



NISHNAWBE ASKI
DEVELOPMENT FUND

2012/2013 Annual Report

Supporting the Success of Aboriginal Business
www.nadf.org

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Who we are

About Us

Incorporated in 1984, Nishnawbe Aski Development Fund (NADF) is a non-profit wholly-owned Aboriginal organization supporting Aboriginal business and economic development in Northern Ontario.

Our Vision

To be a sustainable leading Aboriginal owned business and financial services organization.

Our Mission

Enhancing and supporting Aboriginal business and economic development through a range of distinct services.

Our Services

- Flexible Interest Rate Term
- Bridge Loans
- Equipment Leasing
- Appraisal Services
- Business Support Services
- Contribution Financing
- Aboriginal Business Canada (INAC)
- Local Initiative Contributions (FedNor)
- Community and Strategic Planning
- Resource Sector Advisory

Our Locations

Nishnawbe Aski Development Fund's Head Office is located on the Fort William First Nation, ON and two branch offices are strategically located in the cities of Thunder Bay, ON and Timmins, ON.

Our Partners

- FedNor
- Indian and Northern Affairs Canada (INAC)
- National Aboriginal Capital Corporation (NACCA)

Our Clients

Nishnawbe Aski Development Fund provides commercial financing, leasing and business support services to Aboriginal entrepreneurs to establish, expand or acquire a business in remote, rural and urban communities in Northern Ontario, including Nishnawbe Aski Nation (Treaty #9 and Ontario portion of Treaty #5), Robinson-Superior 1850 Treaty, and Treaty #3.

- Aboriginal entrepreneurs (18 years and older)
- Status (on or off-reserve)
- Métis
- Majority-owned Aboriginal businesses
- Aboriginal organizations

Supporting the Success of Aboriginal Business

Milestones



Board and Staff Listing

(as of March 31, 2013)

Board of Directors

Arlene Meekis-Jung, Chairperson
Lillian Suganaqueb, Vice-Chairperson
Adam Fiddler, Secretary/Treasurer
Gabriel Echum
Shawn Batise
Albalina Metatawabin
Gary Beardy
Frank MacDiarmid
Russell Wesley

Wawakapewin Lake First Nation
Webequie First Nation
Sandy Lake First Nation
Ginoogaming First Nation
Matachewan First Nation
Fort Albany First Nation
Muskrat Dam First Nation
Thunder Bay
Cat Lake First Nation

Members

Rosie Mosquito ¹
Jason Rasevych ²
Aaron Kakepetum ²
Derek Fox ²

¹ Resigned February 13, 2013.

² Accepted February 13, 2013.

Bearskin Lake First Nation
Ginoogaming First Nation
Keewaywin First Nation
Bearskin Lake First Nation

Ex-Officio

Deputy Grand Chief Les Louttit
Heather Garlow-Saul

Nishnawbe Aski Nation
Aboriginal Business Canada (INAC)

NADF Staff

Executive

Brian Davey ³ Executive Director
Harvey Yesno ⁴ President/CEO
Dawn Willoughby Executive Assistant

³ Hired January 7, 2013. (President/CEO renamed Executive Director)

⁴ Leave of absence August 2011-August 2012. Resigned August 15, 2012.

Finance and Administration

Mari Bishop, CPA, CA Finance Manager
Liesa Wynn Finance Officer
Samantha Anderson Receptionist/
Administrative Assistant
Shirley Degrechie (Timmins, ON) Administrative Assistant
Tracey Willoughby Project Assistant

Loans and Community Futures

Colleen Martin ⁵ Loans Manager
Gail Anderson Loans Officer
Charlton Thompson⁶ Senior Account Manager

⁵ Appointed General Manager August 2011-August 2012

⁶ Appointed Sr. Loans Officer January 2012-August 2012

Marketing and Communications

Ade Sekudo ⁷ Marketing and
Communications Officer

⁷ Resigned May 2012

Aboriginal Business Canada

Kimberley Bird, CMA Senior Business
(Timmins, ON) Development Officer
Anna Deminski Business Development
Officer (ABC)

Business Support Services

Lorraine Whitehead Business Support Officer
Wendy McKay Business Development
Officer (CFDC)

Resource Advisory Services

Brian Davey ⁸ Special Initiatives Advisor
Marlon Gasparotto Independent Power
Authorities Manager

⁸ Special Initiatives Advisor until January 6th, 2013



Chair's Message

Arlene Meekis-Jung, Board Chair



During the first three quarters of the this last fiscal year, Colleen Martin led the organization as General Manager in the absence of Harvey Yesno, former President/CEO. Under her leadership the team completed a community engagement process with Matawa First Nations communities to explore business development needs in light of the

potential mining development opportunities in their traditional territory. To respond to the needs expressed, a comprehensive proposal was developed and submitted to FedNor for consideration of funding. Additional complementary proposals were submitted to HRSDC, MTCU, Status of Women, Ontario Women's Directorate, and in January 2013, to the New Relationship Fund. Other significant annual activities continued, including the Business Awards and Mining Ready Summit in Thunder Bay in October, and through a partnership with the Entrepreneurship Centre under the Community Economic Development Corporation of the City of Thunder Bay an Aboriginal Business Day, held during Small Business Week, was live streamed for participation of rural and remote First Nation communities. The event included a key note address by Wab Kinew and students from the Dennis Franklin Cromarty High School were sponsored to participate.

As many are aware, Harvey Yesno did not return to his position as President/CEO due to his election to Grand Chief of Nishnawbe Aski Nation in August 2012. The Board and staff congratulated Harvey, wishing him well in his new career. Quickly after receiving the news, the

Board of Directors began a dialogue, with input from the management team, to review the current President/CEO job description against the current environment and resulting organizational needs. The end result was development of a new title and job description for an Executive Director to lead the organization. A recruitment process was undertaken and Brian Davey, NADF's former Special Initiatives Advisor, was the successful candidate and assumed his new role on January 7, 2013. Brian is a member of Moose Cree First Nation. He possesses extensive business and leadership experience and we look forward to working with him in his new role with NADF.

Board Composition

In February 2013, we were pleased to welcome Aaron Kakepetum (Keewaywin First Nation), Derek Fox (Bearskin Lake First Nation) and Jason Rasevych (Ginoogaming First Nation) as members of the Corporation. After many years of service, Rosie Mosquito stepped down from the Board and I would like to take this opportunity to thank her for her contributions over the years.

Once again, on behalf of the Board, I would like to thank our staff, clients, and partners for their support. We look forward to continuing to work on your behalf in the year ahead.

Executive Director's Message

Brian Davey, Executive Director



It is a pleasure to be writing my first message as Executive Director of Nishnawbe Aski Development Fund, a role I assumed in January 2013. I bring over 30 years of experience working on First Nation issues and projects related to economic, business, and infrastructure development. I'd like to acknowledge the tremendous work of

NADF's team for the past year's achievements, which have been highlighted in our Board Chair's message. I look forward to continuing to build upon the work that was started by my predecessors and lead the organization towards self-sustainability.

These past few months have been a time of transition for me, the organization, and most importantly, our staff. I must commend the staff for their patience and appreciate their cooperation during the organizational restructuring. Without a doubt, NADF employs a remarkable team of people who take pride in their work and care about our communities. Their commitment and dedication continue to make NADF the best choice for our clients. Congratulations all.

Looking Forward

As in the past, 2013/2014 will present many challenges but I have the utmost confidence in the strength and resilience of NADF's team to address those challenges as opportunities. Along with the Board and leadership team at NADF, I am hopeful and optimistic for the future. In the coming year, we will continue our collective work to craft the next chapter at Nishnawbe Aski Development Fund

and look to build on our successes as we work to broaden our organization's focus.

I look forward to forging and strengthening relationships with our clients and partners in the coming year. Your ongoing support in 2013/2014 will make it another year of exceptional accomplishments that will lead us toward a society of greater wealth, freedom and responsibility!

Thank you,
Brian Davey
Executive Director

Loans and Community Futures

Colleen Martin, Loans Manager



During the fiscal year ended March 31 2013, there were once again changes in staffing due to the leave of absence of the former President/CEO and his subsequent resignation to assume his elected position of Grand Chief of Nishnawbe Aski Nation. Colleen Martin remained in the General Manager position through a one month transition period after the

appointment of Brian Davey as Executive Director effective January 7, 2013. This transition along with a leave of absence for another loans staff meant understaffing in the loans department during the last quarter. Charlton Thompson was appointed to Senior Account Manager in January; the position was posted as a permanent, full-time position in March 2013 with Charlton retaining the position.

NADF's loan disbursements are most often related to transportation of goods and/or equipment on the winter road network. Portions of the winter road network were not opened to heavy traffic until very late and some only received a short period of heavy traffic limited to half loads. This impact is reflected in the annual disbursements of just over \$580,000.00; several loans approved in March were not disbursed until the new fiscal year and a couple were revised to lower dollar value lines of credit to allow for shipment of fuel by air. Despite this relatively low dollar value of loans, NADF was still able to assist 1 First Nation organization, 1 Aboriginal-owned not-for-profit social enterprise, and 5 privately owned businesses; three of these represented business start-ups while the remainder maintained existing operations with an estimated job impact of 52.5 full-time equivalents; 5.5 created and 47 maintained. Another significant

accomplishment was completion of a major motel project started in 2011 and held up due to the past two shortened winter road seasons.

The loans department continues to participate in the organization-wide balanced scorecard approach to strategic planning. Several strategic activities have been identified to promote the use of NADF financing. NADF's products offer flexible repayment options and interest rates and can be adapted to the unique needs of each project in order to meet its mission to support and enhance Aboriginal business development.

Estimated Impact

\$580,000 in annual disbursements



7 Organizations assisted.



5.5 Full-time equivalent positions created.



47 Full-time equivalents positions maintained.



Aboriginal Business Canada (ABC)

Kim Bird, Senior Business Development Officer



Contract Renewal & Transition Changes in 2012

As in previous years, and due to a delay in receiving the 2012/13 XDO/BSO renewal agreement from Indian and Northern Affairs Canada/Aboriginal Business Canada (INAC/ABC), Nishnawbe Aski Development Fund (NADF) had been operating without an agreement for

much of 2012/13. Although the renewal process began in early 2012, NADF did not receive the 2012/13 renewal agreement until October 2012.

In July 2012, Nicole Ladouceur, Director General, Aboriginal Entrepreneurship Branch Lands and Economic Development requested Aboriginal Financial Institutions (AFI) submit proposals to be the direct deliverer/administrator of the ABC contributions programs, as the current structure was changing. NADF prepared and submitted a proposal to INAC Aboriginal Business Canada (ABC/INAC) NADF received a favourable response in October 2012 and final approval in January 2013 and will be the direct deliverer/administrator of the contributions program beginning April 1, 2013.

Highlights

Nishnawbe Aski Development Fund ended the year with several projects, facilitating \$366,326 in funding approvals, with two officers, Kimberley Bird in Timmins, ON and Anna Deminski in Thunder Bay, ON.

This year, ABC supported eleven (11) Aboriginal and Métis clients in the establishment and expansion of the following businesses; a hauling business, a printing business, excavator business, motel, gas station start-up, plumbing business start-up, a legal practice, a paralegal business, a surface blasting business, a commercial/

residential renovation business, and a cabinetry business.

We experienced a dynamic fiscal year due to changes within our organization as we restructured and prepared our organization to be the Program Delivery Partner (PDP) for the upcoming year. NADF will be delivering the contribution program for all of northern Ontario in 2013/14 and has established strategic partnerships with other Aboriginal financial organizations to strengthen our position. Our partners include Rainy Lake Tribal Area Business & Financial Services Corporation and Wakenagun Community Futures Development Corporation.

ABC Statistics

55% of ABC contributions to businesses located on-reserve.

45% of ABC contributions to businesses located off-reserve.



64% of applicants were Status

36% of applicants were Métis



320 ABC inquiries were received and handled



33 ABC applications were received



28 ABC applications were screened as eligible



Although a number of program applications were received throughout the year, there were a number of factors that impeded the processing time of applications. Most notably were the staffing shortages and having to absorb INAC program changes while managing client expectations as we were unable to guarantee that there would be ABC program funds available for our clients.

Impacts of ABC Program

The ABC program aided in the creation of seventeen (17) new positions and the maintenance of twelve (12) positions in Northern Ontario. To put into perspective, a new job was created for every \$21,500 of ABDP investments (compared to \$18,000 last fiscal). If these were minimum wage paying jobs, ABC's investment of \$366,326 is almost equivalent to the salaries paid in one year of \$353,600 for seventeen (17) full-time positions (\$10/hr x 40 hrs x 52 weeks x 17 new jobs = \$353,600).

Job creation through entrepreneurship has a significant impact on communities that do not have a tax base to support community programs and services. In short, the employment figures we have captured theoretically reduce the number of people who may be relying on social assistance.

In summary, for every \$1.00 ABC invested in business start-up and expansions, it enabled Aboriginal businesses in Northern Ontario to leverage \$1.67.

Teamwork

Just as in the synergy equation, 1+1=3, we strongly believe in sharing our individual strengths in a team environment. The ABC Program Delivery staff and Loan staff work together with the support of our two Business Support Officers, Wendy McKay and Lorraine Whitehead, ensuring each applicant and each inquiry are properly captured and serviced.

Youth

Rise to Your Potential: A Youth Entrepreneurship Program

The "The Youth Entrepreneurship Program" (YEP) targets urban Aboriginal Youth (18-29 years of age) residing in Timmins. NADF partnered with ten (10) public and private sector organizations to develop the program and access funds, mainly from the Ministry of Economic Development, Trade and Employment. Twenty-four (24) students completed the 12-week program and fourteen (14) course completion certificates were issued. The program is designed to accommodate individuals who may not be able to attend daytime courses. During the 12-week program, participants work towards completing a business plan. The program is free of charge, offers guidance and mentorship, child minding services, provides a travel per diem, and a healthy dinner.

Community Visits

We have delivered workshops on various business topics, including business planning, budgeting, and bookkeeping; provided one-on-one business counselling services; partnered with other organizations to deliver our services; and visited with existing and potential clients. As part of our commitment to providing superior service to our clients, NADF has partnered with Contact North for technical support to enhance our video conferencing workshops. Our video conference workshops will continue in 2013/14 and communities, organizations and groups are encouraged to contact us if they are interested in any of our business workshops.

Community visits are an integral part in creating awareness of NADF's programs and services. Over the past year, our staff visited Sandy Lake First Nation, Constance Lake First Nation, North Spirit Lake First Nation, Muskrat Dam First Nation, Pikangikum First Nation, Mishkeegogamang First Nation, Sioux Lookout, Fort Albany First Nation, Attawapiskat First Nation, Taykwa Tagamow First Nation, Cochrane, Kapuskasing, Hearst, Peawanuck First Nation, Moose Cree First Nation, Moosonee, Mattagami First Nation, Gull Bay First Nation, Whitesand First Nation, Pic Moberg First Nation, Red Rock First Nation, Rocky Bay First Nation, Long Lake 58 First Nation, Flying Post First Nation, Wawa, Terrace Bay, Geraldton, Nibinamik First Nation, Eabamatoong First Nation, Webequie First Nation, Kitchenuhmaykoosib First Nation, and Deer Lake First Nation.

In conclusion, we look forward to assisting our clients to realize their business start-ups and expansions in 2013/14. We do make ourselves available for networking, workshops, video conferencing and as we promote our services.

Program Leverage Performance

2012/13

\$366,326

ABC Contributions

\$155,411

Equity Leveraged

\$456,835

Financing Leveraged

\$612,246

Total Leveraged

12 Jobs

Jobs Maintained

17 Jobs

Jobs Created

2011/12

\$1,350,449

ABC Contributions

\$1,666,671

Equity Leveraged

\$4,554,965

Financing Leveraged

\$6,221,636

Total Leveraged

9 Jobs

Jobs Maintained

74 Jobs

Jobs Created

Special Initiatives

Brian Davey, Special Initiatives Advisor



Mining Ready Summit

This past year marked the 2nd Annual Mining Ready Summit which was held in Thunder Bay at the Valhalla Inn. The Summit alternates between Thunder Bay and Timmins and is funded by registrants and sponsorships. The purpose of the MRS is to create awareness amongst First Nation communities

and companies on opportunities associated with mineral exploration and mining. It also provides an opportunity for networking with industry leaders and building partnerships between First Nations and companies.

The Summit this year attracted 153 people from the Aboriginal community, industry, and several service related businesses, including government representation. The feedback based on evaluations continues to be positive and contains suggestions on how to improve. The Summit events to date have all been sold out.

NAN's Regional Economic Strategic Plan

The SIA played an active role in working with the Nishnawbe Aski Nation (NAN) on developing their strategic economic plan. Several studies were undertaken in relation to various business sectors in the NAN territory including asset inventories in some communities. The purpose of these studies is to support the overall development of the strategic plan. NADF will continue to be an active participant in support of the NAN leadership in completing its plan.

Capacity Building

A major initiative was undertaken with the Ministry of Training, Colleges and Universities to develop an agreement to fund the creation of Business Information Officers (BIO) for the Ring of Fire (RoF) communities. The purpose of the project is to hire 10 BIOs to serve 10 communities that will be impacted by the Ring of Fire mining developments. The primary role of the BIO is to gather information on business opportunities and to ensure this information is readily available to the communities it serves and to facilitate interaction between companies or suppliers and communities that wish to pursue these opportunities. During this year significant progress was made on negotiating the agreement with MTCU. Although, we are far from finalizing the agreement we expect a final draft in summer of 2013.

Support to First Nations in Mineral Exploration, Forestry and Energy Development

Since the Special Initiatives Advisor (SIA) project began, the SIA is called upon from time to time by communities in the NAN region, either on a one to one basis or in large group settings, to provide advice on matters related to resource and energy development that affect their community or communities. The number ranged from 40 to 50 communities not to mention several non-Aboriginal companies and suppliers that approach the SIA for advice on similar matters. In one situation the SIA was asked to lead their community team in the negotiations with a mineral exploration company. After several weeks the team successfully negotiated a draft agreement with the exploration company.

Independent Power Authorities (IPA)

The SIA is responsible for assisting the 9 communities in the NAN territory that have independent power generators. The primary focus for this year was to standardize the

IPA's financial and operational procedures for the purposes of improving their reporting and operation systems. In addition, by improving the reporting systems it provides a clearer picture for governments on the real costs and revenues and better informs the governments on how they can help. A contract was tendered to a successful bidder to install a new Chart of Accounts in all the IPAs that would be supported by a new software. The data would be uploaded from the community on a monthly basis to a central server and reports would be generated for operational purposes and if need be, for regulators.

The implementation of the new reporting system is to be fully installed and operationally by the end of the 2013 calendar year.

Continuation of the Special Initiatives Advisor (SIA) Position

Although the SIA project has ended as of March 31, 2013, efforts are being made to continue the role of the SIA through a new initiative that NADF is working on with FedNor and other funders.



Community Events

Dawn Willoughby, Executive Assistant

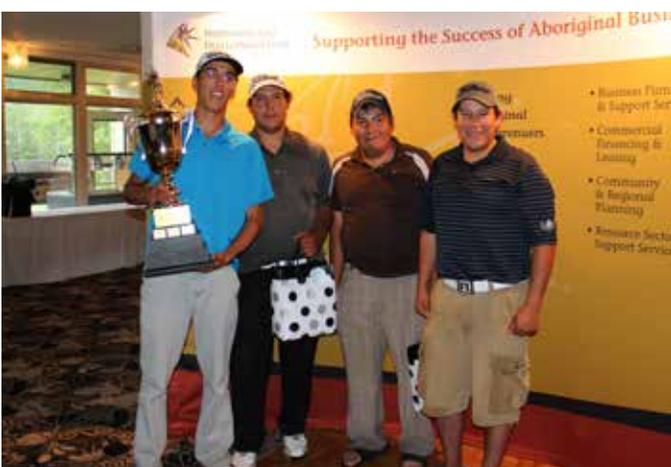


Celebrating the Success of Aboriginal Business

On Wednesday, October 24, 2012, Nishnawbe Aski Development Fund (NADF) hosted the 22nd Annual NADF Business Awards to celebrate Aboriginal business in Northern Ontario. Eight award recipients were recognized for their achievements and contributions to

local and regional economies in front of a crowd of 270 distinguished guests at a gala dinner at Thunder Bay's Valhalla Inn.

Celebrating its 22nd year, the annual event also serves as a fundraiser for the Dennis Franklin Cromarty Memorial Fund: a bursary fund for post-secondary students seeking academic achievement, and the NADF Sponsorship Fund: a fund established by NADF to respond to sponsorship and donation requests, and provide humanitarian assistance to aid in disaster and crisis relief.



Annual Golf Tournament

Nishnawbe Aski Development Funds hosted the 6th Annual 'Fairways for the Future' Charity Golf Classic at the picturesque Fort William Country Club in Thunder Bay, ON on Friday, July 6, 2012. The event attracted over 100 players who weathered the rain to vie for the NADF Trophy. The annual event is a fundraiser and has successfully raised \$45,000 to date for the NADF Sponsorship Fund. Through the NADF Sponsorship Fund donations and sponsorships have been provided to support health and social initiatives of Aboriginal youth, students, groups, and communities across northern Ontario.

Finance and Human Resources

Mari Bishop, CPA, CA, Finance Manager



NADF is reporting a small consolidated deficit for the fiscal year ended March 31, 2013. The deficit reported, \$3,960, is 1/7th of 1% of gross revenues. This builds on the fresh start for financial reporting that commenced in 2011, with the consolidated deficit at that time eliminated by a charge against contributed surplus. With the small fiscal 2013 deficit, the

cumulative deficit is now \$66,753.

NADF invests its financial resources wisely. We invest in our clients, disbursing loans and providing additional business and economic development services.

We invest in our staff, providing training opportunities to build capacity to better serve our clients; and being committed to fair, equitable and transparent compensation policies, to attract and retain well qualified and motivated staff. We invest in our communities, with sponsorships and donations being an integral part of our marketing and promotional activities, both as an investment and as an opportunity to connect with customers and colleagues in the communities we serve. We believe very strongly in the creation of prosperity and wealth in our communities, as our strength comes from successful communities, and successful community members.

NADF's overall strategic goal is financial sustainability, to be able to continue to serve our clients.

The Balanced Scorecard approach which commenced in fiscal 2012 continues to provide a framework for NADF's strategy, in four key areas: clients and funders, financial, internal processes, and learning and growth. We measure our results looking at key performance indicators, including various categories of revenues, and costs. This includes loan interest, travel and marketing expenditures, and salaries and training.

Loan interest varies annually, depending on the number of loans disbursed, and their collectability. For the fiscal year ending March 31, 2013, although loans disbursed was below average, loan interest was at its highest level in 13 years. Ongoing efforts over the years to emphasize the importance of collections has had a significant positive impact on loan interest revenues.

A significant percentage of NADF's operating budget is dedicated to personnel costs. We also continued our partnership with INAC to provide summer student employment opportunities. A review of staffing needs was completed by the end of the fiscal year, resulting in some internal restructuring. This included the addition of a core position to our staffing complement during the year, a Loans Administrative Assistant.

The following excerpts from the consolidated financial statements for the fiscal year ending March 31, 2013 present the results of operations for the year, and the financial position at the year end. The complete audited financial statements are available at our head office.

Management is responsible for the preparation and presentation of the financial statements, including the integrity and fairness of the consolidated financial statements.

Management's Responsibilities

Management's Responsibility

To the Members and Board of Directors of Nishnawbe Aski Development Fund:

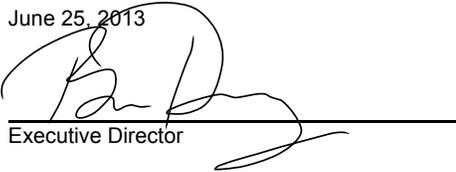
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the Board to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with management to discuss their audit findings.

June 25, 2013



Executive Director

Auditor's Report

Independent Auditors' Report

To the Members and Board of Directors of Nishnawbe Aski Development Fund:

We have audited the accompanying consolidated financial statements of Nishnawbe Aski Development Fund which comprise the consolidated statement of financial position as at March 31, 2013 and the consolidated statements of operations and surplus (deficit) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nishnawbe Aski Development Fund as at March 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements which describes that Nishnawbe Aski Development Fund adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these consolidated financial statements, including the consolidated statement of financial position as at March 31, 2012 and April 1, 2011, and the consolidated statements of operations and surplus (deficit) and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Other matter

The supplementary information contained in the Schedules is presented for the purposes of additional analysis and is not a part of the basic audited consolidated financial statements. The information in the Schedules was derived from the accounting records tested in forming an opinion on the consolidated financial statements as a whole.

Thunder Bay, Ontario

June 25, 2013



Chartered Professional Accountants

Licensed Public Accountants

Financial Statements

Consolidated Statement of Financial Position

	General Fund	Sponsorship Fund	XDO/ASD Fund
ASSETS			
Current			
Cash	770,060	-	-
Marketable securities (Note 4)	28,607	-	-
Accrued interest receivable (Note 5)	87,961	-	-
Accounts receivable (Note 6)	843,222	-	980,693
Due from other funds	220,888	28,017	-
Prepaid expenses	11,997	-	-
	1,962,735	28,017	980,693
Long-term investments (Note 7)	3,246,316	-	-
Loans receivable (Note 8)	1,971,334	-	-
Capital assets (Note 9)	79,963	-	7,109
	7,260,348	28,017	987,802
LIABILITIES			
Current			
Accounts payable and accrued liabilities (Note 10)	467,772	-	17,494
Deferred revenue (Note 11)	504,067	28,017	706,659
Current portion of notes payable (Note 12)	133,369	-	-
Due to other funds	-	-	258,300
	1,105,208	28,017	982,453
Deferred revenue (Note 11)	7,402	-	5,349
Notes payable (Note 12)	205,801	-	-
	1,318,411	28,017	987,802
SURPLUS			
Contributed surplus (Note 13)	6,276,585	-	-
Surplus (deficit)	(334,648)	-	-
	5,941,937	-	-
	7,260,348	28,017	987,802

Approved on behalf of the Board

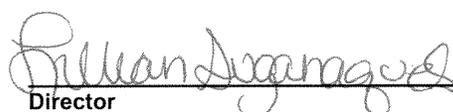


 Director

Nishnawbe Aski Development Fund Consolidated Statement of Financial Position

As at March 31, 2013

Neegani Fund	CFDC Operating Fund	CFDC Investment Fund	2013	2012 <i>(Restated)</i>	April 1 2011 <i>(Restated)</i>
736,215	10,364	1,927,599	3,444,238	2,019,303	2,384,046
-	-	-	28,607	28,254	28,057
-	-	12,968	100,929	74,074	53,016
-	1,482	-	1,825,397	2,837,782	961,082
-	20,408	-	269,313	70,701	182,285
4,320	-	-	16,317	20,217	32,552
740,535	32,254	1,940,567	5,684,801	5,050,331	3,641,038
592,818	-	-	3,839,134	4,784,497	4,751,253
-	-	647,901	2,619,235	3,353,855	1,986,070
339	14,531	-	101,942	67,466	81,132
1,333,692	46,785	2,588,468	12,245,112	13,256,149	10,459,493
2,846	25,786	2,598	516,496	2,563,966	531,886
44	13,441	-	1,252,228	910,668	78,559
-	-	-	133,369	155,716	170,692
9,875	-	1,138	269,313	70,701	182,285
12,765	39,227	3,736	2,171,406	3,701,051	963,422
176	9,794	-	22,721	27,683	37,866
-	-	-	205,801	348,742	546,972
12,941	49,021	3,736	2,399,928	4,077,476	1,548,260
1,303,552	-	2,331,800	9,911,937	9,241,466	8,911,233
17,199	(2,236)	252,932	(66,753)	(62,793)	-
1,320,751	(2,236)	2,584,732	9,845,184	9,178,673	8,911,233
1,333,692	46,785	2,588,468	12,245,112	13,256,149	10,459,493


 Director

Financial Statements

Consolidated Statement of Operations and Surplus (Deficit)

Schedule

General Fund

- 1 Loan Operations
 - 2 National Aboriginal Capital Corporation Association Services
 - 3 Nishnawbe Aski Development Fund Business Awards
 - 4 Indian and Northern Affairs Canada (INAC) Programs
 - 5 Mining Projects
 - 6 Business Support Officer
 - 7 Special Initiatives Advisor
 - 8 Youth Entrepreneurship Program
 - 9 Other Projects
-

Sponsorship Fund

- 10 Sponsorship Fund

XDO/ASD Fund

- 11 Aboriginal Business Canada Services (ABC)

Neegani Fund

- 12 Neegani Investment Management Inc.

Community Futures Development Corporation Operating Fund

- 13 Community Futures Development Corporation Operating Fund

Community Futures Development Corporation Investment Fund

- 14 Community Futures Development Corporation Investment Fund
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Nishnawbe Aski Development Fund Consolidated Statement of Operations and Surplus (Deficit)

For the year ended March 31, 2013

Surplus (Deficit) Beginning of Year	Revenue for the Year	Expenditures for the Year	Surplus (Deficit) for the Year	Surplus (Deficit) End of Year
(213,814)	547,624	652,294	(104,670)	(318,484)
-	50,750	50,750	-	-
-	84,715	84,715	-	-
(6,593)	917,873	917,873	-	(6,593)
9,155	106,579	81,485	25,094	34,249
(24,380)	69,050	92,066	(23,016)	(47,396)
-	133,085	133,085	-	-
(128)	19,990	20,126	(136)	(264)
3,840	68,257	68,257	-	3,840
(231,920)	1,997,923	2,100,651	(102,728)	(334,648)
-	35,306	35,306	-	-
-	275,664	275,664	-	-
(6,275)	46,997	23,523	23,474	17,199
(1,178)	360,081	361,139	(1,058)	(2,236)
176,580	78,950	2,598	76,352	252,932
(62,793)	2,794,921	2,798,881	(3,960)	(66,753)



NISHNAWBE ASKI DEVELOPMENT FUND

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Supporting the Success of Aboriginal Business

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