

2024 FNMHF ANNUAL REPORT

# Our Fund. Our Homes. Our Future.

**FNMHF**

FIRST NATIONS MARKET HOUSING FUND



# Forward-looking Statements

The Annual Report of the First Nations Market Housing Fund (“the Fund”) contains forward-looking statements regarding objectives, strategies, and expected financial results. There are risks and uncertainties beyond the control of the Fund that include, but are not limited to, economic, financial, and regulatory conditions. These factors, among others, may cause actual results to differ substantially from the expectations stated or implied in the forward-looking statements.

@2025. All rights reserved. No portion of the Annual Report may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise, without the prior written permission of the First Nations Market Housing Fund. Without limiting the generality of the foregoing, no portion of this Annual Report may be translated without the prior written permission of the First Nations Market Housing Fund.



**The Fund is  
a standalone,  
long-term,  
self-sustaining,  
not-for-profit  
trust.**

# Table of Contents

<b>Forward-looking Statements</b>	<b>2</b>
<b>Our First Nations Partners (CE)</b>	<b>9</b>
<b>Message from the Chairperson of the Trustees</b>	<b>10</b>
<b>Message from the Chief Executive Officer</b>	<b>11</b>
<b>Who We Are &amp; What We Do</b>	<b>13</b>
<b>Governance</b>	<b>15</b>
<b>Board of Trustees</b>	<b>18</b>
<b>Committees</b>	<b>18</b>
<b>2024 Highlights</b>	<b>20</b>
Strategic Directions	20
Collaborations & Partnerships	22
Conferences & Events	23
Marketing & Communications	24
Board of Trustees	25
Operations & Team Development	26
Information Technology	27
Investment Management	28
<b>Our Lending Partners</b>	<b>29</b>
<b>Management Discussion &amp; Analysis</b>	<b>31</b>
<b>Financial Statements</b>	<b>40</b>
<b>Independent Auditor's Report</b>	<b>42</b>
<b>Fund Staff</b>	<b>64</b>





## **Mandate**

**Facilitate access  
to financing  
for loan-based  
housing in  
First Nations  
communities.**

## Mission

# Empower First Nations through Indigenous-led home ownership solutions.





## Vision

We are dedicated to strengthening First Nations' housing capacity and advancing on-reserve homeownership.

Our vision is:

# First Nations Prosperity through Homeownership.

## Values

Our approach respects and integrates the unique traditional values and governance structures of each community we serve. The values of the Fund are inspired by the seven sacred teachings:

**Love**  
**Humility**  
**Respect**  
**Courage**  
**Honesty**  
**Wisdom**  
**Truth**



# Our First Nations Partners (CE)

## NORTH

- Carcross/Tagish
- Champagne and Aishihik
- Kwanlin Dün
- Teslin Tlingit Council
- Tr'ondëk Hwëch'in
- Vuntut Gwitchin

## BRITISH COLUMBIA

- Adams Lake Indian Band
- ʔaḡam
- Coldwater Indian Band
- Cook's Ferry Indian Band
- Cowichan Tribes
- Esk'etemc FN
- Gwa'Sala-Nakwaxda'wx FN
- Haisla Nation
- Halalt FN
- Heiltsuk Tribal Council
- Hupacasath FN
- K'ómoks FN
- Katie FN
- Kispiox Band Council
- Kwantlen FN
- Kwikwetlem FN
- Leq'á:Mél FN
- Lil'wat Nation
- Lower Nicola Indian Band
- Lower Similkameen
- Lytton FN
- Malahat FN
- McLeod Lake Indian Band
- Namgis FN
- Nanoose FN
- Neskonlith FN
- Nooaitch Indian Band
- Nuxalk Nation
- Okanagan Indian Band
- Old Masset Village Council
- Penelakut Tribe
- Penticton Indian Band
- Quatsino FN
- Saulteau FN
- Seabird Island Band
- shíshálh
- Simpcw FN
- Siska Indian Band
- Skeetchestn Indian Band
- Skidegate Band Council
- Skowkale FN
- Skwah FN
- Skwlāx te Secwepemcúlecw
- Spuzzum FN
- Squiala FN
- Sts'ailes Band
- Stswecem'c Xgat'tem FN
- Sumas FN
- T'it'q'et
- Tk'emlúps te Secwépemc
- Tla-o-qui-aht FN
- Tobacco Plains

- Tsal'alh Band
- Tsartlip FN
- Tsawout FN
- Tsawwassen FN
- Tseshah FN
- Ts'uubaa-asatx
- Uclelet FN
- Upper Nicola Band
- Wet'suwet'en FN
- Witset FN

## ALBERTA

- Fort McKay FN
- Peerless Trout FN
- Siksika Nation

## SASKATCHEWAN

- Flying Dust FN
- Lac La Ronge Indian Band
- Onion Lake Cree Nation

## MANITOBA

- Fisher River Cree Nation
- Long Plain FN
- Norway House Cree Nation

## ONTARIO

- Alderville FN
- Algonquins of Pikwakanagan FN

- Atikameksheng Anishnawbek
- Aundeck Omni Kaning
- Batchewana FN
- Beausoleil FN
- Biigtigong Nishnaabeg
- Bingwi Neyaashi Anishinaabek
- Chapleau Cree FN
- Chippewas of Georgina Island FN
- Chippewas of Nawash Unceded FN
- Chippewas of the Thames
- Constance Lake FN
- Couchiching FN
- Curve Lake FN
- Garden River FN
- Henvey Inlet FN
- Hiawatha FN
- Iskatewizaagegan #39 Independent FN
- Lac Seul FN
- M'Chigeeng FN
- Mattagami FN
- Mississauga FN
- Mississaugas of the New Credit FN
- Mohawk Council of Akwesasne
- Mohawks of the Bay of Quinte

- Moose Cree FN
- Nipissing FN
- Oneida Nation of the Thames
- Sagamok Anishnawbek
- Saugeen FN
- Serpent River FN
- Sheshegwaning FN
- Temagami FN
- Wahgoshig FN
- Wahnapiatae FN
- Wahta Mohawks
- Wasauksing FN
- Whitefish River FN
- Wiikwemikoong Unceded Indian Reserve

## QUEBEC

- Cree First Nation of Waswanipi
- Cree Nation of Chisasibi
- Cree Nation of Eastmain
- Cree Nation of Mistissini
- Cree Nation of Wemindji
- Mohawk Council of Kahnawà:ke

## ATLANTIC

- Eskasoni FN
- Lennox Island FN
- Membertou
- Miawpukek FN
- We'koqma'q FN

# Message from the Chairperson of the Trustees

In 2024, I am happy to report that we have formally commenced steps for the Transfer of Care and Control of the Fund from the federal government to the First Nations Community of Responsibility as was intended back in 2013. For the last two years we have been organizing the Fund to take on a new and expanded mandate in partnership with our brother and sister organizations in the First Nation world supporting homeownership.

As per the homepage statement in our website, under “About the Fund” it states, “The First Nations Market Housing Fund is a First Nations-directed organization promoting homeownership for First Nations people and working with partners to provide pathways for families to own their homes.” For the first part, we are truly a First Nations directed organization doing things with an Indigenous lens and assisting First Nation members in implementing housing solutions based on their needs and at their pace. For the second part, we have been formally expanding our partnership network and promoting ourselves as a pathway organization to lead our people to their housing solutions.

In the past year, we have also been taking major steps to reframe relationships with First Nations. Many First Nations believe that we are a fund making direct loans for housing which is not the case. We do manage a fund, but we are not a lender for housing loans. We use the interest earned from the fund to cover the costs of our operations and implement the existing Capacity Development and Credit Enhancement tools. In the future, we plan to add more tools to our toolkit.

We have commenced formal steps and interventions with CMHC and ISC to take control of the Fund and look to submitting the official paperwork later in 2025. The changes will require approvals from

the most senior levels of government, and we look forward to the government holding true to their commitment to transfer control of the Fund to the First Nations Collective Community. In the past year, we also requested and received an updated resolution from the Assembly of First Nations supporting the transfer of Care and Control of the Fund to First Nations.

There are still major challenges ahead. The cost of housing has doubled for many communities in the past five years and may be further impacted by increased tariffs. The fallout from the residential school impact will continue to challenge our people to develop the necessary skills to be housing literate. The majority of our people are still stuck in social housing with limited options to move up the housing continuum. Our people are, in many ways, going through a developmental phase to move to private homeownership, and the Fund will be there to support them in this transition. We will continue to use a long-term perspective and with our alliances we will operate like a business collective to move towards housing solutions. It will take time, but ownership of the housing solutions will be the key that enables the Fund to be autonomous as has always been intended.



**Michael Rice**  
MBA

# Message from the Chief Executive Officer

Looking back at the accomplishments in 2024, I think our greatest accomplishment was to bring clarity to the concept of transferring the FNMHF ('the Fund') to First Nation control. One of the main themes of the business case for Transfer is self-determination, allowing the First Nations people, themselves, to develop innovative solutions to housing issues in First Nations.

Over the past two years, management has researched and implemented a variety of reforms to the existing operations of the Fund. Whatever changes that could be made under the current Indenture of Trust and Funding Agreement have been made. We have now reached the point where we need to seek out the approval of the government to make further substantive changes to the Fund.

Two streams of work have been taking place at the Fund. The first is to continue offering the legacy services that the Fund is known for which are the Capacity Development and the Credit Enhancement programs. The second is related to transfer and transformation of the Fund. This work entails all of the development and planning work that is being put into the business case for major changes at the Fund.

## Legacy Programs and Services

The Fund, which has been around since 2008, operates two legacy programs: the Credit Enhancement Program and the Capacity Development Program. In 2024, the total number of 'actual' housing loans, backed by the Fund's CE Facility reached a cumulative total of 607 loans, or \$109M worth of loans. The 'potential' number and value of housing loans is 7230 and \$1.04B worth of loans. The actual uptake of CE backed loans, once approved by the Fund is only about 10%. One of our internal goals is to increase the overall uptake of the CE facility, and to increase the number of fund-backed homes. This can be challenging in the current environment, where we generally see rising home construction costs and rising borrowing costs.

Nevertheless, starting in 2023, we implemented a variety of tactics to address the low uptake of the CE facility. First, we increased staffing and empowered our front line staff to get more involved in the actual uptake of housing loans; in the past, this work was delegated to external consultants called CE specialists. Second, we embarked on a new marketing and communications program to raise the profile of the Fund and to increase awareness of the services we offer. Third, we amended our Capacity Development program to focus on activities that would be more directly linked to homeownership and actual housing loan uptake. Finally, we updated our in-house database so that we could eliminate paper based procedures and streamline the approval process for CE backed loans. Going forward, we will continue to work diligently on changes that will have a positive impact on the uptake of CE backed housing loans.

Message from the Chief Executive Officer

---

## Development and Planning for the Future

Concurrent with the delivery of our legacy services, we have been researching and planning for the eventual transfer of the Fund to First Nations control and for the implementation of substantive reforms to the services offered by the Fund. In this annual report, we can share that progress has been made on multiple fronts.

In the Spring of 2024, a working committee was formed which included Fund management and advisors as well as representatives from CMHC, ISC, and AFN. The work of this committee culminated with an in-person meeting in July where the key issues around reform were identified. These issues were then used to create a framework for future changes at the Fund.

In July, the Fund embarked on a series of regional engagement sessions to poll First Nation individuals on their thoughts of how the Fund is being transferred to First Nation control as well as their thoughts on the formation of a membership model which would be open to both First Nation individuals and organizations. This feedback will be combined with other engagement feedback to inform the business case for Transfer.

Another area of progress at the Fund was the formation of alliances with like-minded organizations. These alliances will play a key role in shaping how the Fund does business in the future. Agreements have been put in place with organizations such as the First Nations Financial Management Board, First Nations Lands Advisory Board, First Nations Housing Professionals Association, Yänonhchia' Housing Finance, Naut'sa mawt Tribal Council, and Housing Resource Services.

## Next Steps

When the Fund was first established, it was envisioned that the Fund would eventually be transferred to the care and control of First Nations. In 2024, great progress was made in assembling the business case for this transfer to take place. In 2025, the management and Trustees of the Fund will be ready to move forward. This transfer will provide the government with another opportunity to demonstrate their commitment to reconciliation with First Nations. It will also allow First Nations to have greater control over market based housing as an option for on reserve housing.



**Travis Seymour**  
FCPA, FCGA, MBA, CAFM

# Who We Are & What We Do

The Fund is a not-for-profit Trust dedicated to empowering First Nations communities and was developed with input from First Nations communities and organizations across Canada. The Fund launched on May 5, 2008, with a one-time federal government investment of \$300 million.

The Fund's principal is used to create more and better housing through the Credit Enhancement Facility which provides a 10% guarantee backing for on-reserve housing loans, in addition to First Nations guarantees, to build, buy, or renovate individual homes and multi-suite rental units.

The Fund currently works in partnership with First Nations communities through its credit enhancement and capacity development programs.



The Fund is a standalone, long-term, self-sustaining,  
not-for-profit trust established to:

“

**Facilitate the availability of financing  
for and the accessible supply of  
Market-based Housing in First Nations  
communities and help create the  
capacity in First Nations communities to  
become self-sufficient in developing and  
sustaining the Market-based Housing.**

# Governance

The Fund was established through an Indenture of Trust on March 26, 2008 between the Canada Mortgage and Housing Corporation (CMHC) and Trustees. The governance, management, and operations of the Fund are in accordance with the terms and conditions of the Fund's enabling documents. These documents include an Indenture of Trust and a Funding Agreement with the CMHC. The documents were designed to protect both the Fund's federal funding and the parameters put in place for the administration of the funding over the long term. The Fund received a one-time contribution of \$300 million from the Government of Canada. Interest and other income earned from investing the contribution is used to pay for the Fund's administration costs and its Capacity Development Program. The Fund is self-sustaining through the investment of the Government of Canada's capital contribution and the reinvestment of a portion of its revenues.

The Indenture of Trust and Funding Agreement were revised and restated effective December 31, 2021. These updates marked a significant step toward greater independence while incorporating operational enhancements. Additionally, the revisions formally acknowledged the termination of the Management Agreement with CMHC, which had been considered obsolete by the Trustees for many years.

In 2024 the Board of Trustees worked collaboratively with the federal government in pursuing transformational reforms to make the Fund more autonomous and more responsive to First Nations. The federal government is committed to exploring how current on-reserve housing programming, such as the First Nations Market Housing Fund, can be reformed to achieve improved and sustained outcomes and enable transition to First Nations' care, control, and management of housing. The Board of Trustees are committed to ensuring that First Nations values and voices are a key consideration to their work.

All Trustees must be First Nations leaders and visionaries who have strong capacity in the areas of First Nations housing, finance and investments, governance, and organizational development. The Board is comprised of nine Trustees with six appointments approved by the Minister for the CMHC and three appointments by the Minister for Indigenous Services Canada (ISC). The Board of Trustees determines their Chairperson and Vice-Chairperson which is recommended to the Minister of the CMHC for concurrence.

## Governance

### Trustee and Committee meetings including the strategic planning session held in 2024

Meetings	Number of Members	Number of Planned Meetings	Number of Actual Meetings
Trustees	9	6	6
Audit & Risk Committee	4	5	5
Investment Committee	4	5	6
Governance & HR Committee	5	4	4
Operations & Special Initiatives Committee	5	5	5

### Actual expenses incurred during the year for Trustee governance

Expense	2024 (\$)
Honoraria	120,775
Travel	25,334
Hospitality	5,163
Room Rentals	-
<b>Total</b>	<b>151,272</b>

The Fund is a standalone, long-term, self-sustaining,  
not-for-profit trust established to:

“

**Create a platform for long-term change in housing provision and accommodation, leveraging more private-sector financing, progress in stabilizing the backlog in housing, greater housing investment by First Nations themselves and their members, and enhanced housing capacity in First Nations communities.**

# Board of Trustees

@ December 31, 2024



**Michael L. Rice (Chair)**  
Kahnawake  
QC Region / CMHC



**Chief Sidney Peters**  
Glooscap First Nation  
NS Region / CMHC



**Kathleen BlueSky (Vice-Chair)**  
Nisichawayasihk Cree Nation  
MB Region / ISC



**Walter Schneider**  
Squamish First Nation  
B.C. Region / ISC



**Amy Comegan**  
Anishinabeg of Naongashiing  
ON Region / CMHC



**Jean Vincent**  
Huron Wendat Nation  
QC Region / CMHC



**Earl Commanda**  
Serpent River First Nation  
ON Region / CMHC



**Errol Wilson**  
Peguis First Nation  
AB Region / CMHC



**Stacy McNeil**  
Seabird Island Band  
B.C. Region / ISC

# Committees

*Michael L. Rice (Chair) serves as ex-officio member on all Committees.*

## Audit & Risk

Jean Vincent, *Chairperson*  
Amy Comegan  
Walter Schneider  
Errol Wilson

## Governance & HR

Chief Sidney Peters, *Chairperson*  
Kathleen BlueSky  
Amy Comegan  
Earl Commanda  
Stacy McNeil

## Investment

Errol Wilson, *Chairperson*  
Amy Comegan  
Walter Schneider  
Jean Vincent

## Operations & Special Initiatives

Kathleen BlueSky, *Chairperson*  
Earl Commanda  
Stacy McNeil  
Chief Sidney Peters  
Errol Wilson

The Fund is a standalone, long-term, self-sustaining,  
not-for-profit trust established to:

“

**Move away from a system that depends almost entirely on government subsidies, to a system that provides to First Nations residents the same housing opportunities and responsibilities in their communities as other Canadians.**

# 2024 Highlights

## Strategic Directions

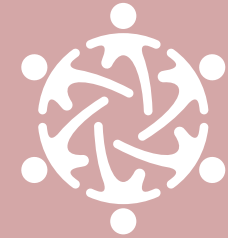
The strategic planning session held in April 2024 at the head office in Akwesasne has become an annual and significant event for the Fund. The 2024 strategic planning sessions included both Fund staff, who possess an in-depth understanding of the organization's existing programs, and Board Trustees, who brought external perspectives and ideas regarding potential directions for the Fund.

It is notable that the Fund was successful in executing strategic plans and implementing strategic initiatives, goals, and objectives during the year.

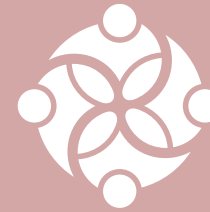
## 2024 Key Strategic Directions



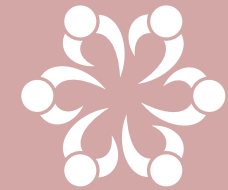
**Reframe relationships  
with First Nations**



**Support greater  
understanding of  
First Nations  
homeownership**



**Improve and expand  
Fund offerings to  
support loan-based  
housing**



**Create strategic  
alliances to make a  
bigger impact**



## Strategic Directions

---

A key initiative for the Fund in 2024 was the pursuit of the steps and preparations required to navigate the transition for the Transfer of Care and Control of the Fund to First Nations. The Board of Trustees approved the establishment of a Working Committee (WC-TCC) tasked with working collaboratively on the business case for Transfer of Care and Control of the Fund. The WC-TCC consists of management and technical staff from the Fund, CMHC, ISC, and the Assembly of First Nations (AFN). A series of biweekly meetings were held in 2024 culminating in a two-day in-person session in July of 2024 and the passing of an AFN resolution in support of the Fund.

One of the components of the AFN resolution supporting the Transfer of Care and Control is to further engage First Nations in the process. A key initiative stemming from discussions at the strategic planning sessions is the concept of membership. The Fund developed an engagement plan with 2 regional engagement sessions held in person across the country as well as 5 virtual webinar engagement sessions. Two of the webinar sessions were held in January 2025.

These engagement sessions have been effective in two ways: collecting feedback from our communities on both the Transfer of Care and Control and on the draft membership model options. This feedback from prospective First Nation homeowners, and First Nation governments who support homeownership, enables us to understand their homeownership needs and to respond to those needs with programs and services.

Transfer of Care and Control is central to the Fund's Business Plan for 2025, which was submitted to the Minister in the last quarter of 2024.

## Collaborations & Partnerships

A key strategic initiative of the Fund in 2024 was to create strategic alliances to make a bigger impact by building and formalizing partnerships with like-minded organizations. This collaborative approach is central to the Fund's reform efforts and reflects its core identity as a First Nations-controlled entity. The strength of these alliances is yet another advantage of First Nations stewardship of the Fund.

Since the implementation of the criteria for Memorandum of Understanding (MOU) Partnerships with external organizations in late 2023, the Fund has solidified partnerships through MOUs with six First Nations organizations.

A goal for the coming year is to develop action plans to work with these established partners and also continue to identify, collaborate, and develop partnerships with other like-minded organizations.

## MOU Partnerships

<b>September 6, 2023</b>	<b>Housing Resource Services (HRS)</b>
<b>January 25, 2024</b>	<b>First Nation Housing Professionals Association (FNHPA)</b> MOU signed at the AFOA Canada National conference in Ottawa.
<b>July 8, 2024</b>	<b>First Nations Financial Management Board (FMB)</b> MOU signed at the AFN Annual General Assembly in Montreal.
<b>August 29, 2024</b>	<b>Lands Advisory Board (LAB)/First Nations Lands Resource Centre (FNLRC)</b> MOU signed at the LAB Annual General Meeting in Halifax.
<b>October 23, 2024</b>	<b>Naut 'sa mawt Tribal Council (NmTC)</b> MOU signed at the Forward West conference in Vancouver.
<b>December 1, 2024</b>	<b>Yänonhchia' Housing Finance (YHF)</b> MOU signed at the AFN Special Chiefs Assembly.

## Conferences & Events

In 2024, the Fund participated in events both virtually and in-person, including:

- |                  |   |                 |   |
|------------------|---|-----------------|---|
| <b>March</b>     | <ul style="list-style-type: none"><li>• AFOA National Conference</li><li>• CMHC Housing Conference</li></ul>  | <b>October</b>  | <ul style="list-style-type: none"><li>• First Nations Tax Administrators Association (FNTAA) Annual Conference</li><li>• AFOA Manitoba Annual Leadership &amp; Administrators Conference</li><li>• CANDO Annual National Conference</li><li>• Navigation ISC Infrastructure Programs: Building Communities for the Future</li><li>• HRS Gathering</li><li>• Forward Summit West</li><li>• Federation of Sovereign Indian Nations (FSIN) Tradeshow</li></ul> |
| <b>April</b>     | <ul style="list-style-type: none"><li>• National Aboriginal Trust Officers Association (NATOA) Conference</li><li>• Our Gathering kexwkexwntsút chet, tə sǎǎǎqip ct</li></ul> | <b>November</b> | <ul style="list-style-type: none"><li>• BCAFN-FNHIC Annual Housing &amp; Homelessness Forum</li><li>• AFOA Atlantic Leadership &amp; Governance Conference</li><li>• AFOA Atlantic Annual Fall Conference</li><li>• First Nations Housing Professionals Association (FNHPA) Annual National Conference</li><li>• First Nations Financial Management Board (FMB) Leading the Way Conference</li></ul>  |
| <b>May</b>       | <ul style="list-style-type: none"><li>• NACCA Indigenous Prosperity Forum</li></ul>   | <b>December</b> | <ul style="list-style-type: none"><li>• CANDO BC Links to Learning</li><li>• AFN Special Chiefs Assembly, AFN Chiefs Committee on Housing &amp; Homelessness</li><li>• NICHI Indigenous Housing Capacity Event</li></ul>  |
| <b>June</b>      | <ul style="list-style-type: none"><li>• Waasnode Housing Conference</li><li>• AFOA Canada Charity Golf Tournament</li></ul>   |                 |   |
| <b>July</b>      | <ul style="list-style-type: none"><li>• AFN Annual General Assembly</li></ul>   |                 |   |
| <b>August</b>    | <ul style="list-style-type: none"><li>• Lands Advisory Board General Meeting</li></ul>  |                 |   |
| <b>September</b> | <ul style="list-style-type: none"><li>• First Nations Building Officers Association (FNBOA) Gathering</li><li>• Forward Summit East</li></ul>                                 |                 |   |

## Marketing & Communications

In 2024, the Fund continued to build on the momentum from our rebranding efforts, further solidifying our commitment to progress, innovation, and the empowerment of First Nations communities. This year, we introduced several key initiatives that enhanced our digital presence, and expanded our audience reach.

Our website received significant updates, with the addition of new content such as blogs, success stories, and an interactive map showcasing our First Nations partners. These updates contributed to a remarkable 307% increase in website traffic compared to 2023, reflecting the growing engagement with our online resources. Social media also saw a dramatic increase in followers, growing by over 190% organically. This surge highlights the effectiveness of our strategic content and engagement efforts across our platforms.

The quarterly newsletter, Foundations, saw a 150% increase in subscriptions, driven by targeted outreach efforts at in-person events and webinars. This expansion of our contact list underscores our dedication to maintaining strong connections with our stakeholders. To reflect Indigenous culture, we integrated Indigenous artwork into our print and digital collateral, enriching our brand with vibrant cultural expressions.

Internally, we launched a corporate intranet to keep our staff informed and engaged. This initiative is part of our broader effort to enhance internal communication and foster a collaborative work environment.

Additionally, we premiered our newest video at the First Nations Housing Professionals Association (FNHPA) conference, "First Nations Prosperity Through Homeownership," highlighting the Fund's updated vision statement. This video continues our narrative of transforming lives through better housing, showcasing the impact of our programs on First Nations communities.

**+307%**

Increase in web traffic

**+190%**

Increase in social media engagement

**+150%**

Increase in subscriptions

**First Nations Prosperity Through Homeownership video**



## Board of Trustees

In 2024 the Fund had a full cohort of nine First Nation Trustees with meetings convened virtually and an in-person strategic planning session in April at the head office in Akwesasne. Many of our Board of Trustees were actively involved in meetings and events across the country during the year raising awareness and advocating for the independence and autonomy of the Fund.

Through the Calendar of Agenda Items established for each committee and the Board of Trustees, the Trustees ensured that every meeting incorporated a thorough examination of standing, annual, and bi-annual agenda items, duly included on the respective meeting agendas. This is a helpful guideline to meet all compliance requirements and reporting at various checkpoints throughout the year including policy reviews and revisions, the business planning cycle, annual reporting, communications strategy, audit and risk management, and financial management.

In late 2024, preparations were completed to fill two Trustee positions that will come to an end in 2025. This includes updates to the Nominations Committee Mandate, Trustee Criteria and Profile, and a Notice of Opportunity that will be posted in the first quarter of 2025.

The initiation of a Governance Manual began in 2024 encompassing alterations to committee structures, mandate updates, insights from best practices adopted by other organizations, and additional reference information. Completion of this comprehensive manual is anticipated for May 2025.



## Operations & Team Development

The Fund remains committed to tailoring its services to reflect regional differences, allowing us to better understand and meet the unique needs and aspirations of diverse First Nations communities across Canada. In 2024, we successfully filled key positions identified in our 2024–2028 Business Plan with skilled individuals from First Nations communities, expanding our team to 22 full-time staff members by year-end.

- **Programs & Services** - now has a bilingual Senior Program Officer to support our French-speaking communities and a Homeownership Navigator to reduce the reliance on external CE consultants.
- **Operations** - welcomed their former summer student on full-time as Junior Communications Officer in May after her graduation from the University of Ottawa and our HR Generalist moved from contract to a full-time position fulfilling an important role within our growing organization.
- **Finance** - welcomed a Junior IT Analyst to provide much needed support with our IT initiatives and provide in-house assistance in implementing new platforms. After a one-year contract, our Controller accepted a full-time position after quickly becoming an invaluable asset to the Finance Team. Another significant boost to the Finance Team is the promotion of the Compliance Officer to Senior Financial Analyst-Compliance.

Many of our staff engaged in professional development initiatives to better serve our First Nations clients. Several staff completed the Fundamentals of OCAP® training program through the First Nations Information Governance Centre (FNIGC); one of our senior managers completed the Executive Leadership Program through the University of Saskatchewan; and one of our Senior Program Officers completed the Certified Aboriginal Professional Administrator (CAPA) designation through AFOA Canada. In addition to professional development, staff also participated in the Heart & Stroke Foundation 72 km challenge, and the Health & Fitness Challenge organized by the Odawa Friendship Centre.

In early 2024 the Fund implemented a new HR workforce management system, called BambooHR. The new system enabled the Fund to consolidate all of its HR activities under one online platform. The new system tracks time and leave information, benefits information, and HR policy information. The performance review process was also automated through this platform for greater efficiency.

In August 2024, the office lease for the Ottawa office (at Blair Towers Place) expired and was not renewed. In 2022, the head office was relocated to Akwesasne Mohawk Territory. The Ottawa office remained mostly vacant as most staff were allowed to work remotely from home. In place of the larger Ottawa office, management entered into a lease for a smaller 'satellite office' located at 2460 Lancaster Street, which was set up in August. The office includes a server room, copier room, storage for marketing and promotional items, and space for four to five people to work comfortably. The Lancaster location provides an additional workspace and serves as an effective spot for in-person meetings and collaborative efforts.

## Information Technology

Information technology plays a multifaceted role in supporting and enabling the overall functioning of the Fund through effective management of technology resources, ensuring data security, providing user support, and contributing to strategic business goals. Security awareness training for staff was consistently conducted throughout the year through the implementation of quarterly awareness training sessions and frequent phishing simulations.

The final report on the IT Cybersecurity Assessment for 2024 from BDO revealed positive results with commendations on the Fund’s cybersecurity which has matured significantly compared to the last assessment completed in 2022. Most notably BDO had zero (0) high risk findings as compared to eleven (11) in 2022 and nineteen (19) in 2020. It was also noted that the Fund recognizes IT security as a strategic priority and as an integral part of its ongoing business operations. The Fund has rightly invested in people, process, and technology controls to build a sustainable cyber function.

### Key advancements during 2024 include:

<p>Junior IT Analyst hired in June</p>	<p>CE and loans completely migrated to HomeHub with automated reports generated for various purposes as needed</p>
<p>CD initiatives completely migrated to HomeHub (an app developed for the Fund within the Microsoft Dynamics platform) with reporting functions in progress</p>	<p>Process for tracking community outreach developed and implemented</p>
<p>Conferences and events added to HomeHub to track details, feedback, value, etc.</p>	<p>Training sessions for staff conducted and ongoing where required</p>
<p>Reports for finance invoicing under development</p>	<p>Information Security Policy reviewed and updated to include more secure password policy settings and guidelines</p>



## Investment Management

In 2024, there were no significant changes to the Fund's portfolio. Highlights included the completion of the 2024 Asset Mix review in the second quarter to be incorporated in the 2025 Statement of Investment Policy (SIP).

The review called for increased allocations to global equities, commercial mortgages and alternative assets specifically in infrastructure, with new manager subject to the Funder's approval. In addition, the Fund obtained the Minister's approval of a new investment manager for real estate; however, the Fund has yet to allocate any funds due to uncertainties in the market environment and significant developments within the investment management firm itself. In the meantime, an investment manager search for infrastructure will begin in the second quarter of 2025.

# Our Lending Partners



“

**Better housing is a vital and effective way to strengthen communities and promote equality and opportunity.**

# Management Discussion & Analysis

The Fund's management discussion and analysis provides a narrative to accompany the financial statements for the year ended December 31, 2024. The planned activities of the Fund are driven by the multiyear business plan and the Strategic Priorities of the Board of Trustees.

Financial results as compared to plan are as follows:

	2024 Plan (\$) *	2024 Results (\$)	2023 Results (\$)
Cash and Cash Equivalents **	12,050,000	12,164,311	6,103,888
Long-term Investments	358,361,000	387,439,316	373,894,997
Deferred Contributions	368,311,000	398,773,054	379,073,097
Unrealized Gain (Loss) within Deferred Contributions	(11,016,000)	13,792,985	(1,610,502)
Investment Income ****	13,524,000	12,016,102	11,753,673
Administration Expenses	7,622,458	6,661,588	5,966,781
Capacity Development Expenses ***	4,000,000	1,336,030	2,132,655
Funds available for Capacity Development	2,973,131	9,955,789	9,537,364
Credit Enhancement Guarantee (Recovery) Expense	30,000	(277,986)	160,328
Credit Enhancement Guarantee Liability	273,000	103,372	381,358

\* The plan figures noted above are from the approved 2024 Business Plan.

\*\* Cash and cash equivalents include receivables from investments.

\*\*\* Budgeted CD expenditures in any given year shall be approved by the Minister responsible for CMHC as part of the annual Business Plan.

\*\*\*\* Investment income includes realized gain (loss) on sale of long-term investments and amortization of premiums/discounts.

The areas discussed include Capacity Development (CD), Credit Enhancement (CE), Investment Management and Fund Administration.

## Capacity Development

Capacity Development is one of the core products of the Fund, which entails supporting and facilitating training and guidance to establish robust systems, policies, and practices. Recipients of Fund sponsored CD include First Nations government entities, leadership, administrators, and citizens.

While CD remains an integral part of the Fund's mandate, between 2022 and 2023, the Fund narrowed the types of CD initiatives that it would support to those that it believes will directly lead to homeownership. These initiatives include but are not limited to homeownership/housing policies, housing strategies and standards, community planning, land use planning, lot surveys, land codes, personal finance, financial literacy, and other community education/engagement.

For the 2024 planning period, the Fund had budgeted the \$4 million amount that had been budgeted in prior years in anticipation of a new membership program; however, the program was not launched and deferred to the 2025 fiscal year, pending outcome and feedback from

the 2024/2025 engagement sessions. Given the limitations of the CD formula, management was mindful of the CD spendings in 2024, in anticipation of the eventual introduction of a membership model in 2025 and beyond, which is expected to increase demand for CD significantly.

As was the case in the past couple of years, the Fund continued to place more emphasis on working with those First Nations already approved for CD to help them to transition to approval for the Fund's Credit Enhancement Facility. For even those who were approved for CE, staff pursued opportunities to work with members to increase awareness and interest on homeownership programs. Staff continued to utilize virtual meeting platforms such as Zoom, Skype, Teams, and other tools to have interactive meetings with First Nations clients. As the Fund focused on attending conferences during 2024, staff were able to satisfy the demand for in-person meetings and relationship building.

**Frequency of meetings (virtual and in-person) by type for each quarter of 2024 for a total of 240 (2023 – 172).**

Type of Interaction	Frequency of Meetings with First Nations					
	Q1	Q2	Q3	Q4	2024	2023
Assessment	-	5	-	7	12	12
Capacity Development	18	22	19	12	71	55
Credit Enhancement	22	26	14	7	69	48
Relationship Building	19	14	18	37	88	57

## Capacity Development

---

In 2024, CD expenditures totaled \$1,336,030, a decrease from 2023 by \$796,625. During the year, CD funds were used to pay for 54 initiatives in 36 different First Nations communities across Canada compared to 74 initiatives in 44 communities in the prior year. While management continued to be more selective in sponsoring CD initiatives, the Fund still entered into 44 new commitments as of the 2024 year end compared to 37 at the end of 2023. The CD projects of 2024 consisted of larger projects related to policy and law development as opposed to smaller online training courses and workshops as was the case in 2022 and prior years. The Fund also incurred only half of the external CE consultant fees that were incurred in 2023 as it hired an internal Homeownership Navigator as planned.

Some of the larger projects completed in 2024 include development of Comprehensive Community Plan, Governance Policy, Land Use Plan and Bylaws, Lot Surveys, Housing Policies, and Housing Authority.

CD services are funded by investment income from an actively managed investment portfolio. Although sufficient cash flows were generated to finance the Fund's operations, the current formula in which available CD funding is calculated results in a declining balance each year. Furthermore, in years where the Fund's net income – defined in the CD formula to include realized capital gains net of realized capital losses – is negative, as was the case in 2022, there are no additional allocation to the available CD funding for the subsequent year. In 2024, no significant losses were incurred from investing activities and the Fund has a carry forward balance of \$9,955,789 at December 31, 2024.

As the Fund continues to hear from many First Nations clients with the desire for the Fund to expand the CD support and to provide it over a longer period, the Trustees have made representations to seek changes in the way the available CD funding is calculated in the business case submission to cabinet in 2025. As part of the reform process, the Fund continues to solidify the types of CD programs that the Fund will support, which it believes will result in increased homeownership.

At December 31, 2024, the Fund had outstanding commitments for CD initiatives of approximately \$1.5 million.

## Credit Enhancement Facility

The Credit Enhancement Facility was established to provide additional security to backstop on-reserve housing loans. This facility provides assurances to third-party lenders and insurers that repayment of financing arranged for housing by a qualified First Nations community will be honored up to the limit of the agreed-upon CE if a First Nation fails to fulfil its responsibility for the repayment of a loan default.

In 2024, one First Nation chose to submit an application to partner with the Fund in the last quarter, currently under review. In addition, two First Nations qualified to participate in the CE program during 2024: one First Nation who had been qualified for CD only in the past through reengagement and reassessment process; and one another who submitted an application in 2023. While the Fund's marketing efforts have created interest and awareness of the Fund's programs, the low in-take of First Nations applying for the Fund's CE Facility is more evidence of the need to reform the Fund's mandate.

In addition to work performed by Fund staff, the Fund works with CE Specialists who are external consultants. This has allowed for expanded support in those communities that are determined to advance homeownership. While these CE Specialists focus their efforts strictly on CE and help individuals navigate the loan financing process, fees incurred are considered to be capacity building in nature and thus recorded as CD expenses. During the reform process in 2023, it was determined that some of the work done by the CE Specialists will be performed in-house to better coordinate workflows and to reduce travel by hiring staff in different regions of the country. The Fund hired one new Homeownership Navigator in 2024 as mentioned above.

In 2024, the Fund continued to prioritize strengthening its relationships with lenders, both existing partners and potential. During the latter half of 2024, the Fund partnered with two new lenders to participate in its CE program for a total of 15 lenders. The Fund also provided guarantees on 34 new loans compared to 34 in 2023, 38 in 2022, and 82 in 2021. While it is very possible that the declining number of new loans may be due to a significant rise in interest rates, our research from 2023 helped us to understand that there are other factors contributing to the declining interest in the Fund's CE program. For example, there is a lack of understanding of how the CE facility works, by Lenders and their staff. Another reason is that the CE Guarantee of 10% is perceived as being too small of an incentive when considering the additional work required to access the CE program. A third reason is that there are alternatives to using the Fund's CE facility. The Fund has addressed these issues in the business case submission to Cabinet in 2025 by presenting different options in how the Fund can support market based housing in the future.

Each year, the Fund estimates the potential liability amount for the CE guarantee. Since its inception, the Fund has provided guarantees on a total of 566 loans under the Credit Enhancement Facility for a guaranteed amount of \$10.9 million for 607 home units. Fortunately, the Fund has no history of any claims paid to lenders at this point. The estimated CE guarantee liability at the end of 2024 was \$103,372 based on the outstanding partial loan guarantees of approximately \$8.23 million.

### Credit Enhancement Facility

---

As at December 31, 2024, there were 47 loans in arrears ranging from 4 to 2,160 days outstanding, of which 14 loans totaling \$2,265,039 were in arrears for more than 121 days. By comparison, 40 loans were in arrears at the end of 2023 ranging from 2 to 1,794 days, of which 12 loans totaling \$1,911,119 were in arrears for more than 121 days.

A loan is considered to be in arrears until all outstanding amounts are paid in full, even if partial payments are being made. The Fund's estimated liability calculation is formula-driven which, for each loan in arrears, is based on the number of days it is in arrears and the financial strength of the First Nation guaranteeing the loan. As the liability at the end of 2024 (\$103,372) was less than that at the end of 2023 (\$381,358), the difference of \$277,986 was recovered in 2024 in the Statement of Operations with a corresponding decrease to the liability account in the Statement of Financial Position.

Although the overall number and amount of loans outstanding have increased compared to 2023, the decrease in the 2024 liability was primarily in response to one community where the credit rating of the community had improved significantly. The decrease was somewhat offset by an increase in the general number of mortgages in arrears across Canada, which is one of the main driving factors in the formula and thereby increasing the general default rate of all outstanding loans. The credit ratings and data on the general number of mortgages in arrears are obtained from third-party sources.



## Investment Management

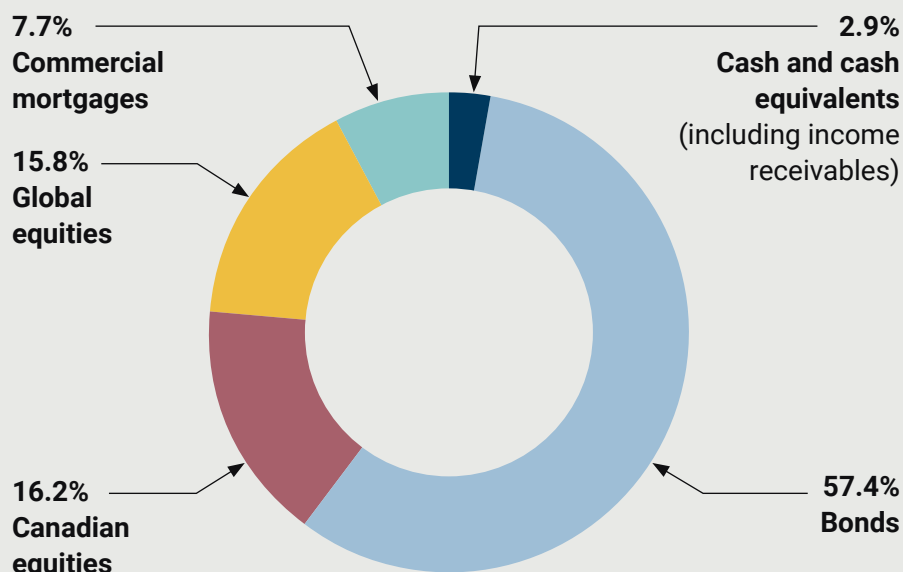
The Fund’s operations and programs are entirely financed through cash flows from investments, which has grown since the initial contribution of \$300 million. In order to earn sufficient income while protecting capital, the Trustees, with advice from management and an independent third-party consultant, review and update the Investment Strategy (IS) and Statement of Investment Policy (SIP) on an annual basis. The various asset classes as permitted in the SIP are managed by professional investment managers who report to the Trustees on a quarterly basis.

The Fund’s investment portfolio has diversified significantly over the past few years from just a laddered bond portfolio to one that incorporates multiple asset classes including equities, commercial mortgages and real estate. By the end of 2023, the Fund achieved target allocations in Canadian equities (15%), global equities (15%), and commercial mortgages (10%) with the remainder in fixed income securities. While the 2023 and 2024 SIP called for a 5% allocation in real estate, the Fund has yet to make any purchases even though a new real estate manager was selected in 2023 and approved by the Minister in 2024. The Fund and the new manager were both cautious during 2024 with uncertainties in the market space and expectations for the manager to call capital in the first quarter of 2025; however, in December of 2024, the Fund was notified of significant changes in the senior management of the real estate manager, and at the advice of the investment advisor, the Fund decided to hold off on making any allocations.

While there were no significant changes to the asset allocations in 2024, the Fund completed a comprehensive asset mix review in the second quarter, which calls for increases to global equities (by 5%), commercial mortgages (5%) and alternative assets (i.e. 5% to infrastructure). The Fund has incorporated these changes in its 2025 SIP and expects to conduct a search for a manager of infrastructure starting in the second quarter of 2025. It is expected that the new asset

allocations will optimize income generation while preserving capital at modest growth levels.

**As at December 31, 2024, the Fund was invested in the following asset classes:**



All asset classes are within the acceptable target range, except for real estate, as previously mentioned. With the approval of the 2025 SIP, the Fund will be allocating an additional 7.8%, or \$30 million to commercial mortgages by the second quarter of 2025. It is not expected that the Fund will incur significant losses as the market values of the Fund’s investments have recovered quite significantly since the start of 2023.

## Investment Management

---

Long-term investments in the financial statements totaled \$387,439,316 with \$13,792,985 unrealized gains on investments measured at fair value. This amount represents a 3.7% increase in the market values of long-term investments measured at fair value since time of purchase. After another volatile year, the Fund's investments made significant gains once again although headlines over geopolitical tensions and gloomy expectations on future rate cuts in the fourth quarter put the brakes on the rally. At December 31, 2024, global equities posted 18.8% unrealized gains or \$10.0 million, Canadian equities posted 11.7% unrealized gains or 6.7 million, and commercial mortgages posted 2.7% unrealized gains or \$0.8 million to partially offset the unrealized losses in the fixed income securities totaling \$3.7 million or 3.1%.

It should be noted that units invested in the Canadian fixed income pooled fund and commercial mortgages pooled fund are considered to be equity instruments measured at fair value in accordance with Public Sector Accounting Standards for not-for-profit organizations. For budgeting purposes and as far as the SIP and IS are concerned, these assets totaling \$148.3 million (\$151.2 million at cost) are still considered to be fixed income securities. The remaining half of the fixed income securities totaling \$111.8 million are held directly by the Fund and as such are measured at amortized cost, and fluctuations in the market values do not have an impact on the financial statements. Market values related to these securities totaled \$111.1 million at December 31, 2024.

The Fund earned \$12,673,028 in investment income (net of amortization of premium/discounts) compared to \$14,702,579 in 2023. The decrease is due to a \$1.8 million return of capital (RoC) distribution received in 2023 that was applied as a 2024 reduction in income and associated cost, rather than the corresponding 2023 figures. This is because the Fund was not notified of this distribution until after the

2023 audit. If the distribution was posted to the fiscal year in which it relates to, 2024 investment income would have been \$14.5 million versus \$12.9 million in 2023 for an increase of \$1.6 million or 11.8%. This increase would be due to the purchase of commercial mortgages during the latter half of 2023, which earned ~3% on top of the 4% yield on the main fixed income portfolio consisting of corporate and provincial bonds.

The overall yield on the Fund's investments for the year was 3.83% compared to 3.44% in the prior year, adjusted for \$1.8 million RoC. With increases in market values of the Fund's investments and allocations to more diversified assets, the Fund's investment management fees have also increased to \$1,349,194 (0.36% of the weighted average cost of the portfolio) in 2024 compared to \$1,090,580 (0.29%) in 2023.

Without any significant changes to the asset allocations, the Fund did not incur any significant gains or losses during 2024. Taking into consideration the loss on sale of investments totaling \$656,926, the Fund's overall investment income (unadjusted for \$1.8 million RoC) was \$12,016,102 compared to \$11,753,673 in 2023 and this figure still exceeded total expenses of \$7,719,632 by \$4,296,470. Adjusted for the RoC, the overall investment income would have been \$13.8 million, which is slightly greater than the planned amount of \$13.5 million. The planned amount assumed investment in real estate by the second quarter of 2024, earning ~2% in distributions.

Not accounting for the fluctuations in the market values, the total value of the Fund's investments, consisting of cash and cash equivalents and long-term investments, at December 31, 2024 was \$385,810,642. The comparable 2024 budget amount was \$381,427,026 and the 2023 yearend amount was \$381,609,387, which indicates that the objectives of the Fund's investments to preserve capital while generating sufficient income were met.

## Fund Administration

Fund Administration consists of the following expenses:

- Professional and technical services including salaries to staff, investment management, legal, audit, banking, insurance, and other consulting services;
- Travel;
- Trustee governance;
- Business premises;
- Computer and telecommunications; and,
- Other including marketing and promotion, depreciation, and Fund development.

Total administrative expenses of \$6,661,588 was under the planned amount of \$7,622,458, by 13%. The main variance is from under spendings in investment management fees, legal and other professional services. While the Fund incurred more than planned marketing expenses, the excess over the budget of \$86K was covered by the contingency budget of \$150K.

Investment management fees were \$210,783 (or 14%) less compared to the 2024 plan of \$1,559,976, at \$1,349,194. The budget expected that a new investment manager for real estate would be in place by the first quarter of 2024 at much higher fees than the existing managers; however, the Fund has not yet allocated any funds to real estate.

Legal fees were \$173,358 (or 69%) less compared to the 2024 plan of \$252,452, at \$79,094. The budget expected significant legal fees related to reform; however, submission to cabinet was delayed to 2025 along with associated legal costs. The Fund has incurred some preliminary planning work in the latter half of the year.

Other professional fees were \$279,035 (or 40%) less compared to the 2024 plan of \$694,983, at \$412,948. The budget expected various projects related to COSO, ERM advisory, governance review, and

miscellaneous research, which are yet to fully materialize at the end of 2024. In particular, it was decided that the Fund will conduct its COSO assessment internally in 2024 with a goal to identify gaps before it engages a third party to conduct an audit for certification.

When compared to the actual results of 2023, Fund's total administrative expenses was greater by \$694,807 (or 12%), which most were in accordance to the 2024 plan. As planned, the Fund had a full compliment of 22 staff, half of whom were hired during 2023, which accounts for \$411,018 (or 59%) of the variance. The Fund also incurred \$258,613 (or 37%) more investment management fees than in 2023 to correspond with the increase in the market values of the Fund's investments. The remaining variances net out with increases in marketing expenses, Fund development, and audit fees (two years' worth of compliance audits) and decreases in other professional services, business premises, and recruitment.

In 2024, the Fund prepared and reported the following reports and returns in a timely manner:

- Quarterly financial statements to the Funder, per the Funding Agreement for each quarter in 2024.
- Quarterly financial reports to the Federal Government for inclusion in the Public Accounts of Canada.
- Preparation and submission to the Minister of the 2025 Business Plan.
- Preparation and submission to the Minister of the Annual Report for 2023.
- Preparation and submission to the Funder of Quarterly Investment Management Reports.
- Submission to the Funder of Audited Financial Statements for 2023.
- Preparation and Filing of the 2023 Tax Filings.

## Fund Administration

In 2024, the Fund filed its 2023 T3 Trust Income Tax and Information Returns ["Returns"] showing nil taxable income in a timely manner. The Fund has filed these Returns showing nil taxable income for each of 2008 through 2023. Trust Notices of Assessment and Reassessments ["Notices"] were received from the CRA indicating that the assessed taxable income and taxes payable were nil for each of the sixteen years. The Notices indicate that the CRA can reassess the return at any time within three years of the date of the Notices if it finds an error during a review or audit of the return. The three-year periods on the Notices for the years 2008 through 2020 have now expired. It is anticipated that the Fund will obtain greater clarity about its not-for-profit status through a legislative change with the business case submission to cabinet in 2025.

The Fund continued to strengthen its IT environment with a focus on database development in 2024. A team of dedicated staff members continued to develop the Fund's internal database with minimal assistance from external consultants, which saved approximately \$100,000 for the year that was then utilized in other projects.



# Financial Statements

## Management's Responsibility for Financial Reporting

### For the Year Ended December 2024

The First Nations Market Housing Fund management is responsible for the integrity and objectivity of the financial statements and related financial information presented in this annual report. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and consequently include amounts which are based on the best estimates and judgement of management. The financial information contained elsewhere in this annual report is consistent with that in the financial statements.

The First Nations Market Housing Fund maintains appropriate systems and related internal controls to provide reasonable assurance that financial information is reliable, assets are safeguarded, transactions are properly authorized and in accordance with relevant legal documents governing the Fund, resources are managed efficiently and economically, and operations are carried out effectively.

The Board of Trustees, through an Audit Committee, oversees management's responsibilities for financial reporting and internal control systems. The Board of Trustees, upon the recommendation of the Audit Committee, has approved the financial statements.

The financial statements have been audited by KPMG in accordance with Canadian generally accepted auditing standards. KPMG has full access to, and meet periodically with, the Audit Committee to discuss their audit and related matters.

**Travis Seymour**, FCPA, FCGA, MBA, CAFM

**Tae Kim**, CPA, CA, CAFM

Financial Statements of

# First Nations Market Housing Fund

For the year ended December 31, 2024



KPMG LLP

150 Elgin Street, Suite 1800  
Ottawa, ON K2P 2P8 Canada

Telephone 613 212 5764

Fax 613 212 2896

# Independent Auditor's Report

To the Trustees of the First Nations Market Housing Fund

## Opinion

We have audited the financial statements of the First Nations Market Housing Fund (the Fund), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations 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 Fund as at December 31, 2024, and its results of operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## 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 Fund 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.

---

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.



## Other Information

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in the First Nations Market Housing Fund Annual Report

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the First Nations Market Housing Fund Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

## 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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 Fund'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 Fund'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 Fund 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants  
Ottawa, Canada

March 5, 2025

## Statement of Financial Position

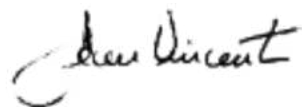
December 31, 2024, with  
comparative information for 2023

See accompanying schedule and  
notes to financial statements.

On behalf of the Trustees:



Michael Rice, Chairperson



Jean Vincent, MSC, FCPA, FCA, CAFM  
Audit Chairperson

	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	\$ 11,129,410	\$ 5,185,661
Receivables from investments	1,034,901	918,227
Prepaid expenses	103,638	88,252
Accounts receivable	767	358
	12,268,716	6,192,498
Long-term investments (note 4)	387,439,316	373,894,997
Capital assets (note 5)	213,060	275,930
	\$ 399,921,092	\$ 380,363,425
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 11)	\$ 1,022,470	\$ 855,897
Capital lease obligations (note 12)	22,196	23,682
Deferred lease inducements (note 6)	-	7,195
	1,044,666	886,774
Credit enhancement guarantee liability (note 11)	103,372	381,358
Capital lease obligations (note 12)	-	22,196
Deferred contributions (note 7, schedule)	398,773,054	379,073,097
	398,876,426	379,476,651
Commitments and contingent liabilities (note 11)		
	\$ 399,921,092	\$ 380,363,425

## Statement of Operations

December 31, 2024, with comparative information for 2023

See accompanying schedule and notes to financial statements.

	2024	2023
<b>Revenue:</b>		
Recognition of deferred contributions related to current year operations	\$ 7,719,632	\$ 8,259,764
<b>Expenses:</b>		
Administrative (notes 5, 6, and 8)	6,661,588	5,966,781
Capacity development (note 10)	1,336,030	2,132,655
Credit enhancement guarantee (recovery) expenses (note 11)	(277,986)	160,328
	7,719,632	8,259,764
Excess of revenue over expenses for the year	\$ —	\$ —

## Statement of Cash Flows

Year ended December 31, 2024, with  
comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ –	\$ –
Items not affecting cash:		
Depreciation of capital assets	84,757	97,273
Loss on disposal of capital assets	6,802	–
Amortization of deferred lease inducement	(7,195)	(18,773)
Credit enhancement guarantee (recovery)	(277,986)	160,328
Amounts related to investments (schedule):		
Realized loss on sale of long-term investments	656,926	2,948,906
Amounts reclassified to realized loss on sale of long-term investments	–	352,982
Unrealized gain on long-term investments	(15,403,487)	(13,935,508)
Non-cash amortization of premiums and discounts	(115,056)	(191,116)
Net change in non-cash working capital balances related to operations (note 9)	34,104	95,098
Net increase in deferred contributions	19,699,957	17,091,435
	4,678,822	6,600,625
Capital activities:		
Acquisition of capital assets	(28,689)	(42,918)
Investing activities:		
Purchase of long-term investments	(97,864,175)	(216,830,257)
Proceeds on sale of investments	99,181,473	197,582,906
	1,317,298	(19,247,351)
Financing activities		
Principal payment under capital leases	(23,682)	(22,840)
Net increase (decrease) in cash	5,943,749	(12,712,484)
Cash, beginning of the year	5,185,661	17,898,145
Cash, end of the year	\$ 11,129,410	\$ 5,185,661

See accompanying schedule and  
notes to financial statements.

# Notes to Financial Statements

Year ended December 31, 2024

## 1. Nature of business

The First Nations Market Housing Fund (the “Fund”) was established on March 31, 2008 through an Indenture of Trust in the Province of Ontario. The purpose of the Fund is to facilitate the availability of financing for, and the accessible supply of, market-based housing in First Nations communities. The Fund also helps to create the capacity in First Nations communities to become self-sufficient in developing and sustaining market-based housing, thereby contributing to the social welfare and civic improvement of First Nations communities and their residents. An over-arching goal is to move to a system that provides to First Nations residents the same housing opportunities and responsibilities in their communities as other Canadians. The Fund operates on a not-for-profit basis. The beneficiary of the Fund is His Majesty the King in right of Canada.

The Fund’s vision is to provide “First Nation prosperity through homeownership”.

- On April 28, 2008, the Fund entered into a Funding Agreement with Canada Mortgage and Housing Corporation (“CMHC”), which sets out the terms and conditions for the transfer and use of a \$300 million contribution from CMHC on behalf of the Government of Canada to the Fund. This agreement provides additional direction of the Fund’s not-for-profit activities, reporting obligations, permitted use of funding and duties of Trustees.

The Indenture of Trust and Funding Agreement were amended and restated as at December 31, 2021.

## 2. Significant accounting policies:

These financial statements are prepared in accordance with the Public Sector (“PS”) Accounting Handbook including the use of the standards for government not-for-profit organizations that include sections PS 4200 to PS 4270, which constitutes generally accepted accounting principles for government not-for-profit organizations in Canada (“GAAP”). The significant accounting policies used in the preparation of these financial statements are summarized as follows:

### (a) Financial instruments:

Financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Financial instruments are subsequently measured at cost, fair value, or amortized cost using the effective interest rate method. Included in financial assets are cash and cash equivalents, restricted cash, accounts receivable, receivables from investments, and long-term investments. Included in financial liabilities are accounts payable and accrued liabilities, and capital lease obligations.

Financial instruments that are measured at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

## Notes to Financial Statements

---

**Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

**Level 2** – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

**Level 3** – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **(b) Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are readily convertible to known amounts of cash subject to an insignificant risk of changes in value. These funds are expected to be used in operations and normally mature within three months or less from the date of acquisition.

The fair value of cash equivalents is disclosed in note 3.

### **(c) Long-term investments:**

Long-term investments comprise fixed income and equity investments held for investing purposes. Transaction date accounting is used to record the purchase and sale of long-term investments. Premiums and discounts are amortized to income using the effective interest rate method over the period to maturity. Gains and losses on disposal and impairments are recorded in income in the period incurred. Unrealized gains and losses resulting from the difference between acquisition cost and the fair value of long-term investments that are subsequently measured at fair value are recognized in deferred contributions.

The fair value of long-term investments is disclosed in note 4.

### **(d) Capital assets:**

Capital assets comprise furniture and equipment, leasehold improvements made to the Fund's office space, and intangible properties such as software and licenses. Capital assets are recorded at acquisition cost. Depreciation of furniture and equipment is provided on a declining balance basis over the assets' estimated useful life at a rate of 20%. Depreciation of leasehold improvements is provided on a straight-line basis over the term of the lease. Intangible properties are expected to be in use in perpetuity and as such are not amortized.

Included in furniture and equipment are computer equipment under capital leases. In case of assets under capital leases, expected useful lives are determined by reference to comparable owned assets or over the lease term, if shorter.

### **(e) Revenue recognition:**

The Fund follows the deferral method of accounting for contributions. Initial contribution and subsequent investment income are deferred and recognized as revenue in the period in which the related expenses are recognized.

### **(f) Leases:**

The Fund classifies leases as operating or capital based on the substance of the transaction at inception of the lease.

An operating lease is a lease in which a significant portion of the risks and rewards of ownership is retained by the lessor. Payments under an operating lease are recognized as an expense on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

Leases in which substantially all the risks and rewards of ownership are transferred to the lessee are classified as capital leases. Assets

## Notes to Financial Statements

---

meeting capital lease criteria are capitalized at the lower of the present value of the related lease payments plus incidental payments or the fair value of the leased asset at the inception of the lease. Minimum lease payments are apportioned between the finance cost and the liability. The finance charge is recognized in income within administrative expenses and is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### **(g) Deferred lease inducement:**

Deferred lease inducement comprises the unamortized portion of the reimbursement of costs incurred by the Fund on leasehold improvements as part of the lease extension agreement. Lease inducements are an inseparable part of the lease agreement, and accordingly, are accounted for as reductions of the lease expense over the term of the lease.

### **(h) Credit enhancement guarantees:**

Under its Credit Enhancement Facility, the Fund provides guarantees to third-party lenders and insurers that repayment of financing arranged for housing in qualified First Nations communities will be honored up to the limit of the agreed upon Credit Enhancement in the event that a First Nation fails to fulfill its responsibility for the repayment of a loan default. The Fund's accumulated Credit Enhancement coverage cannot exceed the net worth of the Fund, with the Fund defining net worth as the difference between what the Fund owns and what it owes. As long as the Fund remains a going concern, the deferred contribution is not considered an amount owing by the Fund.

The Fund's credit enhancement guarantees are considered to be loan guarantees and as such are accounted for and reported as contingent liabilities. A provision for losses on credit enhancement guarantees is made when it is determined that a loss is likely, and is accounted for

as a liability in the statement of financial position and in the statement of operations as an expense. The Fund's provision for losses on credit enhancement guarantees is formula-driven, which for each loan in arrears, is based on the amount in arrears, the number of days it is in arrears and the financial strength of the First Nation that is guaranteeing the loan. The formula is reviewed on an annual basis. Any change in the liability relating to the provision for losses is recorded in the statement of operations.

### **(i) Income taxes:**

The Fund is accounted for as a Fund that, pursuant to section 149 of the *Income Tax Act* (Canada) (the "Act"), is not subject to income taxes.

### **(j) Use of estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

### **(k) Adoption of new accounting standards:**

On January 1, 2024, the Fund adopted Public Sector Accounting Standard PS 3400 – Revenue.

This new standard provides requirements for the recognition, measurement, presentation and disclosure of revenue transactions. This standard was adopted prospectively from the date of adoption. The implementation of this standard did not require the Fund to reflect any adjustments in these financial statements.

## Notes to Financial Statements

**3. Cash and cash equivalents**

The following table shows the composition of cash and cash equivalents:

	2024	2023
Cash	\$ 4,403,385	\$ 2,821,534
Government of Canada treasury bills	6,726,025	2,364,127
	\$ 11,129,410	\$ 5,185,661

As at December 31, 2024, the fair value of the Fund's investments in Government of Canada treasury bills was \$6,726,025 (2023 - \$2,364,127). The fair value of the Fund's cash equivalents is determined by reference to published price quotations in an active market.

**4. Long-term investments**

The following table shows the composition of long-term investments:

	2024	2023
Measured at amortized cost		
Fixed income	\$ 111,777,133	\$ 113,697,514
Measured at fair value		
Equities	275,662,183	260,197,483
	\$ 387,439,316	\$ 373,894,997

Long-term investments that are subsequently measured at fair value are grouped into Level 2 at December 31, 2024 (2023 - Level 2). The Fund owns units in various pooled fund vehicles. The Fund's investment in these pooled fund units represent a proportionate interest in the net assets of the pooled funds, which derive value from the market price of the underlying assets that are held within. There were no transfers in or out of Level 3.

## Notes to Financial Statements

The following table shows the contractual maturity structure and average yield for the fixed income portion of long-term investments, which are measured at amortized cost using the effective interest rate method:

	Within 1 year	1 to 3 years	3 to 5 years	Over 5 years	2024	2023
	\$	\$	\$	\$	\$	\$
Corporate bonds	–	10,532,640	9,551,659	23,606,263	43,690,562	46,689,358
Municipal bonds	–	–	–	1,407,410	1,407,410	3,783,957
Provincial bonds	–	643,988	162,467	32,463,623	33,270,078	38,573,920
Government of Canada bonds	245,594	8,355,034	7,785,382	17,023,073	33,409,083	24,650,279
<b>Total</b>	<b>245,594</b>	<b>19,531,662</b>	<b>17,499,508</b>	<b>74,500,369</b>	<b>111,777,133</b>	<b>113,697,514</b>
<b>Yield</b>	<b>3.20%</b>	<b>4.15%</b>	<b>4.07%</b>	<b>3.98%</b>	<b>4.02%</b>	<b>3.87%</b>

As at December 31, 2024, the fair value of the Fund's fixed income portion of long-term investments was \$111,129,830 (2023 - \$111,498,119). The fair value of the Fund's fixed income portion of the long-term investments is determined by reference to published price quotations in an active market.

## Notes to Financial Statements

**5. Capital assets:**

Depreciation expense is included in administrative expenses in the statement of operations. Included in intangibles properties are costs to obtain SIEMS (security information and event management system). During the year 2024, the Fund disposed some items of capital assets at a loss of \$6,802.

<b>Cost</b>	<b>Balance at December 31, 2023</b>	<b>Transfers and additions</b>	<b>Transfers, disposals and adjustments</b>	<b>Balance at December 31, 2024</b>
Furniture and equipment	\$ 472,360	\$ 8,312	\$ (172,497)	\$ 308,175
Leasehold improvements	465,813	20,377	(408,177)	78,013
Equipment under capital lease	73,601	–	–	73,601
Intangible properties	21,571	–	–	21,571
<b>Total</b>	<b>\$ 1,033,345</b>	<b>\$ 28,689</b>	<b>\$ (580,674)</b>	<b>\$ 481,360</b>

<b>Accumulated depreciation</b>	<b>Balance at December 31, 2023</b>	<b>Depreciation expense</b>	<b>Transfers, disposals and adjustments</b>	<b>Balance at December 31, 2024</b>
Furniture and equipment	\$ 308,102	\$ 34,7802	\$ (165,695)	\$ 177,187
Leasehold improvements	418,037	26,421	(408,177)	36,281
Equipment under capital lease	31,276	23,556	–	54,832
Intangible properties	–	–	–	–
<b>Total</b>	<b>\$ 757,415</b>	<b>\$ 84,757</b>	<b>\$ (573,872)</b>	<b>\$ 268,300</b>

	<b>Net book value December 31, 2023</b>	<b>Net book value December 31, 2024</b>
Furniture and equipment	\$ 164,258	\$ 130,988
Leasehold improvements	47,776	41,732
Equipment under capital lease	42,325	18,769
Intangible properties	21,571	21,571
<b>Total</b>	<b>\$ 275,930</b>	<b>\$ 213,060</b>

Notes to Financial Statements

---

**6. Deferred lease inducement:**

The Fund received \$105,751 in 2018 from the lessor of its office space as reimbursement of a portion of the leasehold improvement costs pursuant to the 2018 lease extension agreement. This amount was deferred and amortized on a straight-line basis as a reduction to rental expenses over the term of the lease, which was six years. Reduction to rental expenses was \$7,195 (2023 - \$18,773).

**7. Capital management:**

The Fund includes deferred contributions in the definition of capital. As at December 31, 2024, the deferred contributions were \$398,773,054 (2023 - \$379,073,097). These contributions were primarily invested in long-term investments, with the balance being held in cash and cash equivalents to meet short-term operating requirements.

The Fund's objectives when managing capital are to minimize volatility of expected investment results and cash flows in order to earn sufficient returns so that the Fund can fulfill its objectives, maintain sufficient liquidity to meet business requirements as they arise and to preserve capital.

The deferred contributions comprise the initial contribution of \$300 million from the Funder along with any investment income net of any expenses incurred by the Fund. The Indenture of Trust requires that any income, gains and accretions, after expenses, shall be added to this initial contribution and be devoted exclusively to the objectives of the Fund. The Indenture of Trust also requires that the Fund's contingent and actual obligations under the credit enhancement facility not exceed the net worth of the Fund, with the Fund defining net worth as the difference between what the Fund owns and what it owes. The Fund is in compliance with these conditions as set out in the Indenture of Trust. The unrealized gains portion of deferred contributions represent fluctuations in the fair value of the Fund's equity investments from one year to another.

The Fund continued to diversify its portfolio with a more conservative approach compared to the prior year as market volatility persisted. With increased holdings in long-term investments measured at fair value, the Fund has greater exposure to the fluctuations in the market prices, which made significant recoveries and gains since the fourth quarter of 2023 and continued until the end of 2024. Management and Trustees continue to pursue diversification strategies while avoiding significant losses.

## Notes to Financial Statements

**8. Administrative expenses:**

The following table presents the composition of administrative expenses.

	2024	2023
Professional and technical services (a)	\$ 5,133,518	\$ 4,575,965
Travel	247,940	191,794
Trustee governance (b)	151,272	173,122
Business premises (c)	258,567	346,206
Computer and telecommunications	290,571	258,920
Other (d)	579,720	420,774
	\$ 6,661,588	\$ 5,966,781

- (a) Professional and technical services include the following services: all staff (salaries and fringe benefits), investment management, legal, audit, banking, custodial, insurance, consulting and other miscellaneous services.
- (b) Trustee governance includes honoraria and travel expenses for up to nine Trustees.
- (c) Business premises mainly include office rental expenses and utilities.
- (d) Other expenses mainly include marketing and promotion, depreciation of furniture and equipment, office supplies, postage and courier, contingencies, and Fund development.

## Notes to Financial Statements

**9. Statement of cash flows:**

The net change in non-cash working capital balances related to operations consists of the following:

	2024	2023
Decrease in restricted cash	\$ –	\$ 249,147
Decrease (increase) in receivables from investments	(116,674)	(62,152)
Increase in prepaid expenses	(15,386)	(10,292)
Decrease (increase) in accounts receivable	(409)	12,667
Increase (decrease) in accounts payable and accrued liabilities	166,573	(94,272)
	\$ 34,104	\$ 95,098

**10. Capacity development:**

The maximum amount available for capacity development in any given year shall not exceed 50% of the preceding period's net income. For purposes of determining the amount of capacity development available, the Fund defines net income as investment and other income less any expenses incurred during the year. Any unexpended amounts at the end of the year can be carried forward to be spent in subsequent years.

Changes in funds available for capacity development are as follows:

	2024	2023
Balance, beginning of year	\$ 9,537,364	\$ 11,670,019
Add		
Allocations during the year (50% of prior year's net income)	1,754,455	–
	11,291,819	11,670,019
Less		
Funds expensed towards capacity development	1,336,030	2,132,655
Balance, end of year	\$ 9,955,789	\$ 9,537,364

## Notes to Financial Statements

**11. Commitments and contingent liabilities:****Commitments**

The Fund leases office premises and certain computer equipment under long-term operating leases expiring up to August 31, 2029. Future minimum annual lease payments for the office premises over the next five years are as follows (see note 12 for computer equipment lease commitments):

2025	\$	52,152
2026		52,633
2027		41,306
2028		17,787
2029		10,768
	\$	174,646

As at December 31, 2024, the Fund had entered into contracts with suppliers to provide capacity development services. The work performed by these suppliers to December 31, 2024 but not yet paid by the Fund of \$332,291 (2023 - \$223,458) is included in accounts payable and accrued liabilities. The balance owing on these contracts for work that was not yet performed as at December 31, 2024 is approximately \$1,479,964 (2023 - \$1,374,117).

**Credit enhancement guarantee:**

As at December 31, 2024, the Fund has approved maximum housing loan guarantee credit to First Nations communities of \$1 billion (2023 - \$1 billion) based on an estimated 7,230 units (2023 - 7,150).

Since its inception, the Fund has provided guarantees on a total of 566 loans (2023 - 533) for 607 units (2023 - 573), including both single and multiunit rental properties, under the Credit Enhancement Facility for a maximum guaranteed amount of \$10,935,789 (2023 - \$10,147,435).

## Notes to Financial Statements

---

The amortization period of the loans ranges from 5 to 25 years. The First Nations have indemnified the Fund for any amounts that may be paid by the Fund to the lender under the Credit Enhancement Facility. As at December 31, 2024, the maximum guaranteed amount outstanding was \$8,231,110 (2023 - \$7,442,756).

An estimate of the Fund's liability on the guaranteed amount of \$8,231,110 in place at December 31, 2024 (2023 - \$7,442,756) is \$103,372 (2023 - \$381,358). The Fund has no history of any claims paid to lenders at this point. As at December 31, 2024, there were 47 loans in arrears (2023 - 40 loans). The outstanding amounts of loans in arrears total \$7,497,861 (2023 - \$6,705,151) and range from 4 to 2,160 days in arrears (2023 - 2 to 1,794 days). Of the total outstanding loans in arrears, 14 (2023 - 12) loans for a total of \$2,265,039 (2023 - \$1,911,119) were in arrears for more than 121 days. As the liability established at the end of 2024 was \$103,372, which is lower than the estimated liability at the end of 2023 of \$381,358, the difference of \$277,986 was recovered in 2024 (2023 - \$160,328) in the statement of operations with a corresponding decrease to the liability account in the 2024 statement of financial position.

### **Income taxes**

The Fund had discussions with the Rulings Directorate ("CRA Rulings") of the Canada Revenue Agency ("CRA") about its non-taxable status. At the conclusion of the most recent round of discussions in 2009, CRA Rulings was not prepared to support the Fund's position that it is non-taxable pursuant to subsection 149(1) of the Act.

The Fund has filed T3 Trust Income Tax and Information Returns showing nil taxable income for each of 2008 - 2023. Trust Notices of Assessment and Reassessment ("Notices") were received from the CRA indicating that the assessed taxable income and taxes payable were nil for each of these 15 years. The Notices indicate that the CRA can reassess the return at any time within three years of the date of the Notices if it finds an error during a review or audit of the return. The three-year time periods on the Notices for the years 2008 - 2020 have now expired. The 2021 Notice was dated September 28, 2022, the 2022 Notice was dated July 26, 2023, and the 2023 Notice was dated November 20, 2024.

The Fund plans to pursue all available avenues to support its position with the CRA, and the courts, if necessary, to ultimately determine that the Fund is exempt from Part I tax under the Act. Should it ultimately be determined that the Fund is subject to income tax, any income taxes owing since 2021 by the Fund would be approximately \$5,112,000 (2023 - \$4,661,000).

## Notes to Financial Statements

**12. Capital lease obligations:**

The Fund leases certain computer and office equipment under long-term leases, which have been capitalized. The Fund leases printers on a sixty-six-month term, which will end in February 2027. The Fund also leases personal computers on a three-year term, which will end in October 2025. Future minimum annual lease payments over the next two years are as follows:

2025	\$	21,039
2026		1,563
Total minimum lease payments		22,602
Less amounts representing interest		406
Present value of net minimum capital lease payments		22,196
Less current portion		22,196
Total long-term capital lease payments	\$	–

**13. Related party transactions:**

The Fund is related to the Government of Canada through the Funding Agreement, which provided the \$300 million contribution by CMHC in 2008 as agent of and on behalf of the Government of Canada. The net equity of the Fund is consolidated annually with the financial results of the Government of Canada in the Public Accounts.

Any payments to CMHC are made in the normal course of business, measured at the exchange amount and are made in accordance with the terms of the Funding arrangement.

In 2024, the Fund received funding of \$Nil as part of the CMHC's Housing Internship for Indigenous Youth program (2023 - \$15,000). As at December 31, 2024, the Fund did not have any amounts owing to CMHC (2023 - \$Nil).

## Notes to Financial Statements

**14. Financial instruments and risk management:**

The Fund has the following financial risks from its financial instruments:

**(a) Market risk:**

Market risk is the risk of adverse financial impact, encompassing fluctuations in the fair value or future cash flows of a financial instrument, arising from changes in underlying market factors, including currency risk, interest rate risk and other price risk.

The Fund limits its exposure to various market risks through its diversification strategy and asset allocation within its actively managed investment portfolio in accordance with the Fund's Statement of Investment Policy and Investment Strategy, governed by the Minister of Finance Investment Management Framework for Up-front Funding. This strategy has not significantly changed in the current year.

**(i) Currency risk:**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is not subject to significant foreign currency risks.

**(ii) Interest rate risk:**

The following tables illustrate the potential impact on the market values of the Fund's long-term investments from reasonable changes in interest rates as at December 31, 2024.

Change in interest rate	-1%	-0.5%	-0.25%	0.25%	0.5%	1%
<b>Change in market value</b>	(17,253,377)	(8,626,688)	(4,313,344)	4,313,344	8,626,688	17,253,377

## Notes to Financial Statements

## (iii) Other price risk:

The following tables illustrate the potential impact on the market values of the Fund's long-term investments from reasonable changes in market prices as at December 31, 2024.

	S&P/TSX		World Markets	
Change in interest rate	-10%	10%	-10%	10%
<b>Change in market value</b>	(6,434,866)	6,434,866	(5,356,111)	6,238,294

The Fund's market risk remained elevated in 2024 due to the volatility in market prices and mixed economic data.

## (b) Credit risk:

Credit risk is the risk of loss arising from counterparty's inability to fulfill its contractual obligations. Credit risk includes the risk of default and encompasses both the probability of loss and the probable size of the loss, net of recoveries and collateral, over time.

The Fund's maximum exposure to credit risk is the fair value of its fixed income investments and various accounts receivable as well as Fund's guarantee of loans under the Credit Enhancement Facility. It is management's opinion that the Fund is not exposed to significant credit risks arising from these financial instruments. The Fund's credit risk associated with investments is managed through the implementation of policies, which includes limits to the permitted investments and minimum credit ratings. As at December 31, 2024, investments held by the Fund were issued by the Government of Canada, a province, a municipality, a national bank, a Canadian corporation, or a Canadian investment fund. The Fund's credit risk associated with guarantee of loans under the Credit Enhancement Facility is mitigated through annual reviews of First Nations communities' financial strength and ongoing communication with community leaders to ensure that the First Nations communities continue to be in compliance with terms and conditions of Credit Enhancement Facility agreements.

Notes to Financial Statements

---

(c) Liquidity risk:

Liquidity risk is the risk that the Fund would have insufficient cash flows to meet its obligations associated with financial liabilities.

The Fund has a cash flow planning process in place to ensure sufficient resources meet current and projected cash requirements. Liquidity sources include cash and cash equivalents, accounts receivable, investment income and the sale and maturity of long-term investments.

The Fund's credit risk and liquidity risk have not changed from the prior year and are not considered to be significant by management.

## Notes to Financial Statements

**15. Comparative information:**

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

**Schedule of Changes in Deferred Contributions**

December 31, 2024, with comparative information for 2023

	2024	2023
Deferred contributions, beginning of year	\$ 380,683,599	\$ 377,174,690
Investment income	12,788,084	14,893,695
Other income (note 13)	–	15,000
Non-cash amortization of premiums and discounts	(115,056)	(191,116)
Realized loss on sale of long-term investments	(656,926)	(2,948,906)
Recognized as revenue to match expenses	(7,719,632)	(8,259,764)
	384,980,069	380,683,599
Unrealized losses, beginning of year	(1,610,502)	(15,193,028)
Unrealized gains attributable to:		
Equity portion of long-term investments	15,403,487	13,935,508
	15,403,487	13,935,508
Amounts reclassified to realized loss on sale of long-term investments	–	(352,982)
Net unrealized losses, end of year	13,792,985	(1,610,502)
	\$ 398,773,054	\$ 379,073,097

# Fund Staff

@ December 31, 2024

**Travis Seymour** – Chief Executive Officer

## Finance & Administration

---

**Tae Kim**

Director of Finance & Administration

**Oriyomi Bakare**

Controller

**Mike Britton**

Manager Information Security

**Carl Kanjilal**

Treasurer

**Almaz Kifleyesus**

Senior Financial Analyst & Compliance

**Ahmad Sultan**

Junior IT Analyst

**Jocelyn Zhou**

Financial Accountant

## Operations

---

**Nancy Coloccia**

Communications & Marketing Specialist

**Crystal Garrow**

Operations Analyst / Database Support

**Jonah Keeshig**

Administrator

**Ieronhenehtha Lazore**

Jr. Communications Officer

**Sara Roundpoint**

HR Generalist

**Tracy Tarnowski**

Senior Operations Analyst

## Programs & Services

---

**Kelly Bitternose**

Director of Programs & Services

**Christopher Angecone**

Senior Program Officer

**Anthony Eneas**

Housing Navigator

**Jason Haskett**

Senior Program Officer

**Jennifer Martin**

Senior Program Officer

**Melinda Martin**

Senior Program Officer

**Nancy Pine**

Senior Program Officer

**Erika van der Grinten**

Senior Program Officer

## Contact Information

---

**First Nations Market Housing Fund**

Head Office:

19 Irene Roundpoint Lane  
Akwasasne ON, K6H 0G5

Reception:

1-866-582-2808

613-740-1592

[info@fnmhf.ca](mailto:info@fnmhf.ca)



**FNMHF**

FIRST NATIONS MARKET HOUSING FUND