



NISHNAWBE ASKI
DEVELOPMENT FUND



Annual Report
2008-2009



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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.

Supporting The Success of Aboriginal Business

Board of Directors

Madeline Commanda, Chair	Sandy Lake First Nation
Gabriel Echum, Vice-Chair	Ginoogaming First Nation
Arlene Meekis, Secretary/Treasurer	Deer Lake First Nation
Frank MacDiarmid	Thunder Bay, Ontario
Gary Beardy	Muskrat Dam First Nation
George Nothing	Kitchenuhmaykoosib Inninuwug
Lillian Suganaqueb	Webequie First Nation
Rosie Mosquito	Bearskin Lake First Nation
Shawn Batise	Matachewan First Nation

Ex-Officio

Les Louttit, Deputy Grand Chief	Nishnawbe Aski Nation
Chris Hamden, Manager NE Ontario Region	INAC-ABC

Members

James Mamakwa	Kingfisher Lake First Nation
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Message from the Chair

On behalf of the Board, I am pleased to present to you, the Nishnawbe Aski Development Fund Annual Report for the fiscal year ending March 31, 2009. Yet again, NADF has achieved remarkable success while making giant strides in our community, and the intent of this report is to highlight some of these successes.

Strengthening Partnerships

Our brilliant team of executives at NADF continues to play a fundamental role in nurturing viable partnerships with all levels of government and other national organizations. Members of our Board have solidified a number of partnership initiatives with organizations such as 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). Nurturing these partnerships in the years to come— with full support from the Board— is one of several mandates NADF's executives intend to deliver on.

25th Anniversary

This fall, NADF celebrates its 25th anniversary as an Aboriginal Capital Corporation. What began as an ideal in 1984 is closer than ever to a reality today and NADF's endurance through the years is a permanent reminder that self-sustenance, progress and economic development in the Aboriginal community are no longer 'unattainable goals'. Major thanks must go to the NAN Chiefs (including Wally McKay, the Late Dennis Cromarty, Bentley Cheechoo and Sol Atlookan) through whose unparalleled foresight in the area of business and economic development, NADF was established. Today, Aboriginal entrepreneurship and business success in Northern Ontario is at an all-time high and this is a testament to NADF's expanding presence in our vibrant business community. I remain confident in my belief that this is just a signal of more great things to come.

Working Together

With the full participation of our Board, management and staff, NADF remains more committed than ever to our vision of 'self-sustainability'.

The past year has seen NADF take many steps to achieve this vision. Operations across all departments have been streamlined to improve efficiencies, and policies have been enhanced along with procedures for the loans and business

support teams to improve their responsiveness to clients who require their services. Marketing and communications initiatives have been kicked into high-gear in a bid to bolster awareness of the organization and its services as a response to the increased demand for its services by members of our community.

Ensuring that our ambitious vision is achieved is no easy task, and for that, I would like to commend our management and staff for the passion, hard-work and creativity they have shown in helping NADF achieve its mission and vision.

18th Annual Business Awards

Our annual celebration of entrepreneurial spirit and success reached new highs in 2008 with our 18th Annual Business Awards. The awards continues our long-standing tradition of recognizing outstanding achievements made in business and economic development in the Aboriginal community while inspiring entrepreneurs of tomorrow. This year's event was successfully held in Timmins, ON with great feedback from the business community and general public.

We hope you enjoyed the event and we always look forward to the challenge of improving each year's event with your help of course. As you may know, our business awards doubles as a fundraiser with proceeds benefitting the 'Dennis Franklin Cromarty Memorial Fund' and NADF's '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.

To our dedicated Board, management and staff, please accept my personal and sincere thanks for all your hard work and support over the past year which has not gone unnoticed. Best wishes for a successful 2009/2010.

Meegwetch!

Madeline Commanda
Chair



**Madeline
Commanda**
Chair

Message from the President/CEO



Harvey Yesno
President/CEO

Supporting the Success of Aboriginal Business

In 2008/2009, NADF continued to play a fundamental role in supporting business development in northern Ontario, dispersing approximately \$1.7M in investments and contributions to assist existing businesses, business start-ups and acquisitions, and expansions. Since its inception in 1984, NADF has invested \$25M in northern Ontario, assisting more than 500 businesses and resulting in the creation of over 2,000 jobs. With the support from our complement of staff and government partners, NADF looks forward to continuing this trend in 2009/2010.

Celebrating 25 Years

On October 22, 1984, NADF was incorporated as an independent aboriginal-owned and operated institution to provide business and financial services to Aboriginal entrepreneurs in the Nishnawbe Aski Nation. Designated as an Aboriginal Capital Corporation (ACC) in 1987 and a Community Futures Development Corporation (CFDC) in 2002, NADF has made tremendous strides over its 25 years, most notably, the expansion of its service area to include the Métis and the membership of Treaty #3 and Robinson-Superior Treaty territories.

Giving Recognition Where It Is Due

Since 1993 I have had the pleasure of serving as NADF's President/CEO and over these 16 years both the organization and the region have experienced many challenges and triumphs. The potential for economic and resource development in northern Ontario is at an unprecedented high and Internet technology is contributing to a more informed and empowered population. Northern Ontario is on the precipice of a boom (opportunity is knocking folks) and NADF looks forward to the opportunity to participate in these developments.

NADF's longevity is due in large to the foresight of its founding Directors and the contributions of its Board of Directors, staff and partners (past and present) and I would like to take this opportunity to recognize some of these individuals:

Founding Directors	Arthur (Archie) Cheechoo, Bentley Cheechoo, William (Bill) Nothing
General Managers	Mike Belliveau
President/CEO	Bentley Cheechoo, Ruth Baxter (nee Corbett), Dennis Franklin Cromarty
Staff	Wally Bannon (1988 to present), Judy Morriseau (1989 to present), Shirley Paulmartin (1993 to present), Maxine Cayenne (1994 to 2009)

Government Partners

FedNor, Indian and Northern Affairs Canada, National Aboriginal Capital Corporation, Ontario Association of Community Futures Development Corporations

18th Annual Business Awards

The NADF Business Awards celebrated its 18th consecutive year on Wednesday, October 22, 2008 of celebrating the outstanding achievements of northern Ontario's growing Aboriginal business community. This year's event was another resounding success and, on behalf of the NADF Board, I extend our gratitude and a heartfelt thanks to our event sponsors, partners and guests, whose continued support is the key to our success. We certainly hope that you found the event both enjoyable and inspiring, and we look forward to welcoming you back next year. To date, the event has raised over \$250K for the Dennis Franklin Cromarty Memorial Fund, providing much needed financial assistance to Aboriginal students as they pursue their academic studies.

For the past 18 years, our Board and Staff have dedicated countless hours to organizing the gala event and each year has proven to be better than the previous. An event of this size and stature requires much planning and organizing and it would be inexcusable of me not to acknowledge their time and effort...congratulations on a job well done!

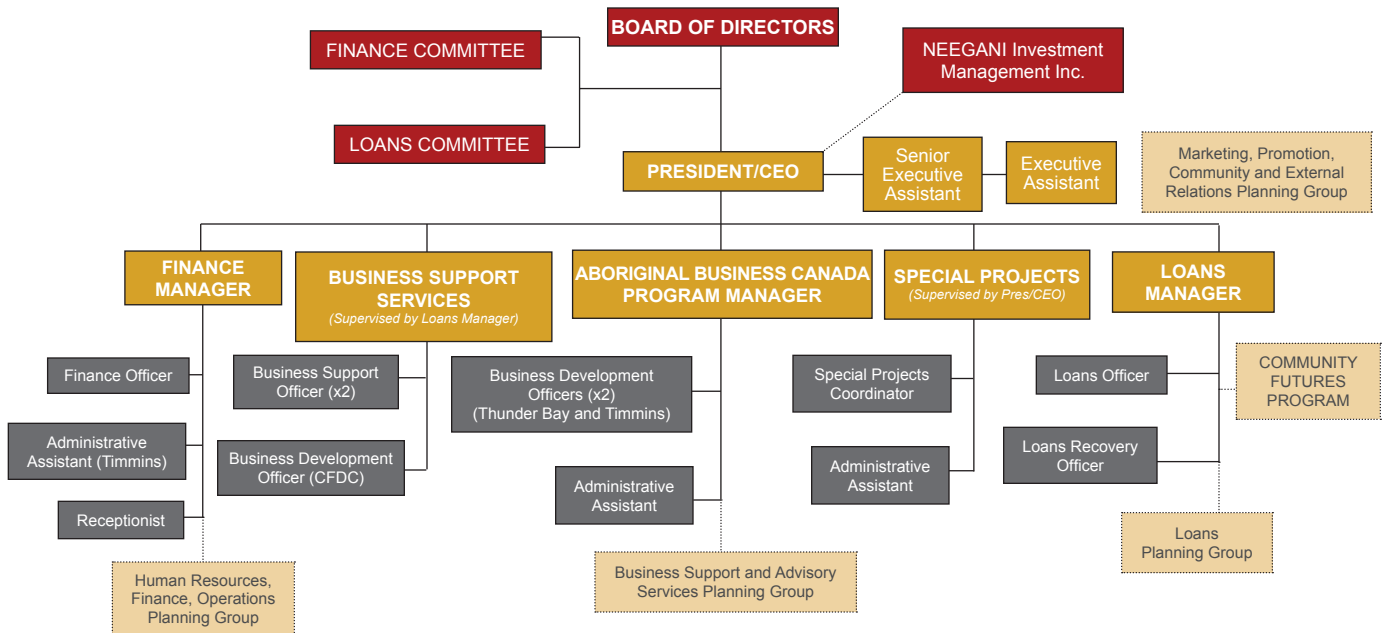
The Future Looks Bright

This past year northern Ontario has endured many hardships; the global financial crisis, the fuel crisis, collapse of the forest industry and the strengthening Canadian dollar have all contributed to a slowdown in the economy. Over the past few months consumers and industry alike are slowly regaining confidence in the economy and are loosening their purse strings, albeit hesitantly. Economic conditions are on the upswing and, with the buzz that can be heard in the northern Ontario mining sector, there is a sliver of light to be seen on the horizon and many of our First Nations are in the midst of the hive. These projects represent golden opportunities for our First Nation entrepreneurs and enterprises in terms of business start-ups, acquisitions, and expansions of existing businesses to provide the services necessary to undertake projects of this nature....and NADF is looking forward to growing your business with you in 2009/2010.

Best Wishes for a successful year!

Harvey Yesno
President/CEO

Nishnawbe Aski Development Fund: Organizational Chart



Our Staff

Executive

Harvey Yesno, President/CEO

Giuseppe Buoncore, Senior Executive Assistant

Dawn Willoughby, Executive Assistant

Finance and Administration

Mari Bishop, CA, Finance Manager

Liesa Wynn, Finance Officer

Marcia Chapman, Assistant Finance Officer

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

Robin Ranger, Regional Planner

Maxine Cayenne, Account Manager

Charlton Thompson, Loans Recovery Officer

Special Projects

Monica Anthony, P. Eng., Special Projects
Coordinator

Business Support Services

Marlon Gasparotto, Business Support Officer

Wendy McKay, Business Development Officer (CFDC)

Aboriginal Business Canada

Wally Bannon, Senior Business Development
Officer

Anna Deminski, Business Development Officer

Kim Bird, Business Development Officer (Timmins, ON)

Dawn Willoughby, Administrative Assistant

Commercial Loans and Leasing



Colleen Martin
Loans Manager

On the eve of Nishnawbe Aski Development Fund's 25th anniversary on October 22, 2009, total investments have topped the \$25 million dollar mark with over \$1 million disbursed in F2009. The corporation has financially assisted more than 500 businesses with start-up, expansion and maintenance thus supporting more than 2,000 jobs, since its incorporation in 1984.

Program funding from Aboriginal Business Canada (ABC) and FedNor's Community Futures program continues to support two staff positions focusing on business support. Clients contacting the office for assistance were, in most cases, referred to a Business Support Officer allowing loans staff to focus on investment applications and monitoring of existing loans.

The bankruptcy of the Northern Ontario Native Tourism Association (NONTA) resulted in yet another decline in tourism revenues in the region. NONTA had maintained control over client lists which left many tourism operators in the remote north with no clients. The result of this year's additional challenge was another significant investment default in the tourism sector. Finding solutions to marketing the tourism properties will remain a priority moving forward.

Although total write-offs since inception are 9% of total principal invested, the percentage is not unusual compared to the experiences of other developmental lenders. NADF has been a pioneer in investment within the Nishnawbe Aski Nation territory. Some losses during the early years, when master agreements with major banks were imposed by the government, resulted from bank demands for payment under NADF loan guarantees. In some instances, there should have been insurance in

place, or the due diligence undertaken by the bank was limited by their reliance on NADF's guarantee. It soon became apparent that NADF could do as well, if not better, than the banks at analyzing potential investments and monitoring those approved. Loan guarantees are no longer utilized due to these earlier experiences. If the investment is strong enough for a loan guarantee, it is strong enough for NADF to make the investment itself.

To offset losses related to access to collateral, a decision by the Board of Directors in 2001 expanded the limited client basis and service area by adding the words "and those living in close proximity". NADF had the ability, under enhanced access, to finance loans for Treaty #3 and Robinson-Superior/Treaty 1850 Status Indians and First Nation owned businesses. This new wording opened lending to Aboriginal people from other treaty areas living in communities neighbouring on the Nishnawbe Aski Nation territory and the average annual loss since that time has been 2.16%. The initial service area remains a priority; the Board's intent is to create a more balanced portfolio, with reduced losses, to protect the capital base for future generations.

The need for support from First Nation communities to access collateral on reserve and within traditional territories to recover investment remains an issue, particularly for remote tourism operations. It is important to remember that loans not repaid jeopardize the availability of capital for business projects of future generations of Aboriginal entrepreneurs. At the same time, on-going review of lending and business support practices continues to allow for the identification of different strategies or processes to limit additional losses.

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 first 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.

Between business support and investment, 19 businesses received support, creating or maintaining 40 jobs. The dollar value of investment of nearly \$510,000 (part of overall NADF investment) was nearly double the previous fiscal year's investment. A full time staff was employed for the 2008/2009 fiscal year to assist communities involved in community strategic planning. Unable to identify adequate funding, NADF was not able to renew

the position for the 2009/2010 fiscal year but hopes to use other strategies or methods to continue to promote and support these activities.

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, only 14 were approved for a total contribution of \$74,481. A variety of projects were undertaken including development of economic development corporations, community strategic planning, feasibility studies, trappers' training, festivals, marketing for mining partnerships, land use planning, establishment of community internet access and youth career development opportunities. 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.



Aboriginal Business Canada Program (ABC)



Wally Bannon
Aboriginal Business
Canada Program

Since 1991, NADF has worked in partnership with Aboriginal Business Canada (ABC) to provide financial support to the Aboriginal business community in Northern Ontario. The ABC program, now under the new Aboriginal Economic Program for Indian and Northern Affairs Canada, provides a range of services and support and works with clients and numerous partners to promote the growth of a strong Aboriginal business sector.

NADF is pleased to report over the past year our ABC team has supported Aboriginal businesses with financial assistance totaling over \$563,872 to 25 Aboriginal businesses. Over the coming year, our goal is to support 35 Aboriginal businesses and projects with over \$1.5 million in financial assistance.

In May 2008, the ABC program switched its main focus to General Business, which refers to any commercial activity that demonstrates viability and a need for a contribution from ABC. All other criteria remain unchanged.

Under this new structure, the following activities may be eligible for support:

- business planning
- capital costs
- business acquisitions

- marketing initiatives
- new product and process development
- operating costs
- financial services and business support

These new changes are also reflected in the contribution levels that may be available to eligible ABC clients:

- Individual applicants may be eligible for up to 60% of the eligible capital costs, to a maximum of \$100,000; and
- Communities are eligible for up to 60% of eligible capital costs up, to a maximum of \$1,000,000

A balanced financial package, involving debt financing from other sources, as well as a minimum level of client equity is required. For youth (18-35 years), the minimum cash equity is 10% of eligible project costs; for all other applicants the minimum cash equity requirement is 15% of eligible project costs.



**Indian and Northern
Affairs Canada**
**Affaires indiennes
et du Nord Canada**

Special Projects

Remote Strategic Initiatives

Independent Power Authorities (IPAs)

For the fiscal year 2008/2009, Nishnawbe Aski Development Fund (NADF) continued to work in collaboration with Indian and Northern Affairs Canada (INAC) and First Nation Independent Power Authority's (IPAs) to identify short and long term solutions for issues impacting the IPAs. Although identifying solutions to short-term issues (i.e. fuel supply and storage capacity) has been the immediate priority, a strategy to address longer term issues (i.e. alternatives to diesel power, business planning, and growth and expansion issues) is also developing from this process.

A pilot study was contracted to Hydro One Remote Communities Inc. (HORCI) and AON Reed Stenhouse to conduct plant and risk assessments of four (4) IPA-served First Nations. These assessments were completed in February 2008. Following the

completion of the pilot study, the remaining IPA-served First Nations underwent the same process, resulting in baseline evaluations of tank farms, diesel generating stations (DGS), and distribution systems for all IPA-served First Nations.

In April 2009, the results were presented to the IPA Chiefs, along with a DRAFT Agency Framework Report, in which business models were identified for the proposed First Nations IPA Agency. Options for a Financial Management System were also presented and recommended for immediate implementation. Procurement of a business plan will proceed upon selection of a business model by the IPA Chiefs.

Possibly, the most exciting outcome of this fiscal year is an agreement between the IPA Chiefs that a Memorandum of Understanding (MOU) be prepared to formalize their intentions of working together to develop an Independent First Nations Energy Agency/Utility.



Monica Anthony
Projects Coordinator

The funds for strategic initiatives arose from a Flexible Transfer Payment (FTP) funding. Under the terms of FTP funding, any surpluses may be retained by NADF. Through approval of the executed workplan, INAC has agreed with the deliverables having been met. However, estimated costs from contracted service providers were less than projected leaving a \$100,000 surplus. Utilization of this surplus for continued service delivery or as administrative recoveries is undetermined at the time of this writing. A decision is expected to be provided to finance before finalizing year-end financial statements.

The Special Project Coordinator is retained on a contract basis, with the latest due to expire April 30, 2009. Through a joint NADF/NAN proposal, negotiations are underway with INAC to secure additional personnel funding to continue facilitation of the Working Groups agenda(s).

Winter Roads Technical Working Group

At the request of INAC, strategic initiatives related to the Winter Roads Working Groups were scaled back to allow for the reallocation of funds to provide IPA-served First Nations with relief during the fuel crisis in the autumn of 2008.

In March 2009, Resolution 09/36 was passed at the NAN Winter Chief's Assembly mandating NADF to continue working on the Winter Roads initiative. Also, in March 2009, a meeting with INAC and MNDM concluded with an agreement to reconstitute the three committees established in April 2008. These committees are to prepare reports on a Construction Standards Manual, Training, and Adequate Funding for building and maintaining winter roads and to proceed with the recommendations provided in the Northern Ontario Winter Roads Transportation Authority's report. This work will be presented at a "Remote Northern Transportation" Forum to be held in October 2009. A new committee will be created to organize a Remote Northern Transportation Forum to the above noted items. NADF will also present the concept of establishing a Chiefs Steering Committee (CSC) to oversee the activities of two working groups: the Technical Working Group (TWG) and the Governance Working Group (GWG). A revised workplan will be submitted to INAC to access funding for staffing and working group activities. MNDM will be approached for additional funding.

Subsidies

Winter Road Subsidies

On February 2, 2009 INAC transferred to NADF funds in the amount of \$3,874,000 for the "Winter Roads Construction and Maintenance" and 75% of these subsidies were disbursed at February 5, 2009. Disbursement of the remaining 25% was held back pending receipt by NADF of the recipient First Nation's Draft Final Report or Final Report submitted to MNDM. With the exception of 4 communities, all holdbacks have been released. Disbursement of these funds follows the formula and processes of the Ministry of Northern Development and Mines (MNDM).

At the end of March 2009 INAC released an additional \$538,025 for immediate disbursement to identified communities. These funds were fully disbursed prior to March 31, 2009.

Independent Power Authority Diesel Subsidy

Administered by NADF, INAC provided a one-time diesel fuel subsidy of approximately \$4.3M to the IPAs. Subsidy amounts were based on each IPAs 2007/08 financial statements and provided additional financial resources to assist with fuel purchase for the 2008/2009 fiscal year.

In response to the fuel crisis, INAC provided the IPAs with an additional subsidy of \$523,157 to cover shortfalls identified on the IPA financial statements. This was a discrete subsidy based on the IPAs 2007/08 financial statements and related deficits.

In an unprecedented move by INAC, an additional \$10M was transferred to NADF and, as per INAC's distribution list, these funds were immediately disbursed to the IPAs. These funds were originally slated for the 2009/10 fuel purchases and INAC has stated that additional funds are not to be expected for 2009/10. As a condition of accepting these funds, the IPAs were to expend these monies prior to March 31, 2009.

Additionally, approximately \$1.9M was reallocated from funds for the FTP surplus from F08 and from Strategic Initiatives.

Finance and Human Resources

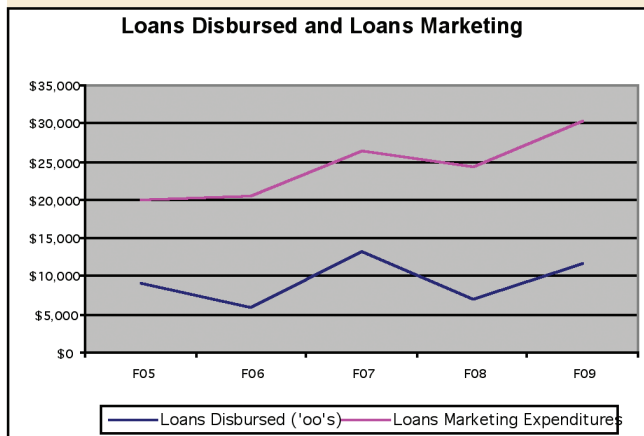


Mari Bishop, CA
Finance Manager

The global market downturn had a significant impact on NADF's financial position for the fiscal year ending March 31, 2009. Overall revenues increased to \$24 million, due largely to flow through funding for Independent Power Authority diesel subsidies (\$17M) and winter roads operating and maintenance advances (\$4.4M). However, ancillary investment income included combined realized and unrealized capital losses of \$381,878 for NADF's loan operations, contributing to an overall consolidated deficit for the year of \$519,003. NADF's cumulative deficit at March 31, 2009 increased to close to \$3.7M with these capital losses.

It is important to note that without appropriate investment policies and procedures in place, and effective Board oversight, fiscal 2009 operating results could have been much worse. The fair market value of NADF's investment portfolio decreased 9.5% for the year, which compares quite favorably to capital losses reported elsewhere. As of the end of October, 2009, the capital losses reported to March 31, 2009 have been 85% recovered. Although we cannot predict the extent of gains or losses to be recognized in future years, we are optimistic that conservative policies implemented and maintained will continue to offer some protection from continued volatility in the global markets.

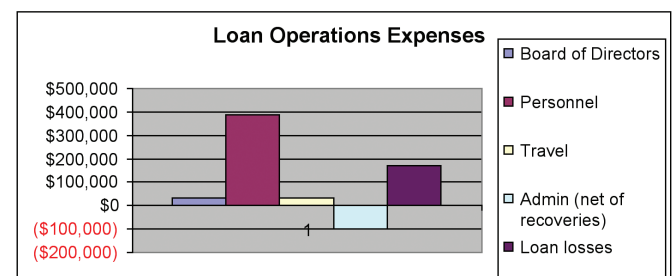
Loans disbursed during the year were at average levels, supporting reports that small businesses continue to grow during times of economic downturn. Loan interest is also at levels comparable to preceding years. Marketing expenditures in the Loans Department increased for the year, highlighting our increasing focus on effective and efficient use of marketing budgets to attract clients. Staff travel shows a similar trend. Where appropriate funded budgets are accessed to effectively leverage these budgets.



The core strength of NADF's loan operations continues to be a strong personnel base. Personnel expenses therefore comprise a significant percentage of operating expenses. NADF also supports providing learning opportunities to students,

generally creating one or two summer student employment opportunities in our Loans and Finance departments, and often supports additional student placements during the year. We encourage our students to pursue their academic and career dreams. Some of these youth will develop the business and financial skills learned at NADF and go on to successfully operate their own businesses, contributing to NADF's ongoing success.

Loan losses also continue to be incurred, as expected given NADF's developmental lending framework. However, repayment of loans is essential to ensure a strong capital base to continue our work into the future.



In addition to its loan operations NADF administers a number of programs and projects related to business and economic development. With cumulative loan losses, and especially with investment losses during the 2009 fiscal year, it has become increasingly important to ensure that these programs contribute towards the overall administrative costs of operating NADF. The intent is that additional programs administered through NADF will be complementary, and will contribute towards moving NADF towards self sufficiency.

NADF's financial statements have been audited each year since inception, and a 'clean' audit opinion has been received each year. This provides confirmation by the external auditors that NADF's financial statements each year present fairly, in all material respects, the financial position of Nishnawbe Aski Development Fund as at each year end, 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. In addition to the financial statement audit, various funders require additional special audit reports to confirm compliance with the terms and conditions of funding agreements. The following excerpts from the consolidated financial statements for the fiscal year ending March 31, 2009 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.

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, 2009 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, 2009 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

June 1, 2009

Fitzpatrick & Partners LLP

Chartered Accountants
Licensed Public Accountants

NISHNAWBE ASKI DEVELOPMENT FUND

CONSOLIDATED BALANCE SHEET

As at March 31	General Fund	Sponsorship Fund	XDO Fund	Neegani Fund	CFDC Operating Fund	CFDC Investment Fund	2009	2008
ASSETS								
Current								
Cash	\$ 3,499,712	\$ -	\$ -	\$ 631,108	\$ -	\$ 143,575	\$ 4,274,395	\$ 6,146,675
Marketable securities	27,706	-	-	-	-	-	27,706	26,974
Accrued interest receivable	41,653	-	-	1,458	-	16,668	59,779	79,108
Accounts receivable	870,046	-	155,778	-	17,939	-	1,043,763	519,236
Due from other funds	582,139	5,260	-	-	817	296	588,512	781,338
Prepaid expenses	17,363	-	-	7,109	-	-	24,472	11,937
Current portion of long-term investments	-	-	-	60,000	-	-	60,000	50,812
	5,038,619	5,260	155,778	699,675	18,756	160,539	6,078,627	7,616,080
Long-term investments	2,849,682	-	-	918,329	-	-	3,768,011	4,304,465
Loans receivable	1,450,237	-	-	-	-	736,627	2,186,864	1,767,474
Capital assets	66,143	-	11,576	828	16,510	-	95,057	120,856
	\$ 9,404,681	\$ 5,260	\$ 167,354	\$ 1,618,832	\$ 35,266	\$ 897,166	\$ 12,128,559	\$ 13,808,875
LIABILITIES								
Current								
Accounts payable and accrued liabilities	\$ 2,699,290	\$ -	\$ 15,832	\$ 4,306	\$ 18,753	\$ 601	\$ 2,738,782	\$ 935,113
Deferred revenue	446,028	5,260	2,677	108	4,151	-	458,224	3,124,854
Current portion of notes payable	61,684	-	-	-	-	-	61,684	420,093
Due to other funds	-	-	151,637	436,875	-	-	588,512	781,338
	3,207,002	5,260	170,146	441,289	22,904	601	3,847,202	5,261,398
Deferred revenue	21,179	-	8,935	430	12,362	-	42,906	53,236
Notes payable	205,555	-	-	-	-	-	205,555	247,804
	3,433,736	5,260	179,081	441,719	35,266	601	4,095,663	5,562,438
SURPLUS								
Contributed surplus	8,632,411	-	-	2,339,000	-	756,600	11,728,011	11,422,549
Surplus (deficit)	(2,661,466)	-	(11,727)	(1,161,887)	-	139,965	(3,695,115)	(3,176,112)
	5,970,945	-	(11,727)	1,177,113	-	896,565	8,032,896	8,246,437
	\$ 9,404,681	\$ 5,260	\$ 167,354	\$ 1,618,832	\$ 35,266	\$ 897,166	\$ 12,128,559	\$ 13,808,875

Approved on behalf of the Board

Director

Director

NISHNAWBE ASKI DEVELOPMENT FUND

CONSOLIDATED STATEMENT OF DEFICIT

Year ended March 31	2009	2008
Revenue	\$ 24,092,153	\$ 7,585,737
Expenses	24,611,156	7,541,939
Excess (shortfall) of revenue over expenses for the year	(519,003)	43,798
Deficit, beginning of year	(3,176,112)	(3,487,065)
Change in accounting policy	-	267,155
Deficit, end of year	\$ (3,695,115)	\$ (3,176,112)

NISHNAWBE ASKI DEVELOPMENT FUND

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES

Year ended March 31, 2009

Schedule	Surplus (Deficit) Beginning of Year	Revenue for the Year	Expenditures for the Year	Surplus (Deficit) for the Year	Inter-fund Transfers	Surplus (Deficit) End of Year
General Fund						
1 Loan operations	\$ (1,734,537)	\$ 85,562	\$ 496,504	\$ (410,942)	\$ (5,942)	\$ (2,151,421)
2 Nishnawbe Aski Business Advisory and Support Services	(422,149)	-	(2,100)	2,100	-	(420,049)
3 National Aboriginal Capital Corporation Association Services	(5,993)	30,566	30,566	-	-	(5,993)
4 Nishnawbe Aski Development Fund Business Awards	-	111,766	111,766	-	-	-
5 Indian and Northern Affairs Canada Programs	-	22,511,023	22,511,023	-	-	-
6 Business Support Officer	(73,315)	89,518	120,043	(30,525)	-	(103,840)
7 Albany River Working Group	-	111,462	111,462	-	-	-
8 Other Projects	19,837	333,394	333,394	-	-	19,837
	(2,216,157)	23,273,291	23,712,658	(439,367)	(5,942)	(2,661,466)
Sponsorship Fund						
9 Sponsorship Fund	-	27,450	27,450	-	-	-
XDO Fund						
10 Aboriginal Business Canada Services	(11,727)	406,736	406,736	-	-	(11,727)
Youth Loans Funds						
11 Youth Loans Operating Fund	-	-	-	-	-	-
12 Youth Loans Capital Fund	-	-	-	-	-	-
Neegani Fund						
13 Neegani Investment Management Inc.	(1,061,547)	(5,960)	94,380	(100,340)	-	(1,161,887)
CFDC Funds						
14 Community Futures Development Corporation Operating Fund	-	332,093	338,035	(5,942)	5,942	-
15 Community Futures Development Corporation Investment Fund	113,319	58,543	31,897	26,646	-	139,965
	\$ (3,176,112)	\$ 24,092,153	\$ 24,611,156	\$ (519,003)	\$ -	\$ (3,695,115)

NISHNAWBE ASKI DEVELOPMENT FUND

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended March 31	General Fund	Sponsorship Fund	XDO Fund	Neegani Fund	CFDC Operating Fund	CFDC Investment Fund	2009	2008
Cash flows from operating activities								
Surplus (deficit) for the year	\$ (439,367)	\$ -	\$ -	\$ (100,340)	\$ (5,942)	\$ 26,646	\$ (519,003)	\$ 43,798
Amortization	32,812	-	3,522	207	5,643	-	42,184	56,756
Gain (loss) on disposal of capital assets	(1,779)	-	-	-	-	-	(1,779)	1,643
Loans written-off	244,941	-	-	-	-	-	244,941	303,198
Change in non-cash working capital balances	(1,455,330)	-	(1,908)	(44,124)	3,108	24,718	(1,473,536)	3,747,519
	(1,618,723)	-	1,614	(144,257)	2,809	51,364	(1,707,193)	4,152,914
Cash flows from financing activities								
Decrease in notes payable	(400,658)	-	-	-	-	-	(400,658)	(248,580)
Change in contributed surplus	3,862	-	-	-	-	301,600	305,462	(86,875)
	(396,796)	-	-	-	-	301,600	(95,196)	(335,455)
Cash flows from investing activities								
Purchase of capital assets	(24,292)	-	(1,614)	-	(2,809)	-	(28,715)	(27,047)
Proceeds on disposal of capital assets	14,112	-	-	-	-	-	14,112	7,568
Net change in investments	290,882	-	-	235,652	-	-	526,534	(252,237)
Held for trading opening balance adjustment	-	-	-	-	-	-	-	267,155
Loan disbursements	(644,182)	-	-	-	-	(509,531)	(1,153,713)	(693,443)
Loan repayments	426,127	-	-	-	-	145,764	571,891	573,127
	62,647	-	(1,614)	235,652	(2,809)	(363,767)	(69,891)	(124,877)
Increase (decrease) in cash	(1,952,872)	-	-	91,395	-	(10,803)	(1,872,280)	3,692,582
Cash position, beginning of year	5,452,584	-	-	539,713	-	154,378	6,146,675	2,454,093
Cash position, end of year	\$ 3,499,712	\$ -	\$ -	\$ 631,108	\$ -	\$ 143,575	\$ 4,274,395	\$ 6,146,675



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DEVELOPMENT FUND

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