**Table of Contents**

Who We Are ..........................................................................................................................3
Board of Directors..................................................................................................................4
Message from the Chair .........................................................................................................5
Message from the President/CEO ..........................................................................................6
Organizational Chart and Staff List........................................................................................7

**Reports**

Special Projects Report ........................................................................................................8
Investment Report ....................................................................................................................9
Aboriginal Business Canada ..................................................................................................10
Finance and Human Resources ..............................................................................................11
Community Futures Development Corporation ....................................................................12
Auditors Report .......................................................................................................................13
Financial Report ......................................................................................................................14
Financial Report Con’t ...........................................................................................................15
NADF Contact Info ...............................................................................................................16
Who We Are

Our Mission

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

Our Vision

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

Established in 1984 and incorporated as an Aboriginal Capital Corporation (ACC) in 1987, Nishnawbe Aski Development Fund (NADF) is a non-profit, independently owned and operated Aboriginal financial institution providing business and financial services to Aboriginal and Métis persons residing in remote, non-remote, and urban communities across Northern Ontario.

Since the organization’s inception in 1984, NADF has grown and expanded in size, product and service offerings, and service area. Employing 18 persons and governed by 9 Directors, NADF provides business support and developmental lending services to First Nation members and businesses of the Nishnawbe Aski Nation, including the neighboring territories of Treaty #3 and Robinson-Superior 1850. NADF also provides these products and services to Métis members residing in these areas.

NADF product and services offerings include:

- Business Loans
- Business Development and Support
- Youth Entrepreneurship, Development and Support
- Economic Development Support Services
- Aboriginal Business Canada External Delivery Organization

As a leading Aboriginal-owned business and financial services organization, NADF remains committed to building strong relationships with its clients and partners, increasing its capacity to offer quality financial services and products, and providing business and financial support to the growing Aboriginal business community in Northern Ontario.

Due to the large geographical service area, NADF delivers its programs and services from two strategic locations. Its main office is located in the City of Thunder Bay, the heart of our service area, with a second office located in the City of Timmins.
Board of Directors

Madeline Commanda, Chairperson ................................................................. Sandy Lake First Nation
Gabriel Echum, Vice-Chairperson ................................................................. Ginoogaming First Nation
Arlene Meekis, Secretary/Treasurer ................................................................. Deer Lake First Nation, ON
Lillian Suganaqueb ............................................................................................. Webequie First Nation
Shawn Batise ..................................................................................................... Matachewan First Nation
Russell Wesley ................................................................................................... Cat Lake First Nation
Frank MacDiarmid ............................................................................................ Thunder Bay, ON
George Nothing ............................................................................................... Kitchenuhmaykoosib Inninuwug First Nation
Gary Beardy ......................................................................................................... Muskrat Dam First Nation

Ex-Officio
Deputy Grand Chief Les Louttit ........................................................................ Nishnawbe Aski Nation
Sunil Bajaj .......................................................................................................... Indian and Northern Affairs Canada-Aboriginal Business Canada

Members
Rosie Mosquito .................................................................................................... Bearskin Lake First Nation
James Mamakwa ................................................................................................ Kingfisher Lake First Nation
Message from the Chair

On behalf of the Board of Directors for the Nishnawbe Aski Development Fund I extend a warm welcome to the people of Treaty #9, Treaty #3, Treaty #5 and Robinson-Superior 1850 and present to you the 2009 annual report for the Nishnawbe Aski Development Fund. The following reports are a summary of the organization’s activities and performance for the period April 1, 2009 to March 31, 2010.

With over 25 years of experience in providing financing and business support services, Nishnawbe Aski Development Fund’s commitment to supporting the growth of Aboriginal business in northern Ontario is stronger than ever. Remote First Nations businesses and urban Aboriginal entrepreneurs are what make the Nishnawbe Aski Development Fund what it is today. This organization is but a conduit to the people and capital that influence Aboriginal business, and strengthening Aboriginal participation in the economy is a priority for Nishnawbe Aski Development Fund. With the support of a strong management team and our qualified staff, Nishnawbe Aski Development Fund is well positioned to respond to the financial and business support needs of the people and we look forward to working with you for many years to come.

Nishnawbe Aski Development Fund continues to play an essential role in cultivating partnerships with all levels of government and other national organizations. Members of our Board continue to strengthen partnerships with our supporting organizations, including Industry Canada/FedNor, Indian and Northern Affairs Canada (INAC), Access to Capital (ATC), National Aboriginal Capital Corporation Association (NACCA) and the Ontario Association of Community Futures Development Corporations (OACFDC). With the full support of the Board, maintaining these partnerships is a priority for Nishnawbe Aski Development Fund’s executives.

Nishnawbe Aski Development Fund is pleased to have been able to invest in a number of Aboriginal businesses this year. We have provided financial support to new and existing businesses for business startups, acquisitions, and expansions. Our priority is to ensure that all clients receive excellent customer service and the utmost respect in all dealings with the organization. I invite you to visit our website at www.nadf.org to learn about our programs and services and find out how we can help you.

Our 19th Annual Business Awards was held in Thunder Bay, ON on Wednesday, October 21, 2009. The annual event is a long-standing tradition celebrating the outstanding achievements in the Aboriginal business community, inspiring a new generation of entrepreneurs. The business awards event is a fundraising event, benefitting the ‘Dennis Franklin Cromarty Memorial Fund’; a bursary fund for First Nation students, and the ‘Community Sponsorship Fund’ which assists youth-oriented academic and athletic goals as well as community initiatives (e.g. pow-wows, feasts etc.). Thank you to all our sponsors, partners and guests, and our hard-working staff and management team for orchestrating a great event year after year and we look forward to celebrating our 20th Anniversary with you in October 2010.

I am truly appreciative of our Board of Directors and their ongoing support and dedication over the past year. It is an honor to serve as Chairperson and I thank all who have expressed ideas and opinions thereby making it a satisfying and positive experience.

I would also like to take this opportunity to thank Rosie Mosquito for sharing her knowledge and expertise with the Board during her tenure. It is with great regret that we accepted her resignation as a Director in December 2009. We will certainly miss her valuable contributions. Also, in December 2009 we welcomed Russell Wesley to the Board of Directors. We are thrilled that he agreed to serve on the Board and his knowledge, expertise and vision will be an invaluable contribution to achieving the organization’s vision “To be a sustainable leading Aboriginal business and financial services organization”. With the full involvement of our Board, management and staff, Nishnawbe Aski Development Fund remains committed to achieving this vision of “sustainability” and on behalf of the Board I would also like to acknowledge our management and staff for the hard work and dedication. Meegwetch!

Best wishes,
Madeline Commanda
Chair
Message from the President/CEO

On behalf of the staff of the Nishnawbe Aski Development Fund, I am pleased to present to you Nishnawbe Aski Development Fund’s annual report for the fiscal year 2009-2010. The program reports will provide you with a brief overview of the organization’s activities over the past fiscal year.

Investing in Northern Ontario

In 2009 Nishnawbe Aski Development Fund celebrated its silver anniversary, marking 25 years in business. Established in 1984, the company was registered in Ontario and the doors opened for business in 1987. Since its inception the Nishnawbe Aski Development Fund has invested over $26M into the northern Ontario economy, providing financing and business support services to Aboriginal entrepreneurs in the remote, rural and urban communities. With the ongoing support of our Board, complement of staff, government partners, including the National Aboriginal Capital Corporation, Aboriginal Business Canada and FedNor, this trend continued in 2009/2010 and Nishnawbe Aski Development Fund dispersed over $1M in investments and contributions to assist First Nation entrepreneurs with business start-ups, acquisitions or expansions.

For the upcoming year it is the goal of Nishnawbe Aski Development Fund to maintain this trend in supporting northern Ontario’s economic recovery by providing business support services to our clientele and investing in our First Nation entrepreneurs and businesses. I invite you to call our office and speak with a business development officer to find out we can help you develop your business idea. We look forward to growing and working with you in 2010.

The Importance of Partnerships

One must value the importance of partnerships. Rarely does an organization possess all the expertise, experience and resources required to undertake the mandate of the organization.

Developing strategic partnerships are often the most effective and efficient manner in which to enhance an organization’s strengths and it is through the development of such partnerships that Nishnawbe Aski Development Fund has been able to pursue opportunities that may have otherwise been unattainable. Nishnawbe Aski Development Fund’s success can be attributed in part to its partnerships with First Nation businesses and enterprises, the National Aboriginal Capital Corporation, Industry Canada/FedNor, NOHFC, Indian and Northern Affairs Canada, and industry and private sector partners. We will continue to seek out partnerships that contribute to Nishnawbe Aski Development Fund’s ability to meet the needs of our clients and to actively participate in strengthening northern Ontario’s economy.

It is an honor to work with our Board of Directors, our staff, our clients, and with the people and communities who had the foresight and wisdom to establish Nishnawbe Aski Development Fund in 1984. We wish you continued success in the coming year.

Meegwetch!

Harvey Yesno
President/CEO
Our Staff

Executive
Harvey Yesno, President/CEO
Dawn Willoughby, Executive Assistant

Finance and Administration
Mari Bishop, CA, Finance Manager
Liesa Wynn, Finance Officer
Marcia Chapman, Finance Assistant
Judy Morriseau, Secretary/Receptionist (Thunder Bay, ON)
Shirley Paulmartin, Administrative Assistant (Timmins, ON)

Loans and Community Futures
Colleen Martin, Loans Manager
Gail Anderson, Loans Officer
Charlton Thompson, Loans Recovery Officer

Marketing and Communications
Ade Sekudo, Marketing and Communications Officer

Aboriginal Business Canada
Wally Bannon, Senior Business Development Officer
Kim Bird, Business Development Officer (Timmins, ON)
Anna Deminski, Business Development Officer

Business Support Services
Marlon Gasparotto, Business Support Officer
Wendy McKay, Business Development Officer (CFDC)

Resource Support Services
Alvin Fiddler, Special Initiatives Advisor

Special Projects
Monica Anthony, P. Eng., Special Projects Coordinator
Special Projects Report

REMOTE STRATEGIC INITIATIVES

Winter Roads Strategic Initiatives

Nishnawbe Aski Development Fund met with Indian and Northern Affairs Canada and the Ministry of Northern Development, Mines and Forestry in March 2009 and again August 2009. From these meetings it was agreed that the three committees (Chiefs Steering Committee, Governance Working Group and Technical Working Group) established in April 2008 would be reconstituted for the purpose of reconfirming the priorities previously identified, these being drafting of a construction standards manual and developing a safety and training program. Other priorities to be addressed by the committees include the acceptance of the recommendations made in the report “Northern Ontario Winter Roads Transportation Authority(ies)”, and hosting a Transportation Forum in early 2010.

Progress to Date

At a meeting in November 2009 the report “Northern Ontario Winter Roads Transportation Authority(ies)” was presented to the Winter Roads Technical Working Group. The focus of the report was to determine the viability of creating a winter road agency (ies). The report was presented to the Technical Working Group to obtain direction. One recommendation made in the report was to re-task Nishnawbe Aski Development Fund to include a more extensive Winter Roads mandate however the Board of Directors respectfully declined this recommendation, stating that it was not within their existing mandate to do so. The Winter Roads Technical Working Group has deferred any decision to the Winter Roads Chiefs. From this same meeting, it was also agreed that the initial draft of the Construction Standards Manual would be completed by Indian and Northern Affairs Canada and the Ministry of Northern Development, Mines and Forestry and bought back to the Technical Working Group for feedback and input.

Construction Standards Manual

This document was completed and presented to the Winter Roads Technical Working Group in February 2010 for feedback and approval. Due to concerns with legal issues, the document was re-named “Guidelines for the Construction and Maintenance of Existing Winter Roads”. The document is intended to serve as a guide and not a ‘standards’ manual as procedures will vary depending on the terrain. A copy of the Guidelines will be distributed to the winter road access communities, Tribal Councils and other stakeholders.

Transportation Forum

Nishnawbe Aski Development Fund organized and facilitated a Transportation Forum in late March 2010, bringing together the Winter Roads Chiefs and the report “Northern Ontario Winter Roads Transportation Authority(ies)” was presented for direction. The consensus was to maintain the current processes as it relates to funding and it was also agreed that NADF would continue as the secretariat and funding-flow through agency.

Subsidies

The Winter Roads subsidy was administered directly by Indian and Northern Affairs Canada for the fiscal year 2009-2010. However, Nishnawbe Aski Development Fund did enter into an agreement with Kimesskanemenow Corporation in January 2010 to serve as a flow-through agency for their “Winter Roads Construction and Maintenance” subsidy. This transaction was completed.

Next Steps

To develop safety and training standards for the construction and maintenance of winter roads. This exercise is expected to be completed in 2010-2011.

INDEPENDENT POWER AUTHORITY(ies)

Independent Power Authorities (IPAs) Strategic Initiatives

Under the IPA Strategic Initiatives, assessments of the complete electrical system (generation and distribution) have been completed. These assessments will serve as a baseline of the capital assets. An agency framework report is being written, and an analysis of the current financial management systems will be undertaken in 2009-2010. Each of these reports will provide recommendations on the next steps to developing a collective system of operations.

Continued of page 9
Progress to Date

In preparation for fiscal 2010-2011, a joint funding proposal between the Nishnawbe Aski Development Fund and Nishnawbe Aski Nation was completed and submitted to Indian and Northern Affairs Canada in January 2009. The funding request would provide for the necessary capacity required by both organizations to continue work on identifying and evaluating viable solutions to address the short and long term issues impacting the IPAs. However, due to reallocation of funds to provide additional subsidies to address the fuel crisis of 2008-2009, Indian and Northern Affairs Canada has postponed a decision on funding to fiscal year 2010-2011. Without the necessary funding to implement the workplan of the IPA initiative very little progress can be made.

However, additional funds were received from Indian and Northern Affairs Canada’s Minor Capital and Community Economic Opportunities Programs to continue working with the IPAs on a smaller scale. With the Minor Capital funding Nishnawbe Aski Development Fund was able to purchase and supply each of the Independent Power Authority’s with safety and maintenance equipment (fire extinguishers, etc.) that required repair and/or replacement. The funds from the Community Economic Opportunities Program will be utilized to undertake a report on the current financial and data management practices and systems of the ten (10) Independent Power Authority’s and recommend and develop a framework for a standardized financial management system. Standardization will allow IPA communities to justify their costs to Ontario Energy Board and help determine the rate as IPA application can then be compared to Hydro One Remote costs or any other distributor.

We are also pleased to report that the DRAFT Memorandum of Understanding was finalized at the Independent Power Authority(ies) Forum in March 2010. The MOU was taken back to the communities for endorsement by Band Council Resolution. The MOU formalizes the intentions of the IPA First Nations to work together to develop an Independent First Nation’s energy agency. It is expected that a signing ceremony will take place when funds are identified.

Subsidies

The diesel fuel subsidy was administered directly by Indian and Northern Affairs Canada for the fiscal year 2009-2010.

Next Steps

1. Complete the report on the financial and data management practices and systems.
2. Seek resources to begin to implement the various recommendations to address the challenges of the IPAs.

Investment Report

Investment opportunities continued to be identified although the world was gripped by a recession that made investors skittish and employment statistics tumble. Exploration activity slowed but did not stall; tourism properties suffered further challenges and some failed as a result of this latest blow. Overall, small and medium enterprises (SMEs) once again proved their resilience as many individuals who found themselves unemployed opened businesses using identified skills and personal savings.

The total investments for the fiscal year ended March 31, 2010 were just over $1 million and included a variety of businesses including fuel, restaurant, fast food, convenience, construction and a bed and breakfast property.

In summary, the challenges to business and economic development in northern Ontario remain but one must also consider the many opportunities related to rapid population growth, increased percentage of the population under the age of thirty-five (35), access to natural resources, and advances in attainment of post-secondary education and professional designations by today’s Aboriginal youth.

Now more than ever, NADF must continue to promote and support business and economic development for long term sustainability for Aboriginal communities and people in Northern Ontario.
Aboriginal Business Canada Program

Aboriginal Business Canada is an Indian and Northern Affairs Canada program, administered under the new Aboriginal Economic Program, the Aboriginal Business Canada program works to promote the growth of a strong Aboriginal business sector, providing a range of support and services, and works with clients and many partners to promote the growth of a strong Aboriginal business sector.

In partnership with Indian and Northern Affairs Canada, Nishnawbe Aski Development Fund delivers the programs and services of the Aboriginal Business Canada program to support the Aboriginal business community in Northern Ontario.

ABC works with clients:
- of all Aboriginal heritage groups
- on-reserve and off-reserve
- in urban, rural and remote areas

ABC provides eligible majority-owned Aboriginal enterprises with:
- financial assistance
- business information and resource materials
- referrals to other possible sources of financing or business support

In 2008 the ABC Program opened up to “General Business”, referring to any commercial activity that demonstrates viability and a need for a contribution from ABC. These new changes also increased the maximum contributions that may be available to the Aboriginal client:

Individuals are eligible for up to 60% of the eligible capital costs, to a maximum of $100,000

Communities are eligible for up to 60% of eligible capital costs up, to a maximum of $1,000,000

ABC provides support for eligible activities, including:
- business planning
- capital costs
- business acquisitions
- marketing initiatives
- new product and process development
- operating costs
- financial services and business support

A balanced financial package, including debt financing from other sources, as well a minimum level of client cash equity is required. The minimum cash equity required for youth (18-35 years) is 10% of eligible project costs and 15% from all other applicants. Combined applicant equity and ABC contribution must not exceed 50% of total eligible project costs. The remaining 50% must be obtained through debt financing.

I am pleased to report that over the past year our team has supported nineteen (19) Aboriginal businesses providing financial assistance totaling over $678,000. In comparison to previous years this number is quite low.

However, we can attribute this to many factors, including the global economic downturn, a delay in program funding commitments (funding committed September 17, 2009), a lack of client equity, and the client’s ability to access debt financing. These have all had a negative impact on the program’s performance however we expect to return to more familiar numbers in 2010-2011. Our goal over the next year is to support thirty-six (36) Aboriginal businesses and projects and provide over $1.5 million in financial assistance.

Our team members are available to discuss your business idea. Contact NADF for more information on the Aboriginal Business Canada program.
Finance and Human Resources

NADF returned to positive operating results for the year ended March 31, 2010, with a consolidated operating surplus of $226,686. This included a General Fund surplus of close to $175,000, a combined surplus of about $7,700 in Community Futures Development Corporation (CFDC) Funds, and a surplus of over $44,000 for NADF’s wholly owned subsidiary, Neegani Investment Management Inc. The CFDC Funds’ net financial position continues as a surplus, while the overall consolidated deficit is reduced. However, with contributed surplus of close to $12 million, and strong assets in cash, investments, and loans, NADF is financially positioned to continue providing business loans to Aboriginal entrepreneurs in Northern Ontario, and related business and economic development services, for many years to come.

Loan Operation Revenues Fiscal 2010

Although some market volatility continued, the value of NADF’s ancillary investments increased steadily over the year. Capital gains recognized for the year, at over $265,000, exceeded prior year losses by close to $650,000. However, this also highlights the challenges in achieving budget projections, as factors beyond the control of NADF’s Board of Directors and management can impact results so significantly. We remain confident that strong leadership and informed oversight, as well as prudent policies and procedures in all aspects of NADF’s operations, will continue contributing to successful business operations for NADF, and therefore success for the people we serve.

Excluding capital gains, to ensure that year to year fluctuations do not unduly impact annual comparisons, loans interest as a percentage of overall revenue for loans operations is consistent with the prior year, at about 40%. As expected personnel expenses continue to represent over 70% of expenses for the loans department. This strong personnel base is essential in delivering NADF’s services. Our staff are experienced and knowledgeable, necessary attributes as we meet the challenges of providing business development services in the current market. For the second year in a row we were able to access funding through the National Aboriginal Capital Corporation Association (NACCA) to provide training with expected developmental lending benefits, further supporting human resources as one of our most valuable assets.

In addition to its core loans operations NADF administers a variety of complementary business and economic development programs and projects. These programs and projects support NADF’s mission, to enhance and support Aboriginal business and economic development through a range of distinct services. Our funding partners continue to acknowledge NADF’s experience, expertise and commitment as we explore emerging opportunities and determine how best to meet our mandate, and deliver success for our clients. We continue to negotiate with our funders for stable, long-term funding, to assist with meeting our goals.

The national and global economic environment,

Continued of page 12
including emergence from near crisis, and the inherent challenges of this changing environment impacts these discussions, encouraging us to explore additional partnership opportunities that may assist us in meeting the objectives for which NADF was incorporated: to promote, encourage and assist business and economic development for Aboriginal people.

As in each year of its operations, NADF’s financial statements have been audited by an external public accounting firm, who have concluded that in their opinion the consolidated financial statements for Nishnawbe Aski Development Fund present fairly, in all material respects, the financial position of NADF as at March 31, 2010 and the result of its operations and changes in its financial position for the year then ended, in accordance with Canadian generally accepted accounting principles. This is known as a ‘clean’ audit opinion, and NADF has received a clean audit opinion each year. The following excerpts from the consolidated financial statements for the fiscal year ending March 31, 2010 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.

Community Futures Development Corporation

FedNor continues to partner with Nishnawbe Aski Development Fund (NADF) financing its Community Futures Development Corporation (CFDC) mandated activities for the past fiscal year as the second year of a three year operating agreement. Although the service delivery area for the CFDC includes only 33 of the more than 100 First Nation communities in northern Ontario, the operational funding does provide for increased financial, business support and community strategic planning assistance in the CFDC area.

Despite on-going challenges associated with the remote service delivery area, lack of education and equity, and a very short window to access the winter road, NADF was able to continue to build on past successes, develop additional partnership opportunities, assist twenty-five (25) businesses with business support and four (4) businesses through financial investment of principal of $268,143. Together business support and investment activity created or maintained 42 jobs.

As a CFDC, NADF was able to apply for Local Initiative Contribution funding and was approved for a contribution of $225,000 over three fiscal years to 2011.

Although more applications were received, due to funding limitations, 19 projects were approved for a total contribution of $71,480.

A variety of projects were undertaken including economic development conferences, geological mapping, claim staking, community strategic planning, feasibility studies, hunting/fishing guide training, festivals, website enhancements, home-based business development for women, campsite development, mining partnership development, and tourism marketing. Both NADF and applicants to this fund are not eligible for administrative costs; this means 100% of approved contributions go directly to economic development activities.

List of Communities Serviced Under CFDC Agreement

| Aroland First Nation | Mishkeegogamang First Nation |
| Bearskin Lake First Nation | Muskrat Dam First Nation |
| Cat Lake First Nation | Neskarataga First Nation |
| Deer Lake First Nation | North Caribou First Nation |
| Eabametoong First Nation | North Spirit Lake First Nation |
| Ginoogaming First Nation | Pikangikum First Nation |
| Homepayne First Nation | Poplar Hill First Nation |
| Kasabonika Lake First Nation | Sachigo Lake First Nation |
| Kitchenuhmaykoosib Inninuwug | Sandy Lake First Nation |
| Keewaywin Slate Falls First Nation | Wapekeka First Nation |
| Kingfisher Lake First Nation | Wawakakewin First Nation |
| Kookcheching First Nation | Webotechnology First Nation |
| Lac Seul First Nation | Whitesand First Nation |
| Long Lake # 58 First Nation | Wunnumin Lake First Nation |
| MacDowell Lake First Nation | Whitesand First Nation |
| Marten Falls First Nation | Whitewater Lake First Nation |
AUDITORS' REPORT

To the Board of Directors of Nishnawbe Aski Development Fund -

We have audited the consolidated balance sheet of Nishnawbe Aski Development Fund as at March 31, 2010 and the consolidated statements of deficit, revenue and expenses and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Nishnawbe Aski Development Fund as at March 31, 2010 and the results of its operations and changes in its financial position for the year then ended, in accordance with Canadian generally accepted accounting principles.

Thunder Bay, Ontario

May 31, 2010

Chartered Accountants
Licensed Public Accountants
NISHNAWBE ASKI DEVELOPMENT FUND

CONSOLIDATED STATEMENT OF DEFICIT

Year ended March 31 2010  2009

Revenue  $ 6,708,490  $ 24,092,153

Expenses  6,481,804  24,611,156

Excess (shortfall) of revenue over expenses for the year 226,686  (519,003)

Deficit, beginning of year (3,695,115) (3,176,112)

Deficit, end of year $ (3,468,429)  $ (3,695,115)
### NISHNAWBE ASKI DEVELOPMENT FUND

#### CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES

Year ended March 31, 2010

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Surplus (Deficit) Beginning of Year</th>
<th>Revenue for the Year</th>
<th>Expenditures for the Year</th>
<th>Surplus (Deficit) for the Year</th>
<th>Inter-fund Transfers (Note 12)</th>
<th>Surplus (Deficit) End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Loan operations</td>
<td>$(2,151,421)</td>
<td>$648,275</td>
<td>$449,146</td>
<td>$199,129</td>
<td>$7,490</td>
<td>$(1,944,802)</td>
</tr>
<tr>
<td>2 Nishnawbe Aski Business Advisory and Support Services</td>
<td>$(420,049)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(420,049)</td>
</tr>
<tr>
<td>3 National Aboriginal Capital Corporation Association Services</td>
<td>$(5,993)</td>
<td>35,014</td>
<td>35,014</td>
<td>-</td>
<td>-</td>
<td>$(5,993)</td>
</tr>
<tr>
<td>4 Nishnawbe Aski Development Fund Business Awards</td>
<td>-</td>
<td>69,067</td>
<td>69,067</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5 Indian and Northern Affairs Canada (INAC) Programs</td>
<td>-</td>
<td>4,783,543</td>
<td>4,783,543</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6 Business Support Officer</td>
<td>$(103,840)</td>
<td>70,190</td>
<td>90,239</td>
<td>-</td>
<td>-</td>
<td>$(128,202)</td>
</tr>
<tr>
<td>7 Albany River Working Group</td>
<td>-</td>
<td>2,786</td>
<td>2,786</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8 Special Initiatives Advisor</td>
<td>-</td>
<td>90,239</td>
<td>90,239</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9 Other Projects</td>
<td>19,837</td>
<td>175,978</td>
<td>175,978</td>
<td>-</td>
<td>-</td>
<td>19,837</td>
</tr>
<tr>
<td></td>
<td>$(2,661,466)</td>
<td>5,875,092</td>
<td>5,700,325</td>
<td>174,767</td>
<td>7,490</td>
<td>$(2,479,209)</td>
</tr>
<tr>
<td>Sponsorship Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Sponsorship Fund</td>
<td>-</td>
<td>34,837</td>
<td>34,837</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>XO Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 Aboriginal Business Canada Services (ABC)</td>
<td>$(11,727)</td>
<td>357,988</td>
<td>357,988</td>
<td>-</td>
<td>-</td>
<td>$(11,727)</td>
</tr>
<tr>
<td>Neegani Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 Neegani Investment Management Inc.</td>
<td>$(1,161,887)</td>
<td>73,856</td>
<td>29,691</td>
<td>44,165</td>
<td>-</td>
<td>$(1,117,722)</td>
</tr>
<tr>
<td>CFDC Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 Community Futures Development Corporation Operating Fund</td>
<td>-</td>
<td>317,702</td>
<td>317,702</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14 Community Futures Development Corporation Enhanced Operating Funds</td>
<td>-</td>
<td>43,560</td>
<td>43,560</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15 Community Futures Development Corporation Investment Fund</td>
<td>139,965</td>
<td>49,015</td>
<td>(2,299)</td>
<td>51,314</td>
<td>(51,050)</td>
<td>140,229</td>
</tr>
<tr>
<td></td>
<td>$(3,695,115)</td>
<td>6,708,490</td>
<td>6,481,804</td>
<td>226,686</td>
<td>-</td>
<td>$(3,468,429)</td>
</tr>
</tbody>
</table>

#### NISHNAWBE ASKI DEVELOPMENT FUND

#### CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>XDO Fund</th>
<th>Neegani Fund</th>
<th>CFDC Operating Fund</th>
<th>CFDC Enh Ops Fund</th>
<th>CFDC Investment Fund</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus (deficit) for the year</td>
<td>$174,767</td>
<td>-</td>
<td>$44,165</td>
<td>-</td>
<td>$(43,560)</td>
<td>$51,314</td>
<td>$226,686</td>
<td>$(519,003)</td>
</tr>
<tr>
<td>Amortization</td>
<td>21,685</td>
<td>3,457</td>
<td>166</td>
<td>5,563</td>
<td>2,403</td>
<td>-</td>
<td>33,274</td>
<td>42,184</td>
</tr>
<tr>
<td>Gain on disposal of capital assets</td>
<td>(276)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(276)</td>
<td>(1,779)</td>
</tr>
<tr>
<td>Loans written-off</td>
<td>47,479</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47,479</td>
<td>244,941</td>
</tr>
<tr>
<td>Change in non-cash working capital balances (Note 13)</td>
<td>(2,312,948)</td>
<td>(857)</td>
<td>(50,663)</td>
<td>9,638</td>
<td>49,170</td>
<td>(10,912)</td>
<td>(2,316,572)</td>
<td>(1,473,536)</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in notes payable</td>
<td>294,403</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>294,403</td>
<td>400,658</td>
</tr>
<tr>
<td>Change in contributed surplus</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>224,992</td>
<td>305,462</td>
</tr>
<tr>
<td></td>
<td>284,403</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>224,992</td>
<td>519,395</td>
</tr>
<tr>
<td></td>
<td>$284,403</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>224,992</td>
<td>519,395</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(6,470)</td>
<td>(2,600)</td>
<td>-</td>
<td>(932)</td>
<td>(8,013)</td>
<td>-</td>
<td>(18,015)</td>
<td>(28,715)</td>
</tr>
<tr>
<td>Proceeds on disposal of capital assets</td>
<td>276</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,112</td>
<td>14,112</td>
</tr>
<tr>
<td>Net change in investments</td>
<td>(348,043)</td>
<td>-</td>
<td>182,829</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(165,214)</td>
<td>526,534</td>
</tr>
<tr>
<td>Loan disbursements</td>
<td>(814,874)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(274,751)</td>
<td>(1,089,625)</td>
<td>(1,153,713)</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>814,387</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>476,775</td>
<td>1,291,162</td>
<td>571,891</td>
</tr>
<tr>
<td></td>
<td>(354,724)</td>
<td>(2,600)</td>
<td>182,829</td>
<td>(932)</td>
<td>(8,013)</td>
<td>202,024</td>
<td>18,584</td>
<td>(69,891)</td>
</tr>
<tr>
<td>Increase (decrease) in cash</td>
<td>(2,129,264)</td>
<td>-</td>
<td>176,497</td>
<td>14,269</td>
<td>-</td>
<td>467,418</td>
<td>(1,471,430)</td>
<td>(1,782,280)</td>
</tr>
<tr>
<td>Cash position, beginning of year</td>
<td>3,499,712</td>
<td>-</td>
<td>631,108</td>
<td>-</td>
<td>-</td>
<td>143,575</td>
<td>4,274,395</td>
<td>6,146,675</td>
</tr>
<tr>
<td>Cash position, end of year</td>
<td>$1,370,098</td>
<td>-</td>
<td>$807,605</td>
<td>$14,269</td>
<td>-</td>
<td>$610,993</td>
<td>$2,802,965</td>
<td>$4,274,395</td>
</tr>
</tbody>
</table>
Nishnawbe Aski Development Fund

Thunder Bay
106 Centennial Square, 2nd Floor
Thunder Bay, Ontario P7E 1H3
Tel: 807-623-5397
Toll Free: 1-800-465-6821
Fax: 807-622-8271

Timmins
251 Third Avenue, Suite 9
Timmins, Ontario P4N 1E2
Tel: 705-268-3940
Toll Free: 1-800-461-9858
Fax: 705-268-4034

Community Futures Development Corporation