

ANNUAL REPORT 2016-2017



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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Board of Directors

CHAIR **Chief Joseph Bevan, BC**

Joseph (Joe) Bevan is the elected Chief Councillor of Kitselas First Nation and is the son of the Hereditary Chief of the Killer Whale Clan. He draws his inspiration from his father and believes in good governance, progressive thinking, openness, honesty and professionalism. Having received an education in business administration, accounting and finance, Chief Bevan worked in various senior finance roles in the private and public sectors for over 25 years. In addition to the First Nations Finance Authority, he has represented the Canadian Council for Aboriginal Business, Vancouver Chapter to the Northwest Loggers Association, First Nations Major Projects Coalition and First Nations LNG Alliance. Chief Bevan brings his northern sense of family values, work ethic and fiscal responsibility to the FNFA.



DEPUTY CHAIR **Chief Warren Tabobondung, ON**

Wasauksing First Nation Chief Tabobondung, is a builder and business leader in the community. Located near Parry Sound, ON. Wasauksing is the home community of legendary World War I hero Francis Pegahmagabow, previously neglected from the annals of Canadian history. The people of Wasauksing have taken great steps forward to have Pegahmagabow's rightful place as a hero and community leader restored and now have a statue dedicated in his honour. Chief Warren brings his business savvy and diplomatic competencies to the FNFA.

COUNCILLOR **Alexander Cope, NS**

A member of the Millbrook First Nation Alexander Cope is presently serving his eleventh, two year term as Band Councillor. Alex graduated from the University of New Brunswick in 1987 with a Bachelor of Business Administration and currently holds the position of Band Administrator. Alex also serves on the Millbrook Gaming Commission, Millbrook Economic Development Corporation, Budget Review and Projects Committee and the Millbrook Housing Commission.



COUNCILLOR **Patrick Courtois, QC**

Councillor Patrick Courtois, la Premiere Nation de Mashteuiatsh, adds representation from the First Nations communities of Quebec. Mashteuiatsh First Nation is in the Saguenay-Lac-Saint-Jean region of Quebec, located on a headland jutting out on the western shores of Lake Saint-Jean known as Pointe-Bleue. Economically, Mashteuiatsh is heavily involved in producing hydro-electricity and are building their third generating station. The nation is also involved in logging, construction, transport, and tourism. There are some 130 businesses on the reserve that provide services such as: food, hotel accommodations, sawmills, electrician, auto mechanics, taxi, arts and handicrafts, post office, excavation, plumbing, translation, camping, hardware, convenience stores and restaurants. Mashteuiatsh has the distinction of being the first Quebec First Nation to be certified by the First Nations Financial Management Board and to achieve Borrowing Membership in the FNFA. Councillor Courtois works with First Nations youth to preserve culture, increase sustainable employment and reduce poverty. He brings his bridge-building skills to the FNFA to open communication and create unity among nations.

CHIEF, **David Crate, MB**

David Crate was first elected to the council of Fisher River Cree Nation in 1985. He became Chief in 1989 and has continued, except for two terms. Throughout his 25 year career, he has focused on long-term planning and development. Chief Crate's portfolio includes: Finance & Policy Development, Capital Projects, Land Claims, FRCN Business Development, Housing/O & M, Drug Strategy, Human Resources, Social Development, Justice & Policing, Emergency Preparedness, Health Services, Education, Daycare/Headstart/ECD, and Child & Family Services.



COUNCILLOR **Cathy Hall, BC**

Councillor Cathy Hall, Tzeachten First Nation, carries expertise in Finance, Housing, Education, Youth and Land Codes. Tzeachten First Nation is located east of the Greater Vancouver/Lower Mainland Region of British Columbia; this area is also referred to as the Fraser Valley Regional District. The Tzeachten Council and their administration



strive to work with the entire community to preserve and promote their language and culture, support the educational, social and economic growth of the community so that the membership and residents can flourish and prosper. Councillor Hall has served the First Nations community for many years and sits on a wide variety of committees. She is very active in many aspects of First Nations daily life and planning for the future. Her tireless effort is to achieve self-sustainability for First Nations through good governance, financial management and responsible land use policy. Councillor Hall brings her positive outlook and vast knowledge of First Nations Administration to the FNFA.

COUNCILLOR **Simon Jobb, SK**

Councillor Simon Jobb represents Peter Ballantyne Cree Nation, which covers a vast territory and includes eight village sites, some of which are remote with limited accessibility. He holds a degree in Social Work from First Nations University of Canada as well as certificates in facilitation, mediation and negotiation. Councillor Jobb believes that everyone deserves a quality standard of living regardless of their geographic location. He takes a holistic approach to his work which includes improving education, employment, housing, healthcare and family functionality. He works hard during the week but devotes his weekends to his spouse and children, without who he could not accomplish his goals. Councillor Jobb brings his holistic perspective to the FNFA.



COUNCILLOR **Veronica McGinnis, BC**

Councillor Veronica McGinnis, Osoyoos Indian Bands, a staunch advocate of transparency and accountability for First Nations band members. The Osoyoos Indian Band is renowned as a leader in First Nations Economic Development and for the tenacity of its people. The Osoyoos Indian Band honours the hard working, self-supporting lifestyle of their ancestors



by developing their own economy through homegrown business initiatives, including the spectacular Spirit Ridge Resort and the award winning Nk'Mip Wine Cellars. Councillor McGinnis places her focus on the stabilization of the physical, emotional and mental wellbeing of First Nations with priority on prevention methods. Councillor McGinnis brings her 25 years of experience in nurturing the social fabric of the First Nations community to the FNFA.

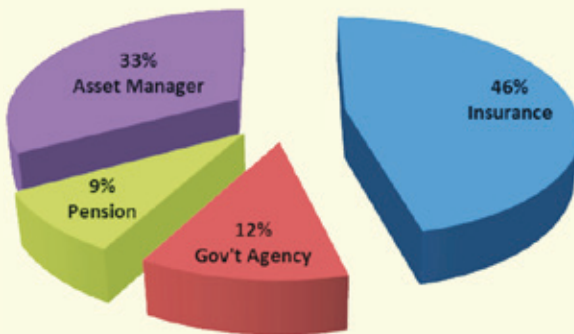
Message from the Chair



I am pleased to present my second Message from the Chair report. In the fiscal year 2016/17, a number of milestones were reached. These included:

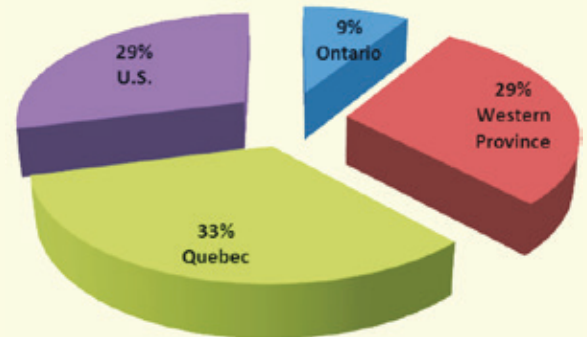
- One-third of all First Nations in Canada have now voluntarily requested to be Scheduled to our Act (First Nations Fiscal Management Act).
- These 214 Scheduled communities are geographically dispersed throughout eight provinces and 1 territory (NWT). By comparison, only 69 First Nations were Scheduled in 2012.
- Loans issued by the FNFA have topped the \$300 million level, and will exceed \$400 million in fiscal year 2017/18.
- Investor participation in buying our third debenture in June 2016 jumped 70% over our 2015 debenture, from 13 Institutional buyers to 22. A very nice trend. These participants include provincial pension plans, life insurance companies, mutual funds and other institutional investors in both Canada and the U.S.

SALES DISTRIBUTION BY BUYER TYPE



Access to capital markets through the FNFA, combined with strong financial management that ensures political and financial accountability, can and is bringing about transformative change in First Nation communities.

SALES DISTRIBUTION BY GEOGRAPHY



- Our third debenture was our largest totalling \$111 million with a re-lending rate to our members of 2.90%. This debenture supplied financing proceeds to 19 First Nations to meet their community's priorities. These community priorities consisted of:
 - Equity investment in Canada's largest wind farm project
 - Two other green energy projects (BC – run-of-river, and Manitoba – solar)
 - New community housing, and remediation of existing housing
 - Real estate purchases
 - Motel development
 - Community infrastructure and administration buildings
 - Economic ventures

- And, with comfort now being achieved regarding First Nation's entrance into the Capital Markets, all six chartered banks have chosen to participate in our debenture syndicate, and four banks have chosen to participate in our Interim Financing program. The level playing field for First Nations' governments has arrived.

PROV.	SCHEDULED & PENDING	FNFA MEMBERS
AB	7	2
BC	100	38
MB	29	8
NB	7	0
NS	8	4
ON	28	6
SK	27	3
QC	5	2
NWT	3	0
	214	63

Our safeguards put in place by the Board of Directors, and the staff of FNFA, continue to function at levels above our projections. FNFA only lends against already existing revenue streams, and the FNFA staff works with each client to arrange for these revenues to be intercepted from the payor source prior to loan issuance. The balance of revenues not needed to service the loan are returned to the member within three days. Minimum DCR's (Debt Coverage Ratios) and ICR's (Interest Coverage Ratios) are set, monitored, and reviewed for each loan request to protect both the members in the borrowing pool, and the investors that purchase our debentures. The anticipated DCR's and ICR's by our fourth debenture continue to exceed FNFA's policy expectations:

	MINIMUM BOARD POLICY	ACTUAL COVERAGE RATIOS
DCR	1.55 times	2.77 times
ICR	2.75 times	5.01 times

FNFA staff hosted two workshops in fiscal year 2016/17. The first was held in Toronto focusing on opportunities for Ontario First Nations to participate as equity partners in energy-related projects; the second was held in the Edmonton area focusing on Alberta First Nations. With FNFA loans currently supporting five First Nations' participation as equity owners (two in British Columbia, Manitoba, Ontario and Quebec), experience has shown that these opportunities provide a solid, stable and long duration source of revenues that can be leveraged to meet future community priorities.

Our sister organizations, the Financial Management Board (FMB) and the First Nations Tax Commission (FNTC), have also had a very productive year. The FMB, has, since 2012, awarded "Financial Performance Certification" to 84 First Nations. This Certification process is a pre-requisite to FNFA membership, and allows the FNFA to project both the growth in its own membership and also its future loan portfolio. FNTC continues to help First Nations build and maintain fair and efficient property tax regimes. In the fiscal year 2017-18, the FNFA will issue its first loan that will be supported by property tax revenues. This will continue to diversify the revenue sources that support FNFA's loans.

FNFA along with FMB and FNTC were invited and presented at the Fifteenth Session of the Permanent Forum on Indigenous Issues, an external side event of "A Successful Model of Indigenous Governance". The external side event was sponsored by the Permanent Mission of Canada to the United Nations. The event highlighted and showcased the success of the First Nations Fiscal Management Act to interested parties that included INAC (Indigenous and Northern Affairs Canada) Minister Bennett.

Work continued between FNFA and INAC on housekeeping issues related to amendments to our Act. None of these changes impacts our strong safeguards that protect our processes or our loans. We also continued to work with INAC on transitioning self-governing First Nations and Treaty Bands' eligibility to become FNFA borrowing members. Wording has been drafted to be included in new upcoming Treaties, and regulations have been prepared to accommodate First Nations in BC that have already signed Treaties. This work is ongoing.

INAC also supported the FNFA with a large infusion of capital in the amount of \$20 million. This capital will be added to the CEF (Credit Enhancement Fund), and brings our total to \$30 million. This increase was justified based upon voluntary First Nations being Scheduled to the Act at a pace much greater than was anticipated by INAC, the FNFA, and the rating agencies. The CEF monies back-stop FNFA's Debt Reserve Fund, and are one of the main safeguards for Investors should a payor of a revenue stream supporting a loan fail to send the monies on-time or in-full. To date, FNFA has never experienced a late or deficient revenue payment in the five years since our loan program commenced.

I would like to personally thank the members of the Board of Directors for their dedication, their availability, and hard work through the year. In 2016-17 the Board approved unanimously:

- 10 new borrowing members (currently membership totals 63)
- 10 new borrowing laws (totalling \$109 million in future loan requests), and
- Operating policy changes, budgets, audit plans, and financial statement approval.

Finally, I would like to thank the staff who day after day continue to build the FNFA into a pooled borrowing model that is both accepted by the Capital Markets, and also of great value to the communities that join as members.

How We Operate

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

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

Mandated Areas

The purposes of the FNFA are to:

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

Our Capital Financing Programs

LONG TERM LOANS ... The FNFA's mandate allows First Nations to support loan requests with two types of revenue streams: property taxation revenues, and other revenues. Other revenues are defined in the Financing Secured by Other Revenues Regulations and are revenue streams other than property tax. This distinction is made since property tax revenues are almost exclusively collected from ratepayers that are

non-band members, and rules are established to protect their rights since they are non-voting. Other revenues are a First Nation's own monies, and might be subject to rules under which the revenues were generated or a band's own governance policies.

INTERIM FINANCING LOANS ... The FNFA offers all First Nations that become FNFA borrowing members access to Interim Financing. The current FNFA Interim Loan rate is 2.60% (bank prime for comparison is currently 2.70%).

Interim Financing is temporary financing and has two functions:

1. To Cover Costs During Construction: A borrowing member can request Interim Loans, to a maximum of five years from the FNFA to cover the construction costs of a project. When the project has been completed, these Interim Loans which are floating can be converted into a fixed-rate long term loan called a debenture which provides budget certainty.

2. Bridge Financing Until FNFA Issues its Next Debenture: Or, where FNFA does not plan to issue a debenture for a few months, but the borrowing member wants financing now to start a project, FNFA will lend monies from its Interim Loan program. When the debenture is issued, the borrowing member will have their Interim Loan rolled into a fixed-rate long term debenture loan.

The size of the loans a community may request is determined by the type and size and stability of the revenue stream that will be used to service the debt. Communities may use various revenue streams available to them to access the loans as long as FNFA's due diligence shows them to be stable, of duration similar to the loan repayment term, and of sufficient size. Revenue interception occurs prior to loan advance. All borrowing member communities receive the same rates.

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

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

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

How We Safeguard Our Investors

Financial Protection | The FNFA has structured various investor safeguards.

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

Secondly, prior to the release of any loan to a borrower, the FNFA establishes for other revenues borrowers an irrevocable intercept mechanism (i.e. Trust Account arrangement) whereby the other revenues stream supporting a loan flows from the payor into the trust account, bypassing the First Nation. Under an agreement the FNFA has contracted with Computershare to act as trustee of these accounts, who firstly allocates out of the trust account the debt service payments to the FNFA, and secondly the remaining balance to the borrowing member. In 2016-2017, the FNFA's intercepted revenues had an interest rate coverage ratio of 5.01 times (revenues intercepted were 5.01 times greater than the debenture's interest liability). Approximately 74% of these revenues were from Federal/ Provincial revenue sharing agreements; the balance being contractual revenues, lease agreements and established Band businesses.

Thirdly, when a borrowing member requests a loan, the FNFA withholds 5% and deposits into a Debt Service Reserve Fund (DRF). A separate DRF is operated for property tax supported loans, and a separate DRF for loans supported by other revenues. Should a borrowing member default on its loan payment to the FNFA, the FNFA will pull sufficient funds from the appropriate DRF to fully cover its loan obligation to the bondholders. The defaulting member must replenish their DRF within a reasonable period. If this does not occur, the FNFA's Board may then require the full borrowing membership to proportionally replenish the DRF. If the loan default is related to a property tax supported loan then those borrowing members with property tax loans outstanding will replenish the property tax DRF (no tax supported loans have been issued); 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.

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

Fifthly, in addition to the DRF, the FNFA contracted an agreement with Canada in March 2011, and received \$10 million in Credit Enhancement Fund monies (CEF) on April 1, 2011. An amendment to the previous agreement was signed December 2016 granting FNFA a further \$20 million over two years. This money was fully received by April 4, 2017.

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

Sixthly, the FNFA has an agreement with Computershare to secure all FNFA debentures on a pari passu basis with its credit facility.

Legislative Protection | The FNFA operates under a Federal Act, and so has both contractual law and Federal legislation as supporting strengths. The FMA and the Regulations establish a strict regulatory system that ensures borrowing members are certified and meet specific borrowing standards that ensure safeguards on indebtedness are maintained. The FNFA shall only accept a First Nation as a borrowing member where the FNFA is of the opinion that the loan will be repaid. A First Nation may cease to be a borrowing member after all their outstanding loans have been repaid in full, and only with the consent of the other borrowing members.

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.

What We Do

The FNFA provides First Nations access to the large amounts of capital required to finance social projects, economic ventures, community-owned housing, land purchases, infrastructure on reserve, equity participation and equipment. All FNFA loans are supported by qualified existing revenue streams.

COMMUNITY INFRASTRUCTURE

The FNFA can open doors for development partnerships by providing First Nation governments with access to long-term loans that enable the development of infrastructure like water and sewer, sidewalks and street lighting.



DEVELOPMENT OF SUSTAINABLE POWER SOURCES

Independent power projects are an excellent example of First Nations leading the way on sustainable and green energy development.

Several FNFA borrowing members have received FNFA loans to participate as equity holders in energy projects. Projects include run-of-river, solar and wind.



INFRASTRUCTURE FOR PUBLIC USE

Rehabilitation, renovation, or expansion of existing infrastructure for public use or benefit such as community centres, recreational facilities, local arenas and community and cultural facilities.



Projects

- #1: Membertou Road Work and Training Program
- #2: Riviere-du-Moulin Wind Farm
- #3: Tzeachten Outdoor Fitness Circuit



HOUSING DEVELOPMENT PROJECTS

First Nations communities don't have to start big. Many started small with sustainable housing developments. The FNFA can help your community develop the infrastructure needed to support housing developments.



TRANSPORTATION SYSTEMS

Revitalization and repair of roads, bridges and other critical infrastructures. Streets and highways will remain critical transportation conduits, so their maintenance and improvement will remain an important challenge. But the greater challenge will be engineering integrated transportation systems, making individual vehicle travel, mass transit, bicycling, and walking all as easy and efficient as possible. An increasingly important question is the need to provide better access to transportation for the elderly and disabled.



DEVELOPING SOFT INFRASTRUCTURE

Many communities request FNFA loans for infrastructure projects related to facilities providing enjoyment and recreation opportunities for their members.

Projects

- #4: Bay River Developments – Fisher River
- #5 Membertou Highway Interchange
- #6 Bay River Inn & Suites – Fisher River

Scheduled First Nations

Acadia	Innué Essipit	Nak'azdli	Skawahlook FN
Adams Lake Indian Band	Bande des Innus de Pessamit	Namgis FN	Skeetchestn Indian Band
Aitchelitz First Nation	Iskatewizaagegan #39	Nanoose FN	Skidegate FN
?Akisq'nuk First Nation	Independent FN	Nazko FN	Skin Tyee Nation
Algonquins of Pikwakanagan	Jean Marie River First Nation	Neskonlith Indian Band	Skowkale First Nation
Anishnaabeg of Noangashiing	Kahkewistahaw FN	Nipissing FN	Skownan FN
Atikameksheng Anishnawbek	Kanaka Bar	Norway House Cree Nation	Skwah
Beardy's and Okemasis	Kehewin Cree Nation	N'Quatqua	Songhees FN
Bear River First Nation	The Key FN	Ochapowace	Soowahlie
Beaver Lake Cree Nation	Kingfisher	O'Chiese	Splatsin FN
Beecher Bay	Kinistin Saulteaux Nation	Onion Lake Cree Nation	Squamish Nation
Behdzi Ahda"First Nation	Kitselas FN	Opaskwayak Cree Nation	Squiala FN
Berens River	K'ómoks FN	Oromocto	Stellat'en FN
Bigstone Cree Nation	Kwadacha	Osoyoos Indian Band	St. Mary's FN
Bingwi Neyaashi Anishinaabek	Kwantlen FN	Paqtnkek Mi'kmaw Nation	Sts'ailes
Black River First Nation	Kwaw-Kwaw-Apilt FN	Pauingassi FN	St. Theresa Point
Brokenhead Ojibway Nation	Kwikwetlem FN	Peepeekisis Cree Nation No.81	Stz'uminus FN
Buctouche Mic Mac Band	Lac La Ronge Indian Band	Pequis	Sumas FN
Buffalo Point First Nation	Lake St. Martin	Penticton Indian Band	Sweetgrass
Campbell River Indian Band	Lax Kw'alaams	Peter Ballantyne Cree Nation	Taku River Tlingit FN
Cayoose Creek Indian Band	Leq'á:mel FN	Peters	Taykawa Tagamou Nation
Chawathil First Nation	Lheidli T'enneh	Pheasant Rump Nakota	Thunderchild FN
Cheam	Lhtako Dene Nation	Pic Mobert	Timiskaming FN
Chippewas of Georgina Island FN	Little Saskatchewan	Pictou Landing FN	T'it'q'et
Chippewas of Kettle & Stony Point	Little Shuswap Lake Indian Band	Pine Creek	Tk'emlúps te Secwépemc
Chippewas of Rama FN	Long Plain FN	Popkum First Nation	Tla-o-qui-aht FN
Chippewas of the Thames FN	Lower Kootenay Indian Band	Poplar River First Nation	Tobacco Plains Indian Band
Coldwater Indian Band	Lower Nicola Indian Band	Quatsino	Tobique FN
Conseil de la Première Nation	Lower Similkameen	Rainy River FN	Tsartlip FN
Abitibiwinni	Lytton	Red Pheasant Cree Nation	Tsawout FN
Conseil des Montagnais du Lac	Madawaska Maliseet FN	Red Sucker Lake FN	Tseycum FN
Saint-Jean	Makwa Sahgaiehc FN	Rolling River FN	Ts'kw'aylaxw FN
Cook's Ferry	Malahat FN	Roseau River Anishinabe FN Gov't	Tsleil-waututh Nation
Cowichan Tribes First Nation	Matsqui FN	Saik'uz FN	T'Sou-ke FN
Cross Lake First Nation	M'Chigeeng FN	Sakimay FN	Tsuu T'ina Nation
Dakota Tipi	Membertou FN	Salt River First Nation #195	Tzeachten FN
Doig River FN	Metepenagiag Mi'kmaq Nation	Sandy Bay Ojibway FN	Upper Nicola Indian Band
Douglas	Metlakatla FN	Saugeen	Wahgoshig
Ebb and Flow	Micmacs of Gesgapegiag	Saulteau FNs	Wasagamack FN
Ehattesaht	Millbrook Band	Saulteaux FN	Wasauksing FN
Elispogtog FN	Misipawistik Cree Nation	Scowlitz	Waywayseecappo First Nation
Enoch Cree Nation #440	Mississaugas of Scugog Island FN	Seabird Island Band	Treaty 4-1874
Fisher River	Mistawasis	Semiahmoo FN	Wet'suwet'en FN
Flying Dust First Nation	Mohawks of Akwesasne	Serpent River FN	We Wai Kai Nation
Fort William	Mohawks of the Bay of Quinte	SetonLake	Whispering Pines/Clinton Indian Band
Gamblers	Moosomin	Shackan FN	White Bear FN
Garden Hill FN	Moricetown Indian Band	Shesegwaning FN	Whitecap Dakota FN
George Gordon FN	Mosquito, Grizzly Bear's Head, Lean Man	Shuswap FN	Whitefish River FN
Gitga'at FN	Mount Currie	Shxwhá:y Village FN	Williams Lake
Gitsegukla FN	Munsee-Delaware FN	Shxw'ow'hamel FN	Wunnumin
Gitwangak FN	Muskeg Lake Cree Nation	Siksika Nation	Wuskwi Sipihk FN
Glooscap FN	Muskoday FN	Simpco FN	Xaxli'p
Halalt FN	Muskowekwan	Sipekne'katik	Yakwekwioose FN
Heiltsuk	Nadleh Whut'en Band	Skatin Nations	Yellow Quill Band
Indian Island FN			



Financial Statements

Statement of Management Responsibility

The financial statements of First Nations Finance Authority (the "FNFA") for the year ended March 31, 2017 have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

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

On behalf of First Nations Finance Authority

A handwritten signature in black ink, appearing to read "Ernie Daniels", is written over a horizontal line.

Ernie Daniels
Chief Executive Officer
May 25, 2017



KPMG LLP

200-3200 Richter Street
Kelowna BC V1W 5K9
Canada

Telephone 250-979-7150
Fax 250-763-0044
www.kpmg.ca

Independent Auditors' Report

TO THE MEMBERS OF FIRST NATIONS FINANCE AUTHORITY

We have audited the accompanying financial statements of First Nations Finance Authority, which comprise the statement of financial position as at March 31, 2017, the statements of operations and accumulated surplus, changes in net financial assets, cash flows and remeasurement gains and losses for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Nations Finance Authority as at March 31, 2017 and its results of operations, its changes in net financial assets, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 25, 2017
Kelowna, Canada

Statement of Financial Position


FIRST NATIONS FINANCE AUTHORITY

March 31, 2017 with comparative figures for March 31, 2016

	2017	2016
Financial Assets		
Cash and cash equivalents	\$ 4,815,732	\$ 2,165,305
Accounts receivable	25,000	-
Debt Reserve Funds investments (note 2(a))	16,267,238	12,543,690
Sinking Funds investments (note 3)	10,720,144	2,129,624
Loans to members (note 4)	308,569,191	246,022,335
Restricted cash and cash equivalents (note 5)	7,491,379	6,169,524
	347,888,684	269,030,478
Liabilities		
Accounts payable and accrued liabilities	198,656	282,579
Accrued interest payable	2,243,531	1,215,346
Deferred contributions (note 12)	330,652	-
Principal and interest payments received in advance	7,167,344	5,845,489
Due to members (note 2(b))	16,267,238	12,543,690
Interim financing (note 6)	64,977,997	109,840,118
Debenture financing (note 7):		
Principal	251,000,000	140,000,000
Unamortized premium (discount)	8,084,941	2,154,567
Unamortized debenture issuance costs	(3,596,670)	(3,462,652)
	346,673,689	268,419,137
Net Financial Assets	1,214,995	611,341
Non-Financial Assets		
Credit Enhancement Fund assets (note 8)	20,000,000	10,000,000
Tangible capital assets (note 9)	37,830	33,870
Prepaid expenses	280,800	267,143
	20,318,630	10,301,013
Commitments and contingencies (note 10)		
Subsequent event (note 8)		
Accumulated surplus	\$ 21,533,625	\$ 10,912,354
Accumulated surplus is comprised of:		
Accumulated surplus (note 11)	\$ 21,790,389	\$ 10,912,354
Accumulated remeasurement loss	(256,764)	-
	\$ 21,533,625	\$ 10,912,354

See accompanying notes to financial statements.

On behalf of the Board:


Chief Joe Bevan
 CHAIR


Ernie Daniels
 CHIEF EXECUTIVE OFFICER

Statement of Operations and Accumulated Surplus

FIRST NATIONS FINANCE AUTHORITY

Year ended March 31, 2017, with comparative figures for 2016

	2017 Budget (note 1(g))	2017	2016
Revenue			
Grants and contributions (note 12)	\$ 3,149,268	\$ 2,878,968	\$ 2,227,975
Interest from members	9,392,075	8,773,199	6,279,163
Debenture issuance premium amortization	650,000	1,042,140	206,333
Investment Income	365,000	474,107	409,233
Management fees	69,331	138,344	84,220
	13,625,674	13,306,758	9,206,924
Expenses (note 1(h))			
Interest on financing	8,944,833	8,868,146	5,863,938
Debenture issuance discount amortization	50,000	47,224	46,800
Debenture issuance costs amortization	259,992	476,481	369,744
Interim financing fees amortization	202,779	202,779	33,668
Financing fees	859,268	357,018	256,033
Professional fees	699,088	532,274	491,076
Travel and workshops	432,000	299,318	220,934
Salaries and benefits	1,095,000	997,646	885,190
Operations and management	380,150	381,249	357,385
Investment income due to members	171,341	249,049	81,502
Amortization of tangible capital assets	10,500	17,539	19,759
	13,104,951	12,428,723	8,626,029
Annual surplus	520,723	878,035	580,895
Credit Enhancement Fund contribution (note 8)	-	10,000,000	-
	520,723	10,878,035	580,895
Accumulated surplus, beginning of year	10,912,354	10,912,354	10,331,459
Accumulated surplus, end of year	\$ 11,433,077	\$ 21,790,389	\$ 10,912,354

See accompanying notes to financial statements.

Statement of Changes in Net Financial Assets

FIRST NATIONS FINANCE AUTHORITY

Year ended March 31, 2017, with comparative figures for 2016

	2017 Budget (note 1(g))	2017	2016
Annual surplus	\$ 520,723	\$ 878,035	\$ 580,895
Changes to non-financial assets			
Acquisition of tangible capital assets	-	(21,499)	(12,582)
Amortization of tangible capital assets	10,500	17,539	19,759
	10,500	(3,960)	7,177
Net change in prepaid expenses	-	(13,657)	(142,259)
	10,500	(17,617)	(135,082)
Remeasurement loss on derivative financial instruments (note 10)	-	(256,764)	-
Increase in net financial assets	531,223	603,654	445,813
Net financial assets, beginning of year	611,341	611,341	165,528
Net financial assets, end of year	\$ 1,142,564	\$ 1,214,995	\$ 611,341

See accompanying notes to financial statements.

Statement of Cash Flows

FIRST NATIONS FINANCE AUTHORITY

Year ended March 31, 2017, with comparative figures for 2016

	2017	2016
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 878,035	\$ 580,895
Debenture issuance premium amortization	(1,042,140)	(206,333)
Debenture issuance discount amortization	47,224	46,800
Debenture issuance costs amortization	476,481	369,744
Interim financing fees amortization	202,779	33,668
Amortization of tangible capital assets	17,539	19,759
Net change in non-cash assets and liabilities:		
Accounts receivable	(25,000)	-
Prepaid expenses	(13,657)	(142,259)
Deferred contributions	330,652	-
Accounts payable and accrued liabilities	(83,923)	107,334
Accrued interest on debenture financing	1,028,185	450,346
	1,816,175	1,259,954
Investing transactions:		
Loans to members issued	(73,549,500)	(145,877,471)
Repayment of loans to members	10,745,882	3,221,761
Acquisition of investments	(12,314,068)	(9,463,290)
Increase in amounts due to members	3,723,548	7,333,666
Increase in restricted cash	(1,321,855)	(3,769,575)
Principal and interest payments received in advance	1,321,855	3,769,575
	(71,394,138)	(144,785,334)
Financing transactions:		
Debenture financing issued, principal	111,000,000	50,000,000
Premium (discount) on debenture issuance	6,925,290	2,747,000
Debenture issuance costs	(610,500)	(1,350,750)
Proceeds from interim financing	65,349,887	110,412,471
Repayment of interim financing	(110,412,471)	(17,736,000)
Interim financing fees paid	(2,317)	(606,022)
	72,249,889	143,466,699
Capital transactions:		
Purchase of tangible capital assets	(21,499)	(12,582)
Increase (decrease) in cash and cash equivalents	2,650,427	(71,263)
Cash and cash equivalents, beginning of year	2,165,305	2,236,568
Cash and cash equivalents, end of year	\$ 4,815,732	\$ 2,165,305
Supplemental cash flow information:		
Interest paid	\$ 7,333,757	\$ 5,413,592

See accompanying notes to financial statements.

Statement of Remeasurment Gains and Losses

FIRST NATIONS FINANCE AUTHORITY

Year ended March 31, 2017, with comparative figures for 2016

	2017	2016
Loss on derivative financial instruments (note 10)	\$ (256,764)	\$ -
Accumulated remeasurement gains and losses, end of year	\$ (256,764)	\$ -

See accompanying notes to financial statements.

Notes to Financial Statements

FIRST NATIONS FINANCE AUTHORITY | Year Ended March 31, 2017

First Nations Finance Authority ("FNFA") was announced April 1, 2006 as a result of Bill C20 and operates under the *First Nations Fiscal Management Act* (the "Act") as a not for profit corporation without share capital to develop borrowing capacity for First Nations governments and to provide investment pooling arrangements for its investing members. FNFA, through an agreement with the Municipal Finance Authority of British Columbia ("MFA"), acts as a non assignable corporate investment vehicle with MFA for the provision of investment services for FNFA unit holders. FNFA is exempt from income taxes pursuant to Section 149 (1)(c) and 149 (1)(d.5) of the Income Tax Act (Canada).

1. Significant accounting policies:

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

(a) Basis of presentation:

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

OPERATING FUND:

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

CREDIT ENHANCEMENT FUND:

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

SINKING FUNDS:

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

DEBT RESERVE FUNDS:

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

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

(b) Revenue recognition:

Transfers from governments are recognized as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers which include stipulations that give rise to an obligation are recognized as revenue in the period the stipulations giving rise to the obligation have been met.

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

(c) Cash and cash equivalents:

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

(d) Financial instruments:

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

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

(e) **Tangible capital assets:**

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

Asset	Basis	Rate
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30-45%
Leasehold improvements	Straightline	lease term

(f) **Use of estimates:**

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

(g) **Budget data:**

The budget data presented in these financial statements have been derived from the budget approved by the Board of Directors on May 26, 2016. The budget is reflected in the statement of operations and accumulated surplus and the statement of changes in net financial assets.

(h) **Segmented disclosure:**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. FNFA has determined that it had only one operating segment for the year ended March 31, 2017. Accordingly, segmented disclosures have not been presented in these financial statements.

2. Debt Reserve Funds:

(a) **Investments:**

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

The Debt Reserve Fund assets, as at March 31, 2017 consist of the following:

	2017	2016
Cash and cash equivalents	\$ 11,207,097	\$ 12,543,690
Government and corporate bonds	5,060,141	-
	\$ 16,267,238	\$ 12,543,690

Government and corporate bonds include bonds with initial maturities of 1-10 years and have a total par value of \$5,000,000. The market value as at March 31, 2017 approximates its carrying value.

b) **Due to members:**

Amount due to members in the Debt Reserve Funds will be repaid to a member when the member has satisfied all obligations related to the applicable loan agreement. The balance owing to members as at March 31, 2017, is due upon extinguishment of the underlying loan, consistent with the term of the financing agreements.

3. Sinking Funds:

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

The Sinking Fund assets, as at March 31, 2017 consist of the following:

	2017	2016
Cash and cash equivalents	\$ 6,482,529	\$ 2,129,624
Government and corporate bonds	4,237,615	-
	\$ 10,720,144	\$ 2,129,624

Government and corporate bonds include bonds with initial maturities of 1-10 years and have a total par value of \$4,000,000. The market value as at March 31, 2017 approximates its carrying value.

4. Loans to members:

	2017	2016
Debt financing loans	\$ 243,219,304	\$ 136,107,477
Interim financing loans	65,349,887	109,914,858
	\$ 308,569,191	\$ 246,022,335
The aggregate maturity of loans to members as at March 31, 2017 are as follows:		
2018		\$ 72,164,051
2019		6,814,164
2020		6,814,164
2021		6,814,164
2022		6,814,164
Thereafter		209,148,484
		\$ 308,569,191

(a) Debt financing loans:

Debt financing loans to members consists of loans to twenty eight (2016 – twenty four) borrowing members. The loans, documented by way of a promissory note, are repayable in annual principal payments to maturity, with interest payable semiannually at 2.90% to 3.79%.

(b) Interim financing loans to members:

Interim financing loans to members as at March 31, 2017, consists of loans to ten (2016 nineteen) borrowing members. The loans bear interest at 2.6%, payable monthly, and are due on the earlier of demand or the expiry of FNFA's interim financing credit facility described in note 6. The interim financing loans have been issued by FNFA in anticipation of a bond issuance. The interim financing loans will be replaced by longterm financing agreements upon the issuance of such securities and the earlier of five years from the date of the issuance of the interim financing or the completion by the member of the purpose, as defined in their borrowing agreement, for the FNFA financing.

(c) Secured Revenues Trust Account:

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

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

(d) Loan impairment:

FNFA conducts periodic evaluations of its loans to members to determine if the loans are impaired. No impairment provision has been recorded to March 31, 2017 (2016 \$nil). A reduction in the carrying value of a loan may be recovered by a transfer from the applicable Debt Reserve Fund and, ultimately, intervention with the First Nations Financial Management Board on eligible revenue streams if it is believed that payments under the loan agreements may not be recovered within a reasonable period of time.

5. Restricted cash and cash equivalents:

	2017	2016
Members capital (Note 11(b))	\$ 324,035	\$ 324,035
Principal and interest payments received in advance	7,167,344	5,845,489
	\$ 7,491,379	\$ 6,169,524

6. Interim financing:

	2017	2016
Bankers acceptance liabilities, bearing interest at an average rate of 2.1374% (2016 2.1236%)	\$ 65,349,887	\$ 110,412,471
Deferred interim financing fees	(371,890)	(572,353)
	\$ 64,977,997	\$ 109,840,118

The interim financing credit facility is available up to a maximum aggregate amount of \$130 million. The credit facility is available through the issuance of bankers acceptances ("Bankers Acceptance Liabilities") or the issuance of loans bearing interest calculated in relation to the lender's prime rate ("Prime Rate Loans"). The applicable margin and standby fees are based on the credit rating of FNFA. Based on the credit rating as at March 31, 2017 the margins and rates are as follows. The Bankers Acceptance Liabilities as at March 31, 2017 bear interest at the lender's 30 to 60 day bankers' acceptance fee plus a stamping fee of 1.25%. The Prime Rate Loan as at March 31, 2017 bears interest at the lender's prime rate plus 0.25% with interest only payments on a monthly basis. The undrawn portion of the revolving credit facility is subject to a standby fee of 0.25%. Amounts borrowed under the revolving credit facility are due the earlier of the terms of FNFA's interim financing loans to members (note 4(b)) and February 23, 2018.

The interim financing is secured, ranking pari passu with the debt financing, by liens on all real and personal, corporeal and incorporeal, present and future assets, including on all of the accounts of FNFA and the debt accounts of members with outstanding loans and the rights of FNFA in the Secured Revenues Trust Accounts.

7. Debenture financing:

The debenture financing consists of secured and unsubordinated bonds issued by FNFA. Security is pari passu with the interim financing facility. The bonds provide for semiannual interest payments at 3.4% and payment of the principal at maturity on June 26, 2024. Debenture discounts or premium and debenture issuance costs including bond forward fees are amortized over the debenture term under the effective interest method. The resulting effective interest rate for the debenture financing is 3.118% (2016 3.524%).

8. Credit Enhancement Fund assets:

FNFA entered into an agreement with Indigenous and Northern Affairs Canada ("INAC"), on March 24, 2011 and amended on December 6, 2016 to transfer funds to FNFA for deposit into the Credit Enhancement Fund. Funds included in the Credit Enhancement Fund may be invested only in securities, investments or deposits specified under the Act. Investment income from the Credit Enhancement Fund may be used to temporarily offset shortfalls in the Debt Reserve Funds, to defray FNFA's costs of operation, and for any other purpose prescribed by regulation. The capital of the Credit Enhancement Fund may be used to temporarily offset shortfalls in the Debt Reserve Funds and for any other purpose prescribed by regulation. During the year, no transfers were made to the Debt Reserve Fund.

The Credit Enhancement Fund assets, as at March 31, 2017 consist of the following:

	2017	2016
Cash and cash equivalents	\$ 10,891,192	\$ 8,000,000
Government and corporate bonds	9,108,808	2,000,000
	\$ 20,000,000	\$ 10,000,000

Government and corporate bonds include bonds with initial maturities of 1-10 years and have a total par value of \$9,000,000. The market value as at March 31, 2017 approximates its carrying value.

Subsequent to March 31, 2017, the final installment of \$10 million from the amended agreement signed on December 6, 2016 was received.

9. Tangible capital assets:

March 31, 2017	Furniture and equipment	Computer equipment	Leasehold improvements	Total
Costs:				
Balance, beginning of year	\$ 50,165	\$ 80,459	\$ 115,709	\$ 246,333
Additions	2,802	18,697	-	21,499
Disposals	(29,904)	(34,614)	(115,709)	(180,227)
Balance, end of year	23,063	64,542	-	87,605

Accumulated amortization:				
Balance, beginning of year	38,709	58,045	115,709	212,463
Amortization	2,391	9,500	-	11,891
Disposals	26,455	(32,415)	(115,709)	(174,579)
Balance, end of year	14,645	35,130	-	49,775
Net book value, end of year	\$ 8,418	\$ 29,411	\$ -	\$ 37,830

March 31, 2016	Furniture and equipment	Computer equipment	Leasehold improvements	Total
Costs:				
Balance, beginning of year	\$ 50,165	\$ 80,459	\$ 115,709	\$ 288,749
Additions	-	12,582	-	12,582
Disposals	-	(54,998)	-	(54,998)
Balance, end of year	50,165	80,459	\$115,709	246,333

Accumulated amortization:				
Balance, beginning of year	35,845	96,148	115,709	247,702
Amortization	2,864	16,895	-	19,759
Disposals	-	(54,998)	-	(54,998)
Balance, end of year	38,709	58,045	115,709	212,463
Net book value, end of year	\$ 11,456	\$ 22,414	\$ -	\$ 33,870

10. Commitments and contingent liabilities

(a) Commitments

The FNFA entered into a lease agreement for office space, which expires February 2018 and various office equipment leases expiring in January 2021. Total estimated operating lease commitments to maturity are as follows:

2018	\$ 78,400
2019	5,136
2020	5,136
2021	3,852
	\$ 92,524

(b) Derivative financial instruments

At March 31, 2017, the FNFA had the following outstanding derivative financial instruments:

- bond forward contract with a notional value of \$13.4 million (2016 – \$ nil) whose settlement extends to June 2, 2017.
- Interest rate swap transaction with a notional value of \$6.6 million (2016 – \$ nil) whose settlement extends to March 7, 2027.

The contracts were entered into as devices to control interest rate risk. They were entered into on behalf of a borrowing member to provide a fixed lending rate for a predetermined period of time, commencing at the specified future date. At the specified future dates, the Authority will cash settle the derivative contracts with the financial institution and recover these settlement costs from the borrowing member over the remaining term of the loan.

The unrealized loss at March 31, 2017 was \$256,764 (2016 – \$ nil) and has been reflected in the Statement of Remeasurement Gains and Losses and as an offset to loans to members.

(c) GST/HST recoverable

In the current fiscal year, FNFA received clarification of status for GST/HST purposes as a Band-empowered Entity. Prior to receiving the ruling on the status, a rebate claim was submitted and denied by CRA. FNFA has objected to the denial of the rebate claim due to receiving the ruling of FNFA being a Band-empowered Entity. At March 31, 2017, the objection has been received by CRA but has not been reviewed. As it is uncertain whether the denied rebate will be received, no asset has been recognized in the financial statements. At March 31, 2017, the contingent recoverable amount is \$110,643.

11. Accumulated surplus:

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

	2017	2016
Credit Enhancement Fund	\$ 20,000,000	\$ 10,000,000
Operating Fund:		
Invested in tangible capital assets	37,830	33,870
Unrestricted	1,752,559	878,484
	1,790,389	912,354
	\$ 21,790,389	\$ 10,912,354

(b) Members capital:

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

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

	Credit Enhancement Fund (note 2)	Operating Fund		Total
		Invested in tangible capital assets	Unrestricted	
Balance, March 31, 2015	\$ 10,000,000	\$ 41,047	\$ 290,412	\$ 10,331,549
Annual surplus (deficit)	122,233	(19,759)	478,421	580,895
Acquisition of tangible capital assets	-	12,582	(12,582)	-
Transfers	(122,233)	-	122,233	-
Balance, March 31, 2016	10,000,000	33,870	878,484	10,912,354
Annual surplus (deficit)	358,292	(17,539)	537,282	878,035
Credit Enhancement Fund Contribution	10,000,000	-	-	10,000,000
Acquisition of tangible capital assets	-	21,499	(21,499)	-
Transfers	(358,292)	-	358,292	-
Balance, March 31, 2017	\$ 20,000,000	\$ 37,830	\$ 1,752,559	\$ 21,790,389

12. Grants and contributions:

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

	2017	2016
Comprehensive Funding Arrangement	\$ 2,709,620	\$ 1,727,975
Grant Agreement	500,000	500,000
Deferred contributions	(330,652)	-
	\$ 2,878,968	\$ 2,227,975

INAC provided a Comprehensive Funding Arrangement, for delivery of specific programs, services and activities as set out in the arrangement. This funding agreement is reviewed annually based on the needs and the financial results of 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, 2017 and has been renewed for the March 31, 2018 fiscal year.

13. Financial instruments:

(a) Liquidity risk:

Liquidity risk is the risk that FNFA will not be able to meet its financial obligations as they become due. For the year ended March 31, 2017, each interim financing loan to members was funded through interim financing with the same term. FNFA maintains Sinking Funds (note 3(a)) to assist with managing its liquidity risk with respect to its debenture financing. FNFA monitors the maturity of its financial liabilities and assesses whether it has sufficient cash to settle these financial obligations when due.

FNFA is subject to nonfinancial covenants and restrictions in relation to its interim financing (note 6) and Credit Enhancement Fund (note 8). As at March 31, 2017, FNFA was in compliance with these covenants and restrictions.

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

In thousands of dollars	On demand	Within 1 year	Greater than 1 year	2017 Total
Accounts payable and accrued liabilities	\$ -	\$ 198	\$ -	\$ 198
Accrued interest payable	-	2,244	-	2,244
Deferred contributions	-	331	-	331
Principal and interest received in advance	-	7,167	-	7,167
Due to members	16,267	-	-	16,267
Interim financing	64,978	-	-	64,978
Debenture financing	-	-	251,000	-
	\$ 81,245	\$ 9,940	\$ 251,000	\$ 342,185

In thousands of dollars	On demand	Within 1 year	Greater than 1 year	2016 Total
Accounts payable and accrued liabilities	\$ -	\$ 283	\$ -	\$ 283
Accrued interest payable	-	1,215	-	1,215
Principal and interest received in advance	-	5,845	-	5,845
Due to members	12,544	-	-	12,544
Interim financing	109,840	-	-	109,840
Debenture financing	-	-	140,000	140,000
	\$ 122,384	\$ 7,343	\$ 140,000	\$ 269,727

(b) Credit risk:

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

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

(c) Interest rate risk:

Interest rate risk relates to the impact of changes in interest rates on FNFA's future cash inflows from its investments and loans to member and future cash outflows on its interim financing. FNFA's cash and cash equivalents, Credit Enhancement Fund assets and investments are held in cash or short term money market instruments, accordingly, FNFA is not subject to significant interest rate risk in regards to these financial assets.

FNFA is subject to interest rate risk with respect to its interim financing, which bears interest at variable rates based on the lenders' prime rate and 3060 day bankers' acceptance rates. FNFA monitors interest rate risk on interim financing borrowing and negotiates and renegotiates interest rates on interim financing loans to members in relation to these rates.

FNFA periodically enters into derivative financial instruments (note 10(b)) to manage certain interest rate exposure.

14. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Pooled Investments Financial Statements

FIRST NATIONS FINANCE AUTHORITY


Statement of Net Assets (unaudited)

December 31, 2016, with comparative information for 2015

	Money Market Fund		Intermediate Fund		Bond Fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Assets								
Cash	\$ -	342	75	308	189,989	93	\$ 182,952	\$ 10,639
Unitholder receivable	-	-	161,668	-	21,284	-	-	-
Investments (note 3)	13,900,425	13,744,204	4,216,620	4,216,384	2,463,232	1,898,648	20,580,277	19,859,236
	\$ 13,900,425	13,744,546	4,378,363	4,216,692	2,484,534	1,908,637	\$ 20,763,322	\$ 19,869,875
Liabilities, Net Assets and Unitholders' Equity								
Accrued management fees	\$ 1,863	1,921	776	773	442	337	\$ 3,081	\$ 3,031
Bank overdraft	202	-	-	-	-	-	202	-
Unitholder payable	73,222	82,484	131,876	-	-	6,395	205,098	88,879
	75,287	84,405	132,652	773	442	6,732	208,381	91,910
Net assets and unitholders' equity	13,825,138	13,660,141	4,245,711	4,215,919	2,484,092	1,901,905	20,554,941	19,777,965
	\$ 13,900,425	13,744,546	4,378,363	4,216,692	2,484,534	1,908,637	\$ 20,763,322	\$ 19,869,875

See accompanying notes to financial statements.

On behalf of the Board:



Ernie Daniels
CEO/President

POOLED INVESTMENTS

Statement of Earnings and Unitholders' Equity (unaudited)

Year ended December 31, 2016, with comparative information for 2015

	Money Market Fund		Intermediate Fund		Bond Fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Investment income:								
Interest income	\$ 122,743	118,533	64,973	118,355	38,344	47,926	\$ 226,060	\$ 284,814
Less management fees	20,031	18,221	5,462	8,802	3,278	3,865	28,771	30,888
	102,712	100,312	59,511	109,553	35,066	44,061	197,289	253,926
Gain (loss) on investments:								
Net realized gain (loss)	-	-	(31,158)	(60,522)	(3,785)	170	(34,943)	(60,352)
Net unrealized gain (loss)	-	-	18,374	11,206	3,633	(201)	22,007	11,005
Net gain (loss) on investments	-	-	(12,784)	(49,316)	(152)	(31)	(12,936)	(49,347)
Net earnings distributed	\$ 102,712	100,312	46,727	60,237	34,914	44,030	\$ 184,353	\$ 204,579
Net assets and unitholders' equity:								
Units outstanding, beginning of the year	13,660,142	12,470,886	4,215,918	4,155,682	1,901,905	1,773,825	19,777,965	18,400,393
Units subscribed	4,096,782	3,864,566	-	-	596,752	139,650	4,693,534	4,004,216
Distributions reinvested	102,712	100,312	46,727	60,237	34,914	44,030	184,353	204,579
Units redeemed	(4,034,498)	(2,775,623)	(16,934)	-	(49,479)	(55,600)	(4,100,911)	(2,831,223)
Units outstanding, end of the year	\$ 13,825,138	13,660,141	4,245,711	4,215,919	2,484,092	1,901,905	\$ 20,554,941	\$ 19,777,965

See accompanying notes to financial statements.

POOLED INVESTMENTS

Notes to Financial Statements (unaudited)

Year ended December 31, 2016

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

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

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

In accordance with the Pooled Investment Regulation made under the *First Nations Fiscal Management Act*, the Authority has arranged to continue to participate in the short to intermediate term investment pools established by the Municipal Finance Authority of British Columbia (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 \$10 per unit. Under Section 149(1)(c) of the *Income Tax Act*, the funds are exempt from income taxes.

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

(a) Money Market Fund:

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

(b) Intermediate Fund and Bond Fund:

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

2. Financial instruments:

All unitholder receivables, bank overdraft, 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 midmarket prices which approximate bid values.

(a) Risk management:

Risk management is achieved through segregation of duties whereby the investment management decisions are undertaken by a professional fund manager (Phillips Hager North Investment Management Ltd.), custody of the assets and accounting functions 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 FTSE TMX 30- Day Treasury Bill Index, the FTSE TMX 365-Day Treasury Bill Index, and the FTSE TMX 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 cash redemptions of units at the current Net Assets Value per unit at the option of the unitholder. The funds invest the

majority of their assets in securities that are traded in an active market and can be readily disposed of. In addition each Fund retains sufficient cash and cash equivalent positions to maintain liquidity.

As of December 31, 2016 the duration of the funds was 71 days for Money Market Fund, 1.1 years for the Intermediate Fund and 3.1 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, 2016.

(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:

	2016			2015		
	Money Market Fund	Intermediate Fund	Bond Fund	Money Market Fund	Intermediate Fund	Bond Fund
Bankers' acceptance	14.76%	-	-	9.32%	-	-
Corporate bonds	8.72%	69.86%	37.79%	11.00%	56.84%	38.17%
Treasury bills and term deposits	-	7.51%	-	-	15.36%	-
Commercial paper	76.52%	-	-	79.68%	-	-
Federal bonds	-	-	31.50%	-	-	30.26%
Provincial bonds	-	22.63%	14.40%	14.76%	17.63%	-
Mortgages	-	-	11.35%	-	13.04%	9.50%
Pooled funds	-	-	4.96%	-	4.44%	-
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The investments of the FNFA unit holders represent approximately 1.12% (2015 - 1.23%) of the Money Market Fund, 1.20% (2015 - 1.13%) of the Intermediate Fund, and 0.29% (2015 - 0.25%) of the Bond Fund administered by the MFA's Pooled Investment Funds.

MFA OF BC - INTERMEDIATE FUND as of December 2016

SHORT TERM

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
ALBERTA PROV DPN	DISCNT	APR 05 17	2,300,000	2,288,369.99	0.65%
BC PROV DPN	DISCNT	JUN 15 17	5,000,000	4,970,150.00	1.42%
ONTARIO PROV PTB	DISCNT	JUL 26 17	19,200,000	19,099,968.00	5.46%

SHORT TERM TOTAL **26,358,487.99** **7.54%**

BONDS

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
ALBERTA PROV	1.700	DEC 15 17	34,900,000	35,215,341.04	10.07%
ONTARIO PROV	4.200	MAR 08 18	10,595,000	11,011,109.51	3.15%
QUEBEC PROV	4.500	DEC 01 17	32,025,000	33,111,243.16	9.47%
407 INTL INC	3.870	NOV 24 17	3,000,000	3,067,936.50	0.88%
BANK OF MONTREAL	2.240	DEC 11 17	17,725,000	17,915,191.02	5.12%
BANK OF MONTREAL	3.210	SEP 13 18	14,900,000	15,363,322.95	4.39%
BANK OF NOVA SCOTIA	1.330	MAY 01 18	13,000,000	13,015,542.80	3.72%
BANK OF NOVA SCOTIA	2.242	MAR 22 18	21,461,000	21,728,710.95	6.21%
BELL CANADA	4.400	MAR 16 18	2,950,000	3,057,408.91	0.87%
CAISSE CENT DESJARD	3.502	OCT 05 17	5,500,000	5,599,529.65	1.60%
CHOICE PROP LP	3.000	APR 20 17	1,735,000	1,737,034.46	0.50%
CIBC	2.220	MAR 07 18	9,450,000	9,564,064.34	2.73%
CIBC	2.350	OCT 18 17	10,280,000	10,382,025.50	2.97%
ENBRIDGE GAS DIS	5.160	DEC 04 17	2,950,000	3,059,106.64	0.87%
EPCOR UTILITIES	5.800	JAN 31 18	15,200,000	15,938,806.64	4.56%
HONDA CDA FINANCE	2.275	DEC 11 17	10,000,000	10,111,381.80	2.89%
HONDA CDA FINANCE	2.350	JUN 04 18	5,023,000	5,097,518.87	1.46%
HSBC BANK CANADA	2.078	NOV 26 18	4,430,000	4,475,208.02	1.28%
HSBC BANK CANADA	3.558	OCT 04 17	8,863,000	9,022,903.06	2.58%
NATIONAL BK CDA	1.951	DEC 11 17	5,975,000	6,021,522.55	1.72%
NATIONAL BK CDA	2.794	AUG 09 18	26,625,000	27,236,784.19	7.79%
ROGERS COMMUNICATION	3.000	JUN 06 17	2,500,000	2,519,467.25	0.72%
ROYAL BANK CDA	2.260	MAR 12 18	16,975,000	17,184,169.34	4.91%
ROYAL BANK CDA	2.820	JUL 12 18	17,000,000	17,385,614.40	4.97%
TD BANK	2.171	APR 02 18	13,500,000	13,660,301.70	3.91%
WELLS FARGO CANADA	2.780	NOV 15 18	10,598,000	10,859,077.17	3.11%

BONDS TOTAL **323,340,322.42** **92.46%**

PORTFOLIO TOTALS IN CANADIAN DOLLARS **349,698,810.41** **100.00%**

TOTAL INCLUDING ACCRUED INTEREST **349,698,810.41**

MFA BC - BOND FUND - December 2016

SHORT TERM

ISSUER	ISSUE	HOLDINGS	MARKET VALUE	MKT % PORT
PHILLIPS HAGER&NORTH	INST STIF SR 0	4,187,228	41,872,275.81	4.98%

BONDS

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
CANADA GOVT	0.500	FEB 01 19	26,607,000	26,459,504.10	3.14%
CANADA GOVT	0.500	MAR 01 22	26,090,000	25,185,590.15	2.99%
CANADA GOVT	0.500	NOV 01 18	28,207,000	28,082,184.03	3.34%
CANADA GOVT	0.750	MAR 01 21	825,000	814,336.03	0.10%
CANADA GOVT	0.750	SEP 01 21	20,175,000	19,843,752.73	2.36%
CANADA GOVT	1.500	JUN 01 23	482,000	485,067.07	0.06%
CANADA GOVT	1.750	SEP 01 19	310,000	317,427.85	0.04%

MFA BC - BOND FUND - December 2016 - (continued)

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
CANADA GOVT	3.250	JUN 01 21	690,000	753,909.25	0.09%
CANADA GOVT	3.500	JUN 01 20	1,628,000	1,766,489.08	0.21%
CANADA GOVT	3.750	JUN 01 19	395,000	422,668.68	0.05%
CANADA HOUSING TRUST	1.150	DEC 15 21	20,163,000	19,787,669.79	2.35%
CANADA HOUSING TRUST	1.200	JUN 15 20	9,787,000	9,769,899.17	1.16%
CANADA HOUSING TRUST	1.250	DEC 15 20	16,078,000	16,020,329.82	1.90%
CANADA HOUSING TRUST	1.250	JUN 15 21	22,923,000	22,731,595.24	2.70%
CANADA HOUSING TRUST	1.450	JUN 15 20	16,468,000	16,578,012.83	1.97%
CANADA HOUSING TRUST	1.950	JUN 15 19	31,216,000	31,912,688.05	3.79%
CANADA HOUSING TRUST	2.000	DEC 15 19	20,570,000	21,084,854.76	2.51%
CANADA HOUSING TRUST	2.350	DEC 15 18	20,102,000	20,659,522.94	2.45%
CANADA HOUSING TRUST	4.100	DEC 15 18	2,835,000	3,009,055.11	0.36%
NHA MBS 97500715	1.650	MAR 01 18	2,628,946	2,645,913.43	0.31%
NHA MBS 97500982	1.650	APR 01 18	3,743,204	3,769,020.59	0.45%
NHA MBS 97501189	1.670	MAY 01 18	1,125,629	1,134,108.31	0.13%
NHA MBS 97501190	1.500	DEC 01 17	1,152,524	1,156,806.84	0.14%
NHA MBS 97502888	1.600	MAR 01 19	1,794,893	1,807,103.69	0.21%
NHA MBS 97503417	1.750	AUG 01 19	2,917,756	2,943,204.16	0.35%
NHA MBS 97503875	2.000	SEP 01 19	2,173,890	2,202,565.60	0.26%
NHA MBS 97504101	1.900	NOV 01 19	1,518,008	1,534,805.25	0.18%
NHA MBS 97504367	1.800	DEC 01 19	1,081,584	1,091,352.18	0.13%
NHA MBS 97504749	1.200	FEB 01 20	1,288,866	1,281,852.29	0.15%
NHA MBS 97505604	1.200	JUN 01 20	2,182,310	2,164,035.37	0.26%
NHA MBS 97505980	1.386	SEP 01 20	2,430,475	2,416,752.77	0.29%
NHA MBS 97506320	1.250	DEC 01 20	2,080,834	2,060,624.84	0.24%
NHA MBS 97506996	1.400	MAY 01 21	6,249,557	6,197,323.08	0.74%
NHA MBS 97507233	1.550	JUN 01 21	2,715,275	2,695,831.33	0.32%
NHA MBS 97507309	1.270	JUL 01 21	3,825,591	3,766,841.30	0.45%
NHA MBS 97507473	1.300	AUG 01 21	14,432,484	14,230,934.43	1.69%
NHA MBS 97507599	1.350	SEP 01 21	1,271,649	1,254,856.81	0.15%
NHA MBS 97507953	1.370	NOV 01 21	8,767,089	8,654,063.39	1.03%
NHA MBS 97508128	1.450	DEC 01 21	6,291,000	6,223,821.56	0.74%
NHA MBS 97537187	1.700	DEC 01 17	2,450,154	2,463,634.66	0.29%
NHA MBS 97591051	1.700	AUG 01 17	2,457,564	2,466,664.61	0.29%
NHA MBS 97592331	1.950	SEP 01 17	1,829,261	1,839,767.84	0.22%
NHA MBS 97594733	1.500	SEP 01 17	1,478,664	1,483,944.11	0.18%
ALBERTA PROV	1.250	JUN 01 20	9,438,000	9,392,239.86	1.12%
ALBERTA PROV	4.000	DEC 01 19	10,216,000	11,004,852.96	1.31%
MANITOBA PROV	1.550	SEP 05 21	6,650,000	6,615,052.25	0.79%
NEWFOUNDLAND PROV	1.950	JUN 02 22	8,238,000	8,184,719.91	0.97%
ONTARIO PROV	3.150	JUN 02 22	11,511,000	12,282,184.05	1.46%
ONTARIO PROV	4.200	JUN 02 20	24,060,000	26,286,885.33	3.12%
ONTARIO PROV	4.400	JUN 02 19	44,125,000	47,521,751.33	5.65%
407 INTL INC	3.870	NOV 24 17	5,716,000	5,845,441.68	0.69%
ALTAGAS INCOME TRUST	5.490	MAR 27 17	1,303,000	1,315,239.08	0.16%
ALTAGAS LTD	4.550	JAN 17 19	355,000	374,521.70	0.04%
ALTALINK INV LP	2.244	MAR 07 22	911,000	906,540.56	0.11%
ALTALINK INV LP	3.265	JUN 05 20	695,000	718,065.66	0.09%
ALTALINK INV LP	3.674	JUN 05 19	3,581,000	3,715,807.46	0.44%
ALTALINK LP	5.243	MAY 29 18	1,155,000	1,217,111.40	0.14%
AT&T INC	3.825	NOV 25 20	1,860,000	1,956,203.25	0.23%
BANK OF MONTREAL	1.880	MAR 31 21	3,190,000	3,186,830.74	0.38%
BANK OF MONTREAL	2.240	DEC 11 17	1,473,000	1,488,805.44	0.18%
BANK OF MONTREAL	4.550	AUG 01 17	1,915,000	1,953,556.04	0.23%
BANK OF MONTREAL	6.020	MAY 02 18	3,320,000	3,526,909.04	0.42%
BANK OF NOVA SCOTIA	1.330	MAY 01 18	6,779,000	6,787,104.97	0.81%
BANK OF NOVA SCOTIA	2.090	SEP 09 20	2,100,000	2,121,586.32	0.25%
BANK OF NOVA SCOTIA	2.242	MAR 22 18	3,195,000	3,234,855.39	0.38%
BANK OF NOVA SCOTIA	2.370	JAN 11 18	3,000,000	3,037,667.70	0.36%
bcIMC REALTY CORP	2.100	JUN 03 21	1,096,000	1,101,077.33	0.13%
bcIMC REALTY CORP	2.650	JUN 29 17	1,861,000	1,875,477.65	0.22%
BELL CANADA	3.500	SEP 10 18	1,890,000	1,953,294.97	0.23%
BELL CANADA	4.370	SEP 13 17	1,365,000	1,394,784.30	0.17%
BELL CANADA	4.400	MAR 16 18	625,000	647,756.13	0.08%
BELL CANADA	4.880	APR 26 18	390,000	407,797.07	0.05%
BELL CANADA	5.520	FEB 26 19	2,196,000	2,375,554.40	0.28%
BELL CANADA	2.000	OCT 01 21	1,285,000	1,271,244.59	0.15%
BELL CANADA	3.000	OCT 03 22	3,935,000	4,043,666.21	0.48%

MFA BC - BOND FUND - December 2016 - (continued)

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
BK OF MONT NVCC F/F	3.120	SEP 19 19/24	5,671,000	5,746,071.00	0.68%
BK OF MONT NVCC F/F	3.340	DEC 08 20/25	1,235,000	1,258,309.27	0.15%
BLACKBIRD INFRA F/F	1.713	JAN 08 20/21	1,026,000	1,014,889.55	0.12%
BROOKFIELD ASSET	5.300	MAR 01 21	845,000	932,190.40	0.11%
BROOKFIELD ASSET MGT	4.540	MAR 31 23	2,085,000	2,246,341.68	0.27%
BROOKFIELD INFRASTR	3.538	OCT 30 20	875,000	895,618.15	0.11%
BROOKFIELD INFRSTRTR	3.455	OCT 10 17	268,000	271,512.86	0.03%
BROOKFIELD RENEW PWR	5.140	OCT 13 20	220,000	240,832.70	0.03%
BRUCE POWER LP	2.844	JUN 23 21	4,205,000	4,273,702.55	0.51%
CAMECO CORPORATION	3.750	NOV 14 22	980,000	986,177.82	0.12%
CHOICE PROP LP	3.000	APR 20 17	755,000	755,885.31	0.09%
CHOICE PROP LP	3.600	APR 20 20	3,535,000	3,692,179.18	0.44%
CHOICE PROP REIT	3.498	FEB 08 21	190,000	198,473.72	0.02%
CI FINANCIAL	2.645	DEC 07 20	1,680,000	1,686,540.24	0.20%
CIBC	1.700	OCT 09 18	8,748,000	8,798,980.72	1.05%
CIBC	2.220	MAR 07 18	985,000	996,889.25	0.12%
CIBC NVCC F/F	3.000	OCT 28 19/24	2,175,000	2,194,494.74	0.26%
COMINAR REAL EST	4.230	DEC 04 19	305,000	315,829.18	0.04%
COMINAR REAL EST	4.941	JUL 27 20	1,613,000	1,705,932.83	0.20%
COMINAR REIT	3.620	JUN 21 19	1,540,000	1,570,331.53	0.19%
COMINAR REIT	4.164	JUN 01 22	1,320,000	1,345,698.42	0.16%
COMINAR REIT	4.247	MAY 23 23	740,000	748,236.72	0.09%
COMINAR REIT	4.250	DEC 08 21	1,318,000	1,358,716.84	0.16%
CROMBIE REIT	2.775	FEB 10 20	1,291,000	1,278,048.95	0.15%
CROMBIE REIT	3.986	OCT 31 18	930,000	953,470.78	0.11%
EAGLE CREDIT CARD TR	2.849	OCT 17 18	2,740,000	2,810,159.34	0.33%
EAGLE CREDIT CR TRST	2.147	SEP 17 20	755,000	763,607.91	0.09%
EMERA INC	2.900	JUN 16 23	1,010,000	1,007,184.12	0.12%
ENBRIDGE GAS DIS	1.850	APR 24 17	1,750,000	1,754,813.73	0.21%
ENBRIDGE GAS DIS	4.040	NOV 23 20	1,500,000	1,627,525.65	0.19%
ENBRIDGE GAS DIS	5.160	DEC 04 17	3,540,000	3,670,927.96	0.44%
ENBRIDGE INC	3.160	MAR 11 21	3,862,000	3,988,062.25	0.47%
ENBRIDGE INC	4.260	FEB 01 21	415,000	446,994.22	0.05%
ENBRIDGE INC	4.530	MAR 09 20	760,000	818,195.25	0.10%
ENBRIDGE INC	4.770	SEP 02 19	3,016,000	3,246,619.65	0.39%
ENBRIDGE INCOME FUND	2.920	DEC 14 17	2,730,000	2,770,152.84	0.33%
ENBRIDGE INCOME FUND	4.100	FEB 22 19	379,000	396,950.27	0.05%
ENBRIDGE INCOME FUND	4.850	FEB 22 22	291,000	323,026.86	0.04%
ENBRIDGE PIPELINES	3.790	AUG 17 23	2,105,000	2,257,461.99	0.27%
ENBRIDGE PIPELINES	4.450	APR 06 20	4,065,000	4,406,442.52	0.52%
ENBRIDGE PIPELINES	4.490	NOV 12 19	1,585,000	1,716,094.87	0.20%
ENBRIDGE PIPELINES	6.350	NOV 17 23	845,000	1,022,852.73	0.12%
ENBRIDGE PIPELINES	6.620	NOV 19 18	2,085,000	2,283,726.77	0.27%
ENMAX CORP	6.150	JUN 19 18	1,600,000	1,692,490.08	0.20%
FIRST CAP REALTY	4.430	JAN 31 22	1,738,000	1,869,745.96	0.22%
FORTIS INC	2.850	DEC 12 23	1,670,000	1,674,029.54	0.20%
GENESIS TRUST II	1.675	SEP 17 18	14,440,000	14,519,716.02	1.73%
GENESIS TRUST II	2.433	MAY 15 19	455,000	464,929.51	0.06%
H&R REAL EST INV	3.344	JUN 20 18	535,000	546,565.31	0.06%
HYDRO ONE	2.780	OCT 09 18	294,000	301,518.40	0.04%
HYDRO ONE INC	1.480	NOV 18 19	6,424,000	6,431,555.27	0.76%
HYDRO ONE INC	1.840	FEB 24 21	2,590,000	2,599,929.54	0.31%
INDUSTRIAL ALLNC F/F	2.800	MAY 16 19/24	1,380,000	1,393,640.06	0.17%
JOE BRANT ELLISDON	2.018	AUG 28 18	4,972,000	5,000,042.08	0.59%
JOHN DEERE CDA FUND	1.950	APR 12 17	5,000	5,014.10	0.00%
LOBLAW COS	3.748	MAR 12 19	945,000	987,086.14	0.12%
LOWER MATTAGAMI ENGY	2.228	OCT 23 17	755,000	761,921.24	0.09%
MAN TELECOM SVS INC	4.590	OCT 01 18	789,000	829,176.43	0.10%
MERRILL LYNCH & CO	5.290	MAY 30 17/22	1,270,000	1,252,586.32	0.15%
MOLSON COORS INTL LP	2.250	SEP 18 18	2,590,000	2,614,628.39	0.31%
MOLSON COORS INTL LP	2.750	SEP 18 20	1,550,000	1,576,037.10	0.19%
MOLSON COORS INTL LP	2.840	JUL 15 23	3,250,000	3,213,099.83	0.38%
MOLSON COORS INTL LP	3.950	OCT 06 17	170,000	173,212.86	0.02%
NATL GRID ELECT TRAN	2.730	SEP 20 17	635,000	641,722.24	0.08%
NATL GRID ELECT TRAN	2.900	NOV 26 19	4,940,000	5,104,594.38	0.61%
NORTH WEST REDWATER	2.100	FEB 23 22	2,480,000	2,477,259.60	0.29%
NOVA SCOTIA PWR	9.750	AUG 02 19	225,000	267,442.27	0.03%
OMERS REALTY CORP	2.473	NOV 12 19	915,000	936,316.66	0.11%

MFA BC - BOND FUND - December 2016 - (continued)

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
OMERS REALTY CORP	2.498	JUN 05 18	1,649,000	1,676,668.90	0.20%
OMERS REALTY CORP	2.971	APR 05 21	990,000	1,031,218.25	0.12%
PEMBINA PIPELINE	4.890	MAR 29 21	1,607,000	1,763,465.56	0.21%
RIOCAN REAL ESTATE	2.870	MAR 05 18	1,230,000	1,249,049.87	0.15%
ROGERS COMMUNICATION	2.800	MAR 13 19	2,255,000	2,313,444.41	0.27%
ROGERS COMMUNICATION	3.000	JUN 06 17	713,000	718,552.06	0.09%
ROYAL BANK CDA	1.400	APR 26 19	12,640,000	12,642,812.40	1.50%
ROYAL BANK CDA	1.650	JUL 15 21	4,985,000	4,910,666.17	0.58%
ROYAL BANK CDA	1.920	JUL 17 20	7,235,000	7,269,268.58	0.86%
ROYAL BANK CDA	2.350	DEC 09 19	35,000	35,718.91	0.00%
ROYAL BANK CDA	2.820	JUL 12 18	1,675,000	1,712,994.36	0.20%
ROYAL BANK CDA	2.890	OCT 11 18	1,708,000	1,752,953.88	0.21%
ROYAL BANK CDA	2.030	MAR 15 21	10,570,000	10,609,725.23	1.26%
ROYAL BK NVCC F/F	3.040	JUL 17 19/24	2,460,000	2,485,573.91	0.30%
SHAW COMMUNICATIONS	5.700	MAR 02 17	4,173,000	4,202,115.02	0.50%
SUN LIFE FINANCIAL	2.770	MAY 13 24	430,000	436,381.46	0.05%
TD BANK	1.680	JUN 08 21	24,460,000	24,291,296.93	2.89%
TD BANK	1.909	JUL 18 23	3,370,000	3,279,263.76	0.39%
TD BANK	2.171	APR 02 18	150,000	151,781.13	0.02%
TD BANK	2.447	APR 02 19	3,420,000	3,494,356.27	0.42%
TD BANK NVCC F/F	2.692	JUN 24 20/25	1,800,000	1,796,639.76	0.21%
TD BANK NVCC F/F	2.982	SEP 30 20/25	972,000	978,786.80	0.12%
TELUS CORP	2.350	MAR 28 22	5,600,000	5,568,744.16	0.66%
TELUS CORP	5.050	JUL 23 20	5,081,000	5,606,849.46	0.67%
TERANET HOLDINGS LP	3.646	NOV 18 22	1,265,000	1,296,502.67	0.15%
THOMSON REUTERS CORP	3.369	MAY 23 19	3,855,000	3,989,492.47	0.47%
TMX GROUP INC	3.253	OCT 03 18	4,605,000	4,736,107.11	0.56%
TRANSCANADA PIPELINE	3.650	NOV 15 21	385,000	414,506.02	0.05%
TRANSCANADA PIPELINE	3.690	JUL 19 23	2,410,000	2,585,242.43	0.31%
TRANSCANADA PIPELINE	5.100	JAN 11 17	580,000	580,260.59	0.07%
TRANSCANADA PIPELINE	9.450	MAR 20 18	1,620,000	1,762,776.27	0.21%
UNION GAS LTD	2.760	JUN 02 21	705,000	730,141.85	0.09%
UNION GAS LTD	4.850	APR 25 22	3,297,000	3,744,775.46	0.44%
UNION GAS LTD	5.350	APR 27 18	1,175,000	1,235,210.41	0.15%
UNION GAS LTD	9.700	NOV 06 17	1,152,000	1,230,742.77	0.15%
WELLS FARGO & CO	2.222	MAR 15 21	1,890,000	1,890,318.64	0.22%
WELLS FARGO & CO	2.509	OCT 27 23	9,290,000	9,128,446.90	1.08%
WESTCOAST ENERGY	4.570	JUL 02 20	967,000	1,045,444.59	0.12%
WESTCOAST ENERGY	5.600	JAN 16 19	3,048,000	3,271,100.19	0.39%
BONDS TOTAL				796,644,778.15	94.66%
CMHC 1346915 AB LTD	3.240	JAN 01 19	866,613	887,465.85	0.11%
CMHC 79229 MANITOBA	4.530	JAN 01 17	1,372,114	1,372,113.65	0.16%
CMHC CYPRESS GLEN	4.420	JUN 01 17	800,668	800,668.47	0.10%
MORTGAGES TOTAL				3,060,247.97	0.36%
PORTFOLIO TOTALS IN CANADIAN DOLLARS				799,705,026.12	100.00%
TOTAL INCLUDING ACCRUED INTEREST				799,705,026.12	

MFA MONEY MARKET FUND 2016

SHORT TERM NOTES

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
BANK OF N.S. BDN	DISCNT	JUN 01 17	28,175,000	28,042,859.25	2.26%
BANK OF N.S. BDN	DISCNT	MAR 02 17	6,000,000	5,970,780.00	0.48%
BANK OF N.S. BDN	DISCNT	MAR 03 17	8,250,000	8,210,070.00	0.66%
BANNER TRUST D/N	DISCNT	APR 07 17	28,000,000	27,856,740.00	2.24%
BANNER TRUST D/N	DISCNT	FEB 13 17	1,925,000	1,920,495.50	0.15%
BANNER TRUST D/N	DISCNT	FEB 15 17	5,000,000	4,974,300.00	0.40%
BANNER TRUST D/N	DISCNT	JAN 12 17	5,000,000	4,975,050.00	0.40%
BANNER TRUST D/N	DISCNT	JAN 23 17	5,010,000	5,002,334.70	0.40%

MFA MONEY MARKET FUN 2016 - (continued)

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
BANNER TRUST D/N	DISCNT	JUN 29 17	2,375,000	2,362,697.50	0.19%
BANNER TRUST D/N	DISCNT	MAR 23 17	4,000,000	3,979,440.00	0.32%
BAY ST TRUST D/N	DISCNT	FEB 03 17	7,000,000	6,964,020.00	0.56%
BAY ST TRUST D/N	DISCNT	FEB 22 17	28,400,000	28,332,124.00	2.28%
BAY ST TRUST D/N	DISCNT	FEB 24 17	60,000	59,851.80	0.00%
BAY ST TRUST D/N	DISCNT	JAN 12 17	2,000,000	1,998,260.00	0.16%
BAY ST TRUST D/N	DISCNT	JAN 23 17	2,000,000	1,996,940.00	0.16%
BAY ST TRUST D/N	DISCNT	MAY 25 17	20,000,000	19,897,200.00	1.60%
BMO FIRST BANK B/A	DISCNT	JAN 19 17	8,125,000	8,119,718.75	0.65%
BMO FIRST BANK B/A	DISCNT	JAN 25 17	9,425,000	9,416,140.50	0.76%
BMO FIRST BANK BDN	DISCNT	MAR 06 17	26,000,000	25,813,320.00	2.08%
C.I.B.C. B/A	DISCNT	FEB 27 17	6,000,000	5,988,180.00	0.48%
C.I.B.C. B/A	DISCNT	FEB 28 17	8,000,000	7,984,560.00	0.64%
C.I.B.C. B/A	DISCNT	JUN 20 17	28,750,000	28,532,520.00	2.30%
C.I.B.C. B/A	DISCNT	MAR 24 17	25,000,000	24,820,000.00	2.00%
C.I.B.C. B/A	DISCNT	MAY 19 17	15,750,000	15,629,670.00	1.26%
C.I.B.C. B/A	DISCNT	MAY 23 17	13,400,000	13,297,624.00	1.07%
CDN MASTER TRUST D/N	DISCNT	FEB 02 17	375,000	373,173.75	0.03%
CDN MASTER TRUST D/N	DISCNT	JAN 09 17	16,000,000	15,918,610.00	1.28%
CDN MASTER TRUST D/N	DISCNT	JUN 26 17	5,075,000	5,048,762.25	0.41%
CDN MASTER TRUST D/N	DISCNT	MAY 03 17	19,000,000	18,902,340.00	1.52%
CDN MASTER TRUST D/N	DISCNT	MAY 25 17	9,990,000	9,938,951.10	0.80%
CENTRAL 1 CU D/N	DISCNT	MAR 13 17	14,025,000	13,986,431.25	1.13%
CLARITY TRUST D/N	DISCNT	APR 21 17	20,100,000	19,996,284.00	1.61%
CLARITY TRUST D/N	DISCNT	FEB 15 17	8,000,000	7,958,880.00	0.64%
CLARITY TRUST D/N	DISCNT	FEB 24 17	5,500,000	5,471,895.00	0.44%
CLARITY TRUST D/N	DISCNT	MAR 17 17	14,000,000	13,928,040.00	1.12%
ENBRIDGE PPL INC D/N	DISCNT	JAN 09 17	4,000,000	3,998,240.00	0.32%
FUSION TRUST D/N	DISCNT	JUN 16 17	3,000,000	2,984,130.00	0.24%
FUSION TRUST D/N	DISCNT	MAY 26 17	32,000,000	31,834,880.00	2.56%
HSBC SECURITIES B/A	DISCNT	JAN 23 17	24,275,000	24,256,793.75	1.95%
HSBC SECURITIES B/A	DISCNT	MAR 21 17	12,855,000	12,827,875.95	1.03%
HUSKY ENERGY INC D/N	DISCNT	FEB 28 17	6,000,000	5,986,560.00	0.48%
HUSKY ENERGY INC D/N	DISCNT	JAN 23 17	10,000,000	9,978,100.00	0.80%
HUSKY ENERGY INC D/N	DISCNT	JAN 25 17	1,525,000	1,521,736.50	0.12%
INTER PPL COR D/N	DISCNT	FEB 16 17	5,000,000	4,989,400.00	0.40%
INTER PPL COR D/N	DISCNT	JAN 12 17	12,000,000	11,988,120.00	0.96%
INTER PPL COR D/N	DISCNT	JAN 13 17	8,725,000	8,715,315.25	0.70%
INTER PPL COR D/N	DISCNT	JAN 20 17	8,200,000	8,180,812.00	0.66%
INTER PPL COR D/N	DISCNT	MAR 02 17	3,000,000	2,993,730.00	0.24%
KING ST TRUST D/N	DISCNT	FEB 24 17	8,600,000	8,578,758.00	0.69%
KING ST TRUST D/N	DISCNT	JAN 05 17	9,000,000	8,954,820.00	0.72%
KING ST TRUST D/N	DISCNT	JAN 12 17	3,000,000	2,997,390.00	0.24%
KING ST TRUST D/N	DISCNT	JAN 13 17	6,530,000	6,496,762.30	0.52%
KING ST TRUST D/N	DISCNT	JAN 19 17	2,000,000	1,989,820.00	0.16%
KING ST TRUST D/N	DISCNT	MAR 22 17	25,000,000	24,871,500.00	2.00%
KING ST TRUST D/N	DISCNT	MAR 24 17	6,000,000	5,969,340.00	0.48%
MCCAIN FIN CDA D/N	DISCNT	FEB 17 17	5,000,000	4,991,800.00	0.40%
MCCAIN FIN CDA D/N	DISCNT	JAN 10 17	2,225,000	2,223,220.00	0.18%
MCCAIN FIN CDA D/N	DISCNT	JAN 27 17	6,400,000	6,392,960.00	0.51%
MERIT TRUST D/N	DISCNT	FEB 01 17	10,000,000	9,948,600.00	0.80%
MERIT TRUST D/N	DISCNT	FEB 24 17	10,000,000	9,975,300.00	0.80%
MERIT TRUST D/N	DISCNT	JAN 06 17	10,445,000	10,393,192.80	0.84%
MERIT TRUST D/N	DISCNT	JAN 10 17	12,000,000	11,940,120.00	0.96%
MERIT TRUST D/N	DISCNT	JAN 18 17	8,800,000	8,778,968.00	0.71%
MERIT TRUST D/N	DISCNT	JUN 28 17	7,500,000	7,460,550.00	0.60%
NOVA SCOTIA PWR D/N	DISCNT	FEB 01 17	4,000,000	3,996,800.00	0.32%
NOVA SCOTIA PWR D/N	DISCNT	JAN 03 17	10,600,000	10,591,838.00	0.85%
NOVA SCOTIA PWR D/N	DISCNT	JAN 13 17	7,150,000	7,144,637.50	0.57%
NOVA SCOTIA PWR D/N	DISCNT	JAN 18 17	14,050,000	14,038,479.00	1.13%
PRIME TRUST D/N	DISCNT	APR 07 17	4,000,000	3,979,440.00	0.32%
PRIME TRUST D/N	DISCNT	FEB 01 17	8,100,000	8,058,366.00	0.65%
PRIME TRUST D/N	DISCNT	FEB 14 17	7,000,000	6,964,020.00	0.56%
PRIME TRUST D/N	DISCNT	FEB 24 17	6,000,000	5,985,180.00	0.48%
PRIME TRUST D/N	DISCNT	JAN 05 17	2,400,000	2,387,640.00	0.19%
PRIME TRUST D/N	DISCNT	MAR 08 17	3,000,000	2,992,920.00	0.24%
PRIME TRUST D/N	DISCNT	MAR 22 17	28,000,000	27,856,080.00	2.24%
PRIME TRUST D/N	DISCNT	MAY 25 17	2,000,000	1,989,720.00	0.16%

MFA MONEY MARKET FUN 2016 - (continued)

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
RIDGE TRUST D/N	DISCNT	FEB 01 17	14,000,000	13,925,380.00	1.12%
RIDGE TRUST D/N	DISCNT	FEB 02 17	2,580,000	2,566,738.80	0.21%
RIDGE TRUST D/N	DISCNT	FEB 14 17	9,000,000	8,952,480.00	0.72%
RIDGE TRUST D/N	DISCNT	JAN 09 17	7,000,000	6,964,300.00	0.56%
RIDGE TRUST D/N	DISCNT	JUN 07 17	15,000,000	14,923,350.00	1.20%
RIDGE TRUST D/N	DISCNT	MAY 04 17	5,100,000	5,073,939.00	0.41%
RIDGE TRUST D/N	DISCNT	MAY 10 17	7,000,000	6,964,020.00	0.56%
ROYAL BANK CDA B/A	DISCNT	JAN 16 17	11,825,000	11,816,770.39	0.95%
ROYAL BANK CDA B/A	DISCNT	JAN 31 17	5,000,000	4,996,250.00	0.40%
SAFE TRUST S96 1 D/N	DISCNT	FEB 22 17	2,600,000	2,593,786.00	0.21%
SAFE TRUST S96 1 D/N	DISCNT	MAR 17 17	3,000,000	2,992,590.00	0.24%
SOUND TRUST D/N	DISCNT	JAN 05 17	12,500,000	12,470,125.00	1.00%
SOUND TRUST D/N	DISCNT	MAY 03 17	3,500,000	3,482,010.00	0.28%
STORM KING D/N	DISCNT	APR 07 17	8,000,000	7,958,880.00	0.64%
STORM KING D/N	DISCNT	APR 13 17	5,000,000	4,974,600.00	0.40%
STORM KING D/N	DISCNT	FEB 07 17	5,200,000	5,174,468.00	0.42%
STORM KING D/N	DISCNT	MAY 24 17	15,000,000	14,922,900.00	1.20%
SUNCOR ENERGY D/N	DISCNT	FEB 03 17	4,200,000	4,190,802.00	0.34%
SUNCOR ENERGY D/N	DISCNT	JAN 30 17	18,150,000	18,113,700.00	1.46%
SURE TRUST D/N	DISCNT	JAN 05 17	3,500,000	3,491,565.00	0.28%
SURE TRUST D/N	DISCNT	JAN 11 17	16,000,000	15,961,760.00	1.28%
SURE TRUST D/N	DISCNT	JAN 20 17	5,000,000	4,974,550.00	0.40%
T D BANK B/A	DISCNT	JAN 31 17	15,925,000	15,913,215.50	1.28%
T D BANK BDN	DISCNT	APR 17 17	21,075,000	20,974,050.75	1.69%
TMX GROUP LTD D/N	DISCNT	FEB 06 17	11,000,000	10,983,170.00	0.88%
TMX GROUP LTD D/N	DISCNT	JAN 04 17	12,500,000	12,470,750.00	1.00%
TMX GROUP LTD D/N	DISCNT	JAN 20 17	5,625,000	5,620,162.50	0.45%
TRANSCANADA PIPE D/N	DISCNT	JAN 09 17	10,000,000	9,992,300.00	0.80%
TRANSCANADA PIPE D/N	DISCNT	MAR 06 17	20,975,000	20,930,533.00	1.68%
TRANSCANADA PIPE D/N	DISCNT	MAR 13 17	5,000,000	4,989,300.00	0.40%
UNION GAS LTD D/N	DISCNT	JAN 03 17	18,400,000	18,393,376.00	1.48%
UNION GAS LTD D/N	DISCNT	JAN 12 17	15,000,000	14,990,250.00	1.21%
ZEUS REC TRUST D/N	DISCNT	FEB 06 17	15,075,000	15,051,935.25	1.21%
ZEUS REC TRUST D/N	DISCNT	FEB 15 17	13,500,000	13,430,610.00	1.08%
ZEUS REC TRUST D/N	DISCNT	FEB 21 17	5,000,000	4,974,300.00	0.40%
ZEUS REC TRUST D/N	DISCNT	FEB 24 17	11,000,000	10,943,460.00	0.88%
ZEUS REC TRUST D/N	DISCNT	JAN 04 17	11,575,000	11,516,893.50	0.93%
ZEUS REC TRUST D/N	DISCNT	JAN 10 17	4,000,000	3,980,040.00	0.32%

SHORT TERM TOTAL
1,134,511,489.09 **91.26%**
BONDS

ISSUER	ISSUE	MATURITY DATE	HOLDINGS	MARKET VALUE	MKT % PORT
BANK OF MONTREAL FRN	FLTG	JUN 09 17	12,500,000	12,506,250.00	1.01%
BANK OF N.S. FRN	FLTG	OCT 11 17	13,250,000	13,259,275.00	1.07%
BANK OF NOVA SCOTIA	4.100	JUN 08 17	14,200,000	14,389,592.72	1.16%
CIBC	2.350	OCT 18 17	13,500,000	13,633,982.91	1.10%
CIBC FRN	FLTG	MAR 08 17	12,500,000	12,504,375.00	1.01%
HSBC BANK OF CDA FRN	FLTG	APR 28 17	11,000,000	11,011,330.00	0.89%
HYDRO ONE	5.180	OCT 18 17	11,500,000	11,869,820.45	0.95%
NATIONAL BANK FRN	FLTG	JUN 14 17	9,500,000	9,503,325.00	0.76%
ROYAL BANK FRN	FLTG	AUG 04 17	10,000,000	10,005,000.00	0.80%

BONDS TOTAL
108,682,951.08 **8.74%**
PORTFOLIO TOTALS IN CANADIAN DOLLARS
1,243,194,440.17 **100.00%**
TOTAL INCLUDING ACCRUED INTEREST
1,243,194,440.17

FNFA Staff



Ernie Daniels | CPA, CAFM | PRESIDENT/CEO

As a First Nations CPA and a CAFM, Ernie is well equipped to navigate the organization and execute its mandate. As President /CEO he has been delegated the authority by the Board of Directors to manage the business affairs of the FNFA. Previous roles include President/COO of the Aboriginal Financial Officers Association of Canada and Director of Assessment and Finance Operations at the Aboriginal Healing Foundation. Ernie has a lifetime of experience with Aboriginal development corporations and non-profit organizations in leadership and management positions. He is a recipient of the AFOA-Xerox Excellence in Aboriginal Leadership Award. Ernie is a member of the Salt River First Nation in the Northwest Territories.



Steve Berna | CHIEF OPERATING OFFICER

As COO, Steve is responsible for operating the loan programs of the FNFA, as well as managing the rating agency and banking syndicate relationships that lead to debenture issuances. Steve also manages FNFA's internal investment portfolios.

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



Rachel McAllister | CPA, CA - FINANCE OFFICER

Rachel joined the FNFA team in 2016, accepting the challenge of managing the financial operations of a national non-profit organization. Rachel is a Chartered Professional Accountant (CPA, CA) obtaining her experience in public practice as an Assurance Manager at KPMG. In her prior role, she worked with clients from different industries/segments, including First Nations and First Nations organizations. She also enjoys mentoring aspiring CPAs, helping them foster new skills and grow in their careers.



Pam Severson | CLIENT SERVICES COORDINATOR/CORPORATE CLERK

As Client Services Coordinator, Pam works very closely with the First Nations to assist them through the FNFA Membership and Borrowing processes.

As Corporate Clerk, Pam is responsible to the Board of Directors, Committees and Senior Management for organizing and managing activities and records.

Pam has been with the FNFA since it started in the mid 1990's.



Jo-Ann Derrickson | CLIENT SERVICES COORDINATOR

As Client Services Coordinator, Jo-Ann works very closely with the First Nations to assist them through the FNFA Membership and Borrowing processes. Her knowledge and experience in the area of First Nations business administration and governance provides an extensive skill set in leadership, managing both people and systems with a strong focus on organizational excellence.

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



Frank Busch | DIRECTOR OF INFORMATION AND MARKETING

As Director of Information and Marketing, Frank is responsible for building and maintaining relationships with First Nations and providing information to First Nation Councils, Finance Staff and Members that increases awareness of the FNFA Financing, Investment and Advisory Services.

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



Shannon Jenner | ADMINISTRATIVE ASSISTANT

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

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



Stephen Blancher | SYSTEMS ANALYST

As Systems Analyst, Stephen monitors and manages many aspects of the FNFA's information technology systems. He performs various tasks under a multitude of studies which include Linux Administration, Oracle Database Administration, Application Development, and offers expert IT advice and troubleshooting.

Hailing from Prince Albert, SK, Stephen moved to the beautiful Kelowna, BC ten years ago. He graduated high school and quickly went on to post-secondary at Okanagan College. Obtaining his Bachelor's Degree in 2014, Stephen is fresh out of the oven with a vast set of skills and expertise under his belt.





202-3500 Carrington Road
Westbank, British Columbia V4T 3C1

OFFICE HOURS
8:00am-4:30pm
Monday to Friday

Telephone 250-768-5253
Fax 250-768-5258
Toll Free 866-575-3632
www.fnfa.ca

EMAIL CONTACTS

Senior Management

Ernie Daniels, President/CEO
edaniels@fnfa.ca

Steve Berna, COO
sberna@fnfa.ca

GENERAL INQUIRIES
info@fnfa.ca

INDEPENDENT AUDITORS
KPMG LLP, Kelowna, BC



FNFA 

FIRST NATIONS FINANCE AUTHORITY

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