2025
2026

ANNUAL REPORT



First Nations
FINANCIAL
MANAGEMENT
BOARD

COVER ART

About the Artist

Jessica Canard is a multidisciplinary visual artist who focuses on creating murals and making art with people. They are Two-spirit, Anishinaabe, and from Sagkeeng First Nation. Born and raised in Winnipeg, Manitoba, they use art to explore, reclaim, and share their Anishinaabe heritage and culture. Their art practice is about sharing skills, ideas, and experiences through the creation or facilitation of art. They love using murals to transform spaces and bring others' visions to life.

In 2012, the Canadian Museum for Human Rights, in partnership with the Michaëlle Jean Foundation, purchased Jessica's artwork. This had a powerful impact on Jessica and showed them the positive power art can have. In 2015, they created their first out-of-province collaborative mural for Unceded Voices: Anti-Colonial Street Artists Convergence. In 2018, they created their first international mural commissioned by the University of Arizona's Women's Resource Centre.



In 2025, they created a mural for the University of Manitoba's Faculty of Law at Robson Hall.

After completing their Bachelor of Business Administration from the University of Winnipeg in 2017, Jessica created art full-time before making the decision to go back to school. In 2022, Jessica was accepted into the Faculty of Law at the University of Manitoba and received their Juris Doctor in 2026.

Jessica aims to integrate their knowledge of the law into their art practice so they can share it with the public through presentations, conversations, murals, and facilitating art workshops.

About the Painting

Nibi is Life

This piece honours, celebrates, and represents nibi. *Nibi* is Anishinaabemowin for water. In the image, a family of water spirits comes together to celebrate new life on a bright and colourful day. The Anishinaabeg see water as life, and Ikwe (women) are the stewards of nibi, as they bring life and hold the birthing water in which new life lives before meeting this world.

Nibi holds many teachings, like how life ebbs and flows. It reminds me that time only flows in one direction, and we don't know how much time we have. The journey can feel like going through rapids or like floating down a stream. That's why I wanted to bring these water spirits to life. Navigating the waters with family (blood or chosen) makes the hard parts less scary.

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Message from Harold Calla, Executive Chair



The First Nations Financial Management Board's (FMB's) 2025–2026 fiscal year unfolded in a time of economic and geopolitical uncertainty in Canada. Global pressures sparked a far-reaching effort, stretching across governments and the private sector, to build a more resilient and sustainable economy. Still in its early phase, the success of this economic shift relies on the development of major natural resource, energy, and telecommunications projects – all of which impact traditional Indigenous territories.

Getting to final investment decisions for major projects requires Indigenous inclusion, ideally from the earliest stages of project planning. Achieving success in the building and operation of these projects is much more likely with meaningful Indigenous participation – in particular, through equity ownership positions.

The FMB plays a vital role in supporting financial management and administrative governance capacity building so First Nations feel confident to participate in projects that align with their interests and values. As with our sister First Nations Fiscal Management Act (FMA) institutions, we offer Indigenous-led pathways to economic development.

When First Nations are equipped to identify and seize opportunities that build prosperity, they drive economic growth for the benefit of all Canadians.

Increased demand for our services and tools reflects growing recognition of the success of our client Nations. For example, research shows that First Nations saw a median own-source revenue (OSR) increase of 35.3% in the three years after adopting a Financial Administration Law (FAL), compared to the three years before.[1] Higher demand also reflects the desire of First Nations to participate more fully in the mainstream economy.

Seizing this moment and building prosperity were key themes of discussions at several forums hosted by the FMB and First Nations partners this past fiscal year. At the Northeastern Ontario First Nations Economic Summit in Timmins, September 10-11, 2025, First Nations governments and economic development corporations from across Northeastern Ontario joined us to explore opportunities and strategies to drive economic development across the region. These economic development forums made it clear that First Nations are open for business but require the right tools to participate as full partners.

Trusted relationships are foundational to the success of our supports to First Nations and Indigenous not-for-profit organizations (NPOs). Our staff are on the ground with First Nations, working in partnership with them according to

[1] Sample represents 152 Nations that achieved a FAL between 2017 and 2022; only Nations with audited financial statements pre-FAL and post-FAL were included in these analyses.

their timelines; listening and responding. We're viewed as a trusted partner by First Nations, not as overseer.

Once a year, at the national First Nations Leading the Way gathering, we join with the other FMA institutions and the Lands Advisory Board (LAB) in hosting one of the biggest meetings of First Nations leaders in Canada. Nations share their success stories from working with the FMA institutions and LAB in expanding their jurisdiction and advancing economic self-determination. Participants learn about the supports available to their Nations, and we all learn more about barriers to economic development and potential solutions.

We have learned that when it comes to major development projects, First Nations want to derive long-term cashflows from a project, not just project development benefit agreements. This is why Nations increasingly seek equity positions, which also gives them a seat at the table when decisions about the direction of a project are made.

Successful partnerships, like we see with Cedar LNG in British Columbia, show what is possible with equity roles and other types of meaningful Indigenous participation. We know that many more projects will become a reality if we can get the financing piece right. Limited access to flexible, risk-tolerant capital is holding Indigenous participation back, which, in turn, makes it harder to move many projects forward.

We've also learned from our First Nations clients about the importance of advancing the First Nations Infrastructure Institute (FNII) to address pressing infrastructure needs in their communities. The monetization of federal transfers would also support First Nations to undertake major infrastructure projects.

The track record of FMA institutions shows that Indigenous-led solutions deliver the strongest economic outcomes for First Nations. With the right tools, First Nations achieve results that surpass government programs.



From left, C.T. (Manny) Jules, Chief Commissioner of the FNTC; Harold Calla, Executive Chair of the FMB; and Allan Claxton, FNII Development Board Chair met at the Senate of Canada in Ottawa in 2023 during discussions on amendments to the FMA.

Across Canada and internationally, investors increasingly recognize both the potential of Indigenous partnerships and the barriers First Nations face. At the Canadian Indigenous Investment Summit in London in April 2025, I underscored this opportunity and the importance of assessing Indigenous partnerships early – before project structures are set.

Our expertise is also sought abroad. In May 2025, I joined an FMB delegation to Canberra to support the Australian National University and the First Nations Economic Empowerment Alliance in developing the Indigenous Economic Transformation Centre – an innovative approach to advancing economic reconciliation.

It is time for Canada to fully recognize and fund FMB's transformational, Indigenous-led work, as it does other vital institutions. The status quo presents risks Canada can ill afford.

The FMB needs predictable and long-term funding in order to meet the capacity-building needs of First Nations and Indigenous NPOs. We now rely on temporary funding measures to deliver core services, which puts the economic development progress of Nations at risk.

Without stable support, the momentum achieved in recent years will flounder, impediments to major project developments will grow, and there will be no relief to the cost of poverty in First Nations communities.

First Nations, Indigenous NPOs, and other partners have come to rely on the FMB to support them in achieving their goals. In addition to our core services, the FMB is a Petri dish for new ideas to address emerging needs. We continue to advance Indigenous-led solutions to challenges that hold back Indigenous economic development. Our leading role in the launch of the First Nations Major Project Coalition (FNMPC) in 2017 is a great example of our leadership in this area.

I'm proud of the achievements of our clients and the FMB staff supporting them. Canada needs to invest in this success and ensure it's available to more First Nations and Indigenous NPOs.

The FMB offers a proven pathway to realizing economic opportunities, driving economic growth, and advancing economic reconciliation – for the benefit of all Canadians.

Harold Calla
FCPA, FCGA, CAFM

Executive Chair, FMB
Squamish Nation, British Columbia

Message from Scott Munro, Chief Executive Officer



The achievements of First Nations working with the FMB continue to advance the economic self-determination of the communities we serve across Canada. Completion of Corporate Goals for 2025–2026 gave us enhanced efficiencies, strengthened client engagement, and new solutions to emerging challenges facing First Nations. While our ability to meet Nations' growing demands in the years ahead will require funding changes to provide stability and enable long-term planning, I am proud of what our team has accomplished with temporary funding measures as we respond to increased requests for support.

The FMB continues to prioritize our core services in supporting Nations on their economic development and self-determination journeys. Our teams bring professional skills and depth of experience to their support of Nations considering working with the FMA institutions, establishing their FAL, developing their capacity in financial management and administrative governance, and achieving certifications that open up doors to new opportunities. These core services equip Nations to identify, evaluate, and pursue development projects that align with their needs and values.

In 2025–2026, nine Nations achieved the FMB's Financial Management System (FMS) Certification, 12 achieved Financial Performance (FP) Certification, and 18 developed and adopted a FAL. These are among the highlights of the past fiscal year that we are pleased to share in this year's Annual Report. Analysis conducted by FMB shows that achieving these certifications is correlated with better financial, health, social, and economic outcomes in communities.

Trusted relationships, built over time, are key to our success in supporting First Nations to achieve their goals. These relationships also help us learn about emerging issues that can be barriers to economic self-determination, such as the challenges many First Nations face in issuing timely audited annual financial statements and the many special purpose reports that various agreements and laws require.

This past year, the FMB continued to play a leadership role in finding solutions to these challenges. Efforts include establishment of the Indigenous Technical Advisory Group (ITAG) to support faster adoption of new accounting standards, improved quality of financial reporting, and fewer qualified audit opinions. We also started ramping up our Support Services offerings in areas that help address barriers to the timely issuance of audited annual financial statements.

We continued our collaboration with other national Indigenous organizations (NIOs) to advance our proposal for an Indigenous Development Finance Organization (IDFO). This is an Indigenous-led solution to provide flexible financing options that fill gaps in the system including early-stage support for Indigenous equity participation in major projects.

As part of discussions on gaps in access to capital, we met with representatives of Canada's five major banks in December 2025. They agreed that gaps in financing exist and welcomed closer collaboration with First Nations. The representatives acknowledged that Indigenous-led solutions, as exemplified in the FMA institutions, show the way forward.

The FMB is also advancing a solution for Indigenous-led wealth management through the establishment of an Indigenous Investment Commission (IIC). The IIC would provide asset-management services to Indigenous governments, organizations, and trusts with the goal of achieving higher returns and lower management fees, as well as investing back into Indigenous communities, businesses, and Indigenous-led projects.

Collaboration with other organizations is foundational to our success. This includes collaboration with other NIOs to enhance opportunities in economic self-determination for First Nations. In 2025–2026, we continued to advance the Indigenous Economic Council (IEC) for a more coordinated, Indigenous-led approach to economic development.

"Trusted relationships, built over time, are key to our success in supporting First Nations to achieve their goals."

Other collaborative work in 2025–2026 includes participation with the Assembly of First Nations (AFN) and Indigenous Services Canada (ISC) at the New Fiscal Relationship (NFR) consultative tables.

We remain active in corporate standards setting, working with regulatory bodies to ensure their systems and standards are updated to include Indigenous factors.

Internally, we continue to adopt efficiencies and innovate to achieve the greatest benefits for our First Nations clients. In 2025–2026, we launched our new Digital Client Stewardship (DCS) platform, strengthening our ability to serve clients more effectively and modernizing how we collaborate across teams. We also launched Dayforce as our new human resources (HR) platform, combining payroll, benefits, and workforce management into a single system.

Our new OneFMB strategy launched this past fiscal, increasing collaboration across teams and ensuring that services and supports align with what our First Nations clients need at various points along their journey.

Implementing efficiencies and cost savings was a priority over the past fiscal year due to the financial pressures of temporary funding for some initiatives. We made strategic changes to ensure we could enter the next fiscal year with a very clear budget and financial plan.

Across teams, our work continues to be guided by our Five-year Strategic Plan, now in its second year. Adopted by our Board of Directors in December 2024 and updated this past fiscal year, the strategic plan builds on the achievements of the past and grounds all that we do in high quality service to First Nations.

Scott Munro
FCPA, FCGA, CAFM

Chief Executive Officer,
FMB Kaska Dena, Yukon Territory



CEO Scott Munro delivers remarks at the annual First Nations Leading the Way conference in Markham, Ontario, in October 2025.

Executive Summary

First Nations and NIOs working with the FMB continued to achieve success in advancing their financial management and economic development goals over the past fiscal year.

The FMB's work in 2025–2026 was guided by the key priorities of our Five-year Strategic Plan. The Annual Report details our success in each of these areas and the achievement of our corporate goals for 2025–2026.

Highlights

Key achievements under each strategic priority include:

Priority 1: Strong Relationships

- Development of OneFMB Initiative to ensure seamless, high-quality service to clients and strengthened supports leading to FMS Certification.
- Continued development of the Statistical Initiative and Government Statistics Portal to strengthen Indigenous data sovereignty and evidence-based decision-making.

Priority 2: Support for Economic Inclusion and Self-Determination

- Nine First Nations achieved FMS Certification.
- 14 First Nations opted into the FMA, for a total of 389 participating – about 67% of all *Indian Act* First Nations.
- 18 First Nations developed their FAL.
- 33 Compliance Opinions were sent to ISC for NFR Grant eligibility
- Completion of the First Nations Financial Statement Research Project, producing comprehensive research that identified barriers to audited financial statements and outlined actionable short- and long-term recommendations.
- Advancement of the IDFO proposal in collaboration with the National Aboriginal Capital Corporations Association (NACCA), First Nations Finance Authority (FNFA), and the FNMPC to address persistent gaps in Indigenous financing.
- A phased implementation workplan and engagement with Indigenous investment leaders and communities supported development of the IIC initiative.
- Launch of a national Government Business Enterprise (GBE) Initiative, focusing on peer learning, governance, and access to capital.

The FMB supports First Nations in building better futures through capacity building in financial management and administrative governance. The FMB's certifications unlock opportunities, including access to financing at competitive government rates. Engagement with the FMB is an important step away from the colonial system of managing poverty to a framework for First Nations generating wealth and wellbeing. Evidence demonstrates that higher levels of engagement with the FMB are associated with increased own source revenues and improved community wellbeing outcomes for First Nations.

Priority 3: Strategic Partnerships

- Advancement of the IEC and Economic Reconciliation Framework (ERF) through national engagement, policy development, and Indigenous data sovereignty initiatives.
- Planning and execution of the successful First Nations Leading the Way conference in Richmond, Ontario.
- Co-hosted regional economic development forums with First Nations, including the Northeastern Ontario First Nations Economic Summit in Timmins, where First Nations governments and economic development corporations from across Northeastern Ontario explored opportunities and strategies to drive economic development across the region.

Priority 4: Innovation and Operational Excellence

- Strengthened HR technology platform by advancing the Dayforce system.
- Implementation of a new Customer Relationship Management (CRM) system.

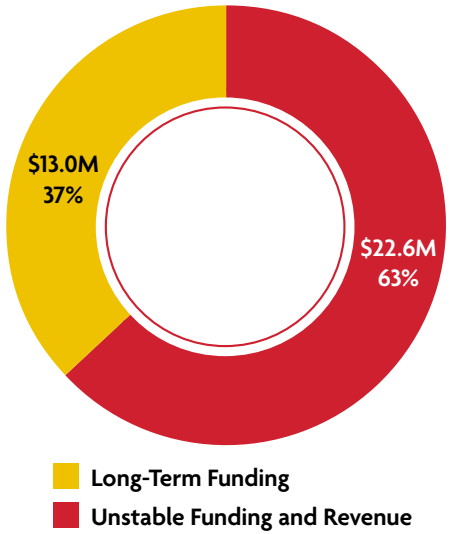
Priority 5: Credibility and Integrity

- Strengthened the FMB's thought leadership role in economic self-determination through op-eds, podcasts, and speaking engagements.
- Strengthened relationships with all parties in parliament as the FMB maintains all-party support.
- Progress in Indigenous recruitment, with 36 Indigenous candidates moving into roles across the organization.

Financials

The 2025–2026 financial results reflect a period of continued growth driven by increasing demand for the FMB's services. Revenues and expenses both increased during the year as the FMB continued to support existing clients, respond to new requests, and advance initiatives that contribute to First Nations economic self-determination. The impact of this growth is reflected in the outcomes achieved by the First Nations served, as highlighted throughout the Annual Report.

Illustrative breakdown of 2025-2026 revenue between unstable and long-term funding sources (in millions).



This growth, however, puts increased pressure on the organization due to the FMB's continued reliance on short-term and project-based funding sources to bridge the gap between long-term A-Base funding of $13.0 million and the current operating level.

These pressures underscore the need for more stable, predictable funding to sustain these service levels over the long term.

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 that offer complementary services and support to interested First Nations and other related entities:

- The FMB supports First Nations and certain Indigenous NPOs in developing and being certified for high standards of financial management and accountability.
- The 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.
- 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 Indigenous NPOs to establish and implement their own financial management systems through the enactment of FALs, and develop policies, procedures, and practices in line with standards established by the FMB. This enables a participating First Nation or NPO to demonstrate to its citizens, members, 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 Nations government can, through the FNFA, obtain long-term fixed-rate 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, adapted to meet the needs of First Nations.

About the FMB

The FMB supports First Nations and Indigenous NPOs as they work to achieve their financial management and economic development goals. We do this through a variety of services and tools designed to support Nations in strengthening their financial management and administrative governance processes and procedures. By working with the FMB, Nations are better equipped to evaluate opportunities and pursue pathways that lead to brighter futures for their citizens.

As with each of the FMA organizations, the FMB's services are fully optional – First Nations governments can choose to participate or not, and on their own timeline – all at no cost to the Nation. Currently 67% of eligible First Nations have opted into the FMA.

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 and other Indigenous organizations wishing to participate. The FMB's mandate under the FMA includes assisting 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.

See the FMB's full mandate under the FMA in Appendix A.

The FMB's services are funded by the Government of Canada through annual A-Base funding arrangements from Crown-Indigenous and Northern Affairs Canada (CIRNAC) for ongoing core operations, as well as funding provided for proposal-based initiatives from ISC 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.

Vision, Mission, and Values

Vision

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.

Responsiveness

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

Collaboration

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

Innovation

We develop and implement practical solutions.



Participants at the Northeastern Ontario First Nations Economic Summit, hosted by the Apitipi Anicinapek Nation in Timmins, Ontario, on September 10–11, 2025, listed aspirations for their communities.

For Long Point First Nation, financial stability means lasting prosperity, sovereignty



Representatives of Long Point First Nation pose with a painting by local artist Frank Polson during a September 2025 celebration at the Community Hall recognizing the community's recent FMS Certification.

Just two decades ago, Long Point First Nation, in the Abitibi-Témiscamingue region of Quebec, faced serious financial strain. Relying on short-term funding and growing deficits made long-term planning difficult.

"The community was looking for options," says Executive Director Sharon Hunter. "We were struggling financially, and we knew we had to find a better way to plan and administer our affairs."

The turning point came when the Nation secured the NFR 10-Year Grant and achieved FMS Certification through the FMB. The process to get there demanded discipline, transparency, and sustained effort. The results have been nothing short of transformative for the community.

Today, Long Point has moved from deficits to surpluses, building confidence and financial stability along the way. The Nation now holds two $5 million term deposits that generate interest revenue, allowing leadership to invest in community priorities.

"With that stability, we started seeing hope," says Sharon Hunter. "Even breaking even or ending the year with a surplus was encouraging, considering our history and where we came from."

This stronger financial foundation has enabled the Nation to add 29 housing units, alongside critical infrastructure improvements including road paving, sidewalks, upgraded water and sewer systems, and improved drainage.

Economic development is another key focus. As a semi-isolated community with only one road in and out, Long Point is working to create sustainable

local opportunities. A newly established development corporation is exploring mining and forestry opportunities, guided by a master plan rooted in respect for the land and protection of traditional ways of life.

"We're not against development," says Chief Steeve Mathias. "We're against being excluded and against anything that would jeopardize our rights or our relationship with the land."

The process of achieving FMS Certification and building financial stability has strengthened pride and confidence within the community. The governance frameworks and policies reflect Long Point's values, ensuring growth remains aligned with culture, sovereignty, and environmental stewardship.

The path to FMS Certification began with the adoption of their FAL and achievement of Financial Performance Certification in March of 2019. Since then, the Nation has developed more than 60 policies and procedures, including governance, human resources, finance, emergency preparedness, and risk management frameworks. These tools ensure that community priorities are supported by sound financial systems and clear accountability.



Members of the FMB team visited Long Point First Nation to present the Nation's FMS Certification during a community celebration in September 2025.

For Long Point First Nation, FMS Certification is not an endpoint; it is a foundation for a future defined by self-sufficiency, strong governance, and prosperity in harmony with the land and its people.

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 full-time Executive Chairperson. The Governor in Council, on the recommendation of CIRNAC, appoints the Chairperson and a minimum of five and up to nine other Directors. AFOA Canada appoints up to three additional Directors. The FMB recently added an Elder Advisor position to the Board of Directors to provide traditional guidance in support of the FMB's work.

The Board members 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

Caroline Davis
GIC Re-Appointment
Ontario
March 24, 2030

Derek Archibald
AFOA Appointment
Ontario
February 25, 2030

Crystal Laborero
GIC Appointment
Manitoba
April 11, 2029

Mike McIntyre
GIC Appointment
Nova Scotia
January 24, 2029

Paul Rochon
GIC Appointment
Ontario
January 24, 2029

Jean Vincent
GIC Appointment
Québec
January 24, 2029

Helen Bobiwash
GIC Appointment
Ontario
December 16, 2028

Katherine Stevens
AFOA Appointment
British Columbia
June 30, 2027

Kelly Ballard
AFOA Appointment
British Columbia
June 30, 2027

Deanna Muise
GIC Re-Appointment
Alberta
August 27, 2026

Leonard Odjick
Elder Advisor
Québec



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 five-year strategic plan in the fall of 2024. This plan was reviewed again and amended in early 2026. The strategic plan ensures that our work 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. We will improve engagement approaches to strengthen relationships, refine our offerings, and advocate effectively. This includes enhancing the value we provide to clients through our new OneFMB model, turning data into insights and action, and ensuring we meet the needs of all clients.

Our second priority is supporting economic inclusion and self-determination. We will continue to provide operational support and guidance to prepare First Nations for inclusion in the Canadian economy via 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 NPOs that advance First Nations economic self-determination.

Our third strategic priority is fundamental to everything we do: strategic partnerships. We will collaborate with others to be a positive force for change. 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 NIOs to better meet the needs of First Nations. We will continue to advocate for a transfer of responsibilities from ISC and CIRNAC to First Nations 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 fourth priority is innovation and operational excellence. We will embrace product and service delivery innovation and strengthen our internal capacity, accountability, and effectiveness. 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. As part of this priority, we are currently in the midst of implementing a long-term IT strategy.

We are committed to supporting staff from recruitment to retirement, ensuring high performance, role clarity, and values alignment.

Finally, our fifth priority is credibility and integrity. We will maintain our credibility and integrity as an Indigenous-led institution by following through on our commitments and ensuring the majority of our Board and staff members are Indigenous.

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

We will complete an internal FMS Certification. The FMB will always respect, communicate, and operationalize Indigenous values.



Chief June Black of Apitipi Anicinapek Nation (third from left) and FMB Executive Chair Harold Calla (second from left) are joined by participants at the Northeastern Ontario First Nations Economic Summit in Timmins, Ontario, on September 10–11, 2025.

2025–2026 ACHIEVEMENTS

Working in partnership with First Nations, Indigenous NPOs, and NIOs, FMB staff achieved impressive results over 2025–2026 in supporting First Nations on their journeys to economic self-determination. Highlights include growth in all levels of First Nations certifications, impactful client workshops and meetings across the country, and another successful national gathering at First Nations Leading the Way.

We continue to focus on capacity-building supports for the First Nations and Indigenous NPOs we serve. These tools and services equip Nations to achieve their socioeconomic goals and respond to emerging opportunities in Canada's changing economy.

The FMB continues to lead efforts with First Nations and other partners in understanding and addressing emerging issues facing Nations, including delays in issuing audited annual financial statements and the need for more coordinated economic development supports.

Operationally, we launched new platforms for more efficient and effective client management and HR systems. We also initiated our new OneFMB strategy – an organization-wide initiative to enhance collaboration across teams, ensure clients have a seamless experience with the FMB, and strengthen supports leading to FMS Certification.

"More of our educated young people are looking for opportunities to come home and reconnect with their communities. And we're seeing the development of legitimate job opportunities for them to be able to come home."

– **Harold Calla**
Executive Chair, FMB

FMB's Milestone Achievements as of 2025–2026

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 2025–2026 (as of March 31, 2026)

320

Financial Administration Law (FAL) Approvals

260

Financial Performance (FP) Certificates Issued

81

Financial Management System (FMS) Certificates Issued

173

First Nations in 10-Year Grant Agreements

Northwest Territories		
FAL	7	32%
FP	3	14%
FMS	0	0%
10-Yr	0	0%

Alberta		
FAL	19	43%
FP	14	32%
FMS	1	2%
10-Yr	5	11%

Ontario		
FAL	41	33%
FP	34	27%
FMS	13	10%
10-Yr	22	18%

Newfoundland		
FAL	4	100%
FP	4	100%
FMS	1	25%
10-Yr	1	25%

Yukon		
FAL	1	33%
FP	0	0%
FMS	0	0%
10-Yr	0	0%

Saskatchewan		
FAL	34	49%
FP	27	39%
FMS	5	7%
10-Yr	20	29%

Québec		
FAL	20	69%
FP	20	69%
FMS	4	14%
10-Yr	15	52%

Prince Edward Island		
FAL	1	50%
FP	1	50%
FMS	0	0%
10-Yr	1	50%

British Columbia		
FAL	137	73%
FP	116	62%
FMS	46	24%
10-Yr	82	44%

Manitoba		
FAL	34	53%
FP	22	34%
FMS	6	9%
10-Yr	13	20%

New Brunswick		
FAL	10	67%
FP	7	47%
FMS	0	0%
10-Yr	5	33%

Nova Scotia		
FAL	12	92%
FP	12	92%
FMS	5	34%
10-Yr	9	69%

Ongoing Services

Indigenous Engagement, Laws, and Relations

Shayla Point, ***BA, LL.B, MBA***
Deputy CEO and Director, Indigenous Engagement, Laws, and Relations
Musqueam Nation, 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 2025–2026 INCLUDE:

- **14** First Nations opted into the FMA, for a total of **389** participating – about **67%** of all *Indian Act* First Nations.
- **22** 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.
- **54** 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.
- **18** First Nations developed their FAL.
- **11** First Nations updated their existing FAL to meet the FMB's standards in preparation for FMS Certification.
- **30** Compliance Opinions were sent to ISC for NFR eligibility.

Capacity Development

Amy Comegan, *MBA, FCPA, FCGA, CAFM*
Director, Capacity Development

Anishinaabeg of Naongashiing 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 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 2025–2026 INCLUDE:

- **1,093** CD workshops were delivered in community and regionally.
- **6** First Nations transitioned from capacity development to preparation for the FMS Certification review process.
- **9** First Nations achieved FMS Certification.
- **2** national Support Services workshops were held:
  - November 4-5, Wendake, Quebec: *From the Roots Up: Indigenous Finance and Resilience Gathering* – a hands-on workshop designed specifically for finance professionals working in First Nations settings.
  - March 10-11, St. John's, Newfoundland and Labrador: *Pathway to Resilience* – This two-day gathering brought Default Management Prevention (DMP) and FMS Support Services clients together for practical support, meaningful conversation, and tools they can bring back to their Nation right away.
- Made significant contributions in partnership with IELR to shape and form the OneFMB strategy.

FIGURE 3: CDI Workshops Delivered by Client Type, 2025–2026

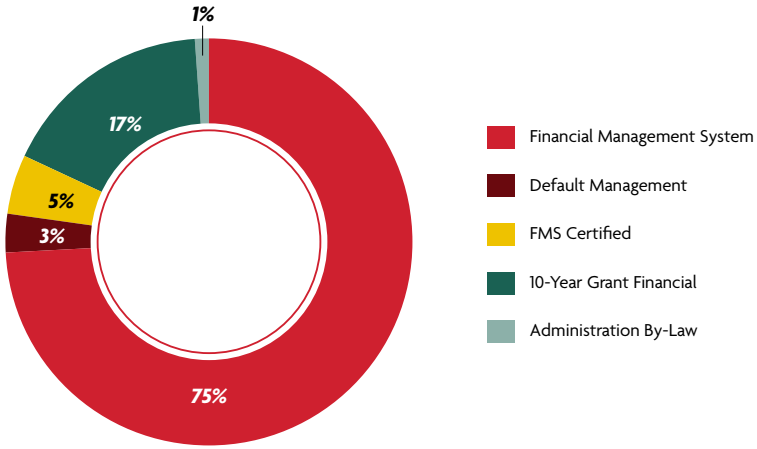


FIGURE 4: CDI Workshops Delivered by Workshop Type, 2025–2026

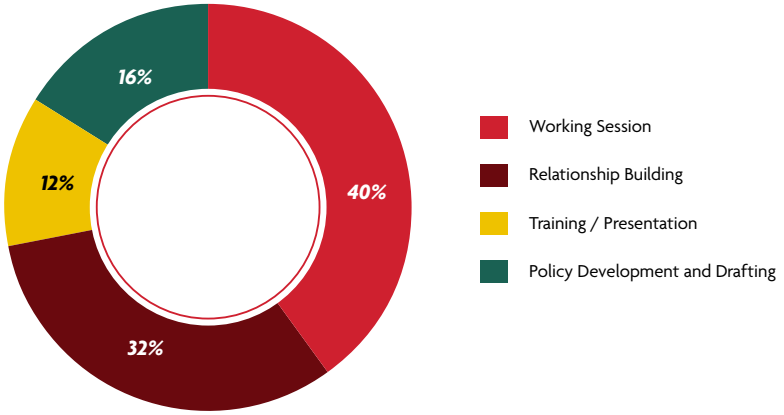


FIGURE 5: CDI Workshops Delivered by Subject Matter, 2025–2026

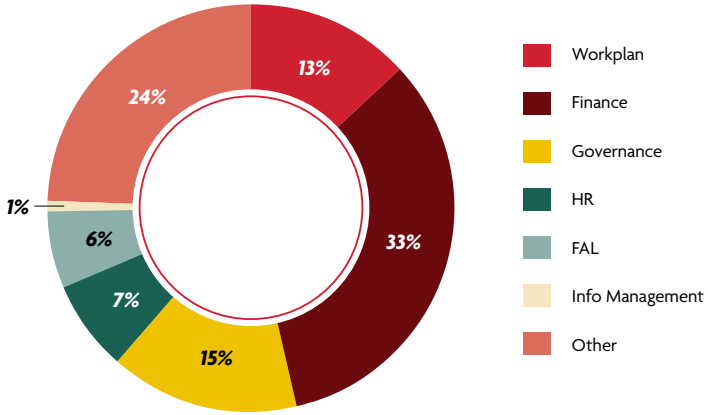
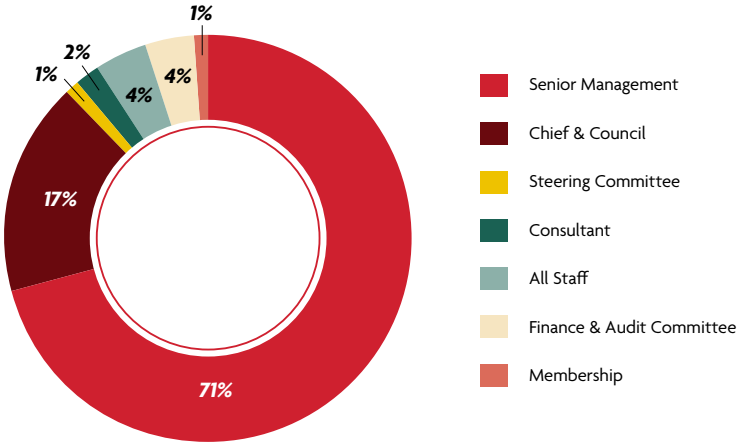


FIGURE 6: CDI Workshops Delivered by Target Audience, 2025–2026





Participants gather for the welcome delivered by Ogimaa-Kwe (Chief) Claire Sault on behalf of the Mississaugas of the Credit First Nation during First Nations Leading the Way in Markham, Ontario, on October 8, 2025.



Participants at the First Nations Leading the Way conference visit exhibitor booths and network between sessions in Markham, Ontario, in October 2025.

FMS Support Services

In 2023, the FMB launched our innovative FMS Support Services pilot project, which has delivered significant results. To date, three First Nations have successfully graduated from the program; two have achieved FMS Certification.

Our services have expanded to support 49 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. In response to evolving community needs, we have further strengthened our service offering by introducing Records Management and Enterprise Resource Planning (ERP) Specialist services, enabling Nations to enhance data governance, improve system optimization, and build stronger financial and operational foundations.

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 almost 20,000 hours of 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.

We play a critical role in strengthening audit readiness across the Nations we serve, supporting communities in improving documentation, processes, and internal controls to meet audit requirements. Since the beginning of Support Services, we have supported management's responsibilities for audit completion for 47 different reports.

In the upcoming fiscal year, FMS Support Services will play a major role in the development of Project Aurora, which seeks to provide a new solution to support First Nations with a backlog of financial reporting, including outstanding audited general purpose financial statements and special purpose reports.

FIGURE 9: FMS Support Services Participation

	2023-2024	2024-2025	2025–2026
Number of participants	26	36	49
Total hours of support services	2,611	5,396	9,873
Total Services to Date	4,165	9,561	19,434



A participant listens during discussions at the Northeastern Ontario First Nations Economic Summit in Timmins, Ontario, in September 2025.

Default Management Prevention

The DMP Pilot Project has demonstrated its strength as a Nation-led model for financial recovery and long-term autonomy. Over the 2025–2026 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.

SUBJECT MATTER FOCUS

DMP facilitated 63 engagements across 20 First Nations. The program's primary mode of delivery was through 28 working sessions.

Additional activities included seven training events, 16 relationship-building sessions, and one policy development session. The most frequent topics of sessions were:

- Financial Management **20**
- Strategic Work Planning **7**
- Governance Support **8**
- HR development **6**

These focus areas reflect Nations' priorities around fiscal stability, institutional strengthening, and sustainable workforce planning.

DMP engagement with Nations' senior management was particularly strong in 2025–2026, 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.

FIGURE 10: DMP Participation 2023-2026

	2023-2024	2024-2025	2025–2026
Number of participants	21	24	24

The 2025–2026 fiscal year reaffirmed 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.

CAPACITY DEVELOPMENT SUPPORT FOR PEOPLE AND CULTURE

HR services, now reframed at the FMB as People and Culture, were delivered through both the FMS Support Services and DMP 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.

"While the Indian Act divided us, increased collaboration among Indigenous-led institutions is forging a path to a better tomorrow."

– **Harold Calla**
Executive Chair, FMB

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 NPOs. Meeting the FMB's standards is a requirement of FMB's FP and FMS certifications. The SAC team also provides support and compliance opinions for First Nations and NPOs seeking eligibility for participation in ISC's NFR Grant program.

ACHIEVEMENTS IN 2025–2026 INCLUDE:

- **16** FP Certificates issued
- **9** FMS Certificates issued
- **1** NPO Compliance Opinion issued

FMB CLIENTS THAT ACHIEVED FMS CERTIFICATION IN 2025–2026

The process of achieving FMS Certification requires commitment, training, and often years of hard work. The FMB is pleased to acknowledge the efforts and dedication of the following First Nations governments that achieved FMS Certification in 2025–2026.

- ★ Ahtahkakoop Cree Nation
- ★ Long Point First Nation
- ★ Haisla Nation
- ★ Squamish Nation
- ★ W̱JOŁEŁP (Tsartlip) First Nation
- ★ Shawanaga First Nation
- ★ Sumas First Nation
- ★ Xwchíyò:m (Cheam) First Nation
- ★ Odanak Abenaki First Nation

FIGURE 11: FP Certificates – Most Recent Five Years, Cumulative, as of 2025–2026

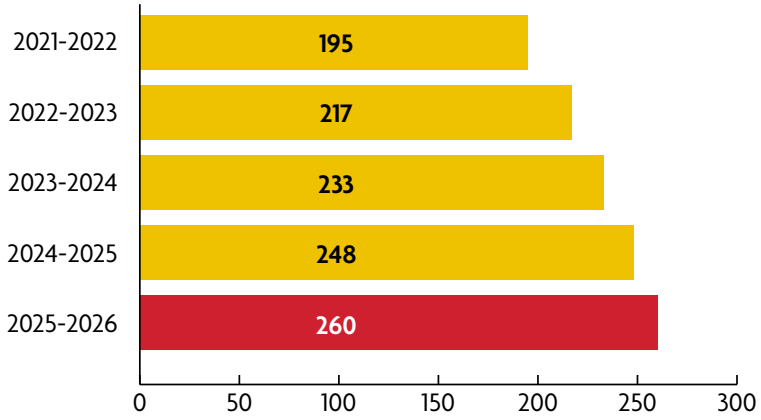


FIGURE 12: FMS Certificates – Most Recent Five Years, Cumulative, as of 2025–2026

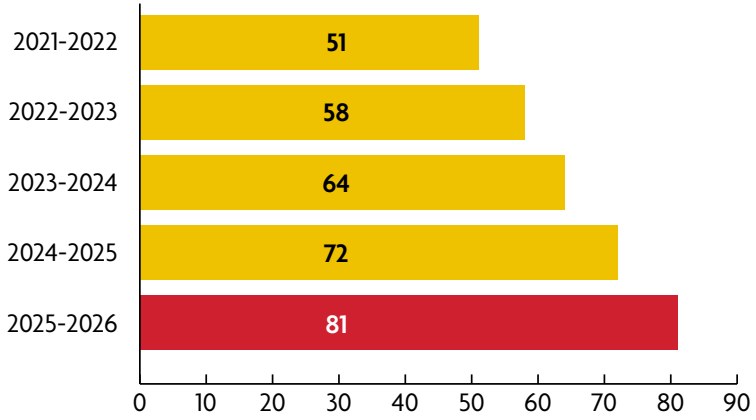
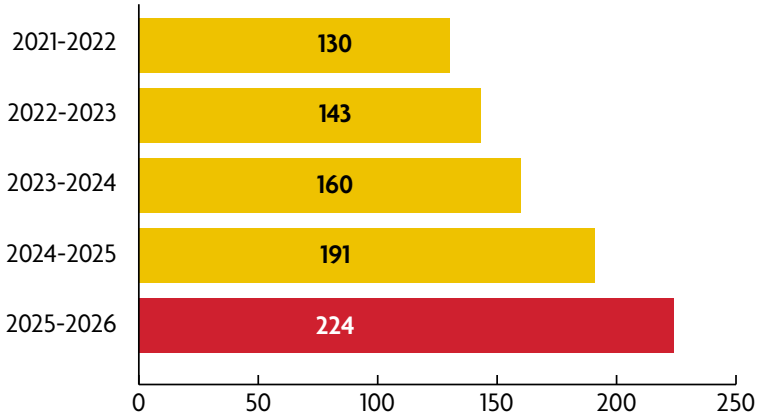


FIGURE 13: 10-Year Grant Agreements – Most Recent Five Years, Cumulative, as of 2025–2026



"Our programs and services work to unlock the Indigenous economy, which will drive prosperity for First Nations and all Canadians."

– Harold Calla
Executive Chair, FMB

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 NPOs approved for participation in the program.

In 2025–2026, the SAC team:

- Provided 20 First Nations with NFR Grant compliance opinions
- Provided 13 Indigenous NPOs with NFR Grant compliance opinions
- Received 49 Expressions of Interest from First Nations
- Received 28 Expressions of Interest from NPOs

"Indigenous inclusion is essential to a restructured Canadian economy that is more resilient, sustainable and inclusive."

– **Lawrence Schembri and Harold Calla,**
op ed in The Globe and Mail
May 7, 2026

FIRST NATIONS MARKET HOUSING FUND – COMPLIANCE OPINION

In July of 2025, the FMB issued its second Compliance Opinion on Part 1 and Part 2 of the Standards for Indigenous NPOs to the First Nations Market Housing Fund (FNMHF). The FNMHF is the second Indigenous NPO in Canada to achieve compliance with the FMB's NPO Standards.



FMB CEO Scott Munro (right) presents FNMHF CEO Travis Seymour with the Fund's compliance opinion under the FMB's NPO standards during a presentation in Ottawa, Ontario, in October 2025.

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, Ontario, and 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 works with various provincial bodies across the country to create awareness around the profession and encourage Indigenous candidates to pursue the CPA designation.

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

The Strategic Opportunities (SO) team 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 Nations' priorities. This is achieved in collaboration with ISC, CIRNAC, and other federal government departments.

ACHIEVEMENTS IN 2025–2026 INCLUDE:

- Advanced and completed the First Nations Financial Statement Research Project, producing comprehensive research that identified barriers to audited financial statements and outlined actionable short- and long-term recommendations.
- Advanced the IEC and ERF through national engagement, policy development, and Indigenous data sovereignty initiatives.
- Advanced the IDFO proposal in collaboration with NACCA, FNFA, and the FNMPC to address persistent gaps in Indigenous financing.
- Advanced the IIC initiative through development of a phased implementation workplan and engagement with Indigenous investment leaders and communities.
- Launched a national GBE Initiative focused on peer learning, governance, and access to capital.
- Continued development of the Statistical Initiative and Government Statistics Portal to strengthen Indigenous data sovereignty and evidence-based decision-making.
- Continued support for the Atlantic First Nations Water Authority (AFNWA) and development of an economic oversight model for utilities and service delivery organizations.

Advancing Economic Self-determination through the RoadMap Project

The RoadMap Project is a collection of optional pathways designed to support Nations in moving from managing poverty to generating wealth, and to advance the promise of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). As a living and evolving framework, RoadMap continues to be shaped by ongoing engagement with Nations, Indigenous organizations, businesses, financial institutions, and government partners across Canada.

Over 2025–2026, the RoadMap Project focused on advancing practical tools, partnerships, and Indigenous-led institutions that support economic self-determination, long-term wealth creation, and Nation-led economic development. Key initiatives advanced during the year included the IEC, IDFO, IIC, GBE Initiative, and Indigenous data sovereignty initiatives.



In Montreal, Quebec, the IELR team hosted the New Fiscal Relationship Grant Eligibility and Certification: A Pathway to Success workshops on June 17, 2025. From left: Michael Polak, CEO, Glooscap First Nation; Matt Tapper, FMB Relationship Manager; and Amanda Lloyd, CFO, Wasoqopa'q First Nation.

Indigenous Economic Council

IEC continued to advance a coordinated Indigenous-led approach to economic development and economic reconciliation through national engagement, policy collaboration, and institution building.

2025–2026 HIGHLIGHTS:

- Demonstrated a proof of concept for the IEC as a collaborative consortium of national Indigenous organizations working together on shared economic priorities. Through more than 60 Technical Working Group meetings and over 10 Management Committee meetings, participating organizations strengthened relationships, trust, and collaboration.
- Supported 15 regional engagement sessions across Canada, including 13 in-person and two virtual sessions, to gather input from rights holders and related parties on regional economic development priorities and barriers.
- Advanced the development of a Sovereign Data Platform and major projects demonstration using ArcGIS geospatial technology and publicly available data. The prototype demonstrated how Ownership, Control, Access, and Possession (OCAP®)-aligned data tools could support major project planning, economic analysis, and informed decision making.
- Supported the revision and expansion of the ERF and related policy proposals. Rights holders revisited and refined priorities in response to current economic and geopolitical conditions, expanding the framework from six to nine proposals under three themes:
  - Capital and market access
  - Equitable community capacity
  - Economic and data sovereignty
- Advanced research related to Indigenous data sovereignty and community impact measurement, including the review of sustainable development indicators, digital tools, governance models, and data-sharing approaches aligned with OCAP® principles.
- Supported the development of a more coordinated, Indigenous-led approach to economic reconciliation through long-term policy collaboration, regional engagement, and institution building.

Indigenous Development Finance Organization

The IDFO is being developed to address persistent financing gaps affecting Indigenous Nations, businesses, and institutions. Designed to complement and strengthen the work of existing Indigenous financial providers, such as NACCA and the FNFA, the IDFO would expand access to affordable, values-aligned capital and support long-term economic self-determination.

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 combining direct and wholesale lending to address unmet market needs.

2025–2026 HIGHLIGHTS:

- Advanced the IDFO proposal in collaboration with NACCA, FNFA, and the FNMPC, marking a major milestone in Indigenous-led economic development.
- Supported extensive research, analysis, and engagement activities to inform the development of the proposal and related decision-making materials for engagement with government.
- Conducted national and international engagement activities with Indigenous leaders, financial institutions, researchers, industry representatives, and federal departments.
- Through IEC regional engagements and IDFO research activities, access to capital was consistently identified as one of the most significant barriers to Indigenous economic development.
- Supporting research included approximately 150 survey responses, with more than 97% of respondents identifying Indigenous financing gaps as a critical issue.
- Engagement activities included partner meetings with ISC, Finance Canada, the Canadian Council for Indigenous Business, Inuit Tapiriit Kanatami, and other Indigenous and financial sector organizations, as well as participation in national and international forums related to Indigenous finance, economic development, and major projects.

Indigenous Investment Commission

A significant gap remains in investment services and long-term financial benefits available to Indigenous governments and organizations, particularly those managing current and future settlement assets. The Royal Bank of Canada estimates that approximately $20 billion is currently held in trust for Indigenous Peoples, with an additional $50 billion to $100 billion expected in the coming years through outstanding land claims, settlements, and resource developments.

The proposed IIC seeks to address this gap by exploring the development of an Indigenous-led investment asset management model comparable to the *Caisse de dépôt et placement du Québec* and other public sector institutional investors. The IIC would support First Nations to collectively:

- Pool investment assets to achieve economies of scale, greater diversification, and potentially enhanced returns.
- Reinvest capital in Indigenous communities and economies.
- Use collective investment influence to support long-term, intergenerational benefits.

Interest in the IIC concept has remained strong among First Nations, with particular emphasis on its potential to advance self-determination, support culturally appropriate and values-based investing, and align with UNDRIP.

In March 2024, the FMB secured $0.5 million in funding to advance the IIC proposal. Building on this momentum, the FMB established an IIC Steering Committee in 2025–2026, comprised of Indigenous investment and finance professionals, to guide the initiative's development.



A participant enjoys the festivities at the First Nations Leading the Way banquet in Markham, Ontario, in October 2025.

2025–2026 HIGHLIGHTS:

- Working in close collaboration with the Steering Committee and informed by extensive market research and direct engagement with Indigenous communities, including interviews with community leaders, trustees, and key partners, the FMB developed a comprehensive three-phased 'crawl, walk, run' workplan.
- With the workplan finalized, the initiative is now transitioning from planning to early execution, beginning with Phase 1. This phase focuses on advisory services, trustee training and capacity building, Indigenous governance and ethical investment frameworks, and related data-governance considerations.
- This foundational, community-driven work positions the IIC to advance into future phases, including the potential introduction of an Outsourced Chief Investment Officer model to support asset growth and the long-term exploration of an independent, Indigenous-led investment institution.

Sustainability Standards

In 2021–2022, the FMB committed $1.0 million over five years to CPA Canada's Welcome Fund, supporting the Government of Canada's bid to establish a new International Sustainability Standards Board (ISSB) office in Canada. The FMB's financial commitment to CPA Canada's "Project Eureka" is supported by funding from CIRNAC.

For the fourth annual installment of $0.2 million in 2025–2026, CIRNAC directed that the FMB's contribution be funded through existing A-Base deferred revenue, rather than through a transfer of new in-year funding, as in previous years.

The development of sustainability standards and reporting frameworks presents a significant opportunity for the FMB and other Indigenous organizations to influence capital markets by ensuring that UNDRIP and reconciliation principles are reflected in investment practices, financial reporting, and corporate decision making. The FMB continues to build and maintain strong relationships with both the ISSB and its Canadian counterpart, the Canadian Sustainability Standards Board.

Atlantic First Nations Water Authority – Economic Regulator Role

As the AFNWA completed its third year of operations, the FMB continued to support the organization as it delivers safe drinking water and wastewater services for its member First Nations. The AFNWA's continued evolution as a water and wastewater utility provider, alongside progress on its capital plans, has underscored the need for Practice Directives that align with the scale and complexity of its operations. In response, the FMB has worked closely with AFNWA to develop Practice Directives that support effective oversight and meet the needs of its member First Nations and all parties within this important relationship.

Also in 2025–2026:

- The FMB began the review of the AFNWA's 2026–2027 budget, and this work was near completion by the end of 2025–2026.
- The FMB, the AFNWA, and ISC met regarding the AFNWA's 10-Yr Business Plan and began planning the review of this key strategic document for upcoming recalibration discussion between the AFNWA and ISC.

"We're committed to supporting our staff, so every member is able to do their best work as part of a team advancing economic reconciliation in Canada. This includes opportunities for professional development, cultural experiences, and career growth."

– Scott Munro,
FMB CEO

The First Nations Financial Statement Research Project

- The FMB continues to work with partners to identify and address the challenges First Nations across Canada face in completing their financial statements and having an audit completed on them for presentation.
- The First Nations Financial Statement Research Project was initiated due to the decline in the availability of audited financial statements over a period of several years. The research was broad and in-depth, reaching to the First Nations communities directly as well as professional accountants providing services to First Nations governments. The result is a comprehensive report that identified the primary challenges First Nations face and presented a series of recommendations to address the gaps identified in both the short and long term.
- The report was shared with ISC, CPA bodies across Canada, and other parties with an interest and capacity to potentially assist in delivering support and services to First Nations governments. The report received much positive feedback. Many requests for presentations on the research project and the report were received by a variety of groups.
- The project was a success in presenting many of the problems First Nations face in their accounting functions, drawing from anecdotal stories to factual statements supported by solid research.
- The FMB continues to play a leadership role on this issue and looks forward to the implementation of report recommendations in collaboration with various partners in the coming fiscal years.



A youth delegate shares her perspective during the Voices of Tomorrow Youth Panel at First Nations Leading the Way in Markham, Ontario, on October 9, 2025.

Public Affairs

Robert South, *BA*
Director, Public Affairs

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

ACHIEVEMENTS IN 2025–2026 INCLUDE:

- Led the planning and execution of the successful First Nations Leading the Way conference
- Collaborated with teams across the FMB to plan and execute the Northeastern Ontario Economic Summit in Timmins, Ontario
- Collaborated with First Nations clients to share their success stories through text and video
- Further enhanced the FMB's social media presence to widely share First Nations success stories and FMB offerings
- Promoted the FMB's thought leadership role in economic self-determination through op-eds, podcasts, and speaking engagements
- Strengthened relationships with all parties in parliament as the FMB maintains all-party support
- Coordinated the development of new FMB website and intranet

"The dedication and perseverance of our staff and the support from FMB staff was essential in the success of Muskeg Lake Cree Nation in receiving our FMB certification. Leadership has created a solid foundation of accountability back to our members. To us it's about moving our Nation forward and setting the stage for economic prosperity for our people and opening doors that were formerly closed.

– **Chief Kelly Wolfe**
Muskeg Lake Cree Nation, Saskatchewan

First Nations Leading the Way

First Nations Leading the Way: Unleashing our Collective Power took place in Markham, Ontario, October 7-9, 2025. The national gathering attracted 700 participants – including 177 different First Nations, 36 Indigenous organizations, nine tribal councils, and eight Indigenous NPOs.

The FMB co-hosts this growing national gathering of leaders and senior staff from First Nations and Indigenous NPOs with the FNFA, FNTC, FNII, and LAB.

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

This 2025 version of First Nations Leading the Way gave 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:

- the success of other First Nations growing their own economies,
- expanded First Nations tax jurisdiction,
- managing the relationship between council and GBEs,
- Financial Management certifications and borrowing opportunities,
- NFR Grants, and
- the Land Registry.



Chief Jenny Brake of Qalipu First Nation speaks during a breakout session on First Nations reshaping the Mi'kma'ki landscape at the First Nations Leading the Way Conference in Markham, Ontario, in October 2025.

Internal Operations

Human Resources

Jennifer Tetrault

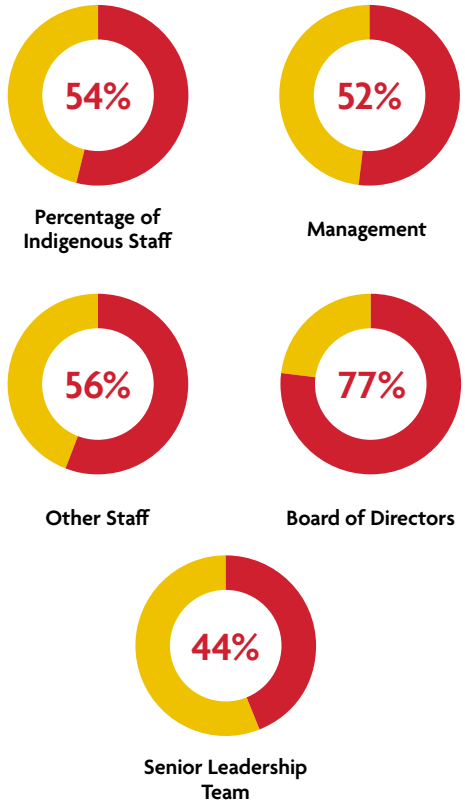
Associate Director, People and Culture

The FMB's HR team provides a comprehensive range of employee-focused services, including recruitment and staffing, performance management, training and onboarding, policy development, and initiatives that promote employee health and wellbeing. The team plays a vital role in ensuring that HR practices are aligned with organizational priorities and contribute to a positive, productive, and values-driven environment.

A core focus of the team is fostering a strong Indigenous culture across the organization. This includes intentional efforts to recruit and retain Indigenous talent and to create meaningful cultural learning opportunities for all employees.

Through these actions, HR supports an inclusive workplace that reflects the values, perspectives, and strengths of the Indigenous communities the FMB serves.

FIGURE 14: Percentage of Indigenous Representation Within FMB Staff by Level and Board,2025–2026



ACHIEVEMENTS IN 2025–2026 INCLUDE:

- **HR Technology Modernization – Dayforce Implementation**
  The FMB continued to strengthen its HR technology foundation by advancing the Dayforce system across multiple modules. The annual assessment and compensation cycle was successfully completed and processed on schedule, marking a major step forward in streamlining HR operations. With modules including Compensation, Employee Engagement, Onboarding, People Intelligence & Analytics, Performance Management, Recruitment, and Succession Planning now live, the system is driving greater data accuracy, efficiency, and consistency across the organization.

- **Continued Emphasis on Employee Health and Wellbeing**
  The FMB maintained a strong emphasis on employee health and wellbeing throughout the year. Wellness remained central to our culture, with continued promotion of resources that support work–life balance, including wellness days, the Employee Assistance Program, and flexible work arrangements. We deepened our focus on mental health awareness and strengthened our commitment to fostering a culture of care, compassion, and respect across all business lines.
- **HR Optimization Review (Mercer Partnership)**
  The HR team advanced the HR Optimization Review, moving forward with a revised operating design. Mercer delivered the Target Operating Model and the HR Target Interaction Model, outlining how employees interact with HR, defining HR roles, and recommending a tiered service delivery model. Staff were engaged through communications and all staff meetings, ensuring transparency and readiness for upcoming changes.
- **Total Compensation Review**
  The FMB partnered with Mercer to complete a comprehensive Total Compensation Review, ensuring alignment with market benchmarks. The scope included compensation philosophy, internal equity, benefits, pension sustainability, and job benchmarking.
- **Employee Engagement Surveys**
  HR prepared and delivered various engagement surveys. Results inform HR and Senior Leadership priorities and support continuous improvement in employee experience.
- **HR Service Capacity and Cultural Understanding**
  During the November 2025 All Staff Training, HR facilitated a major brainstorming session with 17 mixed tables of Indigenous and non-Indigenous staff. The session generated rich insights on HR responsiveness, transparency, onboarding, cultural safety, Indigenous inclusion, and leadership pathways. These insights were integrated with the Mercer HR Optimization project and employee surveys to identify short- and long-term HR priorities.
- **Indigenous Recruitment and Representation**
  The FMB made significant progress in Indigenous recruitment, with 36 Indigenous candidates moving into roles across the organization during 2025–2026. This includes internal promotions, temporary roles, external hires, and Canada Summer Jobs placements.

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, IT, digital media, records management, property management, administrative support, and policy development and implementation.

ACHIEVEMENTS IN 2025–2026 INCLUDE:

- **IT Strategy**
  The FMB continued to advance its long-term IT strategic plan, with ongoing emphasis on strengthening cybersecurity and a significant focus on modernizing core systems. Key accomplishments included the completion of Phase 2 of the HR Information System implementation, enhancing payroll and HR functionality, and the delivery of multiple enterprise-wide systems to support organizational growth. Collectively, these initiatives strengthen system integration, data quality, and the FMB's operational effectiveness.
- **CRM Implementation – Digital Client Stewardship**
  Following evaluation and selection in the prior fiscal year, the FMB implemented a new CRM system, which went live in February 2026. Known as the Digital Client Stewardship system, the platform supports the FMB's client-facing business lines by strengthening client relationships, reducing administrative effort, and enabling staff to focus more fully on supporting clients throughout their FMB journey, while providing enhanced insights for decision making.
- **ERP System Modernization**
  The FMB completed the evaluation, selection, and implementation of a new ERP system, replacing an outdated legacy platform. The system strengthens financial management, planning, budgeting, and reporting, and is scalable to support continued organizational growth. Configuration was completed during the fiscal year, with the system ready for go live effective April 1 of the new fiscal year.

- **NPO Standards Alignment**
  The FMB continued to strengthen internal financial systems and processes to ensure alignment with the Financial Management System Standards set for First Nations and Indigenous NPOs. This work reflects the FMB's commitment to meeting the same standards expected of its clients. An external compliance review was deferred and is planned for the new fiscal year.

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.



FMB staff were honoured to experience the artwork woven throughout the community during a visit to Long Point First Nation in Winneway, Quebec, in September 2025. This totem pole was crafted by local artist Frank Polson.

2025–2026 Corporate Goals Report

The FMB's 2025–2026 goals align with the priorities and objectives of our Five-year Strategic Plan. Across the FMB, staff are focused on supporting First Nations and Indigenous NPOs in achieving their financial management and administrative governance goals. Our five strategic priorities are grounded in service to our clients, ensuring maximum impact through efficiencies in our operations and collaboration with other NIOs.

The achievements of 2025–2026 are a testament to the hard work of our client Nations, the commitment of our Board, and the talent and dedication of our staff.

Strategic Priority 1: Strong Relationships

Goal Number	Corporate Goal	Status
1.1	Develop and run a client survey that measures satisfaction and generates new ideas about what the FMB can offer or do	completed
1.2	Develop an integrated data flow between IELR, CD, and SO that produces insights, identifies risks and opportunities, and informs strategy and policy work	completed
1.3	Develop a 'One FMB' service strategy that allows Relationship Managers to support each client's journey	completed
	Host First Nations Leading the Way conference	completed
1.4	Develop new (or update existing) website content and event marketing materials to reflect current FMA and its regulations	completed

Strategic Priority 2: Support for Economic Self-Determination

Goal Number	Corporate Goal	Status
2.1	Continue to provide services through the FMS Support Services and Default Management Pilot projects; promote best practices in financial governance and encourage continuous improvement in financial management systems	completed
	Respond to all requests for capacity building services; foster a culture of continuous learning and knowledge sharing to support innovation in financial governance solutions	completed
	Develop an action plan and set of strategies designed to address financial statement delay research recommendations	completed
	Continue to advocate for the creation of an Indigenous Investment Commission and Indigenous development finance solutions	completed
	Upon request, and when ready, transition clients for FMS review	completed
	Respond to all requests for FAL/FAB Compliance Reviews	completed
	Respond to all requests for FP and FMS reviews	completed
2.2	Engage with FMS-Certified First Nations to find out how FMS Certification provides value	completed
	Following FMB's Standard Setting Guidelines, prepare and issue Exposure Draft containing proposed amendments to FMB Standards	completed
2.3	Respond to all requests for 10-Year Grants received from Indigenous not-for-profit organizations	completed
	Continue to provide independent economic oversight services to AFNWA	

Strategic Priority 3: Collaboration

Goal Number	Corporate Goal	Status
3.1	Participate in or lead the development of a Vision Statement, Mission Statement, and Strategic Plan for the Indigenous Economic Council with other national Indigenous organizations	completed
3.2	Hold periodic and/or recurring meetings with senior management of FMA institutions and national Indigenous organizations	completed
	Participate with other national Indigenous organizations as part of a national Indigenous Economic Council	completed
3.3	Prepare and submit policy recommendations on service devolution or legislative modernization to the Government of Canada	completed
	Prepare and submit funding proposal and business plan to ISC for the establishment of a national Indigenous Technical Advisory Group	completed
3.4	Actively participate or contribute to New Fiscal Relationship conversations and ideas when invited to do so by the AFN or Canada	completed
	Continue to advance the recommendations of the 2019 Interim Report of the Joint Advisory Committee on Fiscal Relations	completed
3.5	Support FMB's board member of the Public Sector Accounting Board (PSAB) and FMB's CEO who is Chair of PSAB's Indigenous Advisory Group (IAG)	completed

Strategic Priority 4: Innovation and Operational Excellence

Goal Number	Corporate Goal	Status
4.1	Conduct cross-functional brainstorming sessions to identify ways that the FMB could strengthen internal capacity, project management, accountability, and effectiveness	completed
4.2	Utilize FMB's improving information technology to promote and allow better information sharing, collaboration, and project management	completed
4.3	Internal brainstorming session to identify ways that the FMB could strengthen internal human resource service capacity, cultural understanding, and awareness	completed
4.4	Engage an independent assurance provider to conduct a review of FMB's financial management system and provide a report containing an opinion	deferred[1]
	Implement relevant recommendations from the 2022–2023 Special Examination	completed
4.5	Prepare and complete an annual IT work plan based on FMB's existing IT strategic plan	completed

[1] This goal is deferred until Q1 or Q2 of next fiscal year as a new service provider had to be appointed. This work remains underway and is expected to be completed based on the revised timeframe.

Strategic Priority 5: Credibility and Integrity

Goal Number	Corporate Goal	Status
5.1	Identify and act on at least four opportunities to participate in consultations that impact Indigenous rights within regulatory, economic, and financial systems and markets	completed
5.2	Recruit at least one Indigenous candidate for any vacancy during the year within the SLT, CD, and IELR business lines	completed
5.3	Diversity, Equity, and Inclusion (DEI) Committee to work with Indigenous Advisory Committee to develop Indigenous values	completed

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 guide and monitor 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, related enterprises, and community institutions.
- Enhanced First Nations jurisdiction and authority: Increasing recognition on the part of Canada of the appropriateness and benefits of strengthened First Nations jurisdiction in financial and economic affairs, and 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: Geopolitical changes may build support for removing barriers to Indigenous economic development and new/expanded tools to advance economic reconciliation.



Celebrating the Haisla Nation's FMS Certification: In October 2025, Executive Chair Harold Calla (far left), joined by other FMB staff members, visited the Haisla Nation to present its FMS Certification. Pictured here with Harold are Haisla Chief Councillor Maureen Nyce (far right) and members of the Haisla Nation team.

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 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.

1. Environmental Stewardship

SUSTAINABLE OPERATIONS

- At all our offices, we now have bottle-less water, removed single-use items, and replaced pod coffee with a sustainable alternative. We also have plants in all offices.
- Our Ottawa and Montreal office buildings are triple certified with LEED Platinum which is the highest level of certification in the Leadership in Energy and Environmental Design (LEED) system.
- For our events, we invested in reusable, environmentally friendly swag items. USBs and QR codes reduce the use of printed information. We carefully estimate needs for catering and provide takeaway containers. When possible, surplus food is donated to a local food bank.

CLIMATE RESILIENCE

- The FMB supports First Nations' and other entities' ability to manage during a crisis through the requirements of the FMS Standards. Proposed amendments to the FMS Emergency Planning Standards – drafted and shared for feedback in 2025–2026, mark a strategic shift from a prescriptive, disaster-type focus to a more holistic and resilient framework grounded in risk management and operational continuity. By integrating all four pillars of emergency preparedness: Prevention and Mitigation, Preparedness, Response, and Recovery, the revised standards better reflect contemporary best practices and support long-term sustainability of financial operations. This evolution ensures that First Nations governments are not only prepared to respond to emergencies but are also equipped to recover and maintain essential services with minimal disruption.
- The FMB is in the process of implementing the financial management system standards for NPOs (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 annual First Nations Leading the Way conference continues to promote a special invitation to 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, Ontario, and Manitoba.
- Internally, several staff committees – including Health and Wellbeing, Social and Cultural – support Indigenous representation, staff wellness, and cultural awareness.
- Staff gathered regionally for cultural training last summer, which ranged from a drum-making workshop in the East to legends, songs, dances, and crafts with Squamish Elder William Kwel-AA-Nexw Nahanee in the West.
- Staff sometimes share their Indigenous cultural practices, such as sustainable harvesting, in newsletter articles.
- A delegation of staff and board members were invited to Australia by the First Nations Economic Empowerment Alliance. The Alliance is a national association in Australia that advocates for economic policy reforms to empower Indigenous economic prosperity. Gifts were thoughtfully selected from First Nations' artists across Canada and presented to hosts throughout the trip.

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 was completed 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 complies with the same standards required for clients.
- Through the First Nations Leading the Way conference and other initiatives, the FMB seeks input from rights holders on our programs and services, as well as emerging issues.

2025–2026 FINANCIAL REVIEW

Over the past year, the FMB continued to support First Nations and Indigenous NPOs in strengthening administrative governance and financial management capacity. These services were funded through contributions from the Government of Canada.

The 2025–2026 financial results reflect a period of continued growth driven by increasing demand for the FMB's services, alongside an increased reliance on short-term funding sources to support that growth. Revenues and expenses both increased during the year, enabling the FMB to support existing clients, respond to new requests, and advance initiatives that contribute to First Nations economic self-determination. The impact of this growth is reflected in the outcomes achieved by the First Nations served, as highlighted throughout this Annual Report.

The FMB's financial results highlight a continued alignment between funding and demand for services. Growth in both revenues and expenses reflects the FMB's responsiveness to increasing requests for support from First Nations and Indigenous organizations. At the same time, the reliance on short-term and proposal-based funding underscores the need for more stable, predictable funding to sustain these service levels over the long term.

This financial review should be read in conjunction with the annual financial statements for the year ended March 31, 2026, including the accompanying notes and the Independent Auditor's Report. The discussion that follows highlights key financial results and trends that are most relevant to users of the FMB's financial statements and is not intended to be exhaustive.



Statement of Financial Position Highlights

Cash

Cash totalled $20.2 million at March 31, 2026 (2025: $23.4 million). The decrease in cash corresponds to the decrease in deferred revenue, partially offset by the redemption of $3.5 million of short-term investments during the year. The FMB did not hold any short-term investments at March 31, 2026.

Deferred revenue and funding repayable

As at March 31, 2026, the FMB had $14.6 million in deferred revenue (2025: $23.3 million) related to funding received but not yet spent on programs and services. Deferred revenue is an important source of funding for the FMB, supporting ongoing growth and helping to manage cash flow requirements in the context of insufficient core funding and variable proposal-based funding.

Deferred revenue has effectively served as a bridge to sustain operations and client service delivery in the absence of sufficient long-term committed funding, as shown in Figure 1.

The use of deferred revenue is incorporated into the FMB's annual budgeting process to meet operational needs. Deferred revenue balances at the end of each fiscal year primarily reflect the timing of funding receipts and planned expenditures across fiscal periods. Funding received from CIRNAC and ISC in fiscal 2025–2026 and recorded as deferred revenue will be used to support operations in 2026–2027, consistent with the FMB's 2026–2027 Corporate Plan and Budget approved by the Minister of CIRNAC on May 9, 2026.

Figure 15 – Deferred Revenue Utilization in 2025–2026 (in thousands)

Deferred revenue continues to bridge the gap between funding timing and sufficiency, and operational needs.

Opening deferred revenue	**$23,287**
Add: funding received	**$26,514**
Less: revenue recognized	**(34,777)**
Less: funding repayable	**(409)**
Ending deferred revenue	**14,615**

At the end of the 2025–2026 fiscal year, the FMB's current funding arrangement with ISC related to the FMB's role as economic regulator for the Atlantic First Nations Water Authority came to an end. Unspent funding of $0.4 million from this initiative was repayable to ISC at March 31, 2026.

Intervention Reserve

In the event that a First Nation defaults or is at risk of defaulting on an FNFA borrowing agreement or fails to comply with local revenue laws under the FNTC pursuant to the FMA, the FMB has the authority to provide intervention support and assistance when requested by the FNFA or FNTC.

To support this mandate, the FMB maintains an intervention reserve in a constant state of readiness. As at March 31, 2026, the reserve included $0.5 million in restricted cash (2025: $0.5 million in restricted short-term investments) and $0.2 million (2025: $0.1 million) in internally restricted net assets set aside for this purpose.

Statement of Operations Highlights

Overall, revenues and expenses remained closely aligned, which reflects the FMB's approach of managing available funding to sustain service delivery while responding to continued growth in demand.

During the year ended March 31, 2026, the FMB recognized an excess of $0.4 million of revenue over expenditures. This excess primarily reflects interest earned on cash and short-term investments, as well as differences between revenue recognition under GAAP and eligible expenditures under the FMB's funding arrangements.

Revenue

During the year ended March 31, 2026, the FMB recognized revenues of $35.6 million (2024–2025: $32.2 million). As shown in Figure 16, over two-thirds of the FMB's revenue for the year came from CIRNAC, followed by just under one-quarter from ISC NFR funding, with another 7% from other ISC-funded sources and 2% from other sources.

Figure 16– 2025–2026 Revenue by Funding Source (in millions)

FMB funding is primarily derived from CIRNAC, with additional contributions from ISC and other sources supporting program delivery.

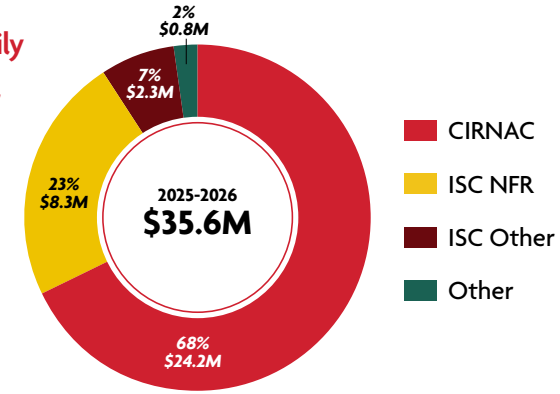


Figure 17– Revenue by Funding Arrangement (in 000s)

Service delivery relies on a combination of core funding and time-limited initiative-based funding.

Funding Arrangement	2025–2026 (000s)	2024–2025 (000)
CIRNAC Core	22,249	19,852
ISC NFR Support Services	3,536	1,971
ISC NFR Grant	3,459	3,302
ISC IEC	2,065	2,133
CIRNAC First Nations Leading the Way	1,644	1,425
ISC NFR DMP	1,272	1,819
ISC AFNWA	274	444
CIRNAC IIC	260	247
CIRNAC Project Eureka	0	200
Other Revenue	844	845
Total Revenue	**35,604**	**32,237**

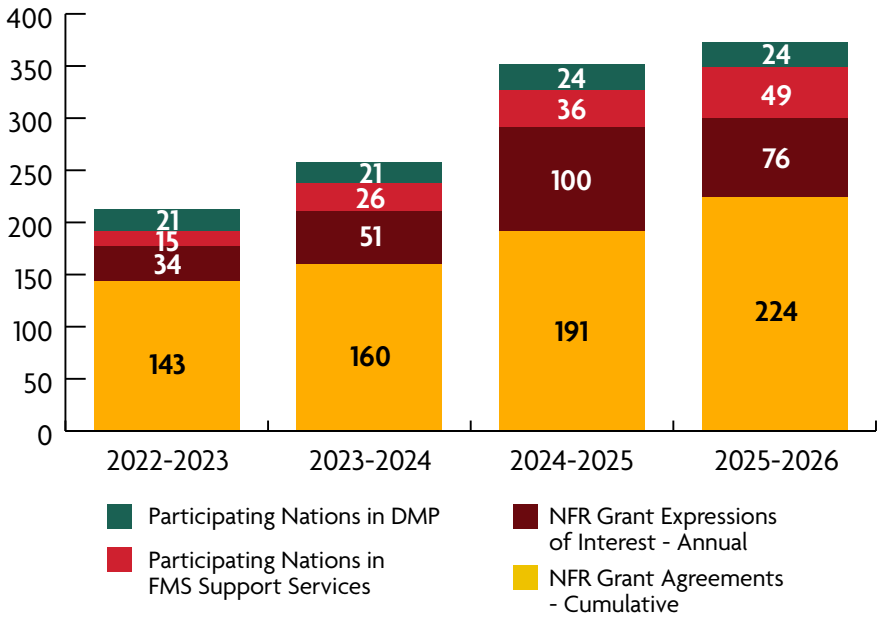
As illustrated in Figure 17, the largest component of CIRNAC funding relates to the FMB's core operations, including the FMB's A-Base funding arrangement. Revenue recognized for these activities totalled $22.2 million in 2025–2026 (2024–2025: $19.9 million) and supports outreach, certification, capacity development, and internal administrative functions. In 2025-2026, A-Base funding also supported $0.2 million related to Project Eureka, which has historically been funded through separate

contribution agreements. While annual A-Base funding remains at $13.0 million, additional core activities were supported through short-term contribution agreements and the planned use of deferred revenue.

As illustrated in Figure 17, funding from ISC's NFR Secretariat supports the FMB's DMP Pilot Project, FMS Support Services Pilot Project, and the NFR 10-Year Grant initiative. Revenues recognized for these three areas totalled $8.3 million in 2025–2026 (2024–2025: $7.1 million). Revenue growth in these areas reflects the continued expansion of FMS Support Services, as the FMB supported an increasing number of participating First Nations during the year, as illustrated in Figure 18. Activity under the 10-Year Grant initiative also increased following the prior-year expansion of eligibility to include Tribal Councils and Health Authorities. Demand for these services remained strong throughout 2025-2026, as reflected in the volume of expressions of interest from First Nations, alongside continued engagement from not-for-profit organizations. Overall, the growth in spending associated with NFR initiatives exceeded the $5.0 million annual funding commitment from ISC, with the difference supported by deferred revenue from prior years. Demand for these services continues to exceed the level that can be supported through stable, ongoing funding.

Figure 18 – Demand for NFR-Funded Activities is Increasing

Service demand and delivery have outpaced annual funding, which remains unchanged at $5.0M, requiring the use of deferred revenue to close the gap.



Revenue recognized from other proposal-based government funded sources shown in Figure 17 on the previous page includes:

- $2.1 million (2024–2025: $2.1 million) for the IEC funding provided by ISC, which supported a range of activities advancing a coordinated, Indigenous-led approach to economic development and economic reconciliation. The FMB administers this funding on behalf of participating NIOs.
- $1.6 million (2024–2025: $1.4 million) of revenue related to funding received from CIRNAC to support the annual First Nations Leading the Way national conference, held in Markham, Ontario this year.
- $0.3 million (2024–2025: $0.2 million) of funding from CIRNAC for the advancement of the IIC initiative including the establishment of an IIC Steering Committee comprised of Indigenous investment and finance professionals to guide its development.
- $0.3 million (2024–2024: $0.4 million) of funding from ISC to support the FMB's work with the Atlantic First Nations Water Authority.

Revenue from other sources remained consistent year-over-year at $0.8 million and includes interest income earned on cash balances and short-term investments, as well as sublease income from shared office arrangements, including with the FNTC in Ottawa.

Expenses

For the year ended March 31, 2026, expenses were $35.2 million (2024–2025: $31.2 million).

The FMB's expenses reflect how resources are allocated to support First Nations and Indigenous NPOs. As shown in Figure 19, expenses have grown significantly over the past five years, increasing at an average annual rate of 28% since 2021–2022. Over this period, total expenses increased by more than $21.7 million, driven primarily by growth in staffing, which more than doubled from 63 to 133 employees.

During the year, the FMB updated its Chart of Accounts. As a result, certain prior-year comparative figures have been reclassified to conform to the current presentation.

Figure 19 Year-Over-Year Growth in Total Expenses (in millions)

Expenses have increased significantly in recent years, reflecting expanded service delivery and organizational growth.

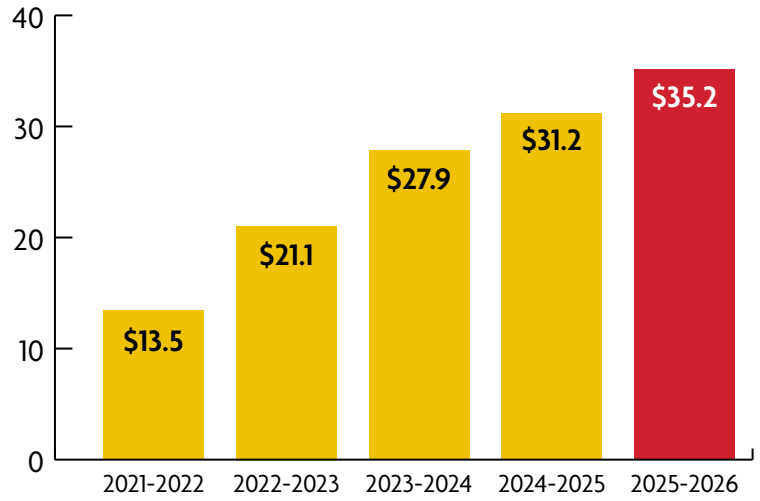
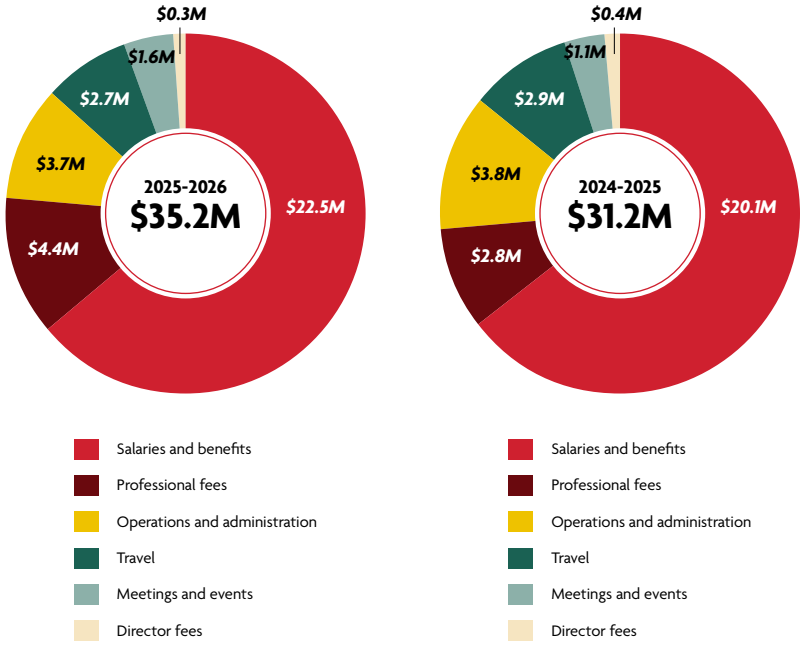


Figure 20 Year-Over-Year Comparison of Expenses by Category (in millions)

Changes across expense categories reflect expanded service delivery, staffing growth, and targeted investments in systems and initiatives.



Salaries & benefits

Salaries and benefits remain the FMB's largest expense at $22.5 million (2024–2025: $20.1 million). The increase reflects both growth in staffing and compensation adjustments to maintain market competitiveness and support attraction and retention.

The FMB averaged 133 full-time employees in 2025–2026 (2024–2025: 127), with staffing growth aligned to increased demand for services. This growth occurred across both client-facing functions and internal support areas required to sustain service delivery.

This rapid growth has placed increasing pressure on internal capacity, requiring ongoing investment in systems, processes, and specialized personnel to sustain service quality.

Professional fees

Professional fees increased to $4.4 million (2024–2025: $2.8 million), driven primarily by one-time activities occurring in 2025–2026, including:

- $0.9 million related to including the implementation of cloud-based systems–including payroll, CRM, and ERP – as part of the FMB's long-term IT modernization strategy.
- $1.4 million related to the IEC initiative. IEC-related expenditures, including research and allocations to participating NIOs, are reflected within professional fees.

Operations & administrative expense

Operations and administrative costs remained relatively stable at $3.7 million (2024–2025: $3.8 million), reflecting ongoing management of core infrastructure costs, including facilities, information technology, and administrative support.

Travel

Travel continues to represent a significant component of the FMB's expenditures, reflecting the importance of in-person engagement in delivering services and supporting First Nations.

Travel by FMB's client-facing teams accounted for the majority of travel expenses in 2025–2026, consistent with growth in the number of FMB clients and service delivery activities. Workshops were delivered in communities and at regional sessions, along with ongoing engagement and presentations to First Nations, tribal councils, and health authorities.

Members of the Senior Leadership Team, including the Executive Chair and CEO, also travelled to participate in regional and national events in support of FMB's mandate.

Meetings & events

Meetings and events increased to $1.6 million (2024–2025: $1.1 million), reflecting key activities during the year. These included the annual First Nations Leading the Way conference held in Markham, Ontario; two national Support Services workshops, and regional engagement sessions delivered as part of the IEC initiative.

Financial Risk and Uncertainties

Demand for FMB services continues to exceed what can be supported through short-term and project-based funding.

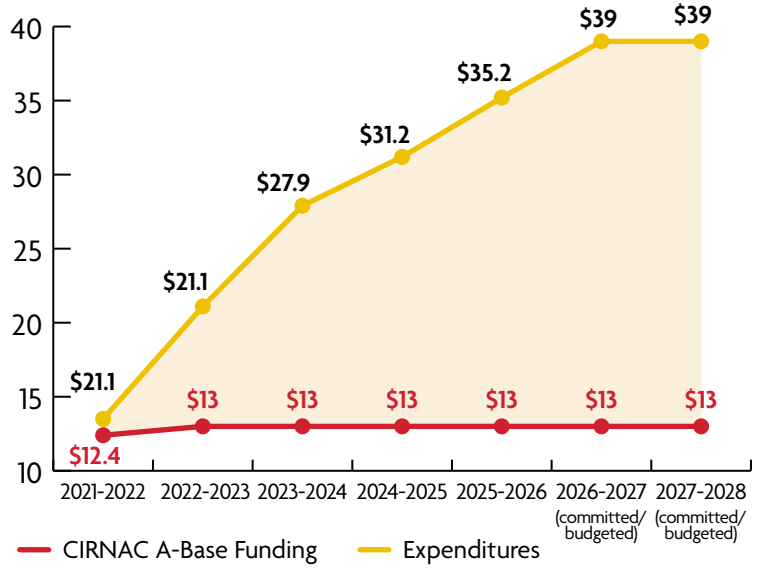
The FMB's ongoing operations are dependent on continued funding from the Government of Canada to carry out our mandate and deliver services to First Nations and Indigenous NPOs. The FMB receives its funding from CIRNAC through an annual A-Base funding arrangement for ongoing core operations and individual proposal-based funding arrangements for specific projects and initiatives from CIRNAC and ISC.

The FMB's long-term funding has not kept pace with the growing demand for services. As a result, the sustainability of current service levels beyond fiscal 2026–2027 remains uncertain in the absence of increased and stable funding. Multi-year, predictable funding is critical to support long-term planning, organizational growth, and the FMB's ability to respond effectively to the needs of First Nations, Indigenous NPOs, and government. Without a revised funding model, there is a risk that the FMB will be unable to maintain its current level of service delivery.

While FMB operations have grown significantly in recent years, committed A-Base funding has remained unchanged at $13.0 million since fiscal 2022–2023, as shown in Figure 21. In fiscal 2025–2026, this represented less than 40% of total expenses of $35.2 million. To meet operational requirements, the FMB has relied on a combination of deferred revenue and in-year proposal-based funding.

Figure 21 – Gap Between A-Base Funding and Expenditures (millions)

Annual expenditures have grown significantly while A-Base funding has remained unchanged.



In-year funding has not been stable or predictable. As illustrated in Figure 22, funding levels increased rapidly between fiscal 2021–2022 and 2023-2024, with total in-year funding rising by $24.7 million over that period. However, this was followed by a decline of $11.9 million between fiscal 2023–2024 and 2025–2026, with a further $8.5 million reduction anticipated by fiscal 2027-2028.

Current committed funding levels are insufficient to sustain operations at existing service levels. Based on funding commitments in place as at March 31, 2026, the FMB does not have sufficient committed funding to support its current operating level for the fiscal year, ending March 31, 2028. Committed funding represents approximately one-third of the required funding for that year and is expected to cover only about half of the funding needed to maintain current service delivery by fiscal 2027–2028. As emphasized in Note 1 to the accompanying financial statements, in the absence of additional funding commitments, the FMB would be required to reduce expenditures to align with available resources.

Figure 22 – Variability of In-Year Funding (in millions)

Funding variability highlights the unpredictability of short-term funding sources supporting operations.

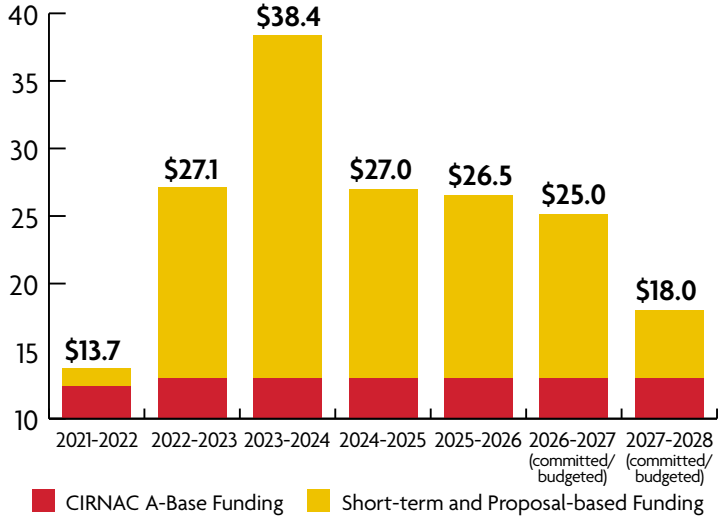
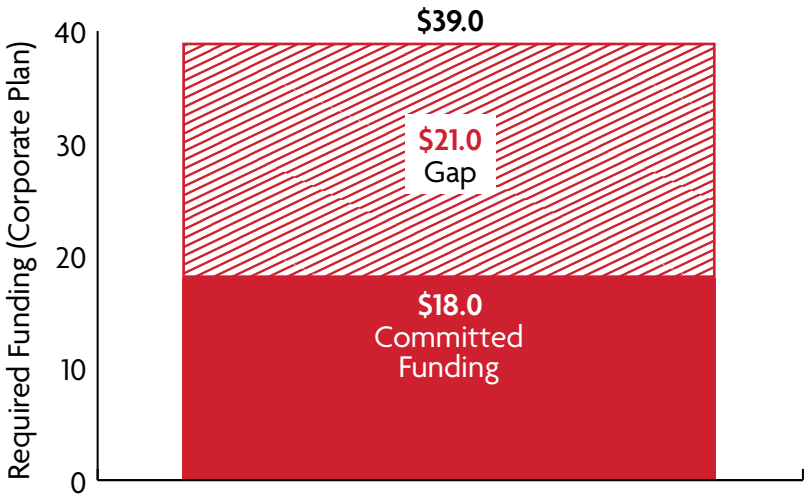


Figure 23 – Funding Gap: Committed vs. Required (2027–2028)

Committed funding represents only a fraction of what is needed to maintain current service levels.



The FMB continues to actively engage with CIRNAC and ISC to secure more stable, long-term funding, including a sustained increase to A-Base funding. However, delays in establishing a long-term funding solution have constrained the FMB's ability to invest in critical systems, recruit and retain specialized personnel, and advance key strategic initiatives.

Addressing this funding gap is critical to ensuring the FMB can continue to meet growing demand and effectively support First Nations and Indigenous organizations in advancing economic self-determination.



Youth participants at the First Nations Leading the Way Conference gathered for a photo following an insightful and inspiring Youth Panel in Markham, Ontario, on October 9, 2025.

2025–2026 FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Financial Statements of
FIRST NATIONS FINANCIAL MANAGEMENT BOARD
And Independent Auditor's Report thereon
Year ended March 31, 2026



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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, 2026
- 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, 2026, 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 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.

KPMG LLP

Chartered Professional Accountants
Vancouver, Canada
June 22, 2026

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 19,725,289	$ 23,432,851
Restricted cash (note 3)	500,000	–
Restricted investment held at amortized cost (note 3)	–	500,000
Short-term investment held at amortized cost (note 4)	–	3,000,000
Accounts receivable	273,301	428,965
Prepaid expenses	523,006	273,034
	21,021,596	27,634,850
Security deposits	512,352	512,352
Capital assets (note 5)	1,421,055	1,746,805
	$ 22,955,003	**$ 29,894,007**

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

March 31, 2026, with comparative information for 2025

	2026	2025
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	$ 4,507,776	$ 3,355,066
Deferred revenue (note 7)	14,615,318	23,287,063
Funding repayable (note 8)	409,679	-
Intervention reserve fund (note 3)	500,000	500,000
Current portion of capital lease obligation (note 9)	21,944	20,802
Current portion of deferred lease inducements (note 10)	140,959	187,357
	20,195,676	27,350,288
Capital lease obligation (note 9)	14,113	36,057
Deferred lease inducements (note 10)	166,288	307,247
	20,376,077	27,693,592
Net assets:		
Invested in capital assets (note 11)	1,209,364	1,283,119
Internally restricted – intervention reserve fund (note 2(a)(ii))	151,649	104,281
Unrestricted	1,217,913	813,015
	2,578,926	2,200,415
Nature of operations (note 1)		
Commitments and contingent liabilities (note 12)		
Economic dependence (note 13)		
	$ 22,955,003	**$ 29,894,007**

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, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Federal government funding	$ 34,760,355	$ 31,392,931
Interest income	496,103	500,241
Other income	347,570	344,262
	35,604,028	32,237,434
Expenses:		
Salaries and benefits	22,455,966	20,066,462
Professional fees	4,413,007	2,800,392
Operations and administration	3,707,250	3,838,550
Travel	2,716,279	2,886,418
Meetings and events	1,645,957	1,140,688
Director fees	287,058	434,396
	35,225,517	31,166,906
Excess of revenue over expenses	**$ 378,511**	**$ 1,070,528**

See accompanying notes to financial statements.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Invested in capital assets	Internally restricted	Unrestricted	Total 2026	Total 2025
	(note 11)	(note 2(a)(ii))			
Balance, beginning of year	$ 1,283,119	$ 104,281	$ 813,015	$ 2,200,415	$ 1,129,887
Excess (deficiency) of revenue over expenses	(205,779)	–	584,290	378,511	1,070,528
Net change in investment in capital assets (note 11)	132,024	–	(132,024)	–	–
Interfund transfer (note 2(a)(ii))	–	47,368	(47,368)	–	–
Balance, end of year	**$ 1,209,364**	**$ 151,649**	**$ 1,217,913**	**$ 2,578,926**	**$ 2,200,415**

See accompanying notes to financial statements.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD

Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 378,511	$ 1,070,528
Items not involving cash:		
Amortization of capital assets	436,972	390,269
Amortization of deferred lease inducements	(187,357)	(182,094)
Changes in non-cash operating working capital:		
Accounts receivable	155,664	(215,688)
Prepaid expenses	(249,972)	(106,301)
Security deposits	–	(18,624)
Accounts payable and accrued liabilities	1,152,710	2,066,870
Deferred revenue	(8,671,745)	(4,403,094)
Funding repayable	409,679	–
	(6,575,538)	(1,398,134)

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

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Investing activities:		
Redemption (purchase) of restricted investment	500,000	(500,000)
Redemption (purchase) of short-term investment	3,000,000	(3,000,000)
Purchase of capital assets	(111,222)	(892,903)
	3,388,778	(4,392,903)
Financing activities:		
Capital lease principal payments	(20,802)	(36,039)
Lease inducements received	–	372,106
	(20,802)	336,067
Decrease in cash	(3,207,562)	(5,454,970)
Cash, beginning of year	23,432,851	28,887,821
Cash, end of year	**$ 20,225,289**	**$ 23,432,851**
Cash consists of:		
Cash	$ 19,725,289	$ 23,432,851
Restricted cash	500,000	–
	$ 20,225,289	**$ 23,432,851**
Non-cash transactions:		
Capital assets financed by capital lease	$ –	$ 47,582

See accompanying notes to financial statements.

FIRST NATIONS FINANCIAL MANAGEMENT BOARD
Notes to Financial Statements

Year ended March 31, 2026

1. 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 and other entities 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 requirement to pay income taxes.

The FMB receives funding from the Government of Canada to carry out its mandate. As at March 31, 2026, the FMB does not have sufficient committed funding to support its current operating level for the fiscal year ending March 31, 2028. Committed funding represents approximately one-third of the required funding. In the absence of additional funding commitments, expenditures will need to be reduced to align with available resources. Discussions about future program funding are on-going with the funder.

2. 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:

2. Significant accounting policies (continued):

(a) Net assets (continued):

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 3).

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.

(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.

2. Significant accounting policies (continued):

(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)

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 2(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 against lease expense.

2. Significant accounting policies (continued):

(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 funding repayable 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, 2026 and 2025.

(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.

3. 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.

3. Restricted cash, restricted investment and intervention reserve fund (continued):

During the year, no expenditures were incurred from this fund (2025 - nil).

As of March 31, 2025 (prior year), the fund was invested in a restricted term deposit that earned interest at 4.35% and matured in July 2025. The term deposit matured in fiscal 2026 and was not reinvested. As of March 31, 2026, the fund is held as restricted cash.

4. Short-term investment held at amortized cost:

As of March 31, 2025 (prior year), short-term investment was comprised of a term deposit that earned interest at 4.35% and matured in July 2025. The term deposit matured in fiscal 2026 and was not reinvested.

5. Capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer equipment	$ 1,545,437	$ 1,054,161	$ 491,276	$ 584,395
Leasehold improvements	1,017,330	532,570	484,760	622,907
Office furniture and fixtures	932,108	513,821	418,287	491,030
Office equipment under capital lease	65,224	38,492	26,732	$48,473
Total	**$ 3,560,099**	**$ 2,139,044**	**$ 1,421,055**	**$ 1,746,805**

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $8,442 (2025 - $26,791) relating to federal and provincial sales taxes and payroll taxes.

7. Deferred revenue:

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

	Balance, beginning of year	Funding received	Transfers and funding repayable	Amounts recognized as revenue in the year	Balance, end of year
CIRNAC core funding: A-base	$ 11,299,491	$ 20,046,187		$ (22,249,108)	$ 9,096,570
CIRNAC Indigenous Investment Commission Scoping Study (amendment #4)	373,993	–	–	(260,456)	113,537
CIRNAC First Nations Leading the Way Conference (amendment #3, 8)	375,268	1,457,240	–	(1,643,689)	188,819
Indigenous Services Canada (ISC) Indigenous Economic Council (amendment #45)	2,390,148	–	–	(2,065,383)	324,765
ISC New Fiscal Relationship Grant (amendment #48, 5)	247,428	1,263,308	3,207,864	(3,459,433)	1,259,167
ISC Default Management Prevention (amendment #48, 5)	3,961,923	1,988,500	(2,767,864)	(1,272,287)	1,910,272
ISC Financial Management System Support Services (amendment #48, 5)	3,938,270	1,747,400	(440,000)	(3,535,814)	1,709,856
ISC Atlantic First Nations Water Authority (amendment #43, 2) (note 8)	683,864	–	(409,679)	(274,185)	–
First Nations Tax Commission – sublease	16,678	–	–	(16,678)	–
Carrier Sekani Family Service – sublease	–	12,332	–		12,332
Total	**$ 23,287,063**	**$ 26,514,967**	**$ (409,679)**	**$ (34,777,033)**	**$ 14,615,318**

Year ended March 31, 2026

8. Funding repayable:

Funding repayable represents funds received from ISC aimed at supporting the FMB's work as economic regulator of the Atlantic First Nations Water Authority. Any unspent funding is repayable at the end of the current funding arrangement, which is March 31, 2026. As of March 31, 2026, the total funding repayable was $409,679 (2025 – nil).

9. Capital lease obligations:

The FMB has entered into capital leases to acquire office equipment, secured by the leased assets (note 5). These leases expire in February 2027 and January 2028. Future minimum payments for the year ended March 31 are as follows:

2027	$ 23,919
2028	14,594
	38,513
Less amount representing interest at 7.45% to 9.00% per annum	2,456
	36,057
Less: Current portion	21,944
Long-term portion	**$ 14,113**

10. Deferred lease inducements:

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

Year ended March 31, 2026

	2026	2025
Deferred lease inducements, beginning of year	$ 494,604	$ 304,592
Lease inducements received	-	372,106
Amortization of deferred lease inducements	(187,357)	(182,094)
Deferred lease inducements, end of year	307,247	494,604
Less current portion	140,959	187,357
	$ 166,288	**$ 307,247**

11. Net assets invested in capital assets:

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

	2026	2025
Capital assets	$ 1,421,055	$ 1,746,805
Capital lease obligation	(36,057)	(56,859)
Deferred lease inducements related to capital assets	(175,634)	(406,827)
	$ 1,209,364	**$ 1,283,119**

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

	2026	2025
Acquisition of capital assets	$ 111,222	$ 940,485
Payment of capital lease obligation	20,802	36,039
Capital assets financed by capital lease obligation	–	(47,582)
Deferred lease inducement received related to capital assets	–	(221,625)
	$ 132,024	**$ 707,317**

(c) Deficiency of revenue over expenses:

	2026	2025
Amortization of capital assets	$ (436,972)	$ (390,269)
Amortization of deferred lease inducements related to capital assets	231,193	30,356
	$ (205,779)	**$ (359,913)**

12. 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 9) for equipment expiring between fiscal 2027 and 2028.

Future minimum payments, including capital lease payments (note 9) for the year ended March 31 are as follows:

2027	$ 1,766,207
2028	1,525,210
2029	1,540,292
2030	587,062
	$ 5,418,771

12. 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, 2026 and 2025, 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 Government of Canada's bid to establish a new International Sustainability Standards Board office 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, 2026, the FMB has made the first four payments totaling $800,000. During the year-ended March 31, 2026, the FMB's financial commitment was supported through existing sources of A-Base funding from CIRNAC, whereas financial commitments in previous fiscal years were supported through annual contribution arrangements with CIRNAC. The fifth payment is due on or before June 30, 2026.

13. Economic dependence:

The FMB's ongoing operations are dependent on continued funding from the federal government to carry out its mandate. The year ended March 31, 2026 was the second year of a five-year core operations funding agreement with CIRNAC and the second year of a two-year funding arrangement with ISC.

14. Cost for implementation of software services:

In fiscal 2026, the FMB incurred $880,660 (2025 – $50,889) of costs for the implementation of software services in a cloud computing arrangement related to new payroll, customer relationship management (CRM) and enterprise resource planning (ERP) systems (2025 – payroll system). These costs, in addition to internal payroll costs, are recorded in operations and administration, professional fees, and salaries and benefits expense in the statement of operations.

15. 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 was exposed to interest rate risk on its savings account. 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 and accounts receivable. Credit risk associated with cash is minimized by ensuring that it is 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, except for the redemption of the restricted investment and short-term investment in 2026, which reduced risk.

16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year. These reclassifications do not impact the prior year excess of revenue over expenses.



APPENDIX

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 eligible Indigenous not-for-profit organizations.

- 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 its clients.

The FMB's services are funded by the Government of Canada through annual A-Base funding arrangements from Crown-Indigenous and Northern Affairs Canada (CIRNAC) for ongoing core operations, as well as funding provided for proposal-based initiatives from Indigenous Services Canada (ISC) 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.

ACRONYMS

AFN – Assembly of First Nations

AFNWA – Atlantic First Nations Water Authority

CRM – Client Relationship Management

CIRNAC – Crown-Indigenous and Northern Affairs Canada

CD – Capacity Development

CPA – Chartered Professional Accountant

CS – Corporate Services

DCS – Digital Client Stewardship

DMP – Default Management Prevention

ERF – Economic Reconciliation Framework

ERP – Enterprise Resource Planning

FMB – First Nations Financial Management Board

FAL - Financial Administration Law

FMA – Fiscal Management Act

FNII – First Nations Infrastructure Institute

FMS – Financial Management System

FP – Financial Performance

FNMPC – First Nations Major Projects Coalition

FNFA – First Nations Finance Authority

FNTC – First Nations Tax Commission

FAB – Financial Administration By-law

FNMHF – First Nations Market Housing Fund

GBE – Government Business Enterprise

HR – Human Resources

ITAG – Indigenous Technical Advisory Group

IDFO – Indigenous Development Finance Organization

IIC – Indigenous Investment Commission

IEC – Indigenous Economic Council

ISC – Indigenous Services Canada

IELR – Indigenous Engagement, Laws, and Relations

ISSB – International Sustainability Standards Board

IT – Information Technology

LAB – Lands Advisory Board

NPO – Not-For-Profit Organization

NIO – National Indigenous Organization

NFR – New Fiscal Relationship

NACCA – National Aboriginal Capital Corporations Association

OCAP® – Ownership, Control, Access, and Possession

OSR – Own Source Revenue

SAC – Standards and Certifications

SO – Strategic Opportunities

UNDRIP – United Nations Declaration on the Rights of Indigenous Peoples

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