

2024 2025

ANNUAL REPORT

*Providing
support,
Creating
opportunities...*



COVER ART

About the Artist

Alanah Astehtsi' Otsistóhkwa' (Morningstar) Jewell is a passionate, proud, and self-taught Indigenous artist. She is Bear Clan from Oneida Nation of the Thames, grew up off-reserve and currently lives in Kitchener, Ontario. She specializes in digital illustration, acrylic and oil paintings and murals, but also loves practicing beadwork, stained glass and 2D sculpture. She finds inspiration in the natural world, in cultural teachings and ways of being, and in the small moments that make us human.

Outside of creating, she organizes local Indigenous Art Markets through a community of artists called I Am Kitchener, and co-founded Kalihwiyo Market, a pop-up store that featured the works of over 35 Indigenous artisans. At the heart of her work is her passion to support, inspire, and provide opportunity to other Indigenous artists.

Morningstar has been a full-time practicing artist for over five years. In that time, she has collaborated with global organizations and brands, including Facebook, Instagram, Google, Aritzia, Roots, and Disney. Many of her collaborations have involved uplifting Indigenous people during Native American Heritage Month (U.S.) and Indigenous Peoples History Month, as well as International Women's Day, Missing and Murdered Indigenous Women and Girls Awareness Day, and Orange Shirt Day. Much of her work has been centred on advocacy and activism; through this, she has proudly represented Indigenous people through her art.

About the Painting

"**Revival**" is a visual representation of our ancestors coming back to reclaim and awaken our territories, and instill care and stewardship for the land and waters in our younger generations. It's about encouraging all of Creation to walk the path we are meant to, allowing for the land to live in harmony. The people depend on the birds for sustenance, the birds depend on the fish, the fish depend on the water, and the waters depend on the people: it all comes full circle.



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INTRODUCTION

The First Nations Financial Management Board's (FMB) Annual Report shares our work and impacts in service to First Nations from April 1, 2024, to March 31, 2025. It reflects our commitment to transparency and accountability by sharing details of our operations, activities, and careful management of financial resources over the fiscal year.

One of many highlights of FMB's achievements in 2024–2025 is the development of a new five-year strategic plan. This plan will shape our service to First Nations from 2025–2030, with a focus on adaptability and responsiveness during changing times. From advancing our mandate under the *First Nations Fiscal Management Act* (FMA) to the dedicated

efforts of our Board of Directors and Senior Leadership Team, every initiative has been driven by our shared commitment to serving First Nations. Detailed insights into our business lines and key projects, such as Default Management and the work with the Atlantic First Nations Water Authority (AFNWA), highlight how we continue to lead the way in fostering sustainable solutions.

The FMB has adopted an abbreviated format for our Annual Report this year, one that continues to meet all reporting requirements under the FMA. A more comprehensive overview of our teams and operations – along with our vision for the future – is available in the annual Corporate Plan.

Staff from the FMA institutions and Lands Advisory Board gathered together ahead of the First Nations Leading the Way conference, held in Edmonton on November 26-28, 2024.



Message from Harold Calla, Executive Chair

The FMB continues to respond to the growing demand for our services and programs from First Nations and Indigenous not-for-profit organizations (NPOs). Increasing requests for support reflect the growing awareness of the success of Nations working with the FMB and the other FMA institutions to advance their economic development and financial administration goals. Sixty-five percent of *Indian Act* First Nations are now scheduled to the FMA.

Our success over the past fiscal year, as highlighted in this report, stems from our commitment to listening and responding to First Nations’ needs. Community leaders have shared with us the challenges they face and the progress they’ve made by working with the FMB. Increasingly, their success stories are attracting the attention of potential partners for development projects. Chief Ted Williams shared the Chippewas of Rama First Nation’s success story in London, England, during the 2025 Canadian Indigenous Investment Summit. He told investors that the success they’ve achieved in recent years would not have been possible without “getting our financial house in order through working with the FMB.” He encouraged other First Nations to take

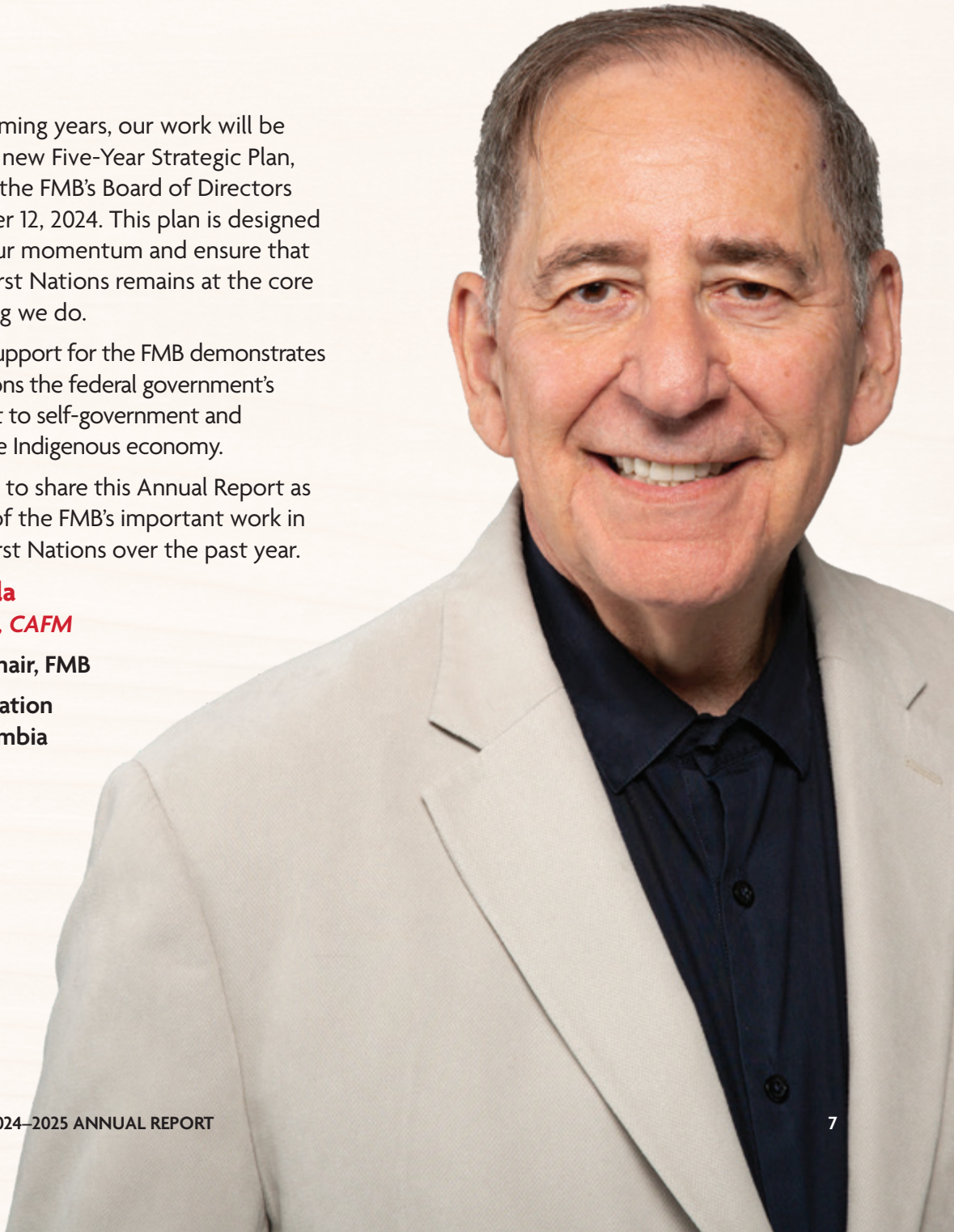
this pathway to building prosperity, noting that “getting your finances in order will attract new opportunities.” Among other business developments, the Nation owns and operates Ojibway Bay Marina, Rama Country Market, a gas station, shops within the Casino Rama complex, and a strip mall. An impactful opportunity for listening and sharing took place at the annual *First Nations Leading the Way* (FNLTW) conference in Edmonton. Now one of the largest gatherings of First Nations leaders in Canada, FNLTW is an opportunity for the FMA institutions to engage with rightsholders, identify emerging issues, and get feedback on new or proposed programs and services. It’s a time and place where First Nations leaders share their appreciation for the work we do in pursuing and unlocking new opportunities in economic development. The work is recognized as important undertakings to which Nations do not, on their own, have ample time to dedicate. Listening to Nations needs is also how the RoadMap Project came about. Key elements of RoadMap – a proposed, optional framework to better support Nations in building prosperity – are highlighted in this report. In 2024–2025,

we continued to engage with First Nations across Canada about RoadMap through a series of workshops and presentations in the RoadMap Roadshow. We continue to collaborate with Canada and interested international parties on the investments needed and opportunities available in the Indigenous economy. With the current pressing need to diversify the Canadian economy and leverage natural resource developments to drive growth and prosperity, there are new opportunities on the horizon for First Nations. The FMB’s programs and services can support Nations in developing the capacity needed to properly review project proposals and give free, prior, and informed consent where warranted. Meeting the growing demand for the FMB’s programs and services has, to date, been supported through short-term funding arrangements, while the needs – from both First Nations and Canada – call for stable, long-term funding. In 2024–2025 we continued to work with our partners at Indigenous Services Canada (ISC) and Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) to secure new federal funding arrangements, including a permanent, sustained increase in A-Base funding to provide more stability in the long

term. The government recognizes both the value of our work and the urgency of the FMB’s funding situation. We will continue working with our government partners to bring stability to our funding arrangement, enabling the FMB to continue meeting the needs of First Nations in the years ahead. The success of the FMB is a credit to the hard work of the Nations we serve, our talented team of staff across the country – now 134 strong – and our dedicated Board of Directors. In 2024–2025 we welcomed three new Directors: Derek Archibald, Deputy Chief at Taykwa Tagamou Nation; Crystal Laborero from Sapotaweyak Cree Nation; and Helen Bobiwash from Thessalon First Nation. The achievements of the FMA and the FMB demonstrates the value and impact of Indigenous-led institutions in addressing specific needs, such as the remaining gap in access to financing. Future success in advancing economic reconciliation will be dependent, in part, on First Nations and Canada continuing to develop self-government through Indigenous-led institutions. The FMB and our sister FMA institutions have shown the way forward.

Over the coming years, our work will be shaped by a new Five-Year Strategic Plan, adopted by the FMB’s Board of Directors on December 12, 2024. This plan is designed to sustain our momentum and ensure that service to First Nations remains at the core of everything we do. Continued support for the FMB demonstrates to First Nations the federal government’s commitment to self-government and unlocking the Indigenous economy. I am pleased to share this Annual Report as a summary of the FMB’s important work in service to First Nations over the past year.

Harold Calla
FCPA, FCGA, CAFM
Executive Chair, FMB
Squamish Nation
British Columbia



Message from Scott Munro, Chief Executive Officer

First Nations across Canada continue to get results in their journeys toward economic self-determination through working with the FMB. In 2024–2025, eight Nations achieved the FMB’s Financial Management System (FMS) Certification, 15 achieved Financial Performance (FP) Certification, and 20 developed and adopted a Financial Administration Law (FAL). These are among the key milestone achievements that we are pleased to share in this year’s Annual Report.

Goals achieved by FMB staff over the past fiscal year increased our capacity and effectiveness in responding to the needs of First Nations. While our ability to meet Nations’ growing demands in the future will require the funding changes necessary to provide stability and enable long-term planning, I am proud of what our team has accomplished with temporary funding measures to address increased requests for support.

The FMB’s staff has grown from 122 in 2023–2024 to 134 at the end of the 2024–2025 fiscal year in response to growing demand for our programs and services from both First Nations and Canada.

Our priority work remains our core services, including engaging with Nations considering working with FMA institutions and establishing their FAL, Capacity Development, Support Services, financial certifications, and determining eligibility for the New Fiscal Relationship (NFR) Grant. These foundational services and supports open new pathways to prosperity for Nations.

Over the past year we have made important progress in working with Nations and other partners to address emerging issues. This includes our continuing work to understand the challenges some First Nations face in issuing timely audited financial statements and collaborating on solutions. We undertook a significant research project to identify and explore the various reasons behind these delays, and develop potential solutions. From these findings and insights, an action plan is in development.

We worked with other national Indigenous organizations (NIOs) to advance our proposal for an Indigenous Development Finance Organization (IDFO). The IDFO would help close financing gaps faced by Indigenous governments, businesses,

and entrepreneurs – thereby supporting Indigenous participation in major projects as equity partners.

The FMB’s proposal for the establishment of an Indigenous Investment Commission (IIC) is also progressing. As a new Indigenous-led institution, the IIC would provide asset management services to Indigenous governments, organizations, and trusts. The goal is to achieve higher returns and lower management fees, as well as investing back into Indigenous communities, businesses, and Indigenous-led projects.

The FMB works consistently to improve our operations to achieve the greatest impact and efficiencies in serving First Nations. Over the past year, this work included the successful transition from separate human resources and payroll systems to a single, integrated Human Capital Management system.

Our Corporate Services team continued to align our internal financial management practices with the same high standards the FMB sets for First Nations and Indigenous not-for-profit organizations. This process led to the adoption of several new finance

policies by our Board of Directors. The IT unit achieved significant advancements towards our long-term IT strategy, which is focused on cybersecurity and enhancing core systems.

Collaboration with other NIOs is central to our efforts to secure new opportunities in economic self-determination for First Nations. In 2024–2025, we worked with partners to establish the Indigenous Economic Council (IEC) to help streamline institutional supports and unify our advocacy efforts for policy reform. The IEC group hosted a national First Nations Economic Forum in May 2024 and developed an Economic Reconciliation Framework based on the feedback of participants.

We also continued our active participation in joint discussions with ISC and the Assembly of First Nations (AFN) at the NFR consultative tables.

We remained active in our advocacy around corporate standards setting this past year, working to ensure that regulatory bodies embed Indigenous factors in new reporting standards.

Over the coming years, the FMB’s work will be guided by our new **Five-year Strategic Plan**. Adopted by our Board of Directors in December, 2024, the strategic plan builds on the momentum of fiscal 2024–2025, centring everything we do in our service to First Nations.

Scott Munro
FCPA, FCA, CAFM
Chief Executive Officer, FMB
Kaska Dena
Yukon Territory



THE FMA AND THE FMB

First Nations Fiscal Management Act

The FMA is federal legislation outside of the *Indian Act* that provides an optional pathway for First Nations to enhance their social and economic development. The FMA established and provides legislated authority for four First Nations-led institutions offering complementary services and support to interested First Nations and other related entities:

The **FMB** supports First Nations and certain not-for-profit Indigenous organizations in developing and being certified for high standards of financial management and accountability.

The **First Nations Finance Authority (FNFA)** provides First Nations with access to borrowing to advance their social and economic development objectives and priorities.

The **First Nations Tax Commission (FNTC)** enables First Nations to collect property and other taxes for community development and services.

The **First Nations Infrastructure Institute (FNII)** supports Indigenous communities and organizations to plan, procure, own, and manage their infrastructure assets on their lands.

The FMB’s Role Under the FMA

Upon request, the FMB supports First Nations and other Indigenous entities to establish and implement their own financial administration laws and strengthen their financial management capabilities, procedures, and practices in line with standards established by the FMB. This enables a participating First Nation to demonstrate to its citizens, prospective lenders, investment partners, and others its commitment to transparency, accountability, and strong governance throughout its financial management

systems. With FMB certification of its financial performance, a First Nation can, through the FNFA, leverage financing on terms similar to those available to other levels of government in Canada.

The FMB’s certification of First Nations, whether at the FP or FMS level, also gives a First Nation’s citizens and partners confidence that the Nation is well-run, transparent, and accountable. These certifications are based on international finance and governance standards and adapted to meet the needs of First Nations.



Mandate

The FMA sets out the broad powers, duties, and functions of the FMB, within which the FMB plans, designs, and delivers its programs and services in support of First Nations wishing to participate.

Under Parts 3 and 6 of the FMA, the FMB operates as a national, not-for-profit shared governance institution. The FMA establishes an arm's length relationship between the FMB and the federal government. Accordingly, the FMB is not an agent of the Crown. It has the capacity, rights, powers, and privileges of a natural person. More specifically, the FMA establishes the following mandate for the FMB:

- Assist First Nations and other specified Indigenous entities in:
 - developing the capacity to meet their financial management requirements;
 - developing and implementing laws and by-laws respecting financial administration;
 - their dealings with different levels of governments respecting financial management, including matters of accountability and shared fiscal responsibility; and

- the development, implementation, and improvement of financial relationships with financial institutions, business partners, and different levels of governments to enable the economic and social development of First Nations and those other entities.
- Develop and support the application of general credit rating criteria to First Nations.
- Provide review and audit services respecting First Nations financial management.
- Provide assessment and certification services respecting First Nations financial management and financial performance.
- Provide monitoring and reporting services respecting financial management systems and financial performance.
- Provide First Nations and other specified Indigenous entities with monitoring and reporting services respecting the implementation of laws and by-laws respecting financial

- administration and the compliance of those laws and by-laws with applicable standards.
- Provide services respecting the co-management and third-party management of local revenues and other revenues.
- Provide advice, policy research and review, and evaluative services on the development of fiscal arrangements between different levels of governments and First Nations, as well as on the development of fiscal arrangements between different levels of governments and other specified entities.
- Develop, implement, test, and evaluate, as well as conduct research with respect to proposals and pilot projects related to the purposes set out in the other paragraphs of this section.
- Assist First Nations, other specified Indigenous entities, other levels of government, and public and private organizations in the development and implementation of fiscal and economic proposals that contribute to responding to the Truth and

- Reconciliation Commission of Canada's Calls to Action and to implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).
- Collect data, publish statistical information, and conduct research and analysis on matters related to the purposes set out in the Act.

Working with the FMB is optional for interested First Nations and other eligible Indigenous organizations across Canada, and the FMB provides its financial management, capacity-building, and certification services at no charge to all participating First Nations.

The FMB's services are funded by the Government of Canada through annual A-Base funding arrangements for ongoing core operations, as well as funding provided for proposal-based initiatives in support of communities the FMB serves.

The FMB is headquartered on Squamish Nation reserve land in West Vancouver and has offices in Winnipeg, Ottawa, and Montréal.



Executive Chair Harold Calla speaks at the First Nations Economic Forum in Winnipeg on May 13, 2024.

Vision, Mission, and Values

Vision

Empowering Economic Self-Determination for all First Nations.

Mission

Driving economic reconciliation at the request of First Nations through strong financial governance standards, reporting, capacity-building, and the development of innovative solutions for economic inclusion through:

-  Fiscal relationships
-  Strategic partnerships
-  Evidence-based solutions

Values

The FMB is a First Nations-led organization. The following core values guide the way the FMB carries out its work.

Integrity

We honour our commitments, our Indigenous values, and our teachings.

Collaboration

We work together as a team and with partners to advance shared objectives.

Responsiveness

We are timely in our response to the requests and needs of our First Nations clients and colleagues.

Innovation

We develop and implement practical solutions.



Board of Directors

The Board of Directors is comprised of no fewer than nine and no more than 13 members from across Canada, including a Chairperson and a Vice Chairperson. The Governor in Council (GIC), on the recommendation of the Minister of Crown-Indigenous Relations, appoints the Chairperson and a minimum of five and up to nine other Directors. AFOA Canada appoints up to three additional Directors.

The 13 Board members plus Elder Advisor at time of writing are:

Harold Calla

Executive Chair
GIC Re-Appointment
British Columbia
November 30, 2027

Dillon Johnson

Vice-Chair
GIC Re-Appointment
British Columbia
October 16, 2026

Derek Archibald

AFOA Appointment
Ontario
February 25, 2030

Kelly Ballard

AFOA Appointment
British Columbia
June 30, 2027

Helen Bobiwash

GIC Appointment
Ontario
December 16, 2028

Caroline Davis

GIC Re-Appointment
Ontario
March 24, 2030

Norm Grdina

GIC Re-Appointment
British Columbia
March 21, 2026

Crystal Laborero

GIC Appointment
Manitoba
April 11, 2029

Mike McIntyre

GIC Appointment
Nova Scotia
January 24, 2029

Deanna Muise

GIC Re-Appointment
Alberta
August 27, 2026

Paul Rochon

GIC Appointment
Ontario
January 24, 2029

Katherine Stevens

AFOA Appointment
British Columbia
June 30, 2027

Jean Vincent

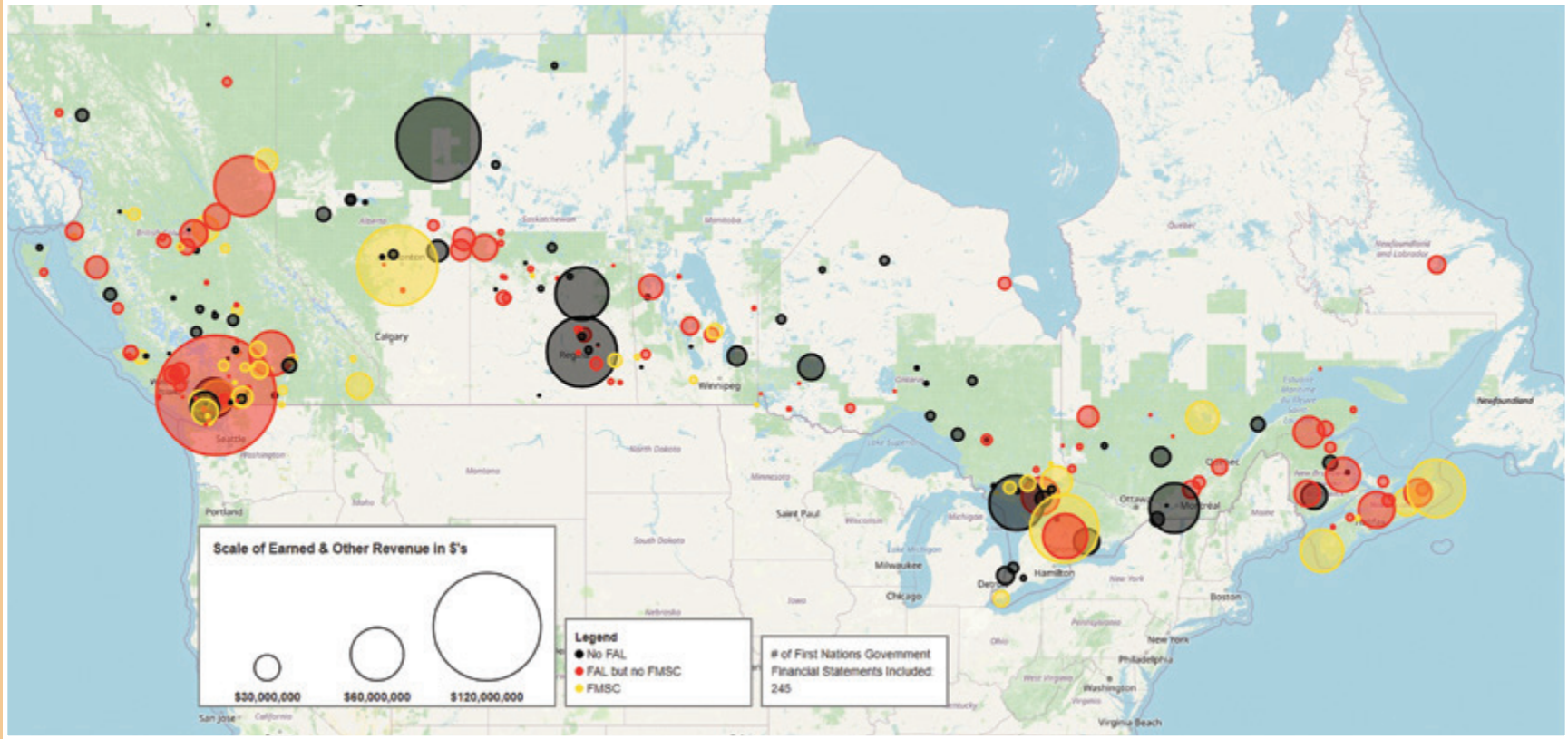
GIC Appointment
Québec
January 24, 2029

Leonard Odjick

Elder Advisor
Québec

First Nations Success

FIGURE 1: Earned and Other Revenue of First Nations Governments, Categorized by FMB Status, 2024



Data show that First Nations working with the FMB to adopt a FAL and achieve financial certifications achieve and maintain higher levels of earned and other revenues than Nations with no FAL. The higher the level of achievement through the FMB, with FMS Certification as the highest achievement, the greater the level of revenues.

NEW FIVE-YEAR STRATEGIC PLAN

To guide our work in the next several years, the FMB's Board of Directors and management team developed a new strategic plan in the fall of 2024. This is intended to be a way of ensuring that our work over the coming years continues to be responsive to First Nations' needs and new realities. It also reflects our commitment to continuous improvement within the FMB.

The Five-year Strategic Plan reflects our commitment to listening to First Nations' needs, responding with the appropriate supports, and expanding our services and reach as required to better serve Nations.

The first priority of the strategic plan is building and nurturing strong relationships. This includes enhancing the value we provide to clients, turning data into insights and action, and ensuring we meet the needs of all clients.

Our second priority is supporting economic self-determination. We will continue to provide supports that prepare First Nations for economic self-determination and administrative governance excellence. This means innovating to provide creative and effective financial governance solutions to First Nations. It reflects our commitment to ensuring that FMS Certification provides the best value to participating Nations and supporting Indigenous not-for-profit organizations that advance First Nations' economic self-determination.

Our third strategic priority is fundamental to everything we do: collaboration. It's by working with others that we can make positive change happen. Under this priority, we commit to the development of the IEC to help address needs and streamline supports in economic development. We also commit to developing and maintaining good relationships with other

FMA institutions and national Indigenous organizations to better meet the needs of First Nations.

We will continue to advocate for a transfer of responsibilities from ISC and CIRNAC to First Nation governments and support the success of the NFR table between Canada and the AFN.

We will also advance our work with standard-setting organizations and bodies in advocating for Indigenous interests to be reflected in new standards for corporations.

Our commitment to innovation and operational excellence, as our fourth priority, reflects our ongoing work to strengthen our internal capacity, accountability, and effectiveness in serving Nations. This means we will plan well around the use of our resources and improve internal communications to build success in all areas of our work. We

will support staff from recruitment to retirement, ensuring high performance, role clarity, and values alignment.

We have already started the process of completing our own internal FMS Certification, and we will soon complete and implement a new IT Strategy.

Finally, our fifth priority is about credibility and integrity. The credibility and integrity we have as an Indigenous-led institution is vital to our work; we are committed to maintaining and strengthening both.

We will work with others to give visibility to Indigenous rights within regulatory, economic, and financial systems and markets. In human resources, we will recruit and retain more Indigenous employees for leadership and client-facing roles.

We will always respect, communicate, and operationalize Indigenous values.



2024–2025 ACHIEVEMENTS

The FMB achieved impressive results in 2024–2025 – working in partnership with First Nations, Indigenous NPOs, and NIOs to advance economic self-determination.

Highlights include the launch of engagement and services with our new client segment (Indigenous not-for-profit organizations); the biggest-ever FNLTW conference; and client workshops across the country. Operationally, we made important improvements in IT cybersecurity and our payroll system.

We continue to focus on capacity building in the Nations we serve, which is increasingly important to equip Nations to respond to new opportunities in our changing economy. The FMB also continues to

lead efforts with First Nations and other partners in understanding and addressing emerging issues facing First Nations, including delays in issuing audited financial statements.

Work advancing our proposal for an IDFO ramped up over the past year. We are pleased that the FNFA and the National Aboriginal Capital Corporations Association (NACCA) are on our steering committee for this project, with the First Nations Major Projects Coalition (FNMPC) providing invaluable support. All organizations involved are looking to address the challenges that many First Nations governments and First Nations-owned businesses face in accessing risk capital at affordable rates.

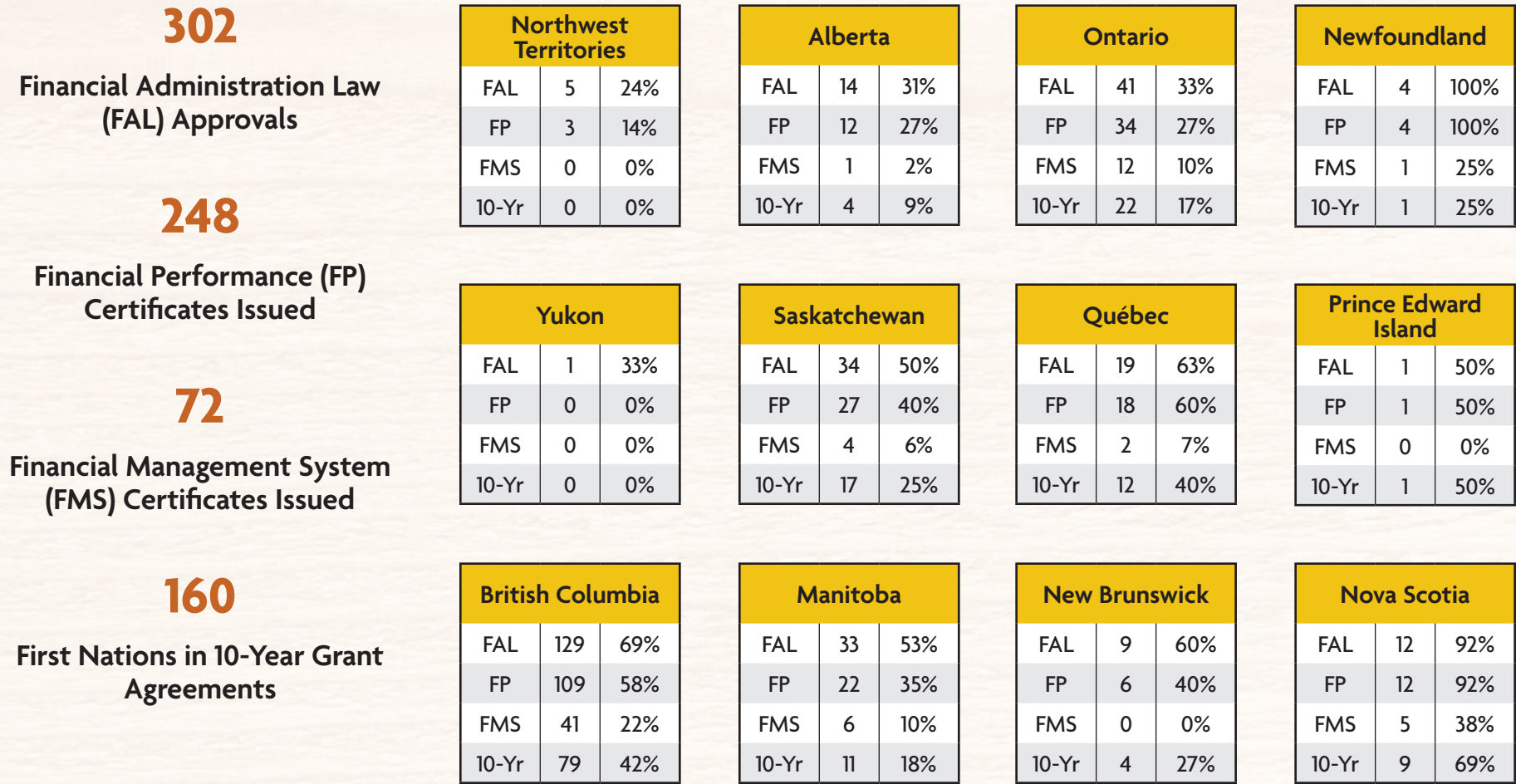


Harold Calla with Maureen Thomas, FMB's Manager, Corporate Services and ATIP Coordinator, at a gathering in the FMB's West Vancouver office celebrating her receipt of the King Charles III Coronation Medal.

FMB's Milestone Achievements as of 2024–2025

A growing number of First Nations have achieved FALs, FMB certifications, and 10-year grants to advance their economic development goals.

FIGURE 2: First Nations in Canada Scheduled Under the FMA as a % of Eligible Indian Act First Nations in Canada, Cumulative, 2007–2008 to 2024–2025 (as of March 31, 2025)



The FMB's Senior Leadership Team came together for a Strategic Planning Session in Vancouver on September 17-18, 2024.

Ongoing Programs and Services

Indigenous Engagement, Laws, and Relations

Shayla Point, BA, LL.B, MBA

Director, Indigenous Engagement, Laws, and Relations

Musqueam
British Columbia

The Indigenous Engagement, Laws, and Relations (IELR) team plays a vital role in supporting and engaging with First Nations across Canada. The team's primary focus is to:

- 👥 raise awareness about the nature and benefits of becoming a scheduled First Nation under the FMA; and
- 👥 provide detailed information, operational guidance, and support for the development of key legal and financial instruments, including FALs, Financial Administration By-laws (FABs), and Inherent Right laws, where applicable.

IELR works closely with participating First Nations to review and assess FALs for compliance, offering legal opinions and recommendations to the FMB. Where relevant, the team also provides FAB compliance opinions for ministerial consideration and approval.

Following the 2023 amendments to the FMA, which expanded the FMB's mandate, IELR has broadened its outreach and support to include new client segments such as tribal councils and health authorities. This includes assisting them in meeting eligibility requirements under ISC's NFR initiative.

Through its collaborative and informed approach, the IELR team helps strengthen Indigenous governance and fiscal autonomy by promoting sound finance and administrative governance frameworks.

ACHIEVEMENTS IN 2024–2025 INCLUDE:

- ✓ 11 First Nations opted into the FMA, for a total of 376 participating – about 65% of all *Indian Act* First Nations.
- ✓ 16 First Nations became new clients by signing a Letter of Cooperation and their Band Council Resolution to kick-off the process of developing their FAL.
- ✓ 129 virtual or in-person presentations to First Nations were held across Canada.
- ✓ 35 virtual or in-person presentations were made to Tribal Councils and Health Authorities.
- ✓ 20 First Nations developed their FAL.
- ✓ 13 First Nations updated their existing FAL to meet the FMB's standards in preparation for FMS Certification.



Members of the IELR team took part in team-building and training sessions held in Vancouver on February 11, 2025.

FIGURE 3: First Nations in Canada Scheduled Under the FMA as a % of Eligible Indian Act First Nations in Canada, Cumulative, 2007–2008 to 2024–2025 (as of March 31, 2025)

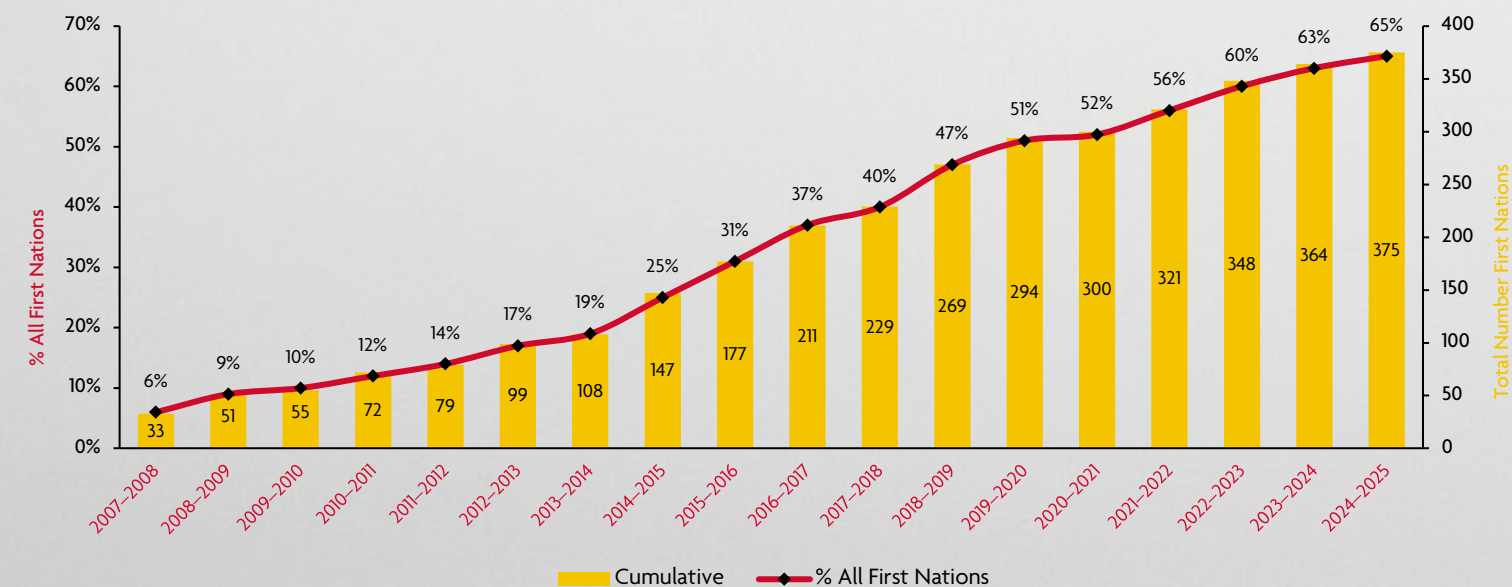
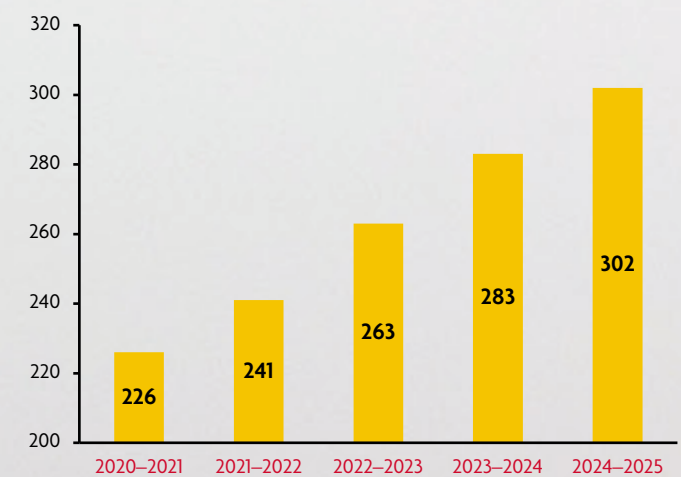


FIGURE 4: FAL Approvals – Most Recent Five Years, Cumulative, as of 2024–2025



Capacity Development

Melanie Assiniwe, FCPA, FCA
Director, Capacity Development, Intervention and Prevention
Wiikwemkoong First Nation
Ontario

For First Nations pursuing FMS Certification, the FMB's Capacity Development (CD) team provides capacity-building assistance and support in the form of special tools, services, training, and guidance. These supports are designed to encourage, equip, and enable First Nations to establish strong financial management capacities, processes, and practices that meet FMB-established standards. The FMB's CD team also assists First Nations to get out and stay out of default management. The team also maintains capacity, procedures, and readiness to intervene when required under the FMA in response to adverse financial management situations facing participating First Nations.

ACHIEVEMENTS IN 2024–2025 INCLUDE:

- ✓ 1326 CD workshops were delivered in community and during various in-person regional workshops.
- ✓ 10 First Nations transitioned from capacity development to preparation for the FMS Certification review process.
- ✓ The CD team hosted two dynamic Thriving Nations workshops as a platform for clients who have demonstrated commitment to their FMS Certification journey. This is a space where they can connect, share their experiences, and learn about the successes of other Nations who have already completed this process. More than 48 participants from 19 Nations took part in the Toronto event, and more than 37 participants from 24 Nations participated in the Vancouver workshop.

Figure 5: CDI Workshops Delivered by Client Type, 2024–2025

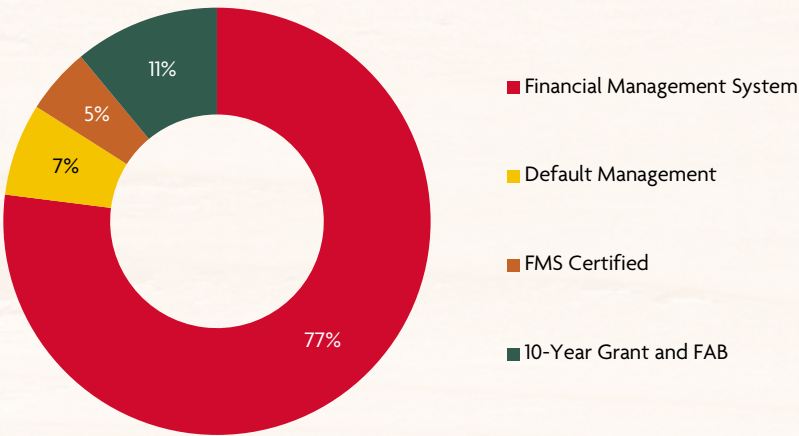


Figure 6: CDI Workshops Delivered by Subject Matter, 2024–2025

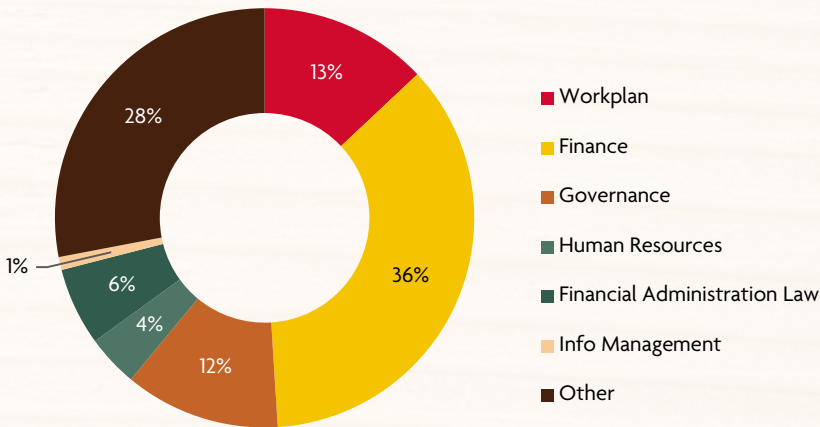


Figure 7: CDI Workshops Delivered by Workshop, 2024–2025

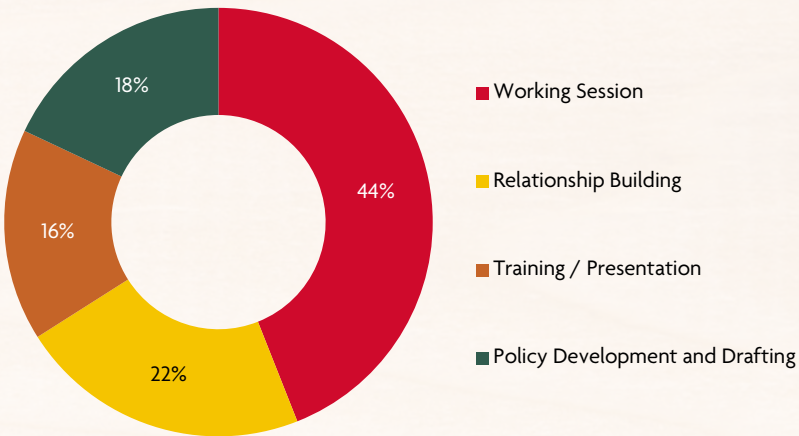
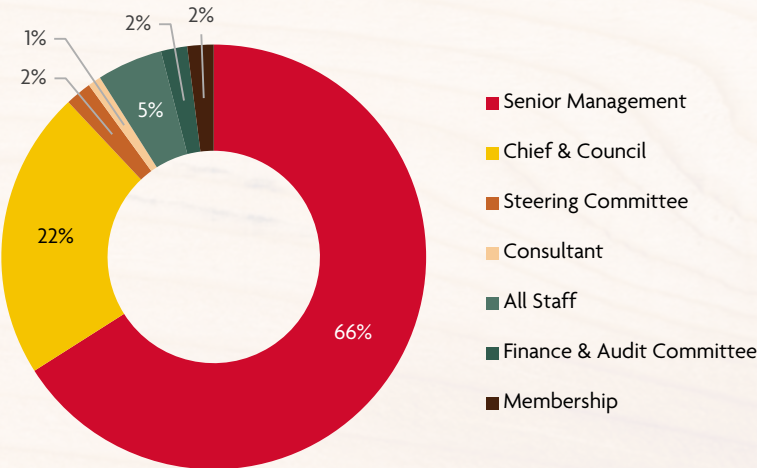


Figure 8: CDI Workshops Delivered by Target Audience, 2024–2025





Members of the FMB team visited the Xa'xtsa (Douglas First Nation) Band Office while filming a testimonial video on March 14, 2025.

FMS Support Services

In 2023, we launched our innovative FMS Support Services pilot project (formerly known as Shared Services) which has already delivered significant results. To date, three First Nations have successfully graduated from the program, with two achieving FMS Certification. Our services have expanded to support 44 First Nations governments, with seven Nations in the onboarding process.

Our unique approach integrates remote accounting support with a focus on training and capacity development in areas such as accounts payable, accounts receivable, budgeting, payroll, and financial reporting. We walk the path between Indigenous ways of doing and modern financial management. This dual focus is showcased in our guiding principles of ‘Building Excellence and Actioning Resilience.’

Unlike traditional consultants who offer short-term fixes, our Indigenous-led model is focused on delivering sustainable, community-driven change. Our approach is rooted in continuous improvement and long-term capacity development within communities. The foundation of our service delivery lies in a structured, culturally safe process that ensures both high-quality support and meaningful relationship-building.

With over 8,600 interactions with our clients – through meetings, training, workshops, remote accounting, or on the ground support – our approach not only addresses immediate financial management needs, but also fosters lasting, community-enhancing relationships that support long-term prosperity.

FIGURE 9: FMS Support Services Participation

	2022–2023	2023–2024	2024–2025
Number of participants	10	26	44
Total hours of support services	1,554	2,611	5,720
Total services to date	1,554	4,165	9,885

The FMB receives funding for the FMS Support Services initiative from the ISC NFR secretariat through annual proposal-based funding arrangements. During the 2024–2025 fiscal year, the FMB spent \$2.0 million on activities related to FMS Support Services. Travel to First Nations communities and the salaries and benefits of the FMB staff who provide support services directly to First Nations in the program combined represented nearly 90% of expenses. Funding was spent as shown in the figure below.

Expense Type	Amount, in millions
Salaries and Benefits	\$ 1.4
Travel	0.3
Operations and Professional Fees	0.3
Total	\$ 2.0

Default Management Prevention

The Default Management Prevention (DMP) Pilot Project has demonstrated its strength as a Nation-led model for financial recovery and long-term autonomy. Over the 2024–2025 fiscal year, the program reinforced its role as a cornerstone of the FMB’s strategy to advance Indigenous financial governance through culturally grounded, capacity-focused support.

Launched in 2016 and expanded through collaboration with ISC, DMP supports First Nations experiencing, or at risk of, financial default. Delivered through a rotational model, the initiative maintains consistent national coverage while welcoming new Nations as others exit. It combines mentorship, technical support, and leadership development within a framework grounded in respect, self-determination, and Indigenous knowledge systems.

2024–2025 FISCAL PERFORMANCE SUMMARY

During the 2024–2025 fiscal year, DMP facilitated 141 engagements across 40 First Nations. The program’s primary mode of delivery was through 101 working sessions – hands-on, community-specific engagements that build practical systems and governance tools. Additional activities included 19 training events, 17 relationship-building sessions, and four policy development sessions.

SUBJECT MATTER FOCUS

The areas of greatest focus included sessions in:

- Financial Management: 48
- Strategic Work Planning: 29
- Governance Support: 26

The FMB receives funding for the DMP initiative from the ISC’s NFR secretariat through annual proposal-based funding arrangements. During the 2024–2025 fiscal year, the FMB spent \$1.8 million on activities related to the DMP initiative. Travel to First Nations communities and the salaries and benefits of the FMB staff who provide capacity development services directly to First Nations in the program combined represented over 90% of expenses. Funding was spent as shown in the figure below.

Expense Type	Amount, in millions
Salaries and Benefits	\$ 1.5
Travel	0.2
Operations and Professional Fees	0.1
Total	\$ 1.8

Human resource development and FAL engagements accounted for nine sessions each. These focus areas reflect Nations’ priorities around fiscal stability, institutional strengthening, and sustainable workforce planning.

DMP engagement with Nations’ senior management was particularly strong, with 88 sessions highlighting the project’s emphasis on executive-level capacity development. Chiefs and Councils participated in 31 engagements, supporting community leadership involvement in financial and organizational decision-making. While engagement was broad-based, there were no sessions recorded with Finance and Audit Committees this year, highlighting an opportunity for future strategic alignment.

FIGURE 10: DMP Participation, 2024–2025

	2022–2023	2023–2024	2024–2025
Number of participants	20	21	40

PEOPLE AND CULTURE SUPPORT, AND CAPACITY SERVICES

Human Resource (HR) services, now reframed as People and Culture, were delivered through both the FMS Support Services and Default Management frameworks. These offerings included job description updates, strategic HR planning, performance management systems, and recruitment process support. Notably, the FMB’s approach remains advisory, deliberately avoiding administrative authority to preserve Nations’ autonomy. Two Capacity Development Managers were hired to enhance consistency, mentorship, and cultural safety in regional service delivery across Canada.

The 2024–2025 fiscal year has affirmed DMP’s value as a transformative model in Indigenous financial governance. Through targeted engagement, culturally respectful support, and strategic leadership involvement, the initiative has contributed to cleaner audits, improved internal systems, and empowered leadership across participating Nations. Beyond exiting default, communities are reclaiming their governance narratives and building pathways to self-reliance that reflect their unique cultures and aspirations. The FMB’s continued commitment to this work not only advances our mandate but serves as a tangible example of reconciliation in action.

DMP Survey

The FMB is preparing to launch a national community survey to better understand how First Nations define and experience the concept of “default” within financial and governance contexts. Guided by the principle of Etuaptmumk (Two-Eyed Seeing), the survey is being designed to respect and reflect Indigenous knowledge systems alongside Western governance frameworks. Its purpose is to gather diverse community voices that will directly shape the language, direction, and structure of future default prevention services.

The survey will explore how communities perceive the term “default,” the root causes of financial distress, and what culturally relevant supports could better serve First

Nations. A stratified sampling strategy will be used to ensure balanced representation across regions, community sizes, and default experiences. The FMB aims to engage approximately 250 Nations nationwide.

Insights from the survey will serve as the foundation for developing a new business plan for DMP. This plan will be community-informed and will include culturally grounded definitions of success, relational metrics (such as trust and community wellbeing), and co-developed tools and models. The final business plan will be presented to ISC and other stakeholders, advocating for a future model of default prevention that is Indigenous-led, strengths-based, and sustainable.



At the Thriving Nations Workshop in Richmond, B.C. on March 4-5, 2025, Chiefs and senior staff from First Nations across Western Canada shared their experiences obtaining FMB's FMS Certification and the successes they've achieved.

Standards and Certification

Natalia Valeev, CPA, CA
Director, Certification

Lee Fulla, CPA, CA
Director, Standards

The FMB's Standards and Certification (SAC) team develops and maintains standards of practice and related certification procedures and criteria for First Nations governments and Indigenous not-for-profit organizations. Meeting the FMB's standards is a requirement for receipt of FMB's FP and FMS certifications. The SAC team also provides support and compliance opinions for First Nations and not-for-profit organizations seeking eligibility for participation in ISC's NFR Grant program.

ACHIEVEMENTS IN 2024–2025 INCLUDE:

- ✓ 15 FP Certificates issued
- ✓ 8 FMS Certificates issued
- ✓ The first NPO Compliance Opinions on Part 1 and Part 2 of the Standards were issued to the AFNWA



FMB Clients that Achieved FMS Certification in 2024–2025

The process of achieving FMS Certification requires commitment, training, and often years of hard work. The FMB is pleased to acknowledge the hard work and dedication of the following First Nations governments that achieved FMS Certification in 2024–2025.

- ★ Bingwi Neyaashi Anishinaabek
- ★ Esquimalt Nation
- ★ Lake Babine Nation
- ★ Mississaugas of Scugog Island First Nation
- ★ High Bar First Nation
- ★ Pheasant Rump Nakota
- ★ Sipekne'katik
- ★ Tsawout First Nation

FIGURE 11: FP Certificates – Most Recent Five Years, Cumulative, as of 2024–2025

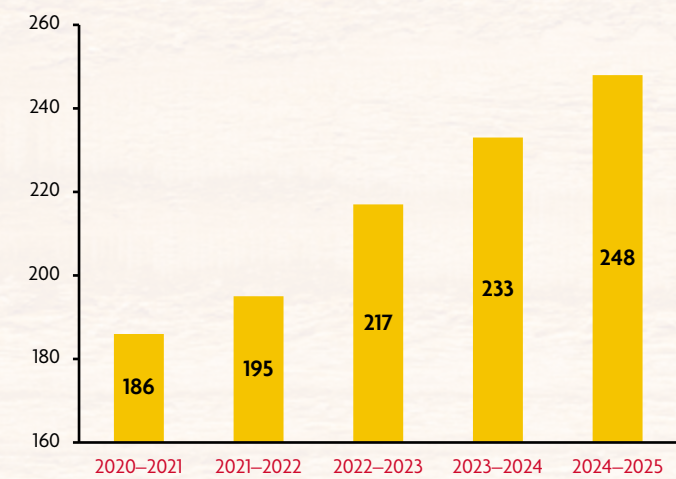


FIGURE 12: FMS Certificates – Most Recent Five Years, Cumulative, as of 2024–2025

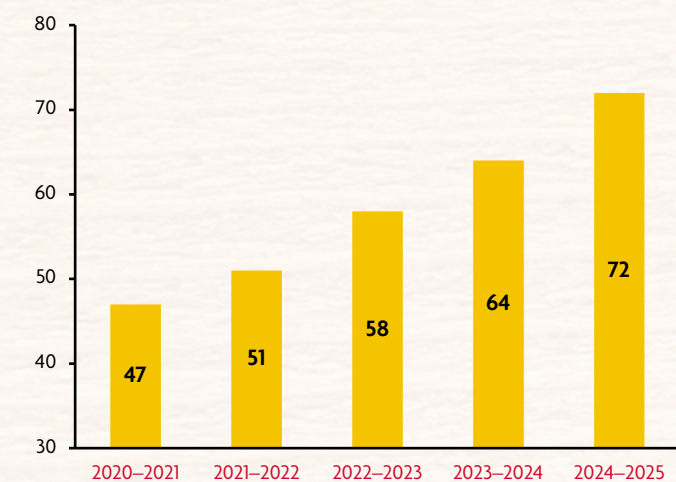
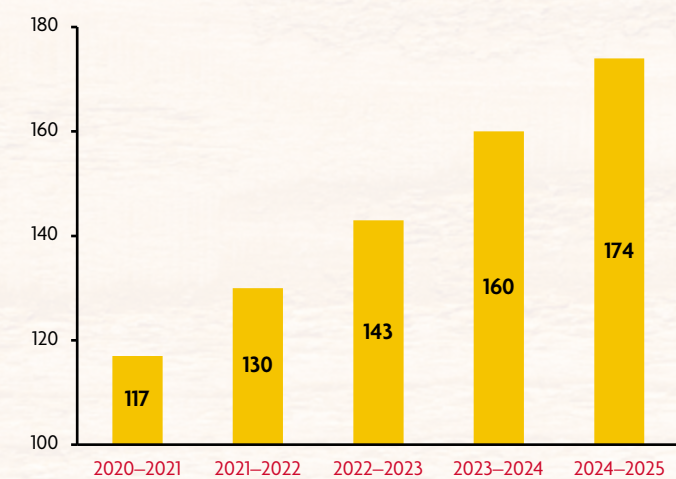


FIGURE 13: 10-Year Grant Agreements – Most Recent Five Years, Cumulative, as of 2024–2025



* 2024–2025 data is for First Nations for whom FAL and FP compliance opinions were issued. The number of First Nations who enter into a 10-Year Grant Agreement at April 1, 2025 is yet to be determined.

New Fiscal Relationship Grant

The NFR 10-year grant is a funding mechanism, co-developed by ISC and the AFN, that provides more flexibility and predictability in how a First Nations government uses its funding to address the Nation’s needs and priorities.

Most programs which provide core funding are covered under the grant. The NFR Grant allows First Nations to:

- better manage finances over a longer period to meet changing community needs,
- retain unspent funds (no clawbacks of surplus funds at year end),
- reduce the reporting burden, and
- permit easy transition to the FMA.

The FMB supports First Nations and Indigenous NPOs seeking participation in ISC’s NFR Grant program by providing:

- analysis, assessment, and provision of a legal and financial performance compliance opinion on the First Nations’ and organizations’ eligibility for participation in the program according to criteria established by Canada;
- follow-up, monitoring, and reporting; and
- capacity-development support for First Nations and organizations approved for participation in the program.

The FMB receives funding for the NFR Grant initiative from the ISC NFR secretariat through annual proposal-based funding arrangements. During the 2024–2025 fiscal year, the FMB spent \$3.3 million on activities related to the NFR Grant. Expenses this year included supporting the expansion of the NFR Grant to interested Tribal Councils and Health Authorities. Funding was spent as shown in the figure below.

Expense Type	Amount, in millions
Salaries and Benefits	\$ 2.4
Travel and Client Service Delivery	0.4
Operations, Professional Fees and Board Fees	0.5
Total	\$ 3.3

Expansion of NFR Grant to NPOs

The NFR 10-year Grant program was expanded for the year beginning April 1, 2025. This expansion made the funding agreements available to interested tribal councils and health authorities. The eligibility criteria for not-for-profit organizations are based on the FMB's Standards for Indigenous NPOs. The FMB issued Compliance Opinions for grant eligibility to 19 Tribal Councils and Health Authorities for the first year of the grant expansion.

Related to the NFR Grant, in 2024–2025 the SAC team:

- 👤 Provided 14 First Nations with compliance opinions
- 👤 Provided 19 Indigenous NPOs with compliance opinions
- 👤 Received 58 Expressions of Interest from First Nations
- 👤 Received 42 Expressions of Interest from NPOs

AFNWA Compliance Opinion

In December of 2024, the FMB issued its first Compliance Opinions on Part 1 and Part 2 of the Standards for Indigenous Not-for-Profit Organizations to the AFNWA. The AFNWA is the first Indigenous NPO in Canada to achieve compliance with the FMB's NPO Standards.

Pre-approved Training for Future CPAs

The SAC team continues to hold status as a pre-approved training office for future Chartered Professional Accountants (CPAs) in British Columbia and Ontario, and recently added pre-approved training office status with CPA Manitoba.

SAC continues to support our internal CPA candidates on their path towards becoming a CPA in a pre-determined and efficient manner. In addition, the team is working with various provincial bodies across the country to create awareness around encourage Indigenous candidates to pursue the CPA designation.



FMB team members connected with participants of the First Nations Economic Forum in May 2024 to discuss a shared vision of economic empowerment for First Nations communities.

Emerging Opportunities and External Engagement

Strategic Opportunities

Grant Christoff, LL.B, ICD.D, BComm

General Counsel and Director, Strategic Opportunities

Saulteau First Nation

British Columbia

Catherine Irwin-Gibson, BA, LL.B, MPA

Legal Counsel and Associate Director, Strategic Opportunities

The FMB's Strategic Opportunities (SO) team advocates for, and supports, the establishment of relationships between First Nations and financial institutions, business partners, and other governments based on effective and meaningful Indigenous-Crown principles. This includes advancing initiatives that explore and accelerate the responsible devolution of federal government services as well as the identification and initiation of new First Nations service organizations in support of identified community priorities. This is achieved in collaboration with ISC, CIRNAC, and other federal government departments.

With an all-of-FMB team effort, in-depth research was undertaken into the reasons behind the delay in audited financial statements being posted to the ISC website. Staff throughout the FMB connected with First Nations across the country to gather information about the reasons behind delays in preparing and issuing audited financial statements.



ACHIEVEMENTS IN 2024–2025 INCLUDE:

- ✓ SO continued to engage with First Nations on the RoadMap Project – a collection of optional pathways to deliver on the promise of UNDRIP – through 30 presentations, meetings, and other engagements as part of the RoadMap Roadshow. RoadMap is a living, breathing project to support Nations in moving from managing poverty to creating wealth. It's a framework that will continue to be adapted to the needs of Nations based on the feedback we receive.
- ✓ As part of RoadMap, the SO team:
 - Advanced market research on the RoadMap proposal for an IIC through engagement with interested First Nation community and trust representatives and presentation at the NATOA conference.
 - Advanced the IDFO proposal in collaboration with NACCA, FNFA, and the FNMPC, marking a major milestone in Indigenous-led economic development. Supported by SO's extensive research – 12 targeted studies and six business cases – the proposal reflects strong consensus and momentum toward implementation.
 - Built the Statistical Initiative's database and began the Government Statistics portal, through which First Nations governments and institutions will be able to access their own data and see aggregated data. Already the Statistical Initiative has provided key insights into the realities faced by First Nations. Its continued development in the coming years will be instrumental in driving informed decision-making for First Nations governments.

AFNWA – Economic Regulator Role

As the AFNWA completed their second operating year, the FMB continued to support the organization as it grows in its role of providing safe drinking water and safe handling of wastewater. The AFNWA has now added a 13th community to their shared services and continues to implement its capital plans.



The FMB began the process of reviewing the Practice Directives and updating them to be more reflective of the operational realities of the AFNWA. After several productive meetings with our partners at AFNWA and ISC, the FMB is on the cusp of ratifying the Second Edition of the Practice Directives.

Over the course of this year, FMB staff have attended several events and engaged with different groups on developing their own water utilities as well as other transfer opportunities, offering support and facilitating connections to other like-minded groups. The FMB also continued work on the development of an economic oversight model that would have applications to all communities and other utilities. To ensure

a thorough and relevant model, the FMB has partnered with FNII to share best practices in community planning, which is extremely important in the development of any utility. Completion of the model is expected in the 2025–2026 fiscal year.

The FMB receives funding for its work with the AFNWA from ISC through annual proposal-based funding arrangements. During the 2024–2025 fiscal year, the FMB had \$1.1 million of available funding to support the initiative and spent \$0.4 million, with \$0.7 million planned for carry forward and expenditure in the 2025–2026 fiscal year. Funding was spent as shown in the figure below.

Expense Type	Amount, in millions
Salaries and Benefits	\$ 0.2
Travel, Operations and Professional Fees	0.2
Total	\$ 0.4

Indigenous Economic Council

Chapter Four of the RoadMap Project, entitled, “Unlocking First Nations Economies,” highlights that there “is no single organization driving the conditions for First Nations economic development.” It notes that the creation of an Indigenous Economic Council (IEC) could “coordinate institutional support for First Nations investment climates and promote policy changes to benefit First Nations.”

An important opportunity to advance the creation of the IEC came when ISC allocated resources in the 2023 federal budget to develop an Indigenous Economic Reconciliation Framework that would build on existing work such as the RoadMap Project and the National Indigenous Economic Strategy.

The FMB and NACCA volunteered to facilitate the process to gather national Indigenous organizations (NIOs) to generate a national policy framework. The FMB recognized this as an opportunity to advance the concept of the IEC as proposed in the RoadMap Project.

Over 2024–2025, the IEC group worked together to accomplish the following objectives:

- Hosted a national First Nations Economic Forum in May 2024
- Developed an Economic Reconciliation Framework, based on feedback from forum participants
- Developed a series of policy initiatives to support the Economic Reconciliation Framework
- Began planning for ongoing collaboration among the NIOs

Through our initial collaborative work, the FMB and our partner NIOs have demonstrated professionalism and commitment in proving the IEC concept can work. The FMB looks forward to continuing this collaboration to strengthen Indigenous economic development.

The FMB administers the funding on behalf of the IEC group. Funding is received from CIRNAC through annual proposal-based funding arrangements. During the 2024–2025 fiscal year, \$4.5 million of funding was available to support the initiative and \$2.1 million was spent, with \$2.4 million planned for carry forward and expenditure in the 2025–2026 fiscal year. The majority of expenses went towards hosting the national First Nations Economic Forum, including travel to the event by participating First Nations. Professional fees include \$1.0 million advanced to the founding NIOs for their participation in the IEC group. Funding was spent as shown in the figure below.

Expense Type	Amount, in millions
Salaries and Benefits	\$ 0.2
Travel	0.1
Operations and Administration	0.6
Professional fees (incl. NIO participation)	1.2
Total	\$ 2.1

Indigenous Investment Commission

A significant gap exists in investment services and related financial benefits available to Indigenous governments and organizations, including those with significant asset portfolios and pending settlements. For example, the [Royal Bank of Canada estimates](#) there is \$20 billion of investment assets held in trusts for Indigenous Peoples. Canada-wide, an additional \$50–\$100 billion is anticipated in future years via outstanding land claims, settlements, and resource developments.

A proposed solution is the creation of the IIC, which could act as an investment asset management regime for First Nations, like the *Caisse de dépôt et placement du Québec* and other provincial asset managers. The IIC would support First Nations to collectively:

-  pool their investments and achieve economies of scale to gain greater diversification and potentially better rates of return,
-  invest back into their communities, and
-  use their investments to shape corporate decision-making and have a positive impact for generations to come.

To complement the initial scoping study of the IIC (in 2023), the FMB focused on developing market research, and identifying potential founding partners. At year end, the FMB was nearing completion of the report. The FMB continued to share the idea of the IIC throughout the year, most notably at the NATOA conference in April 2024. Many Nations have continued to voice support for the proposal. Nations are especially interested in the idea that an IIC might support Indigenous self-determination and culturally appropriate investments, while aligning with UNDRIP.

In March of 2024, the FMB secured \$0.5 million in funding to continue advancing the IIC proposal. In keeping with this proposal, in 2025–2026 the FMB will form a steering committee of Nations interested in the IIC and take the next steps to seeing it come to light. Ultimately, the IIC must be guided and led by those who see value in its creation; momentum is building to see the vision become reality. The FMB looks forward to the determinations of the Steering Committee in 2025–2026.

The FMB receives funding for the IIC initiative from CIRNAC through annual proposal-based funding arrangements. During the 2024–2025 fiscal year, the FMB had \$0.6 million of available funding to support the initiative and spent \$0.2 million, with \$0.4 million planned for carry forward and expenditure in the 2025–2026 fiscal year. Funding was spent as shown in the figure below.

Expense Type	Amount (in millions)
Salaries and Benefits	\$ 0.1
Operations and Administration	0.1
Professional Fees	0.1
Total	\$ 0.3

Indigenous Development Finance Organization

The IDFO is being developed to close persistent and significant financing gaps affecting Indigenous Nations, businesses, and institutions. Designed to complement and strengthen the work of existing Indigenous financial providers such as NACCA and FNFA, the IDFO would expand access to affordable, values-aligned capital, foster long-term economic sovereignty, and offer financial solutions grounded in Indigenous knowledge and values. The governance and mandate phase of the IDFO was completed in November 2024. It established key principles, including majority Indigenous ownership, institutional independence from ISC, and a dual approach that combines direct and wholesale lending to fill unmet needs in the market.

Between December 2024 and April 2025, the project advanced into proposal development phase. The Steering Committee – comprised of leaders from the FMB, NACCA and the FNFA – convened on 10 occasions to guide strategic direction and review successive drafts of the business plan. The Technical Working Group – comprised of leaders from the FMB, NACCA, the FNFA and the FNMPC also

met regularly throughout this period to refine the proposal's financial model, review risk mitigation strategies, and integrate feedback from key partners. A great deal of work was completed in a short timeframe, with key partners working collaboratively toward consensus on the structure, scope, and approach of the IDFO. An Executive Summary of the proposal was submitted on February 28, 2025, and a comprehensive business plan will be distributed to ISC and CIRNAC in the coming months.

To inform the Steering Committee, Technical Working Group, and FMB Senior Management, SO undertook 12 internal research projects focused on issues such as financing gaps across market segments, capitalization strategies, Indigenous bond development, barriers from U.S. tariffs, and housing finance. These studies were complemented by six qualitative research interviews and the preparation of business cases to demonstrate the IDFO's necessity and alignment with Indigenous economic goals. Recent research has also explored the role of International Financial Institutions (IFIs) and strategies to Indigenize financial systems. To advance this work, the Steering Committee worked closely with Momentus Global Development LTD, experts in development financing.

The IDFO was featured at the First Nations Economic Forum, FNLTW, and Connexions Autochones. It continues to generate significant interest among Indigenous entrepreneurs and Nations without FMB certification seeking reliable, culturally aligned financial tools. In parallel, outreach has begun with partners in the federal government. With an estimated \$5 billion in capitalization required over its first five years – anchored by federal equity contributions and future Indigenous ownership – the IDFO will be positioned to operate as a self-sustaining development finance institution. It will deliver both direct (Tier 1) and indirect (Tier 2) financial services, leveraging partnerships with existing Indigenous institutions while offering new tools such as technical assistance, guarantees, and equity investment.

Momentum continues to grow for this Indigenous-led institution, which is uniquely positioned to support long-term prosperity on Indigenous terms. As the IDFO moves toward its next phase, the focus will be on engagement, legal structuring, and a path to legislation or incorporation – steps that will ensure the organization's lasting impact.

Sustainability Standards

In 2021–2022, the FMB made a financial commitment of \$1.0 million over five years to CPA Canada's Welcome Fund as part of the Government of Canada's bid for the establishment of a new International Sustainability Standards Board (ISSB) office in Canada. The FMB's financial commitment to CPA Canada's Project Eureka is supported by CIRNAC funding. The fourth annual cash call of \$0.2 million was made in 2024–2025.

The creation of sustainability standards and reporting represents an enormous opportunity for the FMB and other Indigenous organizations to influence capital markets by ensuring that UNDRIP and reconciliation principles are included in the investment and financial reporting and decision-making of business enterprises. The FMB continues to build and maintain positive relationships with both the ISSB and the Canadian body, the Canadian Sustainability Standards Board.



Public Affairs

Robert South, BA
Director, Public Affairs

The Public Affairs team delivers a diverse array of activities in external relations and communications including events planning, management of internal and external communications products and services, and delivery of intergovernmental affairs services and support.

ACHIEVEMENTS IN 2024–2025 INCLUDE:

- ✓ Led the planning and execution of the successful FNLTW 7 and the First Nations Economic Forum conferences
- ✓ Further enhanced the FMB's social media presence to widely share First Nations success stories and the FMB's offerings
- ✓ Promotion of the FMB's thought leadership role in op/eds and podcasts
- ✓ Maintenance of relationships with all parties in parliament as the FMB maintains all party support

First Nations Leading the Way

FNLTW 7: *Paddling through the Currents of Change* took place on November 26-28, 2024, in Edmonton, Alberta. The FMB co-hosts this growing national gathering of leaders and senior staff from First Nations and Indigenous not-for-profit organizations with the FNFA, FNTC, FNII, and Lands Advisory Board (LAB).

The Edmonton event showcased First Nations from across Canada that are at the forefront of expanding their jurisdiction and growing their economies. It provided Nations with a platform to highlight some of their achievements in using First Nations-led agreements and legislation to achieve greater fiscal independence, improved financial management, debenture financing, and sound land governance.

This 2024 version of FNLTW had record attendance, providing over 700 delegates an opportunity to learn more about how the FMA institutions and LAB support and enhance innovations in First Nations fiscal relations with the Crown. It also provided opportunities for First Nations to network and learn more about:

- 👤 success stories from other First Nations who are growing their own economies
- 👤 expanded First Nations tax jurisdiction,
- 👤 managing the relationship between council and government business enterprises,
- 👤 Financial Management certifications and borrowing opportunities,
- 👤 NFR Grants, and
- 👤 the Land Registry.

Photos from *First Nations Leading the Way 7* in Edmonton.



Internal Operations

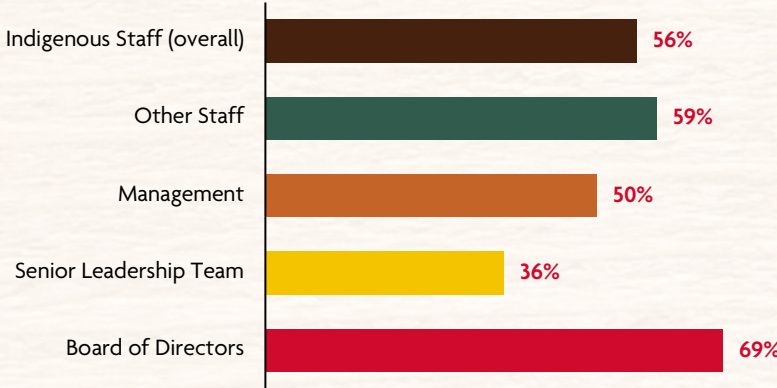
Human Resources

Jennifer Tetrault
Associate Director, People and Culture

The FMB's HR team delivers a full range of employee-focused services, including recruitment and staffing, performance management, training and onboarding, policy development, and initiatives that support employee health and wellbeing. The team plays a key role in ensuring that HR practices align with organizational priorities and support a positive, productive work environment.

A central focus of the HR team is fostering a strong Indigenous culture throughout the organization. This includes intentional efforts to recruit and retain Indigenous talent and to offer meaningful cultural learning opportunities for all employees. Through these efforts, the HR team supports an inclusive workplace that reflects the values and perspectives of the communities the FMB serves.

FIGURE 14: Percentage of Indigenous Representation Within FMB Staff, by Level, 2024–2025



ACHIEVEMENTS IN 2024–2025 INCLUDE:

- ✓ **HR Technology Modernization – Dayforce Implementation – Phase One:** In 2024/2025, we successfully completed the first phase of implementing Ceridian Dayforce. This milestone represents a major step forward in streamlining HR operations, improving data accuracy, and increasing efficiency. Phase One included the implementation of core HR, payroll, and benefits modules, and laid the groundwork for future capabilities such as performance management and recruitment.
- ✓ **Employee Referral Program Implementation:** To support talent acquisition efforts and reward staff for contributing to our growth, we introduced a formal Employee Referral Program. This initiative encourages employees to refer qualified candidates to the FMB and reinforces the value of building our team through trusted networks. The program is aligned with our recruitment goals and supports the attraction of skilled candidates who align with our values.
- ✓ **Continued Emphasis on Employee Health and Wellbeing:** Employee wellbeing remained a central focus throughout the year. We continued to promote wellness resources and encouraged staff to prioritize work-life balance, including the use of wellness days, Employee Assistance Program supports, and flexible work arrangements. We continue to emphasize mental health awareness and take steps to build a culture of care and compassion across all business lines.
- ✓ **Enhanced Learning and Development Opportunities:** We continued to expand our learning and development offerings by launching Udemy for Business across the organization. This on-demand learning platform provides employees with access to thousands of high-quality courses, supporting their professional growth and helping managers develop targeted skills within their teams. Feedback has been positive, and utilization continues to grow steadily.



The HR team gathered for their team retreat in Vancouver in February 2025.

Corporate Services

Sarah Berto, CPA, CA
Director, Finance and Operations

Corporate Services (CS) plays a central role in supporting the overall operations of the FMB. The CS team handles a wide range of administrative and support functions. It ensures that the FMB's internal processes run smoothly, enabling staff to provide high-quality service to clients. Responsibilities include finance, payroll, information technology, digital media, records management, property management, administrative support, and policy development and implementation.

ACHIEVEMENTS IN 2024–2025 INCLUDE:

✓ **FMS Certification:** The CS team is focused on continually strengthening and improving our internal systems and processes. This year, CS continued to pursue a goal of aligning internal financial management practices with the Financial Management System Standards the FMB sets for First Nations and Indigenous not-for-profit organizations. The objective is to demonstrate the FMB's commitment to living by the same standards asked of our clients.

During the year, the team completed an initial internal review, comparing the FMB's policies and practices to the NPO FMS Standards. The findings from the self-assessment are being addressed and remediation activities during 2024–2025 included the approval and implementation of several new finance policies by the Board of Directors.

✓ **IT Strategy:** In 2024–2025, the IT department achieved significant advancements towards the FMB's long-term IT strategy, with a particular focus on strengthening cybersecurity and improving core systems. In collaboration with the HR team, the CS team successfully completed the first phase of a payroll and HR information systems implementation, moving from two separate systems to one integrated solution.

In addition, after a thorough evaluation, a technology solution was selected for the FMB's new customer relationship management (CRM) system. The CRM system plays a crucial role in supporting the FMB's client-facing business lines and their relationships with clients. The new system will increase efficiencies, allowing staff to spend less time on administration and more time supporting clients through their FMB journey, as well as providing useful insights for decision-makers.



General Counsel

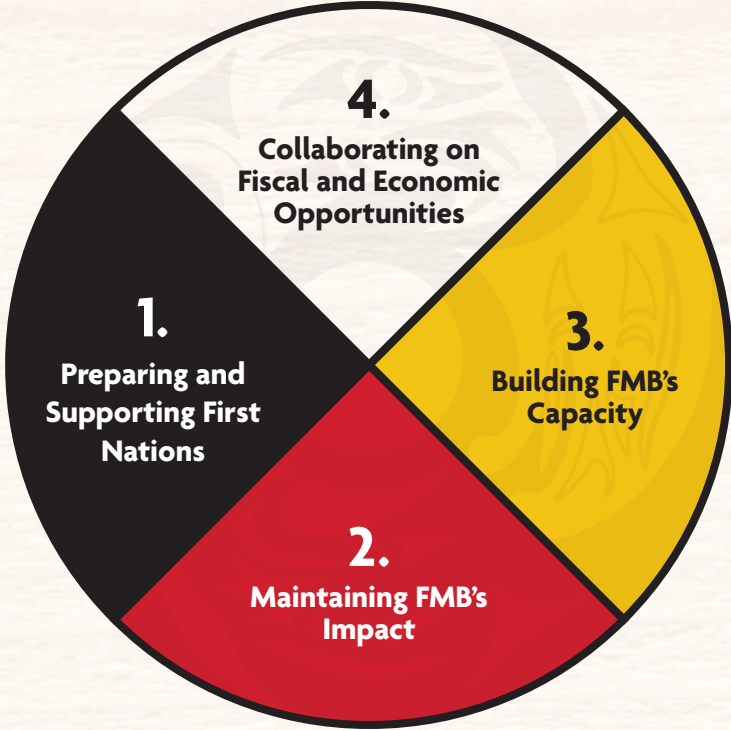
Grant Christoff, LL.B, ICD.D, BComm
General Counsel and Director,
Strategic Opportunities

Saulteau First Nation
British Columbia

The FMB's General Counsel is responsible for provision of advice and support for legislative amendments and regulation development; monitoring of the FMB's compliance with all relevant legislation and regulations; and provision of legal advice and related policy research and development support.

2024–2025 Corporate Goals Report

The FMB’s 2024–2025 goals align with four strategic priorities that guided the FMB’s work during the fiscal year. Across the FMB, staff are focused on getting results that align with the FMB’s corporate goals. The goals of the past fiscal year were grounded in service to First Nations, ensuring maximum impact through efficiencies in our operations and collaboration with other NIOs. The achievements of 2024–2025 are a testament to the hard work of our client Nations, the commitment of our Board, and the talent and dedication of our staff.



LEGEND

Complete

✓

Ongoing initiative; 2024–2025 Activities complete

↺

On hold

⏸

Not complete/Deferred

!

Goal Number	Goal Description	Level of Completion
Priority 1: Preparing and Supporting First Nations		
1.1	Support First Nations in advancing to formal FMS Certification	↺
1.2	Continue to provide services through the FMS Support Services pilot project	✓
1.3	Conduct FAL, FP, and FMS reviews (for Certification and 10-Year Grant Eligibility) upon request	✓
Priority 2: Maintaining FMB's Impact		
2.1	Continue to provide capacity development services to First Nations	✓
2.2	Continue to thrive as an Indigenous-led institution by establishing an Indigenous Advisory Committee. Identify a group of Indigenous thought leaders or experts as potential candidates to serve on a new IAC	!
2.3	Co-develop 10-year grant eligibility criteria for eligible Indigenous not-for-profit organizations	✓
Priority 3: Building FMB's Capacity		
3.1	Continue to implement FMB's IT Strategic Plan and IT modernization	↺
3.2	Continue to implement FMB's FMS Certification workplan. Complete the drafting, review, and approval of all required policies and related instruments	↺
3.3	Implement relevant recommendations from the 2022–2023 Special Examination	⏸

Goal Number	Goal Description	Level of Completion
Priority 4: Collaborating on Fiscal and Economic Opportunities		
4.1	Work with other national Indigenous organizations to develop a national Indigenous Economic Council	✓
4.2	Continue to advance the recommendations of the 2019 Interim Report of the Joint Advisory Committee on Fiscal Relations	✓
4.3	Host <i>First Nations Leading the Way</i> conference	✓
4.4	Respond to invitations to comment within the financial, accounting, and regulatory sectors	✓
4.5	Engage with regulators and professional bodies to promote responses to Call to Action #92	✓
4.6	Promote the mutual benefit of economic reconciliation through speaking and media engagements	✓
4.7	Continue to provide independent economic oversight services to AFNWA	✓
4.8	Continue to advocate for the creation of an Indigenous Investment Commission and Indigenous Development Finance Organization	✓
4.9	Develop business case for new national Indigenous Technical Advisory Group	✓

Goal Number	Goal Description	Level of Completion
Supplemental Goals		
5.1	Continue outreach and engagement with First Nations across Canada to promote understanding of the opportunities under the FMA and how to work with FMB to develop, demonstrate and receive formal recognition for their financial management commitment and capacity	✓
5.2	Continue to support First Nations in the development of their FAL/FAB or FAL Update, through engagement of the full suite of FMB offerings	✓



RISKS AND OPPORTUNITIES

Risks

The FMB undertakes regular assessments of risks to which it may be exposed and maintains an active Risk Register used by the Board and the management team to take stock of evolving risks, develop and update effective prevention and mitigation strategies and measures, support implementation of risk responses, and guiding and monitoring evaluation activities to support continual readiness and system improvement.

The Risk Register addresses the full suite of potential issues, factors, and circumstances that may present challenges to the ability of the FMB to deliver on its mandate and commitments, and/or threaten the viability and integrity of FMB operations and capacities, including such considerations as:

- 👤 Adequacy and reliability of FMB resourcing
- 👤 Exposure to legal liabilities
- 👤 Compliance with legal and statutory obligations
- 👤 Attraction and retention of requisite human resources
- 👤 Adequacy of consultation and engagement with clients and partners

- 👤 Alignment of FMB policies and practices with professional standards and best practices
- 👤 Integrity of internal operations and practices, and adequacy of safeguards
- 👤 Continuity of operations and adequacy of succession plans, including at the Board level
- 👤 Security of information, technologies, and facilities
- 👤 Contingency plans to address areas of uncertainty
- 👤 Ability of Nation clients to issue timely audited financial statements
- 👤 High demand for the FMB's Support Services

The five-year Special Examination of FMB's books, systems, and practices, mandated under the FMA, includes a review of the FMB's approach to risk prevention and mitigation. The most recent Special Examination was completed in May 2023.

Opportunities

The strategic direction and initiatives set out in the Corporate Plan consider major factors and trends that could shape opportunities facing First Nations and the FMB.

- 👤 Demand for statistical and data capacities and competence: Growing need for, and benefits of, strong statistical analysis capabilities supported by access to sophisticated and reliable financial, economic, social, and other critical data for financial and economic planning and decision-making on the part of First Nations governments and related enterprises and community institutions.
- 👤 Enhanced First Nation jurisdiction and authority: Increasing recognition on the part of Canada of the appropriateness and benefits of strengthened First Nation jurisdiction in

financial and economic affairs, and of the need and benefits of broadening eligibility and authorities under the FMA to meet the needs and interests of a wider range of First Nations communities and entities.

- 👤 Maturation and growth of the FMB: Continuing growth in the demand for FMB services, not only in quantity but in level of sophistication and robustness, reflecting the increasingly sophisticated range of financial and economic initiatives being pursued by First Nations.
- 👤 Increased interest in driving new economic growth in Canada given geopolitical changes may build support for removing barriers to Indigenous economic development and new/expanded tools to advance economic reconciliation.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ACHIEVEMENTS

Environmental, Social, and Governance (ESG) principles align with Indigenous Peoples’ cultural values of stewardship, sustainability, and collective wellbeing. The FMB supports and promotes strong ESG practices that help protect natural resources – the land, water, and ecosystems central to Indigenous identity. Social factors, such as the FMB’s inclusive policies and advancement of economic opportunities, help advance First Nations’ self-determination

1. Environmental Stewardship

Sustainable Operations

- At all our offices, we introduced bottle-less water, got rid of single-use items, and replaced pod coffee with a sustainable alternative.
- For our events, we now make greener swag choices and eliminate swag bags. USBs and QR codes are used instead of printed information. We carefully estimate needs for catering and provide takeaway containers. Surplus food is donated to a local food bank.

and equitable growth. The organization’s effective governance structures support transparency, ethical leadership, and meaningful partnerships with First Nations governments and businesses. The FMB is committed to advancing ESG principles in its operations and policies. In the past fiscal year, the FMB enacted or advanced important measures related to our ESG responsibilities.

Climate Resilience

- The FMB supports First Nations and other entities’ ability to manage during a crisis through the requirements of the FMS-Certification process. The FMB’s standards for financial management include requirements for developing a Business Continuity Plan and Disaster Recovery Plan.
- The FMB is in the process of implementing the financial management system standards for Indigenous not-for-profit organizations (NPO Standards) , which includes developing a business continuity and disaster recovery plan.

2. Social Responsibility

- The FMB supports First Nations’ efforts to improve community wellbeing through capacity building that advances socioeconomic goals.
- The new position of ‘Elder Advisor to the Board’ helps ensure that Board discussions and decisions are aligned with traditional Indigenous values.
- The annual FNLTW conference added new delegate categories for youth and Elders, along with specific programming to bring their voices to the table.
- The FMB hires Indigenous summer students every year through the Canada Student Jobs program as part of a commitment to developing Indigenous talent.
- The SAC team continues to hold status as a pre-approved training office for future CPAs in British Columbia and Ontario, and recently added pre-approved training office status with CPA Manitoba.
- Internally, several staff committees – Diversity, Equity, and Inclusion; Health and Wellbeing, and Social and Cultural – support Indigenous representation, staff wellness, and cultural awareness.
- Staff presentations, such as one by a team member on her community’s food harvesting practices, build awareness and support of Indigenous cultures.

Community wellbeing rises with level of engagement with the FMB

FMB research on the measurable value of working with the organization for First Nations shows significant impacts in community wellbeing. The most recent evaluation of community wellbeing spans from 2006 to 2021 and considers various progress levels with FMB, including the presence of a FAL, FP Certification, and FMS Certification. Key findings are below:

EDUCATION

First Nations communities working with FMB have significantly increased their levels of formal education.

Communities with FMS Certification observed the highest increase in the education index of 21.7 – between the years 2006 and 2021 (compared to 9.7 for Nations with FALs).

HOUSING QUALITY

Significant improvement in residential housing quality is observed for communities with FMS Certification, which saw a 19.5 increase in their housing index (compared to 10.0 for Nations without FALs).

Footnote:

The research employs a comparison of means by progress level with the FMB, evaluating indices for education and housing. The baseline education & housing data (from the Census) from 2006 is compared with the 2021 Census data to observe changes in community wellbeing.

3. Governance and Accountability

- As part of our commitment to transparency and accountability, the FMB shares its annual Corporate Plan and Annual Report with First Nations and partners across Canada, which also raises awareness of the success of Nations working with the FMB and the opportunities that are available.
- Work began on an internal process to properly respond to any concerns raised by First Nations citizens and support our commitment to transparency.
- Progress continues in aligning the FMB's internal policies and procedures with the requirements of the FMB's own NPO Standards to demonstrate that the FMB is in compliance with the same standards we ask our clients.
- Through the FNLTW conference and other initiatives, the FMB seeks input from rightsholders on our programs and services, as well as emerging issues.



2024–2025 FINANCIAL REVIEW

Over the past year, the FMB continued to support First Nations in building capacity in administrative governance and financial management. Funding from the Government of Canada supported the provision of these services.

The following review of the FMB’s financial results for the year ended March 31, 2025, should be read in conjunction with the accompanying annual financial statements, note disclosures, and Independent Auditor’s Report. The discussion and analysis that follow focus on balances and transactions that are likely of most interest to users of the FMB’s annual financial statements. This is not intended to be an exhaustive list.

Our 2024–2025 annual financial statements tell the story of the FMB’s continued responsiveness in expanding and enhancing our services to meet the needs of First Nations and other entities. From a financial perspective, the FMB’s growth continued in 2024–2025, as reflected in both increased revenues and expenses. This growth allowed the FMB to support existing clients, respond to growing calls for support from First Nations, and pursue initiatives that are important in advancing First Nations’ economic self-determination. The impact of this growth is seen through the successes of the First Nations that we serve, as highlighted in this Annual Report.

 **Revenues:** Total revenues in 2024–2025 were \$32.2 million (2023–2024 - \$27.9 million). The FMB receives program funding from the Government of Canada under contribution agreements, and records revenue in its financial statements when the corresponding expenses are incurred.

 **Expenses:** Total expenses in 2024–2025 were \$31.2 million (2023–2024 - \$27.9 million). Increased expenses were primarily the result of increased staffing, as the FMB continues to add more client-facing staff to support First Nations in achieving their administrative governance and financial management goals.

 **Deferred revenue:** Because funding is often received late in the fiscal year, before plans to expend it can be executed, the FMB has continued to retain a deferred revenue balance at year end. Total deferred revenue on the Statement of Financial Position was \$23.3 million at March 31, 2025 (2024 - \$27.7 million). Revenue deferred from the previous year is always considered when the FMB prepares its annual Corporate Plan and Budget for approval by the Minister of CIRNAC.

Statement of Financial Position Highlights

Cash & Short-Term Investments

The cash balance was \$23.4 million at March 31, 2025 (2024 - \$28.8 million). Part of the decrease is a result of the FMB investing \$3.5 million of cash not required for short-term liquidity needs, into short-term investments, related to the FMB adopting a new Investment Policy during the 2024–2025 fiscal year.

Deferred revenue

As at March 31, 2025, the FMB had \$23.3 million (2024 - \$27.7 million) of deferred revenue related to funding received, but not yet spent on ongoing programs and services. The FMB uses the deferred revenue balance to fund ongoing growth and cashflow needs over the next 12 months. Deferred revenue from CIRNAC and ISC funding from 2024–2025 will be fully spent on core services in 2025–2026, as reflected in the FMB’s 2025–2026 Corporate Plan and Budget that was submitted to the Ministers of CIRNAC and ISC on March 7, 2025.

A variety of factors have contributed to the change in the deferred revenue balance over the previous fiscal years. The most significant of which are:

 **Timing mismatch.** The timing of funding received does not align with funding terms or the FMB’s operating cycle. Funding is frequently received late in the fiscal year, or after projects have started, often requiring the work (and related funding) to be carried into the following year.

 **Funding uncertainty.** The FMB has been growing quickly to respond to the needs of First Nations by adding new initiatives and staff. Much of the FMB’s growth has been funded through short-term proposal-based funding, including ISC’s NFR initiatives.

When the FMB started the 2024–2025 fiscal year, there was no committed or confirmed source of in-year funding for the DMP, FMS Support Services, and NFR 10-Year Grant initiatives for the 2024–2025 fiscal year or beyond. Those initiatives were entirely reliant on the use of deferred revenue from March 31, 2024. It was not until November 2024 that a new two-year funding agreement was signed and \$5.0 million of new funding was received. This late-year funding contributed to the \$8.1 million of deferred revenue at March 31, 2025 related to the NFR initiatives.

Intervention Reserve

In the event that a First Nation defaults, or is at risk of defaulting on a FNFA borrowing agreement or fails to comply with local revenues laws as governed by the FNTC under the FMA, the FMB has the authority to step in to provide intervention support and assistance to the First Nation, when called upon by the FNFA or the FNTC.

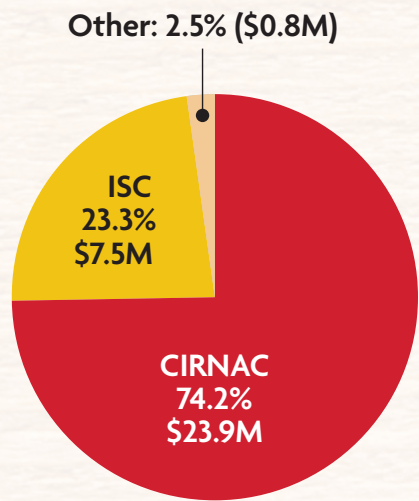
The FMB maintains an intervention reserve fund in constant readiness to intervene and help if necessary. Included on the statement of financial position is \$0.5 million in restricted investments and \$0.1 million in internally restricted net assets related set aside for the intervention reserve.

Statement of Operations Highlights

Revenue

During the year ended March 31, 2025, the FMB recognized revenues of \$32.2 million (2023–2024 - \$27.9 million). As shown in Figure 15 below, the largest components of the FMB’s revenue for the year came from funding from CIRNAC, followed by funding from ISC. During the year ended March 31, 2025, and as shown in Figure 15, \$0.8 million of the FMB’s revenues came from other sources (2023–2024 - \$0.3 million), including interest income earned on savings and short-term investments and revenue from sublease arrangements, including a shared office space arrangement with the FNTC in Ottawa.

Figure 15: Revenue by Funding Source (in millions)



As shown in Figure 16, the largest area funded by CIRNAC is FMB’s core operations, for which the FMB recognized \$19.9 million of revenue for the year ended March 31, 2025 (2023–2024 - \$19.9 million). Activities falling under CIRNAC core operations funding include our outreach, certification, capacity development, and internal administrative functions. Also shown in Figure 16, funding from ISC’s NFR secretariat covers the FMB’s DMP Pilot Project, the FMS Support Services Pilot Project, and the NFR 10-Year Grant initiative. Revenues recognized for these three areas totalled \$7.1 million in 2024–2025 (2023–2024 - \$4.7 million), with the growth directly related to increased expenses for the DMP and FMS Support Services initiatives as those activities continued to expand to serve more First Nations. At the end of 2024–2025, there were 84 First Nations working with FMB through those initiatives, up from 47 at the end of 2023–2024. Increased activity for the 10-Year Grant initiative also resulted in an increase in revenue, as the eligibility for the grant was expanded by ISC to include Tribal Councils and Health Authorities and the FMB responded to 58 Expressions of Interest from First Nations and 42 from NPOs.

Figure 16: Revenue for Core Operations (in millions)

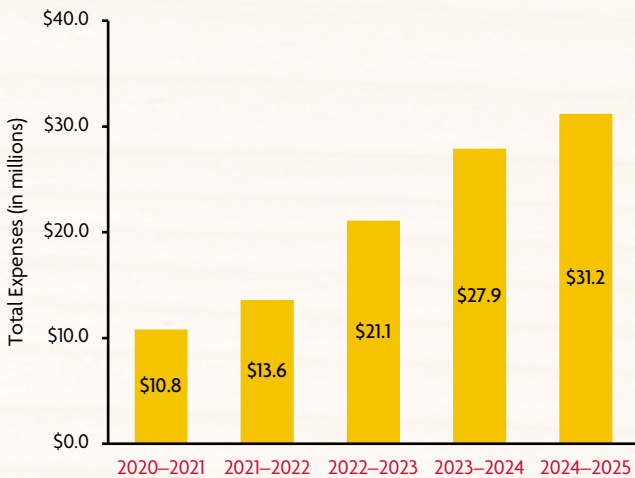
Funding Agreement	2024–2025
CIRNAC Core	\$ 19.9
ISC NFR DMP	1.8
ISC NFR 10YG	3.3
ISC NFR Support Services	2.0
Total Revenue for Core Operations	\$ 27.0

Expenses

For the year ended March 31, 2025, expenses were \$31.2 million (2023–2024 - \$27.9 million).

The FMB’s expenses tell the story of how and where we spend our revenue to support First Nations. As shown in Figure 17, over the past five years, since 2020–2021, the FMB’s expenses have increased at a rapid pace, averaging a 30% increase year-over-year. Annual expenses over the five-year period have increased by over \$20 million, primarily a result of costs related to increased staffing, which grew from 63 to 134 over the same period.

Figure 17: Total Expenses Year-Over-Year Summary (in millions)

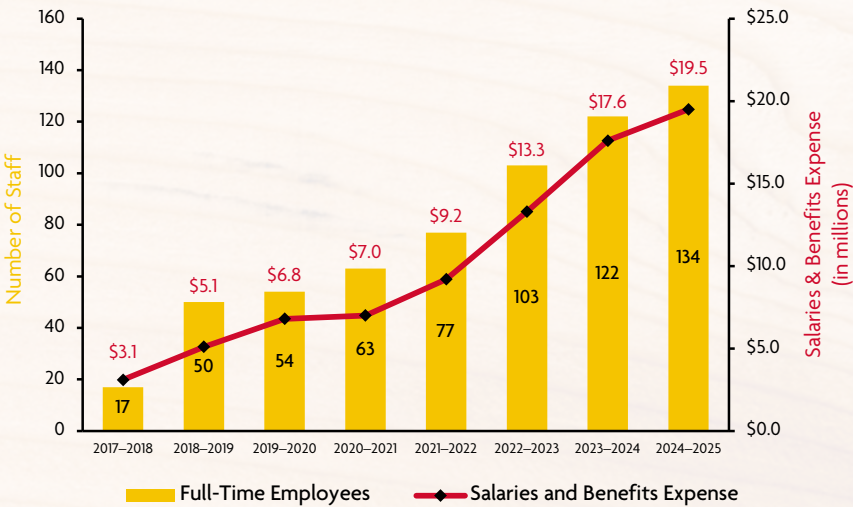


Salaries and Benefits

The FMB’s largest area of expense is salaries and benefits at \$19.5 million (2023–2024 - \$17.6 million). It is our staff who have built the trusted relationships with our First Nations clients. Over the course of the 2024–2025 fiscal year, the FMB grew to 134 employees at March 31, 2025 (2024 - 122 employees), as shown in Figure 18. Also reflected in the increased salaries and benefits expense are cost of living and market salary adjustments to keep FMB staff compensation competitive, as part of the FMB’s efforts to attract and retain top talent.

Our staffing numbers grew to keep pace with the increasing need for supports to First Nations in building capacity in administrative governance and financial management. This year we increased staffing in both our client-facing business areas and internal services, as we keep pace and support our client-facing teams.

Figure 18: Year-Over-Year Staffing, and Salaries & Benefits Expense (in millions)



Operations and Administrative Expense

Operations and administrative costs stayed relatively steady at \$4.8 million (2023–2024 - \$4.7 million). Operational costs this year and last are reflective of the investment the FMB is making to strengthen our internal structure as we grow to meet the needs of our clients. During 2024–2025, the FMB continued to make investments in IT modernization, as well as in our office space in both Winnipeg and Montreal to accommodate our growing staff presence in both those regions. The FMB balances the need for office space with our growing number of staff by adopting a hybrid model of working to achieve more utilization from our office spaces over time.

Travel

Travel represents a significant portion of the FMB's expenditures and has continued to increase significantly every year since the COVID-19 pandemic, which temporarily halted in-person travel to First Nations communities. Since the return to travel in the 2021–2022 fiscal year, travel has increased from \$0.1 million to over \$2.5 million in the year ended March 31, 2025. The in-person experience is how the FMB builds relationships and trust with our First Nations clients.

Travel by the FMB's client-facing teams accounted for the majority of travel expenses in 2024–2025. In addition to community travel, the FMB's Executive Chair, CEO, and other members of the Senior Leadership Team are frequent guest speakers, panelists, and participants at large regional, national, and international events, requiring travel to support and advocate for First Nations interests.

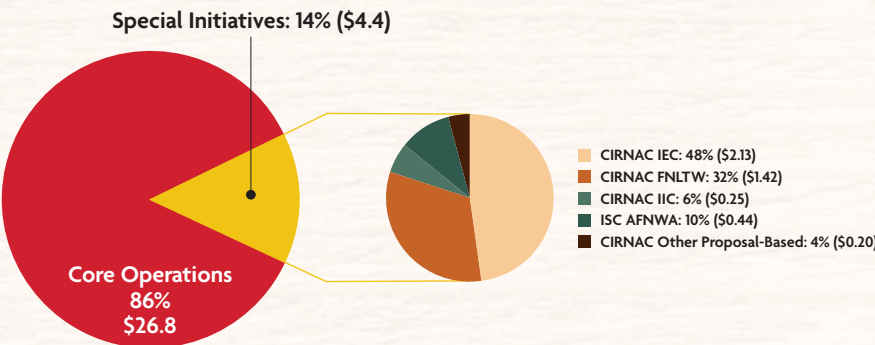
Other major events contributing to travel expenses held in 2024–2025 include the annual national FNLTW conference held in Edmonton this year and two regional Thriving Nations workshops for First Nations on the path to FMS Certification.

Special Initiatives

During the year ended March 31, 2025, \$4.4 million of the FMB's expenses related to special initiatives (2023–2024 - \$2.9 million). Special initiatives represent one-time or pilot projects that are generally dependent on ad-hoc, or annual proposal-based funding.

Special Initiatives includes activities such as the annual national *First Nations Leading the Way* conference, the FMB's work with the AFNWA, and research and engagement related to advancing initiatives from RoadMap, including the IIC, IEC, and the IDFO.

Figure 19: Expenses Breakdown by Core Operations and Special Initiatives (in millions)

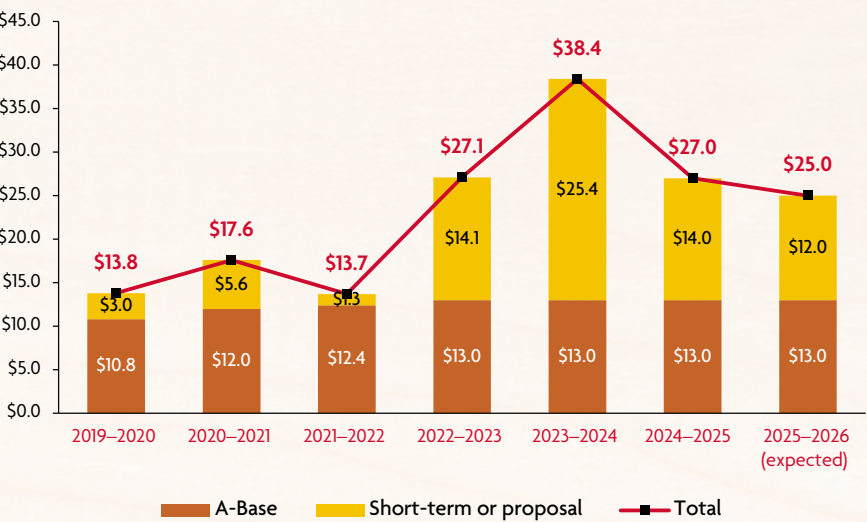


Financial Risk and Uncertainties

The FMB's ongoing operations are dependent on continued funding from the federal government to carry out our services to First Nations. The FMB receives its funding from CIRNAC through an annual A-Base funding arrangement for ongoing core operations and individual proposal-based funding arrangements for specific projects and initiatives from CIRNAC and ISC. The FMB's funding levels and arrangements for ongoing operations with CIRNAC and ISC have not kept pace with the increasing demand and support for FMB services, putting future operations beyond 2025–2026 at risk if funding levels do not increase over the long-term. Stable and sustainable multi-year funding is needed to enable the FMB's long-term planning and management of organizational growth. **Growth in demand requires a new funding model for the FMB that gives everyone confidence in the FMB's continued ability to respond to First Nations' needs.**

The FMB's operations have grown significantly year-over-year, as shown in Figure 20, however our committed level of base funding has not changed since fiscal 2022–2023. While the FMB has received short-term funding increases or proposal-based funding, our long-term, committed funding remains at \$13.0 million. Figure 20 below shows the fluctuating level of in-year funding received by the FMB over the last six fiscal years and looking ahead to fiscal 2025–2026. The amounts for 2025–2026 include only confirmed sources of in-year funding as at March 31, 2025. In 2024–2025, A-Base funding represented only 40 percent of the FMB's total expenses of \$31.2 million. The FMB must utilize a combination of deferred revenue and in-year proposal-based funding to meet operational needs.

Figure 20: In-Year Funding Year-Over-Year Summary (in millions)



The amount of the FMB's in-year funding has not been stable or predictable over the past six years. As shown in Figure 20, the FMB's in-year funding nearly tripled between 2021–2022 and 2023–2024, an overall increase in funding of \$24.7 million over two years. Going into 2025–2026, the FMB will experience a drop of \$13.4 million of in-year funding between 2023–2024 and 2025–2026.

During the 2024–2025 fiscal year, the FMB entered into a new five-year funding agreement with CIRNAC. The agreement provides the FMB with \$13.0 million of annual A-Base funding over the five-year period, with an additional \$7.0 million annually for the first three years of the arrangement. This \$13.0 million level of A-Base funding is significantly below the FMB's current annual level of operations, and represents only 40 percent of the FMB's 2024–2025 expenses of \$31.2 million. In 2025–2026, the FMB will continue to rely heavily on deferred revenue to make up the shortfall between the annual funding levels and operational needs. The new five-year funding agreement on its own is insufficient to provide for the FMB's ongoing operations beyond 2025–2026.

With the uncertainty around funding, the FMB has been actively pursuing new funding arrangements with CIRNAC and ISC, including a sustained increase in A-Base funding that will offer more stability in the long term. The delay in stabilizing the FMB's recent growth through a long-term funding commitment has resulted in delays in having the necessary systems and specialized human resources in place, and has forced the FMB to defer some important new strategic activities.



2024–2025 FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT



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Financial Statements of
FIRST NATIONS FINANCIAL MANAGEMENT BOARD
And Independent Auditor’s Report thereon
Year ended March 31, 2025

INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of First Nations Financial Management Board

Opinion

We have audited the financial statements of First Nations Financial Management Board (the “FMB”), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the FMB as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



Basis for Opinion

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the FMB’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the FMB’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the FMB’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the FMB to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Vancouver, Canada
June 18, 2025

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 23,432,851	\$ 28,387,821
Restricted cash (note 2)	—	500,000
Restricted investment held at amortized cost (note 2)	500,000	—
Short-term investment held at amortized cost (note 3)	3,000,000	—
Accounts receivable	428,965	213,277
Prepaid expenses	273,034	166,733
	27,634,850	29,267,831
Security deposits	512,352	493,728
Capital assets (note 4)	1,746,805	1,196,589
	\$ 29,894,007	\$ 30,958,148

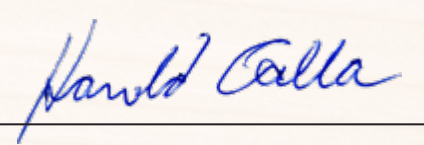
FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Statement of Financial Position (continued)

March 31, 2025, with comparative information for 2024

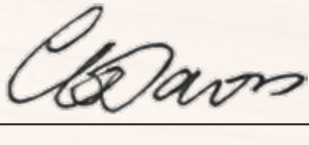
	2025	2024
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 3,355,066	\$ 1,288,196
Deferred revenue (note 6)	23,287,063	27,690,157
Intervention reserve fund (note 2)	500,000	500,000
Current portion of capital lease obligation (note 7)	20,802	34,835
Current portion of deferred lease inducements (note 8)	187,357	113,256
	27,350,288	29,626,444
Capital lease obligation (note 7)	36,057	10,481
Deferred lease inducements (note 8)	307,247	191,336
	27,693,592	29,828,261
Net assets:		
Invested in capital assets (note 9)	1,283,119	935,715
Internally restricted – intervention reserve fund (note 1(a)(ii))	104,281	—
Unrestricted	813,015	194,172
	2,200,415	1,129,887
Commitments and contingent liabilities (note 10)		
Economic dependence (note 11)		
	\$ 29,894,007	\$ 30,958,148

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Federal government funding	\$ 31,392,931	\$ 27,580,751
Other income	344,262	327,772
Interest income	500,241	16,974
	32,237,434	27,925,497
Expenses:		
Salaries and benefits	19,538,519	17,557,370
Operations and administration	4,803,660	4,707,030
Professional fees	2,748,068	2,113,098
Travel	2,467,979	2,152,850
Director fees and expenses	938,563	800,764
Direct cost of client service (note 12)	279,848	274,869
Amortization	390,269	327,931
	31,166,906	27,933,912
Excess (deficiency) of revenue over expenses	\$ 1,070,528	\$ (8,415)

See accompanying notes to financial statements.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

	Invested in Capital Assets	Internally Restricted	Unrestricted	Total 2025	Total 2024
	(note 9)	(note 1(a)(ii))			
Balance, beginning of year	\$ 935,715	—	\$ 194,172	\$ 1,129,887	\$ 1,138,302
Excess (deficiency) of revenue over expenses	(359,913)	—	1,430,441	1,070,528	(8,415)
Net change in investment in capital assets (note 9)	707,317	—	(707,317)	—	—
Interfund transfer (note 1(a)(ii))	—	104,281	(104,281)	—	—
Balance, end of year	\$ 1,283,119	\$ 104,281	\$ 813,015	\$ 2,200,415	\$ 1,129,887

See accompanying notes to financial statements.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ 1,070,528	\$ (8,415)
Items not involving cash:		
Amortization of capital assets	390,269	327,931
Amortization of deferred lease inducements	(182,094)	(126,285)
Loss on disposal of capital assets	—	28,456
Changes in non-cash operating working capital:		
Accounts receivable	(215,688)	67,664
Prepaid expenses	(106,301)	(58,108)
Security deposits	(18,624)	23,400
Accounts payable and accrued liabilities	2,066,870	(1,058,979)
Deferred revenue	(4,403,094)	10,762,632
	(1,398,134)	9,958,296
Investing:		
Purchase of restricted investment	(500,000)	—
Purchase of short-term investment	(3,000,000)	—
Purchase of capital assets	(892,903)	(219,306)
Proceeds from disposition of capital assets	—	4,500
	(4,392,903)	(214,806)

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Statement of Cash Flows (continued)

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Financing:		
Capital lease principal payments	(36,039)	(32,136)
Lease inducements received	372,106	24,855
	336,067	(7,281)
Increase (decrease) in cash	(5,454,970)	9,736,209
Cash, beginning of year	28,887,821	19,151,612
Cash, end of year	\$ 23,432,851	\$ 28,887,821
Cash consists of:		
Cash	\$ 23,432,851	\$ 28,387,821
Restricted cash	—	500,000
	\$ 23,432,851	\$ 28,887,821
Non-cash transactions:		
Capital assets financed by capital lease	\$ 47,582	\$ 17,641

See accompanying notes to financial statements.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements

Year ended March 31, 2025

Nature of operations:

The First Nations Financial Management Board (the “FMB”) operates as a shared governance institution without share capital that was established through the *First Nations Fiscal Management Act* (the “Act”) in 2005, which came into force on April 1, 2006. Under the Act, the FMB provides tools to First Nations for modern fiscal management, improving investment climate and promoting economic growth. The FMB is a not-for-profit organization under the Income Tax Act and accordingly, it is exempt from the requirements to pay income taxes.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook - *Accounting*. The significant accounting policies are as follows:

(a) Net assets:

Net assets are comprised of the following:

(i) Invested in capital assets:

Net assets invested in capital assets is the net book value of the FMB’s capital assets less the related capital lease obligations and the portion of the deferred lease inducements related to the capital assets.

(ii) Internally restricted – intervention reserve fund:

The intervention reserve fund is to be used towards eligible costs in the event that the FMB is required to intervene in the management of a First Nation’s local revenues or other revenues under its authority contained in the Act. Contributions to the intervention reserve fund from funding received from Crown-Indigenous Relations and Northern Affairs Canada (“CIRNAC”) are recorded as a liability in the statement of financial position (note 2).

In fiscal 2025, the FMB’s Board of Directors approved a resolution to internally restrict an additional amount for the same purpose as the intervention reserve fund, which is recorded as internally restricted net assets in the statement of financial position. The internally restricted fund balance is the amount of accumulated investment income earned on short-term investments and restricted investments.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(a) Net assets (continued):

(iii) Unrestricted:

The unrestricted net assets include the revenue and expenses related to the FMB’s operations that are not externally or internally restricted.

(b) Revenue recognition:

The FMB follows the deferral method of accounting for contributions. Restricted contributions are initially deferred, and subsequently recognized as revenue in the year in which the related expenses are incurred or the restrictions have been fulfilled.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue as it is earned.

Other income is recognized as revenue when the goods or services are provided if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized over the estimated useful life of each asset on a straight-line basis as follows:

Asset	Rate
Computer equipment	2 to 5 years
Leasehold improvements	term of lease (5 to 10 years)
Office furniture and fixtures	10 years
Office equipment under capital lease	term of lease (3 years)

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(c) Capital assets (continued):

Where practical, capital assets are componentized when estimates can be made of the useful lives of the separate components.

Capital assets are assessed annually for impairment for indicators that the asset no longer contributes to the FMB's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

(d) Leases:

Leases are classified as capital or operating depending upon the terms and conditions of the contracts. Where the lease transfers the benefits and risks of ownership to the FMB, the lease is classified as capital. The related capital asset is amortized over the asset's useful life in accordance with the amortization policy in note 1(c). All other leases are recorded as operating leases with lease payments expensed as incurred.

Deferred lease inducements include capital assets given or paid for by the lessor to the FMB, free-rent periods and step rent arrangements. Amortization of deferred lease inducements is recognized over the initial term of the related lease, including any rent-free periods, on a straight-line basis again lease expense.

(e) Financial instruments:

The FMB's financial instruments consist of cash, restricted cash, accounts receivable, short-term investments, restricted investments, accounts payable and accrued liabilities and are initially recorded at fair value and subsequently recorded at cost or amortized cost. Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year.

The carrying value of accounts receivable, short-term investments, restricted investments, accounts payable and accrued liabilities approximate fair value as at March 31, 2025 and 2024.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

1. Significant accounting policies (continued):

(f) Measurement uncertainty:

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(g) Costs for implementation of software services:

The FMB has elected to apply the simplification approach permitted in Accounting Guideline AcG-20 Customer's Accounting for Cloud Computing Arrangements. Costs related to the implementation of a software service are expensed as incurred.

2. Restricted cash, restricted investment and intervention reserve fund:

The intervention reserve fund is to be used towards eligible costs in the event that the FMB is required to intervene in the management of a First Nation's local revenues or other revenues under its authority contained in the Act. The FMB is authorized to make contributions to the fund from annual operating funding received from CIRNAC up to a maximum of \$1,150,000. Contributions made to the fund from CIRNAC funding are recorded as a liability on the statement of financial position until the related expense has been incurred.

During the year, no expenditures were incurred from this fund (2024 - nil). As at March 31, 2025, the fund was invested in a restricted term deposit that earns interest at 4.35% and matures in July 2025. At the prior year-end, March 31, 2024, the fund was held in a restricted cash account.

3. Short-term investment held at amortized cost:

Short-term investment is comprised of a term deposit that earns interest at 4.35% and matures in July 2025.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

4. Capital assets:

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Computer equipment	\$ 1,438,395	\$ 854,000	\$ 584,395	\$ 460,817
Leasehold improvements	1,013,079	390,172	622,907	247,241
Office furniture and fixtures	932,180	441,150	491,030	444,846
Office equipment under capital lease	224,632	176,159	48,473	43,685
	\$ 3,608,286	\$ 1,861,481	\$ 1,746,805	\$ 1,196,589

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$26,791 (2024 - \$26,118) relating to federal and provincial sales taxes and payroll taxes.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

6. Deferred revenue:

Deferred revenue represents funding received for programs to be carried out in the following fiscal year:

	Balance, Beginning of Year	Funding Received	Amounts Recognized as Revenue in the Year	Balance, End of Year
CIRNAC core funding: A-base (amendment #48, new 5-year)	\$ 11,105,436	\$ 20,046,187	\$ 19,852,132	\$ 11,299,491
CIRNAC Eureka (amendment #1)	—	200,000	200,000	—
CIRNAC Indigenous Investment Commission Scoping Study (amendment #34, 4)	211,395	409,141	246,543	373,993
CIRNAC <i>First Nations Leading the Way</i> Conference (amendment #44, 3)	569,427	1,230,573	1,424,732	375,268
CIRNAC Indigenous Economic Council (amendment #45)	4,522,955	—	2,132,807	2,390,148
Indigenous Services Canada (“ISC”) New Fiscal Relationship Grant initiative (amendment #48)	1,787,344	—	1,787,344	—
ISC Default Management Prevention initiative (amendment #48)	4,291,729	—	1,819,447	2,472,282
ISC Financial Management System Support Services initiative (amendment #48)	4,161,935	—	1,971,065	2,190,870
ISC New Fiscal Relationship initiative (amendment #5)	—	4,999,208	1,514,739	3,484,469
ISC Atlantic First Nations Water Authority initiative (amendment #43, 2)	1,029,936	98,050	444,122	683,864
First Nations Tax Commission – sublease	—	16,678	—	16,678
Aboriginal Peoples Television Network – documentary license fee	10,000	—	10,000	—
	\$ 27,690,157	\$ 26,999,837	\$ 31,402,931	\$ 23,287,063

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

7. Capital lease obligations:

The FMB has entered into capital leases to acquire office equipment, secured by the leased assets (note 4). These leases expire in February 2027 and January 2028. Future minimum payments for the year ended March 31 are as follows:

2026	\$ 24,480
2027	23,919
2028	14,594
	62,993
Less amount representing interest at 7.45% to 9.00% per annum	6,134
	56,859
Less current portion	20,802
	\$ 36,057

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

8. Deferred lease inducements:

The deferred lease inducements represent capital assets, rent-free periods and step rent arrangements given by the lessor to the FMB as inducements to enter into an office lease.

	2025	2024
Deferred lease inducements, beginning of year	\$ 304,592	\$ 406,022
Lease inducements received	372,106	24,855
Amortization of deferred lease inducements	(182,094)	(126,285)
Deferred lease inducements, end of year	494,604	304,592
Less current portion	187,357	113,256
	\$ 307,247	\$ 191,336

9. Net assets invested in capital assets:

(a) Net assets invested in capital assets are calculated as follows:

	2025	2024
Capital assets	\$ 1,746,805	\$ 1,196,589
Capital lease obligation	(56,859)	(45,316)
Deferred lease inducements related to capital assets	(406,827)	(215,558)
	\$ 1,283,119	\$ 935,715

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

9. Net assets invested in capital assets (continued):

(b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Acquisition of capital assets	\$ 940,485	\$ 236,947
Proceeds from disposition of capital assets	—	(4,500)
Repayment of capital lease obligation	36,039	32,136
Capital assets financed by capital lease obligation	(47,582)	(17,641)
Deferred lease inducement received related to capital assets	(221,625)	—
	\$ 707,317	\$ 246,942

(c) Deficiency of revenue over expenses:

	2025	2024
Amortization of capital assets	\$ (390,269)	\$ (327,931)
Loss on disposal of capital assets	—	(28,456)
Amortization of deferred lease inducements related to capital assets	30,356	101,442
	\$ (359,913)	\$ (254,945)

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

10. Commitments and contingent liabilities:

(a) Operating and capital leases:

The FMB leases its office premises under operating lease agreements expiring between 2027 and 2030. The FMB is obligated to make the following payments which include a proportionate share of operating costs and property taxes. The FMB is also committed under capital leases (see note 7) for equipment expiring between fiscal 2027 and 2028.

Future minimum payments, including capital lease payments (note 7) for the year ended March 31 are as follows:

2026	\$ 1,878,453
2027	1,766,207
2028	1,525,210
2029	1,540,292
2030	587,062
	\$ 7,297,224

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

10. Commitments and contingent liabilities (continued):

(b) Contingent liabilities:

In the ordinary course of operations, the FMB, is from time-to-time, engaged in or party to certain legal actions involving uncertainty which may result in material losses. The outcome and amounts that may be payable, if any, under some of these claims, cannot be determined and accordingly only those claims in which a payment is considered likely and the amount can be reasonably estimated have been recorded in the financial statements as a liability. As at March 31, 2025 and 2024, there are no contingent liabilities.

(c) Contractual obligation:

On May 10, 2022, the FMB entered into a pledge agreement with Chartered Professional Accountants of Canada related to the establishment of a new International Sustainability Standards Board in Canada. Under the terms of the agreement, the FMB has committed \$1,000,000 to be paid in five annual installments, each in the amount of \$200,000. As at March 31, 2025, the FMB has made the first three payment totaling \$600,000. The fourth and fifth payments are due on or before June 30 in each of 2025 and 2026, respectively. The FMB's financial commitment is supported by annual funding from CIRNAC.

11. Economic dependence:

The FMB's ongoing operations are dependent on continued funding from the federal government to carry out its programs. The year ended March 31, 2025 was the first year of a new five-year core operations funding agreement with CIRNAC and the first year of a new two-year funding arrangement with ISC. Together with deferred revenue, these funding sources will be sufficient to fund the objectives set out in the FMB's 2025–2026 Corporate Plan.

12. Direct cost of client service:

Direct cost of client service involves costs associated with client requests for financial administration law and certification review. In addition, it covers support activities provided to First Nations in the financial administration law and system development process. Indirect costs such as salaries and administration costs are not allocated for purposes of financial statement presentation.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements (continued)

Year ended March 31, 2025

13. Cost for implementation of software services:

In fiscal 2025, the FMB incurred \$50,889 (2024 – nil) of costs for the implementation of software services in a cloud computing arrangement in addition to internal payroll costs, which are recorded in operations and administration, professional fees, and salaries and benefits expense in the statement of operations.

14. Financial instruments and risk management:

The FMB's main financial instrument risk exposures are as follows:

(a) Market risk:

Market risk is the potential for financial loss to the FMB from changes in the values of its financial instruments due to changes in interest rates, currency exchange rates, or equity prices. The FMB is exposed to interest rate risk on its restricted investment and short-term investment (notes 2 and 3). The FMB believes that it is not exposed to significant market risks.

(b) Liquidity risk:

Liquidity risk is the risk that the FMB will not be able to meet its financial obligations on a timely basis or at a reasonable cost as they fall due. The FMB's approach to managing liquidity risk is to prepare budgets and monitor its operating requirements to ensure it has sufficient working capital and cash flows to fund operations and settle liabilities when due.

(c) Credit risk:

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The FMB is exposed to credit risk on its cash, restricted investment, short-term investment and accounts receivable. Credit risk associated with cash, restricted investment, and short-term investment is minimized by ensuring that these assets are held with a reputable financial institution. Accounts receivable are mainly due from creditworthy government agencies. The FMB believes it is not exposed to significant credit risk.

There has been no change to risk exposure from the prior year.

ACRONYMS

AFN Assembly of First Nations	FNTC First Nations Tax Commission
AFNWA Atlantic First Nations Water Authority	FP Financial Performance
AFOA AFOA Canada (Association representing Aboriginal Financial Officers)	GiC Governor in Council
CD Capacity Development	HR Human Resources
CEO Chief Executive Officer	IDFO Indigenous Development Finance Organization
CIRNAC Crown-Indigenous Relations and Northern Affairs Canada	IEC Indigenous Economic Council
CPA Chartered Professional Accountant	IELR Indigenous Engagement, Laws, and Relations
CRM Customer Relationship Management	IIC Indigenous Investment Commission
CS Corporate Services	ISC Indigenous Services Canada
DMP Default Management Prevention (Pilot Project)	ISSB International Sustainability Standards Board
ESG Environmental, Social, and Governance	IT Information Technology
FAB Financial Administration By-Law	LAB First Nations Lands Advisory Board
FAL Financial Administration Law	NACCA National Aboriginal Capital Corporations Association
FMA <i>First Nations Fiscal Management Act</i>	NATOA National Aboriginal Trust Officers Association
FMB First Nations Financial Management Board	NFR New Fiscal Relationship
FMS Financial Management Systems	NIO National Indigenous Organizations
FNFA First Nations Finance Authority	NPO Not-for-Profit-Organization
FNII First Nations Infrastructure Institute	SAC Standards and Certification
FNLTW <i>First Nations Leading the Way</i>	SO Strategic Opportunities
FNMPC First Nations Major Projects Coalition	UNDRIP United Nations Declaration on the Rights of Indigenous Peoples

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