

**NISHNAWBE ASKI**  

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**DEVELOPMENT FUND**  
**Annual Report**  
**2011-2012**





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# Who We Are

Incorporated in 1984, Nishnawbe Aski Development Fund (“NADF”) is a non-profit Aboriginal-owned and controlled financial organization supporting economic development in northern Ontario.

## **Our Services**

- Flexible Interest Rate Loans (term and bridge)
- Equipment Leasing
- Business support services
- Community and strategic planning
- Resource development advisory services
- Appraisal services
- Contribution programs
  - Aboriginal Business Canada Program (INAC)
  - Local Initiative Contributions (FedNor)

## **Our Partners**

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

## **Our Clients**

- Aboriginal entrepreneurs
  - Status (on or off-reserve)
  - Métis
- Majority-owned Aboriginal businesses
- Aboriginal organizations

## **Our Service Area**

- Nishnawbe Aski Nation (Treaty #9 and Ontario portion of Treaty #5)
- Robinson-Superior 1850
- Treaty #3

## **Our Locations**

NADF’s administration office is located on the Fort William First Nation and two branch offices are strategically located in the Cities of Thunder Bay, ON and Timmins, ON.

## **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.”*

# NADF Milestones 1984 - 2012

- 1984** • NAN Chief's Resolution passed mandating the establishment of NADF.
- NADF established as a corporation.
- 1985** • Frank Price & Associates hired to complete a feasibility study on NAN communities.
- 1986** • Bentley Cheechoo hired as NADF's first President/CEO.
- 1987** • NADF opens an office on the Fort William First Nation.
- NADF receives \$7M in capitalization.
- NADF hosts official opening ceremonies.
- Loan Guarantee Program established in partnership with CIBC and Bank of Nova Scotia to increase loan maximum to \$250,000 for the NAN membership.
- 1990** • NADF hosts the "1st Annual NADF Business Awards" in Thunder Bay.
- 1991** • "Direct Loans Program" introduced, allowing NADF to administer term loans, bridge loans, and youth loans.
- 1992** • Industry Canada tops up NADF's loan fund with an additional \$1.5M.
- 1993** • NADF partners with Industry Canada and is designated an External Delivery Office ("XDO") and begins delivering the programs and services of the Aboriginal Business Canada program.
- 1994** • NADF opens sub-office in Timmins, ON.
- 1997** • "Neegani Investment Management Inc.", a subsidiary of NADF, is established to provide equity and conventional financing of up to \$1M, allowing Aboriginal entities to participate in joint ventures.
- 2002** • NADF receives designation as a "Community Futures Development Corporation" ("CFDC") and begins providing business counseling, investment and community strategic planning services to NADF's clients.
- NADF relocates to Anemki Mountain Corporation on the Fort William First Nation.
- 2004** • Aboriginal Financial Institutions (AFI's) across Canada, including NADF, reach the \$1 billion milestone for total loans disbursed.
- 2005** • NADF relocates to 106 Centennial Square, 2nd Floor in the City of Thunder Bay.
- 2007** • NADF hosts 1st Annual 'Fairways for Future Charity Golf Classic'.
- 2009** • NADF celebrates 25th Anniversary.
- 2010** • NADF co-hosts the 17th Annual OACFDC Conference with Thunder Bay Ventures and is the recipient of the "2010 Award of Excellence" for outstanding video-conferencing series.
- 2010** • NADF hosts its "20th Annual NADF Business Awards" in Thunder Bay.
- 2011** • NADF and Lac Seul First Nation formalize partnership to initiate micro-loan fund.
- NADF hosts two inaugural events related to mining: "Mining Ready Summit" and "Strategic Mineral Exploration and Mining Training Course"
- Establishment of a balanced score approach to planning, reporting, monitoring and evaluating strategic activities.
- NADF Administration office relocated to Fort William First Nation



# Board & Staff Directory

## Board of Directors

Madeline Commanda, Chair .....	Sandy Lake First Nation
Lillian Suganaqueb, Vice Chair .....	Webequie First Nation
Arlene Meekis, Secretary/Treasurer .....	Wawakapewin First Nation
Gabriel Echum .....	Ginoogaming First Nation
Shawn Batise .....	Matachewan First Nation
Albalina Metatawabin .....	Fort Albany First Nation
Gary Beardy .....	Muskrat Dam First Nation
Frank MacDiarmid .....	Thunder Bay, ON

## Members

Rosie Mosquito .....	Bearskin Lake First Nation
Russell Wesley .....	Cat Lake First Nation

## Ex-Officio

Les Louttit, Deputy Grand Chief .....	Nishnawbe Aski Nation
Heather Garlow-Saul .....	Aboriginal Business Canada (INAC)



## NADF Staff

### Executive

- **President/ CEO** Harvey Yesno  
Leave of absence August 2011- August 2012
- **Executive Assistant** Dawn Willoughby

### Finance and Administration

- **Finance Manager** Mari Bishop, CA
- **Finance Officer** Liesa Wynn
- **Secretary / Receptionist** Judy Morriseau  
Retired October 2011
- **Secretary / Admin Assistant** Samanda Anderson  
Hired December 2011
- **Administration Assistant** Shirley Degrechie  
(Timmins, ON)
- **Administration Assistant** Tracey Willoughby

### Loans and Community Futures

- **Loans Manager** Colleen Martin  
Appointed General Manager August 2011 - August 2012
- **Loans Officer** Gail Anderson
- **Loans Recovery Officer** Charlton Thompson  
Appointed Sr. Loans Officer January 2012 - August 2012

### Aboriginal Business Canada

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

### Business Support Services

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

### Resource Advisory Services

- **Special Initiatives Advisor**  
Brian Davey
- **Independent Power Authorities Manager**  
Marlon Gasparotto

## Message from Vice Chair



On behalf of the Board of Directors of Nishnawbe Aski Development Fund, I am pleased to present the Annual Report on the organization's activities and financial position for 2011-2012.

Over the past year, and amidst all the changes and challenges that were presented, NADF staff continued to work diligently to support and promote Aboriginal business in northern Ontario. This year NADF achieved over \$2.4 million in loans; NADF has achieved this level of investment in just two other years since inception. I speak for the whole Board when I say that this could not have been accomplished without the dedicated team we have on staff. Their commitment has been unwavering and we have the utmost confidence in them. We acknowledge and thank them for their ongoing commitment and look forward to another successful year.

Our primary goal has always been to promote and support Aboriginal business in northern Ontario and this year's performance has reassured us that we are on the right track. We are excited about the future, and the opportunities that are developing

within northern Ontario's mining industry are encouraging. The future does look bright. Over the course of the past fiscal year, NADF has diligently undertaken a collaborative, comprehensive strategic planning process and the Board of Directors are pleased to have had an opportunity to brainstorm and discuss strategic initiatives with the staff. Not only were we able to gain insight into the day-to-day responsibilities of the staff, we were able to strengthen our vision as a whole and identify key priorities that will guide the organization. We expect to finalize and begin implementation in 2012-2013, and I'm sure you will be pleased with the results.

There is no greater opportunity than now to extend thanks to our partners and funders for the invaluable support they have provided. We look forward to building upon these relationships and building new ones in the coming year.

Lastly, we wish to acknowledge and thank each and every one of our clients, past, present and future. You are the purpose of our existence and we endeavor to provide superior products and services to support the success of your businesses. Together we will contribute to a strong northern Ontario economy.

Best Wishes,

*Lillian Suganaqueb*  
*Vice Chair*

# Message from General Manager



The past fiscal year presented the NADF Board and staff with several challenges. In August 2011, Harvey Yesno, NADF's President/CEO, took a one year leave of absence from his position; several staff had absences due to a variety of reasons; and a comprehensive strategic planning process was in progress. We were able to meet these challenges head-on and the fiscal year proved to be one with several successes.

As you will see in the specific reports from each of the program managers, commercial investments totaled more than \$2.4 million, hundreds of clients received support to maintain and/or create significant job impacts, the strategic planning process was completed including a business improvement plan, and both the Mining Ready Summit and the Annual Business Awards Gala Dinner were resounding successes.

Of course, our organization cannot claim success in isolation. Many others, who provide financial and partnership supports, have assisted us in reaching our goals. In particular, I would like to acknowledge our event sponsors for their ongoing commitment;

FedNor for its financial support for our Community Futures operations and investment as well as Special Initiatives; and Indian and Northern Affairs Canada for its continued financial support of staffing and operational costs related to the Aboriginal Business Canada and Business Support programs.

First Nations and Aboriginal peoples in northern Ontario are standing at the edge of an opportunity so great that no-one has yet been able to calculate the total economic impact. Many Aboriginal people are wary of proposed developments and the possible environmental impacts and wonder whether the financial gains would just be a pay-off to keep concerns contained. Our organization, through its mandate, is striving to ensure fully informed decision-making for First Nations and Aboriginal people who stand to be most impacted by the developments in the far north. The proposed developments can be a catalyst for strong Aboriginal participation in economic and business development in northern Ontario, provided concerns for the environment are addressed through established processes and Aboriginal peoples are fully informed and engaged on every step of the journey.

There are more challenges and opportunities in our future and I am confident that our team will continue to surge forward in concert with our partners to realize our full potential.

Sincerely,

*Colleen Martin*  
*General Manager*

## Commercial Loans and Leases

During the 2011 fiscal year, NADF increased its loan limits from \$250,000 to \$500,000 and in exceptional circumstances up to \$1 million.

For the fiscal year ended March 31, 2012, NADF committed slightly more than \$2.4 million dollars to 18 loans within the NAN territory. One business was approved with the loan exceptional limit of \$1 million. The loans were directed to several different areas of business which include communications, passenger transportation, accommodation, heavy equipment, forestry, and fuel inventories.

Leasing and Enhanced Access loans have been slow, although there have been a significant number of inquiries. It is expected that with increased promotion activity will increase as well.

Delinquency remains an ongoing challenge. Loans need to be repaid in order to keep the loan funds going for future entrepreneurs. As an example, young people can choose self-employment as a career choice by starting their own business. Having access to capital will greatly assist in their chances of success. Although NADF is currently without a Loans Recovery Officer, staff will continue to work with clients experiencing difficulties with the goal of reaching realistic solutions to their current situation thereby ensuring repayment of their loan(s) and protecting their credit rating. Repossession, small claims court, and referral to a collection agency are only used when all other methods have been exhausted.

There continue to be obstacles when starting a business in the north such as equity and business planning, to name just two. With anticipated growth and spin offs due to increased activity in industry in northern Ontario, NADF will continue to promote

and support business and economic development and will work with entrepreneurs to find ways to meet and overcome these obstacles.

There has been a shuffling in personnel in the Loans Department during this reporting period. In August 2011 the Loans Manager moved over to the position of General Manager, however, she has remained active in the loans department. In January 2012, the Loans Recovery Officer was appointed to the position of Senior Loans Officer.



# Community Futures Development

Community Futures (CF) is a pan-national initiative to support business and economic development in rural communities. Thirty-three of the First Nations within the Nishnawbe Aski Nation are eligible communities under our designation as a CF. This fiscal year was the first year of a three year agreement based on the last business plan submission made in 2010. The mandated areas within this program are Community Strategic Planning (CSP), Investment and Business Support.

Delivery of specific CSP support remains a challenge with funding capped for the program. In addition, there is significant cost to NADF for delivery of the CF program, as compared to other CFs, due to the geographical size of the eligible community, both in terms of geography and number of communities. NADF continued this year to promote CSP as a key to successful business and economic development and to distribute copies of the CSP toolkit developed a number of years ago in partnership with Algoma University.

When compared to projections, CF investments for the year were disappointing. With a total of \$546,356 being disbursed from the investment fund. Several loan applications were not disbursed as they were related to the winter road which was late opening for full loads and ended abruptly a few weeks later due to unseasonably warm weather.

In January 2012, an agreement was signed between Lac Seul First Nation and NADF for establishment of a micro loan fund to be managed by a 'Circle' of 6 community members appointed by Chief and Council. NADF acknowledges the hard work and commitment of the Lac Seul First Nation Council and staff to reach this point in the journey. As an initial

pilot, everything has been developed including agreements, Circle terms of reference, templates for loan application, loan request assessments and approval and monitoring. If this Circle is successful, other interested First Nations would then be considered. These First Nation Communities would benefit and learn from Lac Seul's experiences.

The staff that work in Business Support continue to upgrade their knowledge as well as tools to better implement Community Strategic Planning even with the aforementioned challenges they faced this past year.

As in recent years, NADF has once again expressed the need for additional resources in the Business Support Department particularly with the potential opportunities related to resource development. Fortunately this year, FedNor provided funding for NADF to meet with several First Nations within the Matawa First Nations Council. These community visits were to discuss with the communities, their specific needs for business and economic development. The results will be used to develop a comprehensive plan for delivery of increased business support, development of an entrepreneurial culture, a youth program, and enhanced regional strategic planning. It is anticipated FedNor and other government agencies will partner to provide financial resourcing to implement the plan over several years beginning sometime during the next fiscal year.

*Charlton Thompson  
Senior Loans Officer*

# Aboriginal Business Canada (ABC)

## *The Year In Review*

Nishnawbe Aski Development Fund ended the year with several large projects. We have facilitated in the funding approvals for **\$1,350,449** in Aboriginal Business Canada projects this year, with two Officers, Kimberley Bird in Timmins and Anna Deminski in Thunder Bay.

As with any economic service agency, the past year had a few internal and external challenges in delivering the Aboriginal Business Canada-External Delivery Organization (ABC-XDO) program. We managed to overcome a these obstacles and are proud of our achievements with our clients. We did support the establishment and expansion of the following businesses: a hauling business, transportation expansion, business centre construction, motel expansion, gas station start-up, plumbing business start-up, mobile food business, assisting with acquisition of catering contract, acquisition of a security business, establishing a consulting business, establishing a tourism business, expanding a surface blasting business, establishing a charter air service and expanding a construction business.

## *What Aboriginal Business Canada Leveraged*

**ABC Contributions - \$1,350,449**  
**Equity Leveraged - \$1,666,671**  
**Financing Leveraged - \$4,554,965**  
**Jobs Maintained - 9**  
**Jobs Created - 74**

## *Impacts of ABC Program*

The ABC program supported the creation of seventy-four (74) new positions and the maintenance of nine (9) positions in northern Ontario. To put this into

perspective, a new job was created for each \$18,249 in ABDP investments. Even if these were minimum wage jobs, ABC's investment of \$1.4M is offset by the salaries paid in year one by \$1.5M (\$10/hr x 40 hrs x 52 weeks x 74 new jobs = \$1,539,200). 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 captured reduced 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 \$4.61.

## *ABC Client Profiles*

**Jason Sylvain: Aboriginal Entrepreneur from Aroland First Nation.** NADF has worked with Jason over the past year and he was able to purchase equipment for his forestry contractor business. With 13 years of experience in welding and in heavy equipment operation, Jason was ready to be his own boss.



### *Supervision*

Effective January 1, 2012, the Senior Business Development Officer assumed supervision of the business support team and the Administrative Assistant (Timmins).

When circumstances allow, the loans department and business support team work together with the XDOs to collaborate on projects to facilitate improved client services. The open dialogue creates a synergy within the organization which ultimately results in more projects being approved for both loans and ABDP contributions.

Bob Dickson, CEO, Attawapiskat Resources Inc. (ARI) has successfully negotiated and arranged several business opportunities for ARI. NADF has worked with Mr. Dickson with financing of some of their endeavors.



### *Youth Entrepreneurship Program (YEP)*

NADF developed and delivered, "Rise To Your Potential", a 12 week business planning series, offered to urban Aboriginal youth (18-29 years of age) in Timmins. NADF partnered with ten (10) other organizations to deliver the program and access funds, including the Ministry of Economic Development and Trade (now Ministry of Economic Development and Innovation). Twenty-four (24) students registered for the 12-week workshop and fourteen (14) course completion certificates were issued. The program is designed to attract individuals who may not be able to attend daytime courses. The program is free to participants and provides access to mentors, child minding, travel per diems, and a weekly meal.

### *Trips/Travel*

During the year, all our staff visited several communities, including, Sandy Lake, Constance Lake, North Spirit, Muskrat Dam, Pikangikum, Mishkeegogamang, Sioux Lookout, Fort Albany, Attawapiskat, Taykwa Tagamow, Peawanuck, Moose Factory, Moosonee, and Mattagami.

In conclusion, we look forward to helping our clients realize their business start-ups and expansions over the coming year. We do make ourselves available for networking, workshops and video conferencing, as we promote our services.

*Kimberley Bird*  
*Senior Business Development Officer*



## Special Initiatives

NADF strongly believes that the key to sustainable Aboriginal economic development in northern Ontario lies within the resources that exist within the First Nation territories. Under the direction of the Special Initiatives Advisor, NADF has focused on enhancing the ability of First Nations to engage and meaningfully participate in resource development initiatives within their territories.

### *Independent Power Authorities (IPA)*

In February 2012 a meeting was held in Thunder Bay with all the IPAs represented by IPA managers and Chiefs. The representatives from the IPAs and the First Nations signed a Memorandum of Understanding that committed the parties to work together and agreed to a work plan going forward.

The highlights of the work plan are to standardize the financial operating procedures of the IPAs and to train staff to operate the newly installed Chart of Accounts and software in IPA operations. By installing a Chart of Accounts and new financial operating procedures this will give the IPAs a better opportunity to argue for government subsidies. NADF will play a vital role in facilitating change in the IPAs.

### *Mining Ready Summit*

On October 25, 2011 NADF hosted the 1st Annual Mining Ready Summit in Timmins, ON. The theme of the Summit was "Preparing Aboriginal communities for mining related business opportunities". The Summit was a sold out event with 150 delegates supported by major sponsors, such as, DeBeers Canada, Cliffs Natural Resources, Detour Gold, Alarie, Goldcorp, and Windigo Catering just to mention a

few. Planning is underway to host the 2nd Annual Mining Ready Summit in Thunder Bay, ON.

### *Strategic Mineral Exploration and Mining Training Course (SME MTC)*

NADF is pleased to have hosted the first Mineral Exploration and Mining Training course in Thunder Bay, ON from March 26-30, 2012. Instructors from industry, government and First Nation corporations delivered modules to fifteen (15) Aboriginal students from tribal councils, industry, First Nations, Metis and Friendship Centers. The course is geared to individuals whose primary role is to engage with mineral exploration and mining companies and is intended to increase their knowledge of the technical aspects of the mining cycle, the consultation issues, the agreements and the potential opportunities that stem from mining. Planning is underway to host the course again in March 2013 in Thunder Bay, ON.

### *Northwestern Ontario (NWO) Joint Task Force (JTF)*

During this reporting period several governance structures were developed as options for the Regional Economic Development Agency (REDA). The JTF is being asked to make a decision on a governance structure. All of the proposed options include Aboriginal representation from NAN, Treaty 3, Robinson Superior, and the Metis. NADF was asked to cast a vote along with the others in selecting the best governance option for the REDA.

In a letter NADF responded that it is not NADF's role to decide on NAN's involvement. It is NAN that must decide on its involvement. Presently, NAN has not decided officially what their position is on the

governance options. Consultations are expected to occur internally before a final decision is made.

#### *Support to First Nations in Mineral Exploration*

NADF was asked to assist Sandy Lake First Nation in their negotiations with Gold Eye Resources. NADF negotiated financial support from the company to cover legal fees and travel for NADF staff and community members. An exploration agreement was concluded between Sandy First Nation and Gold Eye Resources and is in the final stages of ratification.

Earlier in the year NADF was asked by Sandy Lake First Nation to be involved in the development of their mining protocol, at document that spells out the conditions on which mineral exploration can occur on their traditional lands. This work is still ongoing.

#### *Conferences*

Attended the AFN Energy and Mining conference in Niagara Falls, ON. Approximately 700 delegates and international speakers were in attendance.

#### *Marketing Activities*

Attended the Prospectors, Developers Association of Canada conference in Toronto, ON in March 2012. Approximately 200 people visited NADF's exhibit and excellent contacts were made. This was a great event to promote our 2nd Annual Mining Ready Summit. The conference was attended by approximately 25,000 people and 1,000 exhibitors.

*Brian Davey*

*Special Initiatives Advisor*



*Photo Credit: Doug Gibson*



# Finance and Human Resources

For the year ending March 31, 2012 NADF embarked on a fresh start for financial reporting. This was the first year subsequent to elimination of the consolidated deficit by a charge against contributed surplus. The deficit so eliminated was \$3,391,277. The deficit reported for the fiscal 2012 year, and so also the cumulative deficit now, is \$62,793. Although this speaks to NADF's ongoing challenges as a developmental lender, at less than 1% of total revenues it also highlights NADF's fiscally sound management as we move towards self-sustainability.

The global economy continues to play a significant role with respect to a dampening of investment income. NADF's reported Capital Gains and other Investment Income for its Loan Operations were \$194,000 for the current year, on long term investments in excess of \$4 million. Over the coming years as loans disbursements continue to increase we expect to draw down on these investments. However, NADF's loan portfolio in addition to its other investments are necessary to ensure an ongoing financial base for continued operations.

In addition to its loan operations NADF administers a number of programs and projects related to business and economic development. Additional programs administered through NADF are expected to complement loan operations and contribute towards the overall administrative costs of operating NADF. Our funding partners acknowledge NADF's experience and expertise as we work with them to explore emerging opportunities that will assist NADF in meeting the objectives for which NADF was incorporated:

to promote, encourage and assist business and

**Generally accepted accounting principles (GAAP)** encompass broad **principles** and conventions of general application as well as rules and procedures that determine **accepted accounting** practices at a particular time. (*CICA Handbook, 1100.02b*)

economic development for Aboriginal people.

NADF's core strength is a strong personnel base, which means that personnel expenses comprise a significant percentage of operating expenses. Fiscal 2012 marked the commencement of a process to formalize salary bands for all staff. Within the overall strategic goal of financial sustainability, NADF is committed to fair, equitable and transparent compensation policies, to attract and retain well qualified and motivated staff. NADF also continues to provide summer student employment opportunities, with the funding support of Indian and Northern Affairs Canada. For the current fiscal year we were also able to continue employment for our students on a part time basis throughout much of the remainder of the year. Student employment allows us to both tap into the energy and enthusiasm of our youth, and encourage them to explore their interest in business and entrepreneurship.

We continue to support professional development opportunities for our staff, and appreciate ongoing funding support from the National Aboriginal Capital Corporation Association. Training support was provided for a number of courses and workshops during the year, including training in teamwork, organizational skills, and leadership. NADF also continues to explore innovative ways to move forward as a sustainable organization. During

the fiscal year, and working with a consultant, we completed a business improvement plan. In this process we reviewed and prioritized opportunities for improving operational results. This included assessing the quality of opportunities identified and evaluating their potential to contribute to business improvement, within the overall framework of NADF's Vision and Mission. A 'Balanced Scorecard' approach was used to organize strategies on the basis of four perspectives: financial, customer, internal, and learning and growth. This process will continue as we move forward to implement the business improvement plan.

Clients' needs come first. NADF's financial and human resources exist to support Aboriginal entrepreneurship and economic development according to the needs of our clients. We listen to and value the people for whom we work, and we aim high in our pursuit of optimal results. We believe in being part of the process towards creating prosperity and wealth for the people and communities we serve. We recognize the uniqueness of our clients and the challenges and opportunities upon us: our client's interests and ambitions come first.

Each year NADF's financial statements are audited by an external public accounting firm. NADF is responsible for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. The integrity and the fairness of the consolidated financial statements is the responsibility of NADF's management. The auditor's responsibility is to express an opinion on the consolidated financial statements based on their audit. In the opinion of the auditors, MNP LLP, the consolidated financial statements for Nishnawbe

Aski Development Fund present fairly, in all material respects, the financial position of NADF as at March 31, 2012 and the result of its operations and cash flows 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, 2012 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.

*Mari Bishop, CA*  
*Finance Manager*





# Management's Responsibilities

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

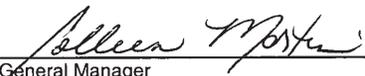
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting 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, an independent firm of Chartered Accountants, is appointed by the Directors 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.

*July 5, 2012*

  
General Manager

# 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, 2012 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 generally accepted accounting principles, 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, 2012 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

## *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.



Chartered Accountants

*Licensed Public Accountants*

*Thunder Bay, Ontario*

*July 5, 2012*

# Financial Statements

	General Fund	Sponsorship Fund
<b>ASSETS</b>		
<b>Current</b>		
Cash	219,479	-
Marketable securities (Note 3)	28,254	-
Accrued interest receivable (Note 4)	67,548	-
Accounts receivable (Note 5)	1,837,848	-
Due from other funds	23,522	26,588
Prepaid expenses	14,097	-
	<b>2,190,748</b>	<b>26,588</b>
Long-term investments (Note 6)	4,227,073	-
Loans receivable (Note 7)	2,820,999	-
Capital assets (Note 8)	43,741	-
	<b>9,282,561</b>	<b>26,588</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 9)	2,512,084	986
Deferred revenue (Note 10)	209,170	25,602
Current portion of notes payable (Note 11)	155,716	-
Due to other funds	-	-
	<b>2,876,970</b>	<b>26,588</b>
Deferred revenue (Note 10)	12,184	-
Notes payable (Note 11)	348,742	-
	<b>3,237,896</b>	<b>26,588</b>
<b>SURPLUS</b>		
Contributed surplus (Note 12)	6,276,585	-
Surplus (deficit)	(231,920)	-
	<b>6,044,665</b>	<b>-</b>
	<b>9,282,561</b>	<b>26,588</b>

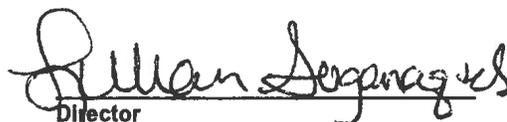
Approved on behalf of the Board

Director

## Nishnawbe Aski Development Fund Consolidated Statement of Financial Position

*As at March 31, 2012*

XDO Fund	Neegani Fund	CFDC Operating Fund	CFDC Investment Fund	2012	2011
-	729,747	-	1,070,077	2,019,303	2,384,046
-	-	-	-	28,254	28,057
-	-	-	6,526	74,074	53,016
85,871	-	14,063	900,000	2,837,782	961,082
-	6,683	12,271	1,637	70,701	182,285
-	6,120	-	-	20,217	32,552
85,871	742,550	26,334	1,978,240	5,050,331	3,641,038
-	557,424	-	-	4,784,497	4,751,253
-	-	-	532,856	3,353,855	1,986,070
7,320	424	15,981	-	67,466	81,132
93,191	1,300,398	42,315	2,511,096	13,256,149	10,459,493
15,103	2,845	30,232	2,716	2,563,966	531,886
1,803	55	3,567	670,471	910,668	78,559
-	-	-	-	155,716	170,692
70,701	-	-	-	70,701	182,285
87,607	2,900	33,799	673,187	3,701,051	963,422
5,584	221	9,694	-	27,683	37,866
-	-	-	-	348,742	546,972
93,191	3,121	43,493	673,187	4,077,476	1,548,260
-	1,303,552	-	1,661,329	9,241,466	8,911,233
-	(6,275)	(1,178)	176,580	(62,793)	-
-	1,297,277	(1,178)	1,837,909	9,178,673	8,911,233
93,191	1,300,398	42,315	2,511,096	13,256,149	10,459,493

  
 Director



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## Schedule

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### 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 Business Support Officer
  - 6 Special Initiatives Advisor
  - 7 Youth Entrepreneurship Program
  - 8 Other Projects
- 

### Sponsorship Fund

- 9 Sponsorship Fund

### XDO Fund

- 10 Aboriginal Business Canada Services (ABC)

### Neegani Fund

- 11 Neegani Investment Management Inc.

### Community Futures Development Corporation Operating Fund

- 12 Community Futures Development Corporation Operating Fund

### Community Futures Development Corporation Enhanced Operating Fund

- 13 Community Futures Development Corporation Enhanced 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, 2012*

Surplus (Deficit) Beginning of Year	Revenue for the Year	Expenditures for the Year	Surplus (Deficit) for the Year	Surplus (Deficit) End of Year
(123,811)	542,964	632,967	(90,003)	(213,814)
-	19,224	19,224	-	-
-	95,083	95,083	-	-
-	4,973,591	4,971,029	2,562	2,562
-	73,142	97,522	(24,380)	(24,380)
-	138,811	138,811	-	-
-	24,467	24,595	(128)	(128)
-	69,374	65,534	3,840	3,840
(123,811)	5,936,656	6,044,765	(108,109)	(231,920)
-	46,598	46,598	-	-
-	267,076	267,076	-	-
-	22,246	28,521	(6,275)	(6,275)
-	337,777	338,955	(1,178)	(1,178)
-	-	-	-	-
123,811	56,509	3,740	52,769	176,580
-	6,666,862	6,729,655	(62,793)	(62,793)



**NISHNAWBE ASKI**  
**DEVELOPMENT FUND**

**Thunder Bay**

200 Anemki Place  
Fort William First Nation, ON  
P7J 1L6

Tel: (807) 623-3941  
Fax: (807) 623-3746

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