'Sot'Enox, Tlowitsis-Mumtagila, We Wai Kai (Cape Mudge), We Wai Kum (Campbell River) and Kwiakah.





KWAW KWAW APILT FIRST NATION (OR QWEQWE'OPELHP)

Location: An important village site on Koquapilt Slough, near the outlet of the Chilliwack River. The word qweqwe'phelhp means "place where crab apples grow".

Population: Total population of the Kwaw Kwaw Apilt First Nation is 41.

LAKAHAHMEN FIRST NATION (OR LEQ'QMEL)

Location: The Nicomen Tribe of the Upper Sto:lo Territory live along the north side of the Fraser from Squakum Lake to Dewdney Slough. They held all of Nicomen Island except the south-west corner which was Sumas Territory. Their main villages were Leq'amel on the north side of the Nicomen Slough new Deroche (now Sumas I.R.11), and Skwiyo:m (Skweahm), opposite the above on Nicomen Island (now Sumas I.R. 10). Where Lakahahmen is now, was once an important gathering place. The word Leq'amel means, "visiting one another".



Population: Total population of the Lakahahmen First Nation is 298.



LOWER KOOTENAY BAND

Location: Consists of 7 reserves of approximately 2,369 hectares, located 4 miles north of the international boundary line, near Creston British Columbia.

Population: Total registered population of 190.

MATSQUI FIRST NATION (OR MATHZWI)

Location: On the river, they held the south bank from Sumas Mountain to Crescent Island, they held the area between Abbotsford and Aldergrove and south to Nooksack Territory. Their main village inland at Clayburn (Matsqui I.R. #1). The word Mathxwi means "Easy travelling" and refers to the ease with which these people could ascend the creeks and drag their canoes over to tributaries of the Nooksack.



Population: Total population of the Matsqui First Nation is 198.



MILLBROOK FIRST NATION

Location: Truro, Nova Scotia

Description: A Mi'kmaq Community (pronounced Mig Mog) consisting of four individual reserve lands, one in Truro, one in Halifax, and two on the Eastern Shore.

Population: Total population is 1,082. On reserve population is 900 including non-band members.

NAMGIS FIRST NATION

Location: Cormorant Island/Alert Bay (Northern Vancouver Island), British Columbia.

Description: The Namgis are part of the Kwakwaka'wakw (Kwakwala speaking peoples) tribes.

Population: Approximately 800 members live on Cormorant Island and 600 live elsewhere.



OLD MASSETT VILLAGE COUNCIL

Location: Consists of 26 reserves of approximately 906 hectares, located near Old Masset, British Columbia in the Queen Charlotte Islands.

Population: Total registered population - 2,388.

SEABIRD ISLAND FIRST NATION

Location: Seabird Island consist of 4,000 acres of land situated along the Fraser River in Agassiz, British Columbia

Population: Total population of the Seabird Island First Nation is 639.



SLIAMMON FIRST NATION

Location: Consists of 6 reserves of approximately 1,907 hectares, located on the Strait of Georgia near Powell River British Columbia.

Description: Part of the Northern Coast Salish cultural group.

Population: Total registered population is 853.

SONGHEES FIRST NATION

Location: Victoria, British Columbia, South Vancouver Island

Description: Relocated from one of the original village sites in what is now called downtown Victoria in 1911 to existing reserve located in Esquimalt District (160 acres) and two islands located off Oak Bay Municipality.

Population: 362 members, 220 members reside on reserve, 1,200 non-members reside on reserve.



SQUIALA FIRST NATION

Location: Consists of 3 reserves of approximately 596 hectares, located near Chilliwack BC.

Population: Total registered population is 115.

SKOWKALE (OR SQ'EWQEYL)

Location: A main village at the bend in Chilliwack River, a mile above Suqwema'y (where birch trees grow). This village was built on both sides of the river, on site now marked Skowkale I.R. 10 and 11. The word Sq'ewqeyl means "A turn at the Head" (of Chilliwack River) or "Going around a turn".

Population: Total population of the Skowkale First Nation is 190.



ST. MARY'S INDIAN BAND

Location: 4 miles outside of the City of Cranbrook in the East Kootenays region of British Columbia.

Description: St. Mary's Indian Band four reserves total roughly 18,420 acres or 7,461 hectares. The Band is a member of the Ktunaxa/Kinbasket Tribal Council.

Population: Total population of the St. Mary's Indian Band is 272

STO:LO NATION

Location: Chilliwack, British Columbia

Description: Sto:lo Nation is a tribal agency which provides services to member First Nations. Governed by the Lalems Ye Sto:lo Si:ya:m (the government house) and consists of the following Sto:lo First Nations: Aitchelitz, Chawathil, Cheam, Chehalis, Katzie, Kwantlen, KwawKwawApilt, Lakahahmen, Matsqui, Peters, Popkum, Scowlitz, Seabird Island, Shxw'ow'hamel, Skwahlook, Skowkale, Skwah, Skway, Soowahlie, Squiala, Sumas, Tzeachten, Union Bay, Yakweakwioose, and Yale.

Population: Total population is approximately 6,000.





TE'MEXW TREATY ASSOCIATION

Location: Southern Vancouver Island, British Columbia

Te'mexw Treaty Association members are Beecher Bay, Malahat, Nanoose, Sooke, and Songhees First Nations.

T'IT'Q'ET

Location: near Lillooet, British Columbia, 331 km (4 hours) northeast of Vancouver, British Columbia

Population: approximately 200



TSAWOUT FIRST NATION

Location: Consists of 6 reserves on approximately 419 hectares located near Saanichton on the south eastern tip of Vancouver Island.

Population: Total population of the Tsawout First Nation is 624.

TSAWWASSEN FIRST NATION

Location: Located on the south coast overlooking the Strait of Georgia near the Tsawwassen Ferry Terminal, within the Municipal boundary of Delta.

Population: The on Reserve population is 158 with an additional 96 living off reserve.



TZEACHTEN FIRST NATION (OR CH'ITYAQTEL)

Location: Includes lands between Sardis and Vedder Crossing.

Description: Tzeachten reserve consists of 282.1 hectares on one section of land. The word Ch'ityaqtel means "the place of the fish weir". Long ago when the Chilliwack River ran strong and free through the land called Tzeachten, fish weirs could be seen set up all along the river's edge. Later, the Chilliwack River then became shallow and dried out when the Province rerouted the rivers water into the Vedder Canal as part of the Sumas Lake Drainage Project during the 1920's. This left a number of reserves along the old Chilliwack River without a good fishing river.

Population: Total population of the Tzeachten First Nation is 315.

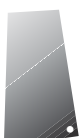
WESTBANK FIRST NATION

Location: Central Okanagan, British Columbia

Description: Named by the Post Office in 1902. Allotted by Commissioner O'Reilly in 1890. Part of the Salish linguistic group and the Okanagan Nation.

Population: 573 members, 8,000 non members reside on reserve.

Services: Some 28 services supplied by WFN.



WHITE BEAR FIRST NATION

Location: 13 km north of Carlyle, Saskatchewan.

Population: Total registered population 1,900.