

Building Vibrant Local Economies

NACCA Annual Report 2022-23

National Aboriginal Capital Corporations Association

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Message from the Chair

Jean Vincent, NACCA Board Chair

I am pleased to present the annual report for the National Aboriginal Capital Corporations Association (NACCA) for 2022/23. It was an exceptional year, filled with both wins and losses.

To our surprise, our network did not achieve its highest priority this past year: a long-term funding agreement with Indigenous Services Canada to replace our current agreement for the Aboriginal Entrepreneurship Program. Our proposal was well-researched, accompanied by a strong business case establishing the value of our network's vital programming. Our board and senior executives undertook extensive government relations. We had positive signals from both Indigenous Services Canada and the Department of Finance. For reasons not entirely clear to us, Budget 2023 did not reflect our proposal. And so, we continue to press for a long-term agreement based on the principles of sufficiency and predictability. Achieving it this year will be imperative.

On the win side, our network is stronger and more effective than ever. Take-up of the Indigenous Growth Fund has been exceptional, and participating members are now issuing loans to Indigenous businesses. Our Indigenous Women's Entrepreneurship Program received an enthusiastic reception where the 32 participating Indigenous Financial Institutions (IFIs) launched it. Our Indigenous market housing initiative, co-led by the Aboriginal Savings Corporation of Canada, met with great

interest. And NACCA is now poised to lead in developing a First Nations Procurement Institute, with support from a July 2023 resolution of the Assembly of First Nations. We are also keeping a close eye on discussions about an Indigenous Development Bank and its potential impacts on our members and clients.

All this is as it should be. Indigenous business is now growing at a rate five times that of non-Indigenous business. The potential opportunity for our people is tremendous, to the tune of an Indigenous economy worth \$100 billion by 2025. And yet Indigenous entrepreneurs still face the same familiar barriers that our network was founded to help overcome.

Twenty-five years ago, it was my honour to meet with a small group of embattled – yet determined – Aboriginal Capital Corporations that initiated the founding of NACCA. Looking back at the 58-member business development powerhouse that our network has become, I can attest firsthand to how much we have achieved. We have struggles ahead, for certain. But adversity has always made our network stronger. We have always fought the good fight and prevailed. May we do it again this coming year.

Jean Vincent,
NACCA Board Chair



Message from the CEO

Shannin Metatawabin, Chief Executive Officer

Last year, in 2022, the National Aboriginal Capital Corporations Association celebrated its 25th anniversary. For a full generation, NACCA has been honoured to represent the network of Indigenous Financial Institutions (IFIs). Founded in the 1980s and 90s to address a pressing need for capital among aspiring Indigenous entrepreneurs, our members have worked on the front lines, building local First Nation, Métis, and Inuit economies for almost four decades.

Today, our strong member-based network has transformed an initial federal investment of \$240 million into over 50,000 loans worth \$3.2 billion. For good reason, the Organisation for Economic Co-operation and Development has recognized our grassroots Indigenous lending network as a model and best practice across the world.

And our resolve has only grown this year. Together with 32 IFIs across the country, we rolled out our popular Indigenous Women Entrepreneurship Program. We undertook research asking how to support a new generation of youth Indigenous entrepreneurs. We brought forward major new initiatives in Indigenous market housing finance and procurement – initiatives that, once realized, will be game changers for our communities. We diversified our capital sources and optimized our network's efficiency, implementing recommendations from recent program and governance reviews. In June 2022, NACCA gained ISO certification.

Our momentum is building, yet our work is far from done. Indigenous entrepreneurs still face many barriers to prosperity. As builders of local economies, IFIs are poised to continue affecting wellbeing in our communities. Our members are committed to continue offering the time, care, and services that are proven to help Indigenous business clients succeed. The demand for their tailored programming has only increased.

Now more than ever, our network requires operational and program funding to continue building Indigenous prosperity. The \$30 million base Aboriginal Entrepreneurship Program budget that Canada transferred to NACCA when it devolved the program does not meet the growing needs of Indigenous entrepreneurs in Canada.

As we enter the next generation of promoting Indigenous business success, NACCA calls on the Government of Canada to accept our proposal for sufficient, sustainable, and flexible funding restored to historic levels. Our approach is proven; our cause is just. Our rights – protected by the Canadian Constitution and the United Nations Declaration on the Rights of Indigenous Peoples – require no less.

Shannin Metatawabin,
Chief Executive Officer

Lending with Impact



IFIs help Indigenous communities, families, and individuals find their own unique forms of entrepreneurship to realize visions of better futures that often combine economic and social imperatives."

Conference Board of Canada, "The Economic and Social Impacts of Indigenous Financial Institutions" (2023).

If I can further help youth and be that person that changes someone's life, then I think that I have succeeded."

Elijah Mack, owner, Kekukli Cafés in Merritt and Kamloops, BC.



Top: Lins Oilfield Services, Onion Lake, Saskatchewan. *Photo courtesy of Saskatchewan Indigenous Enterprise Foundation Inc.*

Bottom: Destinee Peter, Tangles Hair and Beauty, Regina, Saskatchewan. *Photo courtesy of Saskatchewan Indigenous Enterprise Foundation Inc.*



Aside from the gains they create in business growth and employment, IFIs continue to break social barriers and social stereotypes that impede Indigenous entrepreneurship."

Conference Board of Canada, "The Economic and Social Impacts of Indigenous Financial Institutions" (2023).



The effectiveness of NACCA and the IFI network clearly stems from how well these financial institutions know their clients, and thus, can more accurately assess the lending risks."

Lawrence L. Schembri, "The Next Generation: Innovating to Improve Indigenous Access to Finance in Canada," Fraser Institute (2023).

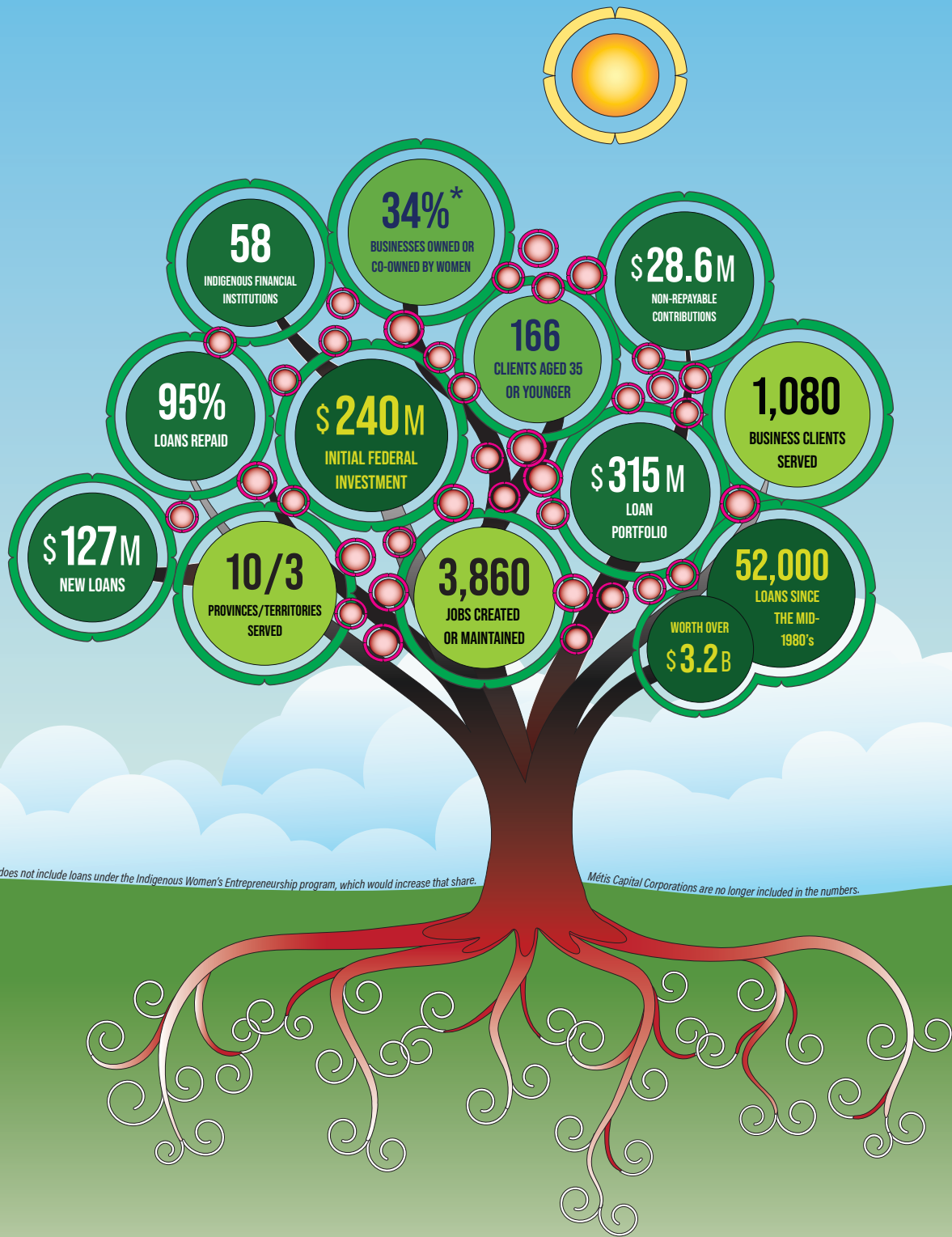


Top: Jake Sinclair, Sinc Holdings Inc, Regina, Saskatchewan. Photo courtesy of the Saskatchewan Indigenous Enterprise Foundation Inc.

Middle: Nation Creations, Agassiz, British Columbia. Photo courtesy of the Seabird Island Band.

Bottom: Tununiq Sauniq Co-operative Limited, Pond Inlet, Nunavut. Photo courtesy of Tununiq Sauniq Co-operative Limited.

Network by the Numbers



**This figure does not include loans under the Indigenous Women's Entrepreneurship program, which would increase that share.*

Métis Capital Corporations are no longer included in the numbers.

Impacts of our Lending: The Multiplier Effect

Last year, the network lent a total of \$127 million. That amounts to: \$127 million in labour income, 6,412 FTE jobs (direct and indirect), and over \$463 million in total GDP. The same multiplier yielded improved social well-being factors – in areas including food security, health and mental health, and housing.

A Grassroots Network & International Best Practice

Who We Are

What Are Indigenous Financial Institutions?

Indigenous Financial Institutions (IFIs) are autonomous, Indigenous-controlled, community-based lenders that offer business financing to First Nations, Métis, and Inuit entrepreneurs. Located across Canada, IFIs are unique for their grassroots connections to the communities they serve.

Many Indigenous entrepreneurs are still perceived as high-risk borrowers and face difficulty obtaining loans from conventional lenders. In the mid-1980s, Indigenous leaders and the Government of Canada began to create IFIs to finance Indigenous small-business development. Since then, a network of 58 IFIs has issued over 50,000 loans totaling \$3.2 billion.

IFIs remain crucial to addressing the unmet capital needs of First Nations, Métis, and Inuit business owners. Beyond capital, they offer clients supports to help them succeed – including non-repayable contributions, financial and management consulting, and business start-up/aftercare services.

In a [2020 study](#), the Organisation for Economic Co-operation and Development profiled the IFI network as an international best practice in Indigenous economic development.

Professional, non-partisan, rooted in communities: the IFI network has worked tirelessly to realize Indigenous economic rights through business development for almost forty years.

How Does NACCA Support the Network?

NACCA is the national association that represents 58 member IFIs across Canada. Founded by 22 IFIs in 1997, NACCA advocates on behalf of its members under the guidance of its Indigenous board and senior staff. The vast, diverse network that NACCA represents believes that IFIs are stronger when they speak together with a proud voice.



Besides providing practical support for business and economic development, this network of organizations generates a range of positive outcomes related to advocacy, sharing knowledge, and generating economies of scale."

OECD, "Linking Indigenous Communities with Regional Development in Canada" (2020).

NACCA'S VISION

Supporting a thriving, sustainable network of Indigenous Financial Institutions that are recognized leaders in Indigenous business development from coast to coast to coast.

NACCA'S MISSION

To serve as the voice of Indigenous Financial Institutions and as a national advocate for Indigenous business development.

NACCA'S VALUES

NACCA's values reflect our association's Indigenous character – as well as our commitment to the hard work and professionalism that the financing sector demands.

B

Balance of our advocacy and program delivery roles.

R

Respect for our diversity and distinct Indigenous cultures.

A

Awareness of the rights, aspirations, and needs of Indigenous people.

I

Integrity in our relationships.

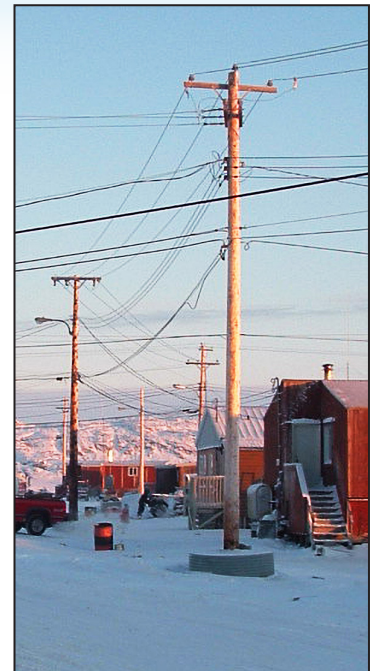
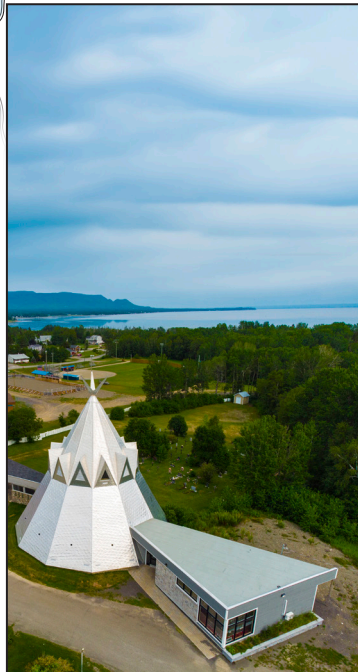
D

Diligence in our work.

S

Sharing of our knowledge within and beyond the network.

From Coast to Coast to Coast



Left: Atli Chip Limited Partnership, Beaver Cove, British Columbia. *Photo courtesy of the 'Namgis First Nation.*

Centre-Left: Kateri Tekakwitha Church, Gesgapegiag, Quebec. *Photo courtesy of the Mi'gmaq of Gesgapegiag.*

Centre-Right: Lins Oilfield Services, Onion Lake, Saskatchewan. *Photo courtesy of the Saskatchewan Indigenous Enterprise Foundation Inc.*

Right: Kugaaruk, Nunavut. *Photo courtesy of Koomiut Co-operative Association Limited.*

Our Programs

Over time, NACCA's role has expanded beyond advocacy to offer capacity development, capital, and program funding. The **Aboriginal Entrepreneurship Program** is managed by NACCA and delivered by IFIs. With a budget of \$30 million annually – and an additional \$42 million over 3 years in Budget 2021 – it supports most of the loans that IFIs provide.

Under the AEP, five programs offer tailored supports to Indigenous businesses and IFIs.



Aboriginal Business Financing Program (ABFP) provides Indigenous entrepreneurs and community-owned businesses a non-repayable contribution they can use toward eligible project expenses. With the contribution in place, IFIs can provide a loan to finance the start-up or expansion.



Aboriginal Developmental Lending Allocation Program (ADLA) supports the sustainable deployment of available loan capital by incentivizing IFIs to issue further loans. This program is activity-driven, and encourages IFIs to issue more loans to Indigenous businesses.



Aboriginal Capacity Development Program (ACDP) supports IFIs to enhance their effectiveness. Projects range from training for staff members to support for governance training, policy work, and strategic planning. The program also supports capacity of the entire network through NACCA.



Enhanced Access Loan Fund (EA) provides capital for IFIs to lend to Indigenous businesses in underserved areas. IFIs that access this capital are reimbursed for the expenses they incur for businesses located outside of their territories.



Interest Rate Buy-Down Program (IRB). Faced with a lack of capital, some IFIs establish lines of credit with other financial institutions. The Interest Rate Buy-Down Program offsets the interest costs of accessing capital for additional developmental lending.

NACCA also manages the **Indigenous Women's Entrepreneurship Program**, delivered by 32 IFIs. Introduced on International Women's Day, 2022, the IWE received \$22 million over 3 years.



The Indigenous Women's Entrepreneurship Program:

Enables IFIs to support Indigenous Women Entrepreneurs with dedicated business support officers; resources for training and workshops; and micro-loans of up to \$20,000.



Obtained an additional \$5 million in 2022/23 to deliver ISED's Women Entrepreneurship Loan Fund, allowing IFIs to offer loans of up to \$50,000.

Funding for the AEP and IWE comes from the federal government. Current agreements are set to expire in March 2024.

Indigenous Growth Fund

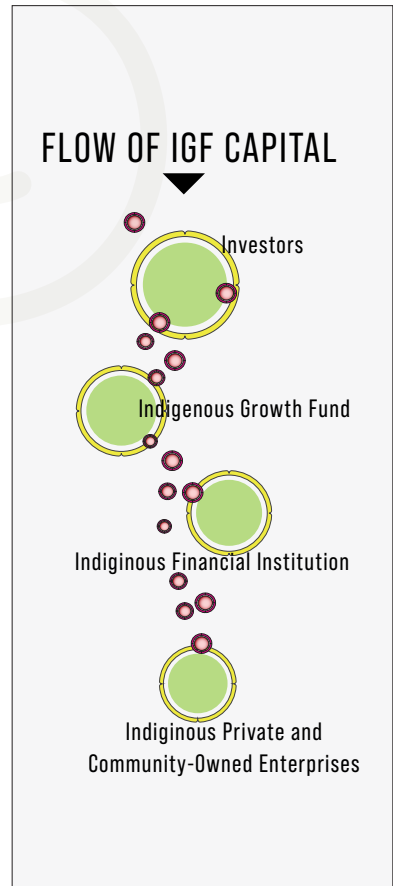
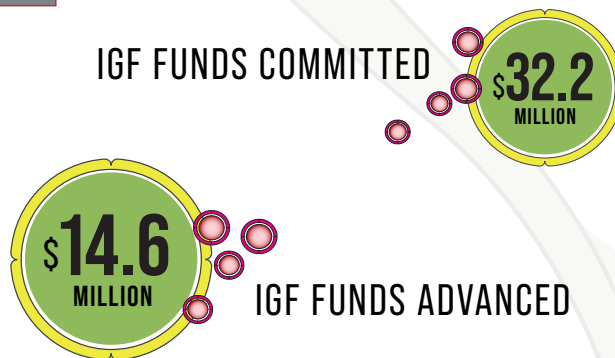
The Indigenous Growth Fund (IGF) is Canada's newest and largest fund dedicated to Indigenous business development. A vehicle for economic reconciliation, the IGF raised \$153 million at its initial close – from the Government of Canada, Business Development Bank of Canada (BDC), Export Development Canada (EDC) and Farm Credit Canada (FCC). In June 2022, Block Inc. (Square Technologies Inc.) became the fund's first private corporate investor.

A unique feature is its design: the IGF has hardwired in sustainability with its open-ended (evergreen) structure, allowing the fund to grow and raise additional capital from accredited investors. This design will allow IFIs to access capital as needed to grow their portfolios and lend to larger and more complex Indigenous businesses.

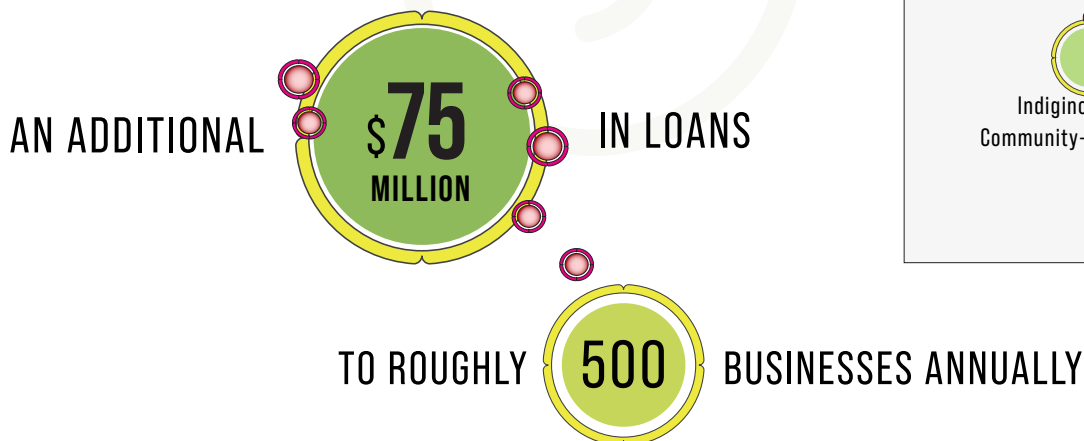


The IGF took its first applications from IFIs in the Fall of 2021. Since that time, it has committed \$32.2 million, and advanced \$14.6 million to 5 IFIs. Once current investor capital is fully deployed, the IGF will increase IFI lending by \$75 million annually, enabling loans to roughly 500 businesses.

Since Fall 2021:



Once Current Capital is Fully Deployed:



By and For Indigenous: New Initiatives

Professional, qualified lending: always Indigenous led. IFIs know their communities and understand their regional economies, promoting Indigenous business development from within.

Our network helps realize Indigenous rights on the ground while also promoting reconciliation. As with prior years, all our new initiatives in 2022/23 took this approach.

ADAWE Indigenous Business Hub



ADAWE Grand Opening, October 20, 2022.

On October 20, 2022, NACCA hosted the Grand Opening of **ADAWE**. Meaning “A Place to Trade” in Algonquin, ADAWE offers a physical space for the Indigenous Business Hub at NACCA headquarters. ADAWE is a community hub where Indigenous entrepreneurs can gather, learn, collaborate, trade and thrive on the unceded Algonquin territory. The space is also available for IFI representatives to use while in Ottawa.

By April 2023, the Indigenous Business Hub had a membership of over 125 Indigenous entrepreneurs and had held workshops in financial literacy, business planning, podcasting, and website development.

The Indigenous Youth Entrepreneurship Initiative



NACCA, Indigenous Youth Entrepreneurship in Canada: Final Report (April 2023).

NACCA continued to nurture its Indigenous Youth Entrepreneurship Initiative – long a priority for the network. In 2020, we convened a three-member Indigenous Youth Business Advisory Council to guide our research into the needs and aspirations of this underserved market. Now available online, the **Final Report** for the research project entailed a literature review, survey, and focus groups with Indigenous youth entrepreneurs from across the country.

The report’s insights and recommendations will help us design programs and tools to support young Indigenous entrepreneurs on their journeys. To ensure youth entrepreneurs can access the tailored supports they require from IFIs, NACCA has pressed for funding of youth programming as part of its renewed funding agreement. In the future, we hope that youth in early stages of entrepreneurship will also be able to apply for support and resources from the Indigenous Prosperity Foundation.

Seeding Future Indigenous Prosperity



Indigenous entrepreneurship is a vital pathway to economic reconciliation. In 2021, NACCA created the *Indigenous Prosperity Foundation (IPF)*, a charitable foundation that will work together with IFIs to support underserved Indigenous women, youth, and early-stage entrepreneurs.

The IPF will offer training, mentorship, and access to resources to help these entrepreneurs start and grow thriving businesses. As a registered charity, the IPF will not compete with IFIs. Instead, it will tap into grant and program support from a sector not otherwise available to Indigenous business lenders.

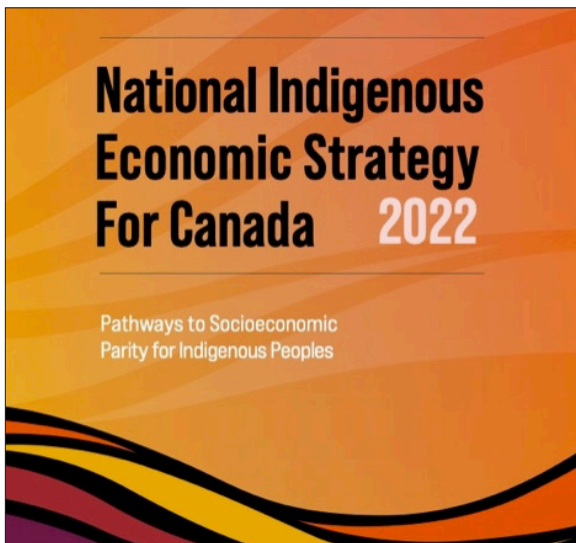
In 2022/23, NACCA finalized the Foundation's governance structure, established criteria to select an independent board, and developed a logo for the new organization. Its initial focus will be on youth and women, offering: customized workshops in business development and financial literacy; access to digital tools and e-commerce; mentoring from established Indigenous entrepreneurs; and seed grants of \$1,000 to \$3,000 to research or test a preliminary business concept.

The Indigenous Prosperity Foundation will promote economic reconciliation, allowing the philanthropic sector to support a charity founded and governed by Indigenous people.

"The capacity for Indigenous Peoples to create secure and sustainable wealth is fundamental to the universal Indigenous quest for self-determination."

National Indigenous Economic Strategy for Canada (2022)

A National Indigenous Economic Strategy for Canada



National Indigenous Economic Strategy for Canada (2022).

On June 9, 2022, over twenty Indigenous organizations launched the *National Indigenous Economic Strategy for Canada (NIES)*. NACCA was a lead in convening a core group of drafters, which included the National Indigenous Economic Development Board, Canadian Council for Aboriginal Business, Council for the Advancement of Native Development Officers, and Indigenous Works.

The NIES aims at socio-economic parity with non-Indigenous Canada.

The first national strategy of its kind, the NIES marks a momentous step in a shared, Indigenous-led direction. Building on the *Final Report* of the Truth and Reconciliation Commission and the *United Nations Declaration on the Rights of Indigenous Peoples*, this ten-year strategy aims to help a range of organizations – government, Indigenous entities and communities, the private sector, and non-Indigenous organizations – incorporate economic reconciliation into their own work. It offers four Pathways to Prosperity and over 100 Calls to Economic Prosperity in achieving socio-economic parity for First Nation, Métis, and Inuit people in Canada.

🌀 An Indigenous Procurement Institute



National Indigenous Economic Organizations Procurement Institution Founders. (Photo: Dec. 2023)

Purchasing goods and services from Indigenous businesses is a key building block on the path to Indigenous prosperity. In August 2021, the federal government announced a mandatory Indigenous procurement target of 5 percent across all departments and agencies. To meet it, barriers for Indigenous businesses to participate in federal procurement opportunities need to be removed.

In 2022/23, with other members of an Indigenous Procurement Working Group, NACCA presented a business case for a future National Indigenous Supply Institute. The Working Group also reached a common definition of an Indigenous business, to help ensure that any opportunities and financing are directed to Indigenous businesses, rather than to non-Indigenous entities or those that misrepresent themselves.

As a founding partner in this transformative initiative, NACCA engaged with national Indigenous representative organizations on the business case and definition. In July 2023, we received direction from the Assembly of First Nations to lead work on developing a First Nations Procurement Institute.

🌀 Financing Indigenous Market Housing



Hôtel-Musée Premières Nations, Wendake, Quebec.

The dire state of Indigenous housing is well-known, especially in First Nations. In 2022/23, NACCA continued its partnership with the Aboriginal Savings Corporation of Canada (ABSCAN) to develop a business plan for a potential market housing finance initiative that would be led by IFIs.

Called ***Yānonhchia!*** a Huron-Wendat word conveying “hearth and home,” the initiative emphasizes the foundational importance of quality housing, as well as a shared responsibility to achieve better housing outcomes among individuals, governments, and market actors.

From January 30 to February 1, 2023, NACCA held a special working session on the initiative at the inspiring Hôtel-Musée Premières Nations in Wendake, Quebec. Interested IFIs discussed a potential model for a national Indigenous market housing network. The initiative would also feature a \$150 million capital facility and securitization, which would seek investments from the private sector.

Together with our private partner, the investment firm Casgrain Ltd., ABSCAN and NACCA presented the business case of this ground-breaking Indigenous initiative to government in Summer 2023.

Network Performance

2022-23 IFI Highlights

The 2022-23 fiscal year saw annual lending rise significantly to \$127 million, the highest value that the network has ever lent. This increase was in large part driven by IFIs accessing the new Indigenous Growth Fund (IGF) starting in 2022. Likewise, the volume of loans increased as IFIs had access to more capital from the IGF. This allowed them to serve more businesses. IFIs also began making micro-loans under the Indigenous Women Entrepreneurship program.

IFI Highlights ¹	2020	2021	2022	2023 ²
Regular IFI activity				
Total loan dollars advanced	\$ 112,523,061	\$ 109,918,170	\$ 108,953,688	\$ 126,885,917
▪ To start-ups	\$ 25,866,490	\$ 25,800,348	\$ 23,971,778	\$ 33,700,711
▪ To existing businesses	\$ 86,656,571	\$ 81,531,008	\$ 80,681,646	\$ 92,157,718
Total number of loans	1,073	969	914	1,080
▪ To start-ups	361	284	346	391
▪ To existing businesses	712	684	568	689
Total FTE jobs created or maintained by new loans	3,632	3,909	3,512	3,860
Total gross loan portfolio (GLP)	\$ 285,196,714	\$ 293,118,531	\$ 291,838,857	\$ 315,195,467
Average size of new loan (weighted)	\$ 105,748	\$ 110,465	\$ 117,356	\$ 116,722
Interest yield on GLP (weighted average)	6.19%	5.31%	5.83%	5.66%
Annual write-offs as % of GLP (weighted average)	1.56%	2.39%	2.41%	3.17%

1. The data here are drawn from IFI audited financial statements, supplemented by annual reporting on lending activities and impacts. Where data were unavailable, we filled in values using an algorithm that aligns the estimated value with data points from the previous and following years. The fiscal years reported are assumed to end on March 31, the fiscal year-end for the vast majority of IFIs. For all years, data for the five Métis Capital Corporations were removed from NACCA's data set.
2. NACCA is continually improving our methodology for collecting and compiling our reporting data. As a result, figures from this report should not directly be compared to those from prior reports.

Breaking Down the Annual Data

From April 2022 to March 31, 2023, IFIs extended 1,080 loans worth almost \$127 million to Indigenous businesses. These loans either created or maintained 3,860 full-time equivalent jobs, a number slightly lower than in previous years.

More Loans Than Ever, Average Size Holds Steady

In 2022/2023, IFIs were able to access the Indigenous Growth Fund for the first time. Collectively, IFIs participating in the program added a further 166 loans to their portfolios. The average dollar amount per loan remained about the same, at \$116,772 compared to \$117,356 in 2021/2022.

From Coast to Coast to Coast: IFI Highlights by Region

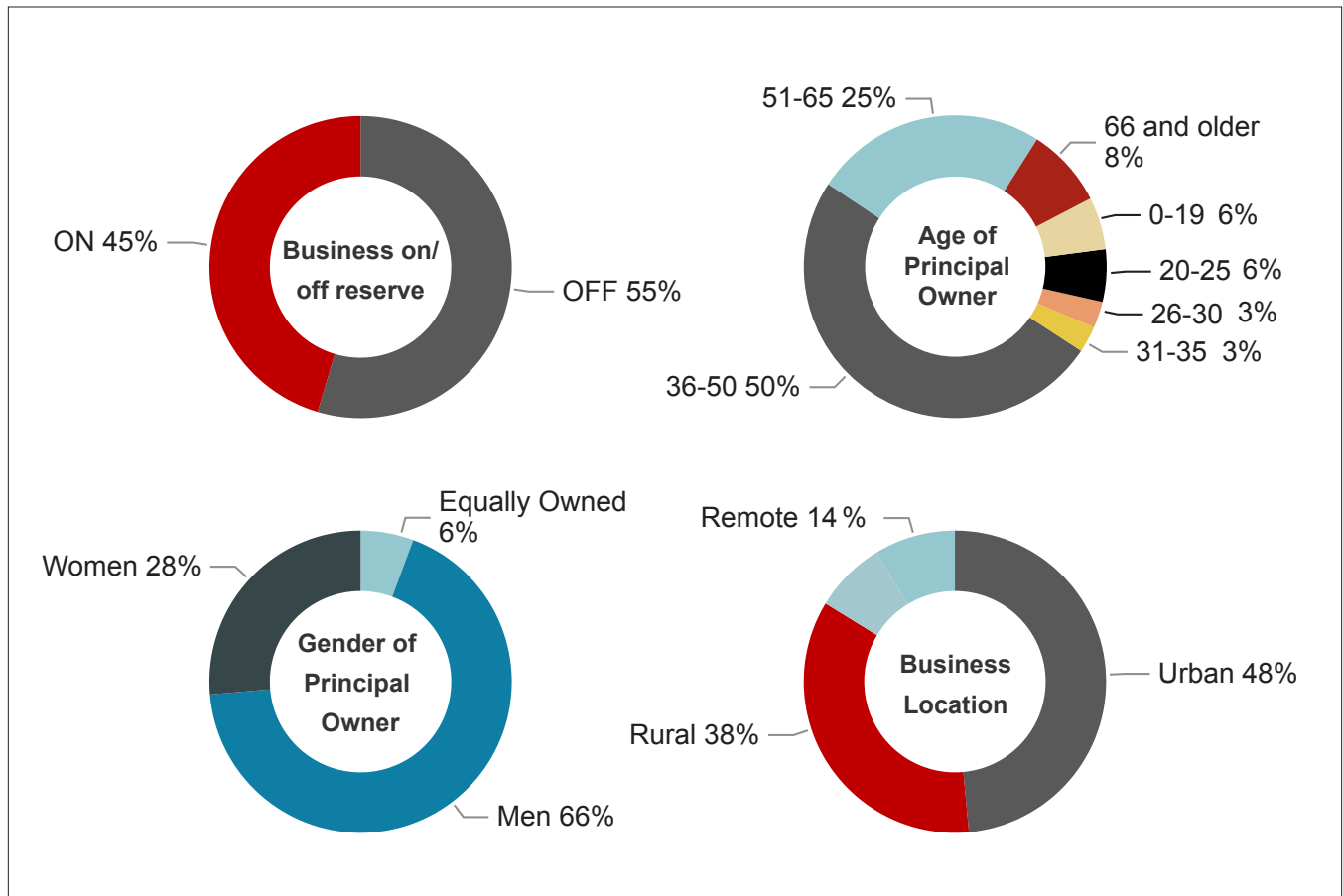
IFIs are active lenders throughout the country, as the following table shows.

As a proportion of overall lending, the British Columbia region remains the most active, disbursing just over one quarter of all loans in 2022/23. In terms of loan value, businesses in the North received the most significant proportion of loan dollars. IFIs disbursed over \$44 million to northern businesses that year.

IFI Highlights by Region								
	Alberta	Atlantic & Quebec	British Columbia	Manitoba	North	Ontario	Sask.	TOTAL
Total \$ New Loans	6,001,171	6,725,106	38,351,241	6,711,712	44,214,501	15,566,703	9,315,484	126,885,917
Total # Loans	92	114	286	58	140	206	184	1080
# Loans to Start-up Businesses	24	25	92	42	48	74	86	391
# New Loans to Existing Businesses	68	89	194	16	92	132	98	689
Total FTE Jobs Created or Maintained	313	469.2	1100.4	262.2	198.6	1042.4	474	3859.8
Gross Loan Portfolio (\$)	21,560,565	34,130,753	79,947,363	28,852,888	85,945,945	38,382,564	26,375,389	315,195,467
Avg Loan Size (weighted)	\$ 67,180	\$ 58,992	\$ 134,095	\$ 120,367	\$ 313,339	\$ 70,894	\$ 50,812	\$ 116,722
Interest Yield on GLP (GLP, weighted)	9.82%	4.22%	6.33%	4.52%	5.43%	5.01%	5.02%	5.66%
Write Offs as % of GLP (weighted avg.)	18.47%	0.07%	1.33%	9.45%	0.62%	4.19%	0.26%	3.17%

A Diverse Group of Indigenous Entrepreneurs

In 2015, NACCA began tracking demographic characteristics of the business clients that IFIs support. The characteristics for 2022-23 are close to those of the prior year.

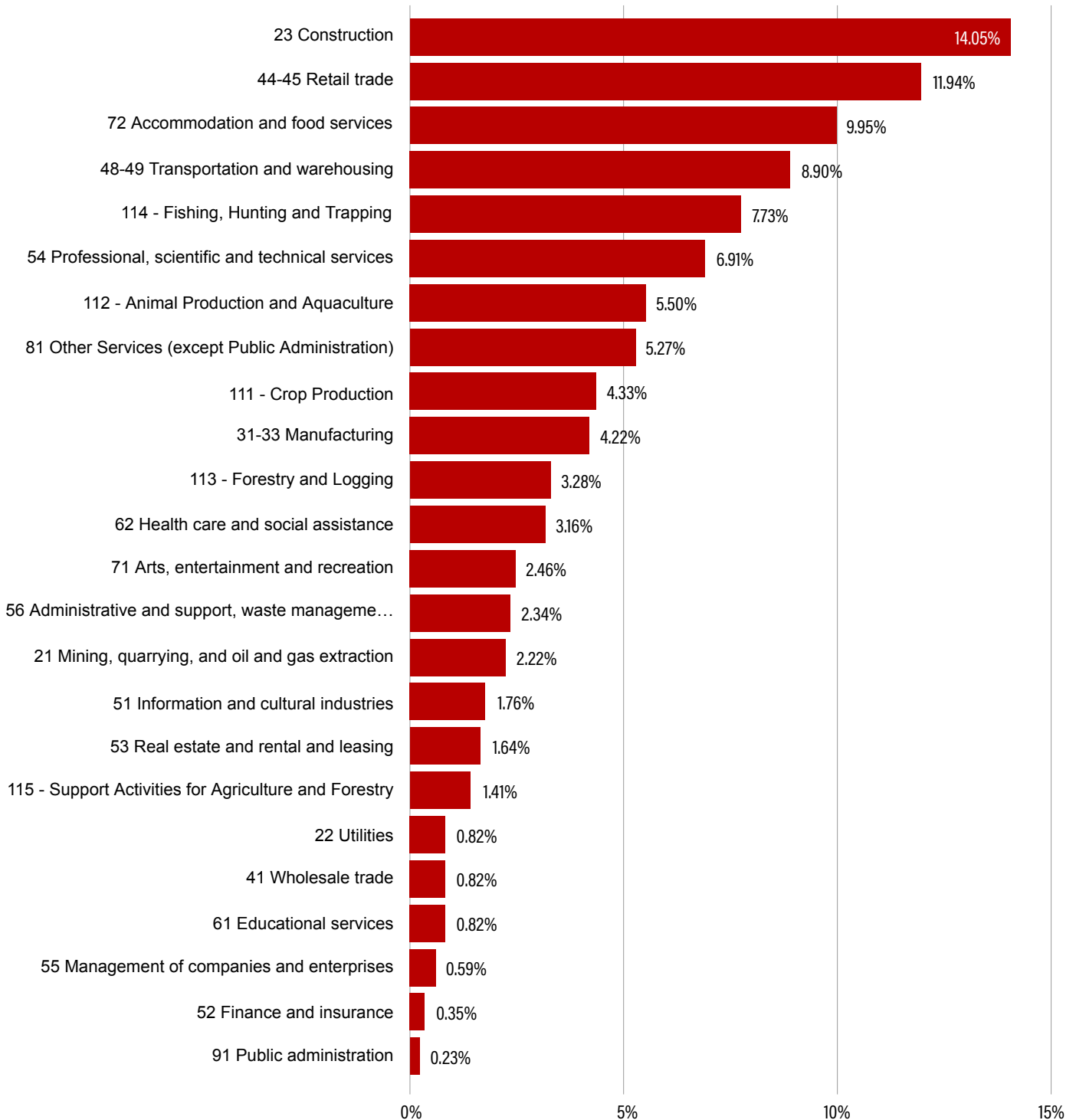


In 2022-23:

- **On-reserve/off-reserve:** Just under half (45%) of businesses were located on-reserve, a proportion identical to the prior year.
- **Location:** About half (52%) of businesses were in rural or remote locations. This is the same as the prior year, though a larger proportion were remote (14%) compared to in 2021-22 (9%)
- **Age:** Businesses owned by youth aged 35 and under was 18% in 2022/23, down from 21.5% in 2021/22.
- **Gender:** One third (34%) of businesses that obtained loans through NACCA's AEP were solely owned or co-owned by Indigenous women, up from 32% in 2021/22. Notably, this figure does not include an additional 164 micro-loans issued under the Indigenous Women's Entrepreneurship Program and 44 micro-loans under the WELF program. Combined results will be available in NACCA's annual report for 2023/24.

A Wide Range of Industries

IFI loans supported entrepreneurs in a wide range of industries, with large concentrations in a few key sectors. As in prior years, construction, retail trade, food service and accommodation sectors were well-represented. So were transportation and warehousing and traditional businesses such as fishing, hunting, and trapping.



The Indigenous Women's Entrepreneurship Program

Indigenous women are, and always have been, at the very heart of Indigenous communities. As key contributors to the Indigenous entrepreneurship ecosystem and the IFI market, they face barriers to entrepreneurship beyond those that men do. In Budget 2021, the network received \$22 million over 3 years, as well as an additional \$5 million from Innovation, Science and Economic Development Canada and funding from Women and Gender Equality Canada as well.

The Indigenous Women's Entrepreneurship (IWE) Program was launched on March 8, 2022. It features dedicated business support officers, training and workshops; and a micro-loan program.

Indigenous Women's Entrepreneurship Program	2022/2023
IFIs participating	32
Provinces/territories covered	10/3
Indigenous women receiving advisory service	850
Workshops held for Indigenous women	50
IWE business service officers (BSOs) hired	25
Training sessions held for IWE BSOs	2
Micro-loans approved ¹	164 (+44 with additional WELF \$)
Value of micro-loans approved	\$2.8M (+1.4 million with additional WELF \$)

Despite very high demand and impressive uptake in every region, the IWE Program is scheduled to conclude in March 2024. NACCA is working with ISC to try to extend the program into 2024/25, after a delay in the funds becoming available on the government side. We are also seeking to include funding for the women's program in the renegotiated funding agreement.

The Indigenous Women's Entrepreneurship program has helped me grow my business. This program made my dream a reality and has made a positive impact on my life: going from a stay at home mom to a business owner who can do what I love while still raising my children. Thank you for making my dream come true."

Jessica McNabb DBA Barnyard Fabric Shoppe, Quesnel, BC

Through the IWE Program, I've been able to not only make connections with other women entrepreneurs that I wouldn't have been able to if not for this program but also learn from so many brilliant and talented ladies from all over Canada, it was very inspiring."

Erin Davidson, Erindale Design, Fox Creek, AB.

1. An additional 44 micro-loans were approved under the Women Entrepreneur Loan fund in 2022/23, with an additional dollar value of over \$1.4 million



Top: Clarence Campeau Development Fund IWE training workshop, December 2022. *Photo courtesy of the Clarence Campeau Development Fund, Saskatoon, Saskatchewan.*

Centre: Indigenous Women's Entrepreneurship Program Business Service Officer training, May 2022.

Bottom: Posters, Indigenous Women Entrepreneurship Role Model Campaign, NACCA.

Always Higher, Always Stronger

2022-23 In Review



Strategic Plan at a Glance



Early in 2022, NACCA completed its 2022–27 Strategic Plan. The plan sets out three priority areas with strategic goals for each area.

Priority 1

Supporting
Indigenous
Financial
Institutions

Priority 2

Access
to
Capital

Priority 3

Advocacy
and
Readiness

The tables on the following pages present actions to realize each priority taken in 2022-23.

Priority 1: Supporting IFIs

Key Activities in 2022-23

Strategic Goals to Realize this Priority:

NACCA will offer equitable program access to all regions. It will continue to support IFIs to become leaders in developmental lending; support member capacity by providing tools, training, and strategies to improve their efficiency; and improve the quality and timeliness of communications with IFIs, stakeholders and the general public.

- Launched Indigenous Business Hub, a physical space for IFIs to gather and hold meetings when in the National Capital Region.
- Developed a detailed proposal for a multi-year agreement for sustainable, sufficient, and flexible funding for the IFI network.
- Hosted intensive business service officer training and peer-to-peer exchange at a Frontline Workers Conference.
- Held training sessions for Indigenous Women's Entrepreneurship business service officers.
- Offered gender bias awareness training to interested IFIs.
- Conducted an IFI compensation review.
- Developed an orientation kit for new IFI General Managers
- Piloted a General Manager peer mentorship workshop.
- With the Harvard Business School Executive Education Program, delivered a customized program for IFI senior staff.
- Implemented changes from an independent review of the AEP.
- Introduced changes recommended by a NACCA governance review completed in 2021-22
- Obtained ISO 9001 certification in June 2022.
- Developed and began implementing a 5-year communications strategy to support NACCA's 2022-27 Strategic Plan.
- Reached out to IFIs through newsletters, Q and As, webinars, and virtual meetings to share information and gain feedback.



Business Service Officer training, February 2023.



Frontline Workers Conference, November 2022.

Priority 2: Access to Capital	Key Activities in 2022-23
<p>Strategic Goals to Realize this Priority:</p> <p>NACCA will expand the offer of capital, expand programs and services for women, youth, trade, and export. It will pursue new partnerships and strengthen existing ones, and explore further opportunities and products, such as housing.</p>	<ul style="list-style-type: none"> ▪ Augmented IFI lending through the Indigenous Growth Fund, committing \$32.2 million since Fall 2021. ▪ Rolled out the Indigenous Women's Entrepreneurship Program, delivered by 32 IFIs. ▪ Obtained an additional \$5 million to deliver ISSED's Women Entrepreneurship Loan Fund. ▪ Completed research to inform IFI programming to support youth entrepreneurs. ▪ Extended ADLA programming to further network members. ▪ Developed business case for sufficient, sustainable, flexible funding of programming. ▪ Finalized governance structure and developed logo for the Indigenous Prosperity Foundation. ▪ With Chartered Professional Accountants and IFIs, held financial literacy workshops. ▪ Co-hosted a special working session and advanced the business case for Indigenous market housing financing delivered by interested IFIs.

Indigenous Prosperity Forum

In May 2022, NACCA held its annual Indigenous Prosperity Forum at the Hilton Lac-Leamy in Gatineau, Quebec.

The forum marked the first time since February 2020 that the network and supporters of Indigenous business gathered in person. Fittingly, the year's theme was "Reconnecting: Investing in the Return to Indigenous Prosperity."



2022 Indigenous Prosperity Forum theme and logo.



Plenary Panel: Innovations in Indigenous Financing.



2022 Winners, Indigenous Business Awards.



NACCA Staff.

Priority 3: Advocacy and Readiness

Key Activities

Strategic Goals to Realize this Priority:

The third – final – priority will focus on Indigenous procurement, seeking commitments to meet the 5 percent target. NACCA will also collaborate with partners to press for equitable access to broadband connectivity and to understand and address economic, social, and technological trends.

NACCA will expand its national Indigenous business advocacy role and create positive relationships with stakeholders. It will advocate to remove barriers that impede progress for IFIs.

- With other members of the national Indigenous Procurement Working Group, promoted creation of a National Indigenous Supply Institute and accepted definition of an Indigenous business.
- Continued populating an Indigenous Business Directory using the network's loan management system.
- Developed a partnership with DMZ to advocate for digital equity for Indigenous entrepreneurs.
- With 22 other Indigenous organizations, launched the National Indigenous Economic Strategy, which is now informing ISC's economic programming.
- Concluded study of the socio-economic impact of IFIs with the Conference Board of Canada.
- Commissioned a study analyzing the Indigenous economic development ecosystem and the network's place within it.
- Held the Indigenous Prosperity Forum in May 2022, connecting political and business leaders with network members.
- Took part in high-level events on sustainable finance with the Prince of Wales, the Prime Minister, and key ministers.
- With the Indigenous Business Circle, met with Opposition Leader and key Conservative MPs.
- Showcased the network's experience in addressing barriers and stimulating Indigenous business development at economic conferences and panels.
- Appeared at hearings of parliamentary committees on topics involving economic reconciliation and Indigenous business.
- Published op-eds in key media outlets to strategically influence policy and decision-makers

"I do believe that economic reconciliation is the underpinning of everything that we have to do. ... Opportunity of economic development makes a huge difference for communities and for the current and future prosperity of Indigenous communities and people."

The Honourable Patty Hajdu, Minister of Indigenous Services and Minister responsible for the Federal Economic Development Agency for Northern Ontario. Keynote Address at the 2022 Indigenous Prosperity Forum



The Honourable Patty Hajdu, Minister of Indigenous Services, Dr. Claudette Commanda, ADAWE elder-in-residence, and Mr. Gary Vidal, MP for Desnethé—Missinippi—Churchill River, at the ADAWE opening.



Members of the National Indigenous Economic Circle meet with the Leader of the Official Opposition, November 2022.



NACCA CEO, CSO, and COO with Mr. Gary Vidal, MP for Desnethé—Missinippi—Churchill River, and Mr. Jamie Schmale, MP for Haliburton—Kawartha Lakes—Brock.

Retooling to Build

2024 and Beyond

The AFIs currently operate in a very challenging environment where they must maintain their financial intermediary, leveraging and business accelerator roles in the face of evolving financial service markets."

Goss Gilroy Inc., "AEP Redesign Final Draft Report" (2022).

The coming fiscal year – 2023/24 – will be of crucial importance to our network. Buoyed by a temporary increase in our funding agreements, we have built momentum. But now those agreements are expiring. If our successful lending is to continue, the network requires sufficient, sustainable, and flexible funding for our core programs and operations.

This Annual Report has shown the network has made the very most of its current tools to build prosperous Indigenous businesses. We have supported member IFIs to build their capacity to deploy additional capital. We are attracting market and philanthropic capital in addition to government sources. We have worked on continuous improvements to our operations and systems and NACCA,

as an organization, has obtained ISO certification. We have increased our advocacy and partnership efforts, attaining this year the highest levels of engagement from media, decision-makers, and business organizations in our long history.

To continue their work as builders of local economies, our members must be able to continue with the programs and services that ensured its business loans will succeed. Without an ability to service our developmental loans, IFIs would be forced to reduce their lending significantly.

From this imperative arise our priority actions for 2023-24:

- Negotiate an agreement with Indigenous Services Canada to replace the current one, set to expire in March 2024. NACCA will continue pressing for a comprehensive multi-year agreement that features sufficiency, sustainability, and Indigenous control across programs.
- Acquire new funding for the Indigenous Women's Entrepreneurship Program, also due to expire in 2024, and for Indigenous youth entrepreneurs. Funding for this programming is built into our proposal for a new agreement.
- Bring housing and procurement initiatives to realization. Both will take time and considerable engagement to develop. Both will remain on the front burner this year. Once in place, these two initiatives promise to be game changers for the long-term prosperity of our communities.

In 2023-24, our network will seek to retool to build.

And our members indeed build. We have the evidence. We have witnessed the growth with our own eyes. The businesses that our members serve contribute jobs, income, and services to their local economies. They promote health, well-being, and service diversity within their communities. Many clients directly contribute to their larger regional economies. All contribute to Canada's GDP.

A grassroots success story, an international best practice. The IFI network has proven itself worthy of every penny of funding it has received from government to date – and will in the future as well.

NACCA Board Of Directors

Jean Vincent

Quebec, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, and New Brunswick Region
Chair

Jack Royal

Alberta Region
Vice-Chair

Elaine Chambers

Yukon, Northwest Territories, and Nunavut Region
Secretary

Wayne Flamand

Independent Director
Treasurer

Leanne Huvenaars

Saskatchewan Region
Director

Carol Johnston

Manitoba Region
Director

Ron Marano

Ontario Region
Director

Keith Matthew

British Columbia Region
Director

Matthew Tapper

Independent Director

IFI Directory

YUKON (1)

däna Näye Ventures – Whitehorse

NORTHWEST TERRITORIES (5)

Akaitcho Business Development Corporation – Yellowknife

Deh Cho Business Development Centre – Fort Simpson

NWT Métis-Dene Development Fund – Yellowknife

Sahtu Business Development Centre – Norman Wells

Thebacha Business Development Services – Fort Smith

NUNAVUT (5)

Atuqtuarvik Corporation – Rankin Inlet

Baffin Business Development Corporation – Iqaluit

Kakivak Association – Iqaluit

Kitikmeot Community Futures Inc – Cambridge Bay

Kivalliq Business Development Centre – Rankin Inlet

BRITISH COLUMBIA (11)

Aboriginal Business and Community Development Centre – Prince George

All Nations Trust Company – Kamloops

Burns Lake Native Development Corporation – Burns Lake

CFDC of Central Interior First Nations – Kamloops

Haida Gwaii Community Futures – Massett

Métis Financial Corporation of BC – Kelowna

Native Fishing Association – West Vancouver

Nuu-chah-nulth Economic Development Corporation – Port Alberni

Stó:lō Community Futures Corporation – Chilliwack

Tale’Awtxw Aboriginal Capital Corporation – West Vancouver

Tribal Resources Investment Corporation – Prince Rupert

ALBERTA (5)

Alberta Indian Investment Corporation – Enoch

Apeetogosan (Métis) Development Inc. – Edmonton

Community Futures Treaty Seven – Calgary

Indian Business Corporation – Calgary

Settlement Investment Corporation – Edmonton

SASKATCHEWAN (6)

Beaver River Community Futures Development Corporation – Meadow Lake

Clarence Campeau Development Fund – Saskatoon

Northern Enterprise Fund Inc. – Saskatchewan

Saskatchewan Indian Equity Foundation Inc. – Asimakaniseekan Askiy Reserve

SaskMétis Economic Development Corporation – Saskatoon

Visions North CFDC – LaRonge

MANITOBA (11)

Arctic Co-operative Development Fund – Winnipeg

Cedar Lake Community Futures Development Corporation – The Pas

Community Futures North Central Development – Thompson

Dakota Ojibway Community Futures Development Corporation – Headingly

First Peoples Economic Growth Fund Inc. – Winnipeg

Kitayan Community Futures Development Corporation – Winnipeg

Metis Economic Development Fund – Winnipeg

Louis Riel Capital Corporation – Winnipeg

Northwest Community Futures Development Corporation – Lynn Lake

Southeast Community Futures Development Corporation – Winnipeg

Tribal Wi-Chi-Way-Win Capital Corporation – Winnipeg

ONTARIO (8)

Indian Agricultural Program of Ontario – Stirling

Métis Voyageur Development Fund Inc. – Ottawa

Nishnawbe Aski Development Fund – Fort William First Nation

Rainy Lake Tribal Area Business & Financial Services Corporation – Fort Frances

Tecumseh Community Development Corporation – Sarnia

Two Rivers Community Development Centre – Ohsweken

Wakenagun Community Futures Development Corporation – Moose Factory

Waubetek Business Development Corporation – Birch Island

QUEBEC (5)

Corporation de développement économique montagnaise – Sept-Îles

Eeyou Economic Group / CFDC Inc. – Waswanipi

Nunavik Investment Corporation – Kuujuaq

Société de crédit commercial autochtone – Wendake

Tewatohnni’saktha Business Loan Fund – Kahnawake

NOVA SCOTIA, NEW BRUNSWICK, PEI, NEWFOUNDLAND/LABRADOR (1)

Ulnooweg Development Group Inc. (serving all Atlantic provinces) – Truro

NACCA was founded in 1997 so that IFIs could present a united front to government. The years 2022/23 were very busy.

NACCA raised awareness of the network and advocated for Indigenous business, economic reconciliation, and self-determination at several high-level events and meetings.¹

Major Events:

- **May 18, 2022:** Participated as one of two Indigenous business leaders in a round table with Prince Charles (now King Charles III), the Prime Minister, and 25 national business leaders.
- **June 16, 2022:** Took part in the release of the National Indigenous Economic Strategy with other Indigenous organizations co-authoring the strategy. The event was attended by federal Senators, governing and opposition MPs, senior public servants, and Indigenous and business leaders.
- **October 20, 2022:** Held a special event to celebrate the opening of ADAWE, NACCA's business development hub and headquarters. Appearing were the Minister of Indigenous Services Canada, MPs from the government and official opposition, and senior federal public servants.
- **November 2, 2022:** Attended the Sustainable Finance Forum on the Hill to discuss Indigenous entrepreneurship and reconciliation with several MPs and government leaders.
- **November 22, 2022:** Organized a roundtable of the Indigenous Business Circle with the Leader of the Official Opposition, opposition finance critic, and several other Conservative MPs.
- **December 5, 2022:** Testified on Indigenous procurement issues and recent Indigenous-led initiatives before the House Standing Committee on Government Operations and Estimates.
- **February 17, 2023:** Testified before the Access to Information, Privacy and Ethics Committee as the sole Indigenous leader to appear in the committee's study of the lobbyist code of conduct.

Meetings with Federal Ministers, Shadow Ministers, Senior Public Servants and Political Staff:

- Honourable Chrystia Freeland, Deputy Prime Minister & Minister of Finance
- Honourable Patty Hajdu, Minister of Indigenous Services Canada (4 meetings)
- Honourable Mary Ng, Minister of International Trade, Small Business & Economic Development
- Honourable Karina Gould, Minister of Families, Children & Social Development
- Gary Vidal, MP, Indigenous Services Canada Shadow Minister (several meetings)
- Jamie Schmale, MP, Crown-Indigenous Relations Shadow Minister

1. As part of our commitment to transparency and integrity, NACCA is a registered lobbyist under the Lobbying Act. We comply with the Lobbyists Code of Conduct and our meetings with government and parliamentary officials appear on the Registry of Lobbyists.

- **Isabelle Hudon**, President & CEO, Business Development Bank of Canada
- **Laurel Broten**, CEO, Invest in Canada
- **Gina Wilson**, Deputy Minister, Indigenous Services Canada (several meetings)
- **Catherine Blewett**, Deputy Minister, Innovation, Science & Economic Development
- **Valerie Gideon**, Associate Deputy Minister, Indigenous Services Canada
- **Annette Gibbons**, Associate Deputy Minister, Employment and Social Development Canada
- **Karen Hall**, Assistant Associate Deputy Minister, Employment and Social Development Canada
- **Joe Wild**, Advisor to the Deputy Minister, Finance Canada
- **Keith Conn**, Senior Assistant Deputy Minister, Indigenous Services Canada
- **Dr. Kelley Blanchette**, Assistant Deputy Minister, Indigenous Services Canada
- **Alison McDermott**, Assistant Deputy Minister, Finance
- **Etienne-Rene Massie**, Assistant Deputy Minister, Innovation, Science and Economic Development Canada (several meetings)
- **Leslie Church**, Chief of Staff, Office of the Minister of Finance
- **Bud Sambisavam**, Director of Policy, Office of the Minister of Finance
- **Jason Easton**, Chief of Staff, Global Affairs Canada
- **Mike Burton**, Chief of Staff, Office of the Minister of Crown Indigenous Relations
- **Katharine Heus**, Chief of Staff, Office of the Minister of Indigenous Services Canada
- **Alyssa Schatz**, Policy Advisor, Office of the Minister of Indigenous Services Canada (several)
- **Jordano Nudo**, Senior Policy Advisor to Minister of Indigenous Services Canada
- **Ellen Kuschnik**, Director, Parliamentary Affairs to Minister of Indigenous Services Canada
- **Chris Zhou**, Policy, Global Affairs Canada
- **Sarah Thomas**, Policy Advisor, Finance Canada

Further Engagement and Advocacy:

- With private and philanthropic sectors: Mastercard Foundation, Chartered Professional Accountants Canada.
- In the media: *The National Post*, *The Globe & Mail*, *The Hill Times*, *Windspeaker*, Aboriginal Peoples Television Network, Sirius XM.
- At conferences and panels of: the Assembly of First Nations, Ontario Tourism Association, First Nations Economic Reconciliation, Canada Pension Plan Investments, AFOA, Indian Resource Council of Canada, Central Bank Network for Indigenous Inclusion, International Economic Forum of the Americas.

The Aboriginal Entrepreneurship Program

As an administrator of programs supporting businesses and IFIs, NACCA distributes funding to IFIs under the Aboriginal Entrepreneurship Program (AEP for short). With a budget of \$30 million annually, the program has been oversubscribed for the past several years.

Under the AEP, five individual programs meet the needs of Indigenous entrepreneurs and the IFIs that serve them. The increase in funding under the program for 2022/23 reflects the additional short-term funding the network received in Budget 2021, a "down payment" on the new funding agreement that NACCA is now negotiating with Canada.

AEP *	2020-21	2021-22	2022-23
ABFP Contributions	\$ 18,372,578	\$ 20,730,137	\$ 28,598,563
ABFP Operations	\$ 3,301,496	\$ 3,328,343	\$ 4,218,231
ACDP	\$ 1,005,069	\$ 920,842	\$ 1,528,233
ADLA	\$ 3,791,406	\$ 4,985,864	\$ 6,510,835
EA	\$ 284,156	\$ 196,325	\$ 111,894
IRB	\$ 150,771	\$ 120,748	\$ 710,395
TOTAL	\$ 26,905,475	\$ 30,282,25	\$ 41,678,151

* Differences in timing of the project-based reporting used for this section of the annual report compared to the reporting on the financial statement results in some differences in the reported totals for each year.

1. Aboriginal Business Financing Program (ABFP)

The Aboriginal Business Financing Program or ABFP (also known as the equity program) addresses the barriers to obtaining financing that Indigenous businesses typically face. Delivered by 16 IFIs across the country, the program provides Indigenous entrepreneurs and community-owned businesses with a non-repayable contribution they can use toward eligible project expenses. Here too, the additional funding disbursed in 2022/23 reflects the two-year boost that the program received in Budget 2022.

ABFP *	2020-21	2021-22	2022-23
# Of Regional Leads	16	16	16
Contributions provided to businesses	\$ 18,372,578	\$ 20,730,137	\$ 28,598,563
Operating support for IFI Regional Leads	\$ 3,301,496	\$ 3,328,343	\$ 4,218,231
TOTAL ABFP Funding	\$ 21,674,074	\$ 24,058,479	\$ 32,816,794
# of Projects supported	467	499	551

* To make it easier to compare across years, the data in this table excludes data from the five Metis Capital Corporations for all years.

2. Aboriginal Developmental Lending Allocation Program (ADLA)

The ADLA program supports the sustainable deployment of loan capital that IFIs have available by providing IFIs with an incentive to engage any capital they can access by issuing further loans. This activity-driven program encourages IFIs to issue more loans to Indigenous businesses.

In 2022/23, the program was again over-subscribed. At \$6.5 million, ADLA funding represents the most paid to IFIs since the program was founded. Demand remains strong.

ADLA *	2020-21	2021-22	2022-23
# Of IFIs accessing	17	21	21
# Of loans to businesses supported	325	458	433
\$ Value of developmental loans supported	\$ 30,519,047	\$ 39,711,650	\$ 51,709,538
\$ ADLA Funding paid to IFIs	\$ 3,791,406	\$ 4,985,864	\$ 6,510,835

* To make it easier to compare across years, the data in this table excludes data from the five Metis Capital Corporations for all years.

3. Aboriginal Capacity Development Program (ACDP)

The Aboriginal Capacity Development Program supports IFIs in their ongoing effort to enhance their capacity and effectiveness. With a budget of about \$1 million per year, projects in this period ranged from specialized training for staff members to support for governance training, policy work and strategic planning.

In 2021-22, COVID-19 restrictions still had an impact on training opportunities. In addition to projects undertaken by individual IFIs, the ACDP also supported capacity for the network at large.

ACDP	2020-21	2021-22	2022-23
# Of individual IFIs supported *	19	20	26
# Of IFI staff trained	74	105	125
# Of IFI Directors trained	23	52	56
\$ of Funding Provided to IFIs	\$ 1,005,069	\$ 920,842	\$ 1,528,233

4. Enhanced Access Program (EA)

The EA Loan Fund provides loan capital that IFIs can access to provide loans in underserved areas. IFIs that access this lending capital are reimbursed for the operational expenses they incur in serving loans to businesses located outside of their traditional territories.

Funds drawn through the EA program supported 6 new developmental loans, offered by 5 IFIs, in 2022-23.

EA	2020-21	2021-22	2022-23
\$ EA Loans Receivable	\$ 8,111,892	\$ 8,044,425	\$ 8,235,481
# Of IFIs accessing program for new loans	5	4	5
# Of new developmental loans supported	21	15	6
\$ value of loans approved	\$ 2,841,556	\$ 1,963,253	\$ 1,118,944
\$ Value of 10% admin approved	\$ 284,156	\$ 196,325	\$ 111,894

5. Interest Rate Buy-Down Program (IRB)

Faced with a lack of capital to issue new loans, some IFIs establish lines of credit with other financial institutions. The Interest Rate Buy-Down Program offsets the interest costs of accessing capital and, through it, supports IFIs in undertaking additional developmental lending.

Over the past years, the dollar amount claimed under this program has grown quickly, indicating that IFIs increasingly have to make use of such lines of credit to meet the demand for capital in their regions.

IRB	2020-21	2021-22	2022-23
# Of IFIs accessing the program	3	4	5
\$ value of subsidy claimed	\$ 150,771	\$ 120,748	\$ 710,395

FINANCIAL STATEMENTS

For

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

For year ended

MARCH 31, 2023

Welch LLP[®]

An Independent Member of BKR International

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

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MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

Opinion

We have audited the financial statements of National Aboriginal Capital Corporations Association (the Association), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Association for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 25, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
August 9, 2023.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

	Unrestricted Fund	Internally Restricted Fund	Enhanced Access Fund	ADLA	ABFP	IGF	WES	IBSP	IWE	WAGE	WELF	2023	2022
CURRENT ASSETS													
Cash (note 19)	\$ 27,687,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 10,615,089	\$ -	\$ -	\$ -	\$ 38,302,716	\$ 68,443,080
Short-term investments (note 4)	2,642,042	1,565,206	-	-	-	-	-	1,807,732	-	-	-	4,207,248	1,898,201
Funding receivable	-	-	-	-	-	-	120,000	-	-	-	-	1,927,732	3,918,737
Accounts receivable	336,135	-	-	-	916,022	-	-	-	-	-	-	1,252,157	1,541,581
Advances receivable	-	-	-	-	-	-	-	199,003	-	-	-	199,003	199,003
Loans receivable (note 5)	-	-	-	-	-	-	-	-	-	-	-	-	7,241,096
Prepaid expenses	160,483	-	-	-	-	-	-	-	-	-	-	160,483	280,028
	<u>30,828,282</u>	<u>1,565,206</u>	<u>-</u>	<u>-</u>	<u>916,022</u>	<u>-</u>	<u>120,005</u>	<u>12,621,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,049,339</u>	<u>83,521,726</u>
LONG-TERM ASSETS													
Tangible capital assets (note 6)	367,794	-	-	-	-	-	-	-	-	-	-	367,794	441,708
Long-term investments (note 4)	6,000,000	-	-	-	-	-	-	-	-	-	-	6,000,000	-
Emergency loans receivable (note 7)	-	-	-	-	-	-	-	34,833,269	-	-	-	34,833,269	91,225,881
Due from 2747534 Ontario Corporation (note 8)	2,100,914	-	-	-	-	-	-	-	-	-	-	2,100,914	1,857,122
Due from Indigenous Prosperity Foundation (note 9)	1,559	-	-	-	-	-	-	-	-	-	-	1,559	-
Due from Indigenous Growth Fund LP (note 18)	-	-	-	-	-	101,000	-	-	-	-	-	101,000	-
Investment in Indigenous Growth Fund Inc. (note 10)	-	-	-	-	-	1	-	-	-	-	-	-	-
Investment in Indigenous Growth Fund Distributions LP (note 11)	-	-	-	-	-	113,741	-	-	-	-	-	-	-
	<u>8,470,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,742</u>	<u>-</u>	<u>34,833,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,518,278</u>	<u>93,524,711</u>
TOTAL ASSETS	<u>\$ 39,298,549</u>	<u>\$ 1,565,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916,022</u>	<u>\$ 214,742</u>	<u>\$ 120,005</u>	<u>\$ 47,455,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,567,617</u>	<u>\$ 177,046,437</u>

CURRENT LIABILITIES													
Accounts payable and accrued liabilities	\$ 1,470,429	\$ -	\$ -	\$ 1,996,624	\$ 4,424,555	\$ 1,078	\$ -	\$ 10,697,215	\$ 956,480	\$ -	\$ 31,875	\$ 19,578,256	\$ 14,887,986
Deferred contributions (note 13)	6,845,360	-	-	2,072,874	5,969,551	-	-	1,321,220	6,468,163	-	-	22,677,168	14,553,373
Emergency loan payable (note 7)	-	-	-	-	-	-	-	-	-	-	-	-	37,686,847
Interfund (note 19)	27,902,053	(132)	(1,621,403)	(4,069,498)	(9,478,084)	99,924	119,940	(5,509,383)	(7,424,643)	13,101	(31,875)	-	-
	<u>36,217,842</u>	<u>(132)</u>	<u>(1,621,403)</u>	<u>-</u>	<u>916,022</u>	<u>101,002</u>	<u>119,940</u>	<u>6,509,052</u>	<u>-</u>	<u>13,101</u>	<u>-</u>	<u>42,255,424</u>	<u>67,128,206</u>
LONG-TERM LIABILITIES													
Emergency loan payable (note 7)	-	-	-	-	-	-	-	40,946,041	-	-	-	40,946,041	96,593,299
Deficit in 2747534 Ontario Corporation (note 8)	17,871	-	-	-	-	-	-	-	-	-	-	17,871	12,462
Deferred contributions related to tangible capital assets (note 12)	186,912	-	-	-	-	-	-	-	-	-	-	186,912	185,978
	<u>204,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,946,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,150,824</u>	<u>96,791,739</u>
TOTAL LIABILITIES	<u>36,422,625</u>	<u>(132)</u>	<u>(1,621,403)</u>	<u>-</u>	<u>916,022</u>	<u>101,002</u>	<u>119,940</u>	<u>47,455,093</u>	<u>-</u>	<u>13,101</u>	<u>-</u>	<u>83,406,248</u>	<u>163,919,945</u>
FUND BALANCE	<u>2,873,924</u>	<u>1,565,338</u>	<u>1,621,403</u>	<u>-</u>	<u>-</u>	<u>113,740</u>	<u>65</u>	<u>-</u>	<u>(13,101)</u>	<u>-</u>	<u>-</u>	<u>6,161,369</u>	<u>13,128,492</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 39,298,549</u>	<u>\$ 1,565,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 916,022</u>	<u>\$ 214,742</u>	<u>\$ 120,005</u>	<u>\$ 47,455,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,567,617</u>	<u>\$ 177,046,437</u>

Approved by the Board:

 Director
 Director

(See accompanying notes)

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2023

	Unrestricted Fund	Internally Restricted Fund	Enhanced Access Fund	ADLA	ABFP	ISE	WES	IBSP	IWE	WAGE	WELF	2023	2022
REVENUE													
ISC funding - IBSP stimulus	\$ 6,290,641	\$ -	\$ 111,894	\$ 5,950,222	\$ 29,930,135	\$ 548,926	\$ -	\$ 5,312,818	\$ 6,125,197	\$ -	\$ 787,007	\$ 49,744,022	\$ 36,414,869
ISC funding - IBSP AFI operating	-	-	-	-	-	-	-	2,125,000	-	-	-	5,312,818	10,416,384
ISC funding - IBSP NACCA operating	-	-	-	-	-	-	-	-	-	-	-	2,125,000	2,196,083
WAGE funding	-	-	-	-	-	-	-	-	-	228,330	-	228,330	163,666
ISED funding	-	-	-	-	-	-	-	-	-	-	3,786,500	3,786,500	111,665
BDC funding	-	-	-	-	-	131,260	-	-	-	-	-	131,260	131,260
FeedEv Ontario funding	-	-	-	-	-	-	227,438	-	-	-	-	227,438	1,146,124
Amortization of deferred capital contributions (note 12)	-	-	-	-	-	-	-	-	-	-	-	78,422	24,778
Conference income	-	-	-	-	-	-	-	-	-	-	-	250,252	47,069
Interest and other income	-	45,239	-	-	-	-	-	573,073	-	-	-	1,653,713	207,545
Management fees (note 16)	-	-	-	-	-	100,000	-	-	-	-	-	100,000	-
Membership fees	-	-	-	-	-	-	-	-	-	-	-	153,000	153,000
PROGRAM COSTS													
ABFP equity	-	-	-	5,950,222	29,930,135	760,166	227,438	8,010,891	6,125,197	228,330	4,573,507	63,987,755	51,332,314
ABFP operating support cost	-	-	-	-	25,711,904	-	-	-	-	-	-	25,711,904	20,237,736
ADLA costs	-	-	-	5,950,222	4,218,251	-	-	-	-	-	-	4,218,251	3,328,343
Enhanced access	-	-	-	-	-	-	-	-	-	-	-	4,976,904	4,976,904
IBSP stimulus costs	-	-	111,894	-	-	-	-	-	-	-	-	5,950,222	5,950,222
IBSP operating support cost	-	-	-	-	-	-	-	5,604,232	-	-	-	5,604,232	10,531,828
IRP costs	-	-	-	-	-	-	-	2,125,000	-	-	-	2,125,000	2,196,083
IWE costs	-	-	-	-	-	-	-	-	5,803,165	-	-	5,803,165	5,803,165
Interest rate buy down	-	-	-	-	-	-	-	-	-	-	-	710,395	2,979,998
ADP costs	-	-	-	-	-	-	-	-	-	-	-	1,794,257	20,546
WELF costs	-	-	-	-	-	-	-	-	-	-	4,568,750	4,568,750	914,620
Research and program development	-	-	-	-	-	-	-	-	-	-	-	57,506,350	689,516
	3,412,602	45,239	111,894	5,950,222	29,930,135	760,166	227,438	7,729,222	5,803,165	228,330	4,568,750	57,506,350	48,833,073
	4,592,114	45,239	111,894	5,952,114	29,930,135	760,166	227,438	23,169,333	322,032	228,330	4,573,277	6,461,755	4,304,241
EXPENSES													
AEP committee	55,235	-	-	-	-	-	-	-	-	-	-	55,235	22,200
Advertising and promotion	214,791	-	-	-	-	-	10,000	-	35,405	-	-	261,173	124,196
Amortization (notes 2 and 6)	153,269	-	-	-	-	-	-	-	-	-	-	153,269	124,196
Audit and legal	109,136	-	-	-	-	-	-	11,416	-	-	-	120,552	42,524
Bank and processing fees	365	-	-	-	-	-	-	2,000	-	-	-	70,869	70,869
Board (Schedule 1)	266,765	-	-	-	-	-	-	-	-	-	-	6,366	6,366
Conference	260,262	-	-	-	-	-	-	-	-	-	-	266,765	106,713
IT upgrade	129,702	-	-	-	-	-	-	-	-	-	-	129,702	47,069
Insurance	21,998	-	-	-	-	-	-	-	-	-	-	53,998	19,363
Office and administration	170,066	-	-	-	-	12,000	-	-	5,455	110	-	235,290	128,998
Professional fees/consultants	944,868	-	-	-	59,669	148,238	25,566	73,851	40,458	71,110	2,495	1,366,606	1,366,606
Recruitment	249,734	-	-	-	54,000	-	17,642	-	-	-	-	321,376	319,291
Staff training and relocation	26,036	-	-	-	-	-	-	-	-	-	-	16,106	41,706
Telephone and utilities	32,366	-	-	-	-	307	-	-	-	-	-	26,343	20,397
Trip and development	11,310	-	-	-	-	-	2,221	-	700	1,110	-	34,338	34,338
Travel and accommodation	279,754	-	-	-	-	848	-	-	7,968	248	2,262	22,636	19,207
Wages and benefits (note 14)	4,628,396	-	-	-	-	32,604	9,291	2,406	183,786	15,360	-	523,201	66,000
Income on investment in 2747534 Ontario Corporation (note 8)	-	-	-	-	-	471,602	162,718	78,185	48,260	153,493	-	2,540,654	2,017,639
Income on investment in Indigenous Growth Fund Distributions LP (note 11)	-	-	-	-	-	760,166	227,438	167,893	322,032	241,431	4,757	6,335,816	4,501,272
OTHER ITEMS													
Income on investment in 2747534 Ontario Corporation (note 8)	39,246	-	-	-	-	-	-	-	-	-	-	39,246	44,831
Income on investment in Indigenous Growth Fund Distributions LP (note 11)	-	-	-	-	-	113,740	-	-	-	-	-	113,740	-
	39,246	-	-	-	-	113,740	-	-	-	-	-	152,986	44,831
EXCESS OF REVENUE OVER EXPENSES													
	\$ 39,246	\$ 45,239	\$ -	\$ -	\$ -	\$ 113,740	\$ -	\$ 113,801	\$ -	\$ (13,101)	\$ -	\$ 298,925	\$ 47,800
(EXPENSES OVER REVENUE)													

(See accompanying notes)

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION
STATEMENT OF FUNDS BALANCES
YEAR ENDED MARCH 31, 2023

	Unrestricted Fund	Internally Restricted Fund	Enhanced Access Fund	ADLA	ABFP	IGE	WES	IBSP	IWE	WAGE	WELF	2023	2022
BALANCE, BEGINNING OF YEAR	\$ 2,834,678	\$ 1,520,099	\$ 8,885,451	\$ -	\$ -	\$ -	\$ 65	\$ (113,801)	\$ -	\$ -	\$ -	\$ 13,126,492	\$ 13,078,692
Excess of revenue over expenses (expenses over revenue)	39,246	45,239	-	-	-	113,740	-	113,801	-	(13,101)	-	298,925	47,800
Transfer of loan receivable to AFIs (note 5)	-	-	(7,264,048)	-	-	-	-	-	-	-	-	(7,264,048)	-
BALANCE, END OF YEAR	<u>\$ 2,873,924</u>	<u>\$ 1,565,338</u>	<u>\$ 1,621,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,740</u>	<u>\$ 65</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,101)</u>	<u>\$ -</u>	<u>\$ 6,161,369</u>	<u>\$ 13,126,492</u>

(See accompanying notes)

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 298,925	\$ 47,800
Adjustments for items not effecting cash:		
Amortization	153,269	42,524
Amortization of deferred capital contributions	(78,422)	(24,778)
Gain on investment in 2747534 Ontario Corporation	(39,246)	(44,831)
Transfer of loans receivable to AFIs	-	160,888
Reinvested interest on investments	<u>(312,213)</u>	<u>(30,732)</u>
	22,313	150,871
Changes in non-cash working capital components:		
Funding receivable	1,991,005	(3,618,266)
Accounts receivable	289,424	(787,365)
Prepaid expenses	119,545	47,913
Accounts payable and accrued liabilities	4,690,268	3,444,105
Deferred contributions	8,123,795	4,155,805
IBSP advances receivable	-	<u>7,415,714</u>
	<u>15,236,350</u>	<u>10,808,777</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Tangible capital asset additions	(79,355)	(257,410)
Advance to 2747534 Ontario Corporation	(243,792)	36,762
Advance to Indigenous Prosperity Foundation	(1,559)	-
Investment in Indigenous Growth Fund Distributions LP	(113,741)	-
Due from Indigenous Growth Fund LP.	(101,001)	-
Dividends received from 2747534 Ontario Corporation	44,655	-
Issuance of new EAF loans	(22,950)	(1,963,253)
Repayments of EAF loans	-	1,897,538
Issuance of repayable IBSP emergency loans	-	(11,698,392)
Sale of investments	1,898,044	-
Purchase of investments	(9,894,878)	-
Repayments of repayable IBSP emergency loans	<u>56,392,612</u>	<u>17,980,689</u>
	<u>47,878,035</u>	<u>5,995,934</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from IBSP emergency loan program	-	32,137,000
Repayments of IBSP emergency loan program	(93,334,105)	(9,684,201)
Deferred capital contribution received	<u>79,356</u>	<u>193,800</u>
	<u>(93,254,749)</u>	<u>22,646,599</u>
INCREASE (DECREASE) IN CASH	(30,140,364)	39,451,310
CASH, BEGINNING OF YEAR	<u>68,443,080</u>	<u>28,991,770</u>
CASH, END OF YEAR	<u>\$ 38,302,716</u>	<u>\$ 68,443,080</u>

(See accompanying notes)

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

1. NATURE OF OPERATIONS

National Aboriginal Capital Corporations Association (NACCA), incorporated under the Canada Corporations Act to facilitate the provision of products and services to Aboriginal Financial Institutions (AFIs), is a not-for-profit corporation without share capital and is exempt from taxation under paragraph 149(1)(l) of the Federal Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Fund accounting

The Association uses fund accounting for financial reporting purposes.

The Unrestricted Fund accounts for the daily operating activities of the Association, the Aboriginal Capacity Development Program (ACDP) and the Interest Rate Buy-down Program (IRB). The Aboriginal Capacity Development Program (ACDP) builds the capacity of AFIs to deliver better lending services to Aboriginal businesses served. The Interest Rate Buy-Down (IRB) helps lower interest costs related to accessing additional capital. The Unrestricted Fund includes the revenue, expenses, assets, liabilities and net assets of the other operations of the Association including interest income, membership fees and conference income which is recognized when earned.

The Internally Restricted Fund consist of funds received from National Aboriginal Capital Corporations Support Incorporated (NACSI) upon its dissolution. The organization has chosen to internally restrict the funds. Future decisions on the use of the funds will be made by the NACCA Board of Directors. The Fund includes internally restricted investments and reports the investment income received on these investments. In late 2019, the NACCA Board of Directors agreed to move ahead with a plan to use a portion of these restricted funds, currently held in GICs, to invest in real estate. This move from GICs to real estate provides the Association and its members with a stronger investment base.

The Enhanced Access (EA) Fund provides 0% interest loans to participating Aboriginal Financial Institutions to fund loan capital to viable, qualified, Aboriginal businesses for areas not serviced by AFIs across Canada. The EA Fund reports the revenue, expenses, assets, liabilities and net assets of the Fund's activities.

The Aboriginal Developmental Lending Assistance (ADLA) Fund relates to the Association's program destined to enhance the capacity of individual AFI's by contributing funds to alleviate the cost of providing, managing and deploying developmental loans. The ADLA Fund reports the revenue, expenses, assets, liabilities and net assets of the Fund's activities.

The Aboriginal Business Financing Program (ABFP) Fund relates to the Association's program destined to increase the number of Aboriginal businesses in Canada by offering nonrepayable contributions to eligible Aboriginal entrepreneurs and community-owned Aboriginal businesses. The ABFP Fund reports the revenue, expenses, assets, liabilities and net assets of the Fund's activities.

The above funds are a suite of products and services under the title of Aboriginal Entrepreneurship Program (AEP) which is funded by Indigenous Services Canada (ISC).

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Fund accounting - Cont'd.

The Indigenous Growth Fund (IGF) includes transactions related to the Association's investments in Indigenous Growth Fund Inc. (see note 10) and Indigenous Growth Fund Distributions LP (see note 11), as well as revenues and expenses in relation to administrative services and resources to support the operation of these entities (see note 18).

The Indigenous Women's Entrepreneurship Initiative (WES) Fund is a four-year project aiming to increase the number of Indigenous women engaging in entrepreneurship and business development in Canada. This is funded by the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) and the maximum contribution available is \$1.2 million until project completion on March 31, 2023.

The Indigenous Business Stabilization Program (IBSP) relates to the Association's program destined to support Indigenous businesses and AFIs impacted by COVID-19. This is funded by ISC. The program consists of the Emergency Loan Program (ELP) and the interest relief and contingency fund program:

Emergency Loan Program

To provide Indigenous owned businesses impacted by COVID-19 with interest-free term loans and a non-repayable contribution to support their immediate working capital and operational needs. The program is to be administered by AFIs until 2025.

Interest Relief and Contingency Fund

To provide Aboriginal Financial Institutions (AFIs) with non-repayable contributions to cover their loss on interest income and uncollectible debts.

The Indigenous Women's Entrepreneurship (IWE) Fund was developed in partnership with Indigenous Services Canada (ISC) and seeks to reduce barriers that Indigenous women face when starting or growing businesses, and ensure they have access to the training, resources and capital. The Government of Canada committed \$22 million over three years to expand this initiative.

The Women and Gender Equality Canada (WAGE) Fund is a three-year program, with funding up to a maximum of \$560,000, aimed to build the capacity of Indigenous Financial Institutions (IFIs) across Canada to advance gender equality in their organizations and address barriers to entrepreneurship for Indigenous women.

The Women's Entrepreneurship Loan Fund (WELF) is a program administered by Innovation, Science, and Economic Development Canada (ISED). The Association was awarded \$5 million to deliver this program to Indigenous women across Canada. Through the WELF Program, eligible IFIs can access between \$50,000 to \$350,000 to establish a new WELF Fund. The WELF Fund will support Indigenous women with micro-businesses with loans up to \$50,000. IFIs will also be provided with administrative funding to cover the costs of delivering and administering the WELF Program.

Revenue recognition

The Association follows the deferral method of accounting for contributions. The Association has ten funds, and revenue is recognized in the fund to which the activity relates. Unspent amounts restricted by the funder are deferred and recognized when the related expenses are incurred.

Restricted contributions that do not relate to the activities of any of the funds are recognized as revenue in the Unrestricted Fund in the period in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received, or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Revenue recognition - Cont'd.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized as revenue in alignment with the amortization expense.

Interest revenue is recognized according to the terms of the investment or loan receivable and collection is reasonably assured.

Conference income is recognized when the event is held.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and short term deposits with term maturity of three months or less at the date of purchase.

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. These estimates are based on management's best knowledge of current events and actions that the Association may undertake in the future. Actual results could differ from those estimates. Areas of significant estimates include the collectibility of accounts receivable, allowance for impaired loans, accounts payable and accrued liabilities, the useful life of tangible capital assets for amortization and the amortization of deferred contributions related to tangible capital assets.

Tangible capital assets

Computer equipment and furniture and fixtures are amortized over their estimated useful lives according to the straight-line method over a period of 3 years.

Leasehold improvements are amortized using the straight-line basis over the term of the lease.

Allowance for impaired loans

The association maintains a general allowance for impaired loans that reduces the carrying value of the EA receivable portfolio to its estimated realizable value.

The allowance for loan losses is updated annually with estimates prepared by management based on historical loan loss experience in the Enhanced Access loan portfolio.

Investment in subsidiary companies

The equity method is used to account for the Association's investment in its wholly owned subsidiary companies, 2747534 Ontario Corporation and Indigenous Growth Fund Inc. This method recognizes the Association's share of earnings in the subsidiary companies into the Statement of Operations, which is also added to the carrying value of each investment.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risk relate to the sum of the carrying value of its cash, short-term and long-term investments, accounts receivable and loans receivable. The Association's cash and investments are deposited with a Canadian chartered bank. As such, management believes the risk of loss on these items to be remote. Accounts receivable balances are managed and analysed on an ongoing basis and accordingly, management believes all amounts receivable will be collected and has determined that a provision for bad debts is not required. Credit risk relating to loans receivable is generally diversified since the Association negotiates with a large number of institutions. The Association ensures that its member financial institutions have undertaken appropriate credit investigations into the ultimate loan recipients.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to liquidity risk in the accounts payable and accrued liabilities, government remittances payable and emergency loan payable. Management considers that sufficient liquidity is maintained through regular monitoring of cash flow requirements to ensure that it has the necessary funds to meet its obligations. As a result, the liquidity risk exposure to the Association is low.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

i) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The association's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association's liabilities are non-interest bearing as such the Association is not exposed to interest rate risk on these instruments. The Association is exposed to interest rate risk associated with its short-term and long-term investments. The Association manages its exposure to interest rate risk through acquiring fixed rate investments with varying maturity dates.

iii) *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not exposed to other price risk.

Changes in risk

There have been no significant changes in the Associations's risk exposures from the prior year.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

4. SHORT-TERM AND LONG-TERM INVESTMENTS

Short-term and long-term investments consists of the following:

	<u>2023</u>	<u>2022</u>
Term certificate, matured July 5, 2022 with an interest rate of 1.50%	\$ -	\$ 1,873,486
Term certificate, maturing July 5, 2023 with an interest rate of 3.95%	1,894,878	-
Term certificate, maturing July 5, 2023 with an interest rate of 3.65%	2,000,000	-
Redeemable term certificate, maturing July 5, 2026 with an interest rate of 4.60%	3,000,000	-
Redeemable term certificate, maturing July 5, 2026 with an interest rate of 4.60%	3,000,000	-
Accrued interest income receivable	<u>312,370</u>	<u>24,715</u>
	10,207,248	1,898,201
Less: short-term investments	<u>(4,207,248)</u>	<u>(1,898,201)</u>
Long-term investments	<u>\$ 6,000,000</u>	<u>\$ -</u>

5. LOANS RECEIVABLE

Loans receivable consist of the following:

	<u>2023</u>	<u>2022</u>
Loans receivable	\$ -	\$ 8,044,425
Less: Allowance for impaired loans	<u>-</u>	<u>(803,329)</u>
	<u>\$ -</u>	<u>\$ 7,241,096</u>

Enhanced access loans (EA) were made to participating Aboriginal Financial Institutions to fund loans to Aboriginal businesses under the terms of the fund's agreement with the Government of Canada. In previous years, the Association received or became entitled to funding from the Government of Canada. The Association issued new loans and received payments from pre-existing loans

The Association did not require security from, or charge interest to, participating Aboriginal Financial Institutions who received EA loans. Loans were due on demand, but participating Aboriginal Financial Institutions were required to repay EA loans when they received repayment from their clients. The Association also prepared an estimated allowance for impaired loans if deemed necessary, based on historical portfolio performance and specific analysis of each loan.

In 2023, the administration of this program was transferred from the Association to the Aboriginal Financial Institutions. The Association no longer bears any financial risk or reward associated with these loans and thus at the time of transfer of ownership the remaining loan balance of \$7,264,048 was illustrated as an interfund transfer on the Statement of Fund Balances.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

6. TANGIBLE CAPITAL ASSETS

Tangible capital assets consists of:

	2023			2022
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Office equipment	\$ 175,030	\$ 64,831	\$ 110,199	\$ 127,163
Leasehold improvements	273,476	92,594	180,882	255,729
Computer equipment	<u>303,764</u>	<u>227,051</u>	<u>76,713</u>	<u>58,816</u>
	<u>\$ 752,270</u>	<u>\$ 384,476</u>	<u>\$ 367,794</u>	<u>\$ 441,708</u>

7. INDIGENOUS BUSINESS STABILIZATION PROGRAM

The IBSP program includes the emergency loan program (ELP) and the interest relief and contingency fund as described in note 2.

The ELP program provides Indigenous owned business impacted by COVID-19 with interest-free term loans and a non-repayable contribution to support their immediate working capital and operational needs. As of December 4, 2020, up to \$60,000 was available to small and medium-sized Indigenous businesses:

- an interest-free loan up to \$40,000
- a non-repayable contribution up to \$20,000

This funding was available to businesses in two segments; the first component is \$40,000 with \$10,000 (or 25 percent) being non-repayable (ELP1) and the second component is \$20,000 with \$10,000 (or 50 percent) being non-repayable (ELP2). A business was only eligible for ELP2 funding if they applied for and received ELP1 funding.

In 2023, it was announced that because Indigenous businesses continue to be impacted by the Covid pandemic, there would be changes to the ELP1 and ELP2 program in which 50% of the loan portion would now also be forgiven assuming certain criteria have been met. This means that a business who applied under both programs originally receiving a \$40,000 loan and \$20,000 grant, will now have a \$20,000 loan and \$40,000 grant. The loans receivable balance and the emergency loan payable balance have been reduced to reflect the estimated forgivable portion.

The emergency loan receivable in the accompanying statements represents the repayable loan contribution due from Indigenous owned businesses. These loans are to be paid back by March 31, 2025. Due to the difficulty in estimating the current portion of these loans, the entire balance is displayed as a long term loan receivable in the financial statements.

The emergency loan payable in the accompanying statements represents the repayable contributions received from ISC during the year that will be repayable to ISC as the corresponding loan receivables are collected. These loans are to be paid back by March 31, 2025. Under the terms of the agreement with ISC, any future defaulted loans receivable by the recipient businesses will not be repayable to ISC, contingent every effort was made to collect the loan. This means the Association's liability of emergency repayable loans to ISC will not exceed the loans and advances receivable from the Indigenous owned businesses.

Furthermore, no allowance for doubtful accounts or impairment has been considered given the terms of agreement explained above. Any defaulted loan receivable will essentially be forgiven by ISC and the applicable asset and liability will decrease by the same dollar amount with no effect to the statement of operations.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

7. INDIGENOUS BUSINESS STABILIZATION PROGRAM - Cont'd.

The non-repayable contributions do not show as revenue or program costs in the statement of operations, due to the nature of the contribution being a flow-through type of contribution that is not repayable and the benefit being directly attributed to the Indigenous businesses. The amounts are disclosed below.

As part of its five year commitment to administer the program, the Association received \$1,800,000 to cover the ongoing costs to deliver the program.

Below is a breakdown of funds received and disbursed under this fund:

	<u>2023</u>	<u>2022</u>
Repayable funding - ELP1	\$ -	\$ 16,871,925
Repayable funding - ELP2	-	4,820,550
Non-repayable funding - ELP1	-	5,623,975
Non-repayable funding - ELP2	-	4,820,550
AFI interest and contingency fund	5,718,033	3,843,119
AFI operating costs	<u>2,125,000</u>	<u>2,125,000</u>
 Funding received	 <u>\$ 7,843,033</u>	 <u>\$ 38,105,119</u>
 Repayable loans provided - ELP1	 \$ -	 \$ 8,398,491
Repayable loans provided - ELP2	-	3,299,902
Non-repayable contributions provided - ELP1	-	2,799,497
Non-repayable contributions provided - ELP2	-	3,299,902
Current year funds remaining	-	14,339,208
Interest and contingency funds provided	5,604,232	10,530,196
AFI operating costs provided	2,125,000	2,156,083
NACCA operating costs	167,857	242,201
NACCA deferred (used)	405,216	(6,788,024)
Fund surplus (loss)	113,801	(113,801)
Interest earned on bank account	<u>(573,073)</u>	<u>(58,536)</u>
 Funding disbursements	 <u>\$ 7,843,033</u>	 <u>\$ 38,105,119</u>

8. INVESTMENT IN 2747534 ONTARIO CORPORATION

On March 10, 2020, a wholly-owned for profit subsidiary: 2747534 Ontario Corporation was incorporated by the Association. The purpose of the subsidiary is to operate as a real estate holding corporation owning an office building and leasing space to the Association and other third party tenants. The balance of the investment is made up of expenses and deposits related to the building that were paid by the Association on the subsidiary's behalf.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

8. INVESTMENT IN 2747534 ONTARIO CORPORATION - Cont'd.

The accounts of 2747534 Ontario Corporation are not consolidated with the Association's financial statements. A financial summary of the non-consolidated entity is as follows:

	<u>2023</u>	<u>2022</u>
Summarized Balance Sheet		
Assets		
Total assets	\$ 3,000,034	\$ 2,876,192
Liabilities and net deficit		
Total liabilities	\$ 3,017,805	\$ 2,888,554
Share capital	100	100
Deficit	<u>(17,871)</u>	<u>(12,462)</u>
Total liabilities and deficit	\$ 3,000,034	\$ 2,876,192

	<u>2023</u>	<u>2022</u>
Summarized Statement of Operations		
Total revenues	\$ 309,211	\$ 309,194
Total expenses	(258,901)	(252,963)
Total income taxes	(28,182)	(29,330)
Total refundable dividend tax recovered	<u>17,118</u>	<u>17,930</u>
Net Profit	\$ 39,246	\$ 44,831

	<u>2023</u>	<u>2022</u>
Summarized Statement of Cash Flows		
Cash flows from operating activities	\$ 23,639	\$ 158,423
Cash flow from investing activities	92,944	(67,325)
Cash flow from financing activities	(67,125)	(67,297)
Cash, beginning of year	<u>91,850</u>	<u>68,049</u>
Cash, end of year	\$ 141,308	\$ 91,850

During the year, the association entered into transactions with 2747534 Ontario Corporation. The transactions are as follows:

	<u>2023</u>	<u>2022</u>
Payable to NACCA, beginning of year	\$ 1,857,122	\$ 1,847,106
Repayment by 2747534 Ontario Corporation to NACCA	199,137	(36,762)
Dividends issued	44,655	46,778
Rent charged to NACCA	309,211	309,194
Rent paid to NACCA	<u>(309,211)</u>	<u>(309,194)</u>
Payable to NACCA, end of year	\$ 2,100,914	\$ 1,857,122
Net profit for the year	\$ 39,246	\$ 44,831
Dividends paid	(44,655)	(46,778)
Prior year losses	<u>(12,462)</u>	<u>(10,515)</u>
Deficit in 2747534 Ontario Corporation	\$ (17,871)	\$ (12,462)

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

9. INDIGENOUS PROSPERITY FOUNDATION (IPF)

The Indigenous Prosperity Foundation (the "Foundation") was incorporated by the Association's board with the purpose to advance education by developing and delivering courses, training programs and workshops on the subjects of business, entrepreneurship, career options and community economic development for Indigenous people and communities and the general public. The Foundation is controlled by the Association. The Foundation received charitable status recognition with the Canada Revenue Agency in 2022.

In 2023, there was no activity in the Foundation, aside from accounting fees which amounted to \$1,559 (2022 - \$nil). These fees will be paid for by the Association on behalf of the Foundation. This is reflected as a receivable balance on the Statement of Financial Position as at March 31, 2023.

10. INVESTMENT IN INDIGENOUS GROWTH FUND INC.

The Association owns 100% of the common shares of Indigenous Growth Fund Inc. (IGF Inc.). This wholly-owned subsidiary is reported as an investment under the equity method in these financial statements. IGF Inc. is the General Partner to Indigenous Growth Fund LP (IGF LP) and Indigenous Growth Fund Distributions LP (IGF Distributions LP). There was no income or loss earned by IGF Inc. in the year.

IGF Inc. has entered into an agreement with the Association to act as Manager to IGF LP. Under this agreement the Association provides administration-related services to IGF LP in exchange for management fees as described in Note 18.

11. INVESTMENT IN INDIGENOUS GROWTH FUND DISTRIBUTIONS LP

IGF Distributions LP is a limited partnership that holds an investment in IGF LP. The Association is the sole limited partner in IGF Distributions LP and as such, is allocated 100% of any income or loss of IGF Distributions LP on an annual basis. Subject to the terms of the IGF LP Limited Partnership Agreement, IGF Distributions LP may be entitled to an annual distribution from IGF LP; however, such distributions, if any, are in the form of Class G units of IGF LP (not cash). As the sole limited partner of IGF Distributions LP, the value of such distribution is allocated to the Association.

The IGF LP is an investment fund whose objective is to provide access to capital for Aboriginal Financial Institutions to expand the lending they can offer to small and medium sized Indigenous businesses. The IGF LP's current investors are the Government of Canada, Business Development Canada, Export Development Canada, Farm Credit Canada and Block Inc. with total commitments of \$153 million.

\$113,740 of IGF LP's earned net income was distributed to IGF Distributions LP in the form of 110,606 Class G Units. The value of these Class G units was thus allocated to the Association as income for the IGF LP's fiscal year ending December 31, 2022. For the period January 1, 2023 to March 31, 2023 there were no further distributions from IGF LP to IGF Distributions LP.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

12. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital asset consist of the following:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 185,978	\$ 16,956
Received during the year	79,356	193,800
Recognized during the year	<u>(78,422)</u>	<u>(24,778)</u>
Balance, end of year	<u>\$ 186,912</u>	<u>\$ 185,978</u>

13. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 14,553,373	\$ 10,397,568
Contributions received during the year	70,365,359	54,472,941
Contributions recognized as revenue during the year	<u>(62,241,564)</u>	<u>(50,317,136)</u>
Balance, end of year	<u>\$ 22,677,168</u>	<u>\$ 14,553,373</u>

Deferred contributions represent amounts received under the funding agreements that have not yet been spent on operations or programming. There is \$8,166,580 of funding from ISC included in the deferred contribution balance at the end of the year. The following is a breakdown of the deferred contribution balance for ISC:

- Unrestricted fund of \$6,844,360 includes:

- General operations	\$ 1,159,358
- ACDP	4,319,294
- IRB	678,858
- Forum	273,503
- Indigenous Prosperity Foundation	50,670
- Procurement	163,064
- NIES/Housing	64,551
- HUB	<u>135,062</u>
	<u>\$ 6,844,360</u>

- IBSP fund of \$1,321,220 includes:

- NACCA deferred operating contributions	\$ 1,315,339
- Returned contingency	<u>5,881</u>
	<u>\$ 1,321,220</u>

Under the 5-year agreement with ISC, contributions that are unspent at the end of each fiscal year can be deferred and spent in subsequent fiscal years. Any remaining unspent funds at the end of the five year agreement are repayable under the terms of the agreement.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

14. **EMPLOYEE BENEFIT PLAN**

The Association is an employer member of the Native Benefits Plan, which is a multi-employer, defined benefit plan. The Plan is being accounted for as a defined contribution plan since information specific to the Association's portion is unavailable. Total cash payments for employee future benefits, consisting of cash contributed by the Association to its funded pension plan during the year ended March 31, 2023 were \$190,339 (2022 - \$158,239). This amount is included in wages and benefits on the statement of operations.

15. **COMMITMENTS**

The Association has entered into a lease agreement expiring August 31, 2025 for the rental of office space with annual minimum payments as follows:

2024	\$ 256,255
2025	256,255
2026	<u>106,773</u>
	<u>\$ 619,283</u>

16. **ECONOMIC DEPENDENCE**

The association derives 89% (2022 - 96%) of its total revenues from a funding agreement with Indigenous Services Canada.

17. **CONTINGENCIES**

Certain program revenues of the Association are subject to conditions regarding the expenditures of the funds. The Association's accounting records are subject to audit by funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Any adjustments to the financial statements as a result of these audits will be recorded in the future period in which they become known.

18. **RELATED PARTY TRANSACTIONS**

The following related party transactions occurred in the normal course of business and have been recorded at their exchange amount, which is the amount agreed upon by the related parties.

The Association is the Manager of IGF LP pursuant to a management agreement and is the sole shareholder of IGF Inc. (the General Partner to IGF LP). Under the management agreement, the Association earned management fees of \$100,000 (2022 - \$nil). Management fees for the period April 1, 2021 to September 30, 2022 were waived. As at March 31, 2023, \$101,000 (2022 -\$4,500) is receivable from IGF LP.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - Cont'd.

YEAR ENDED MARCH 31, 2023

19. **INTERFUND AND UNRESTRICTED FUND CASH**

The purpose of this note is to explain the relationship between the interfund account and the excess monies in the unrestricted fund cash account.

The interfund account represent monies payable and receivable from the unrestricted fund to the various other funds including the internally restricted fund and the restricted program funds. The interfund balances in the funds have arisen due to the fact that some of the restricted funds do not have individual bank accounts (due to operational efficiencies gained), and thus the majority of the Association's cash is being held in the unrestricted fund bank account. The amounts due back to the unrestricted fund from the remaining funds have arisen because certain restricted fund expenditures were paid by the unrestricted fund on behalf of those funds.

Below is a breakdown of what is owed to and from the unrestricted fund:

Amounts owed by the unrestricted fund to other funds:

Internally restricted fund	\$ 132
Enhanced access fund	1,621,403
ADLA	4,069,498
ABFP	9,478,084
IBSP	5,509,383
IWE	7,424,643
WELF	<u>31,875</u>
	<u>\$ 28,135,018</u>

Amounts owed to the unrestricted fund by other funds:

IGF	99,924
WES	119,940
WAGE	<u>13,101</u>
	<u>\$ 232,965</u>

If the restricted funds had individual bank accounts and the above amounts were settled, the unrestricted fund cash balance would decrease by 27,902,053 at the end of the fiscal year to \$(214,431).

20. **COMPARATIVE FIGURES**

Comparative figures have been audited by another auditor and comparative figures were reclassified where necessary to conform to the presentation adopted in the current year.

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

SCHEDULE 1 - BOARD COMMITTEE EXPENSES

YEAR ENDED MARCH 31, 2023

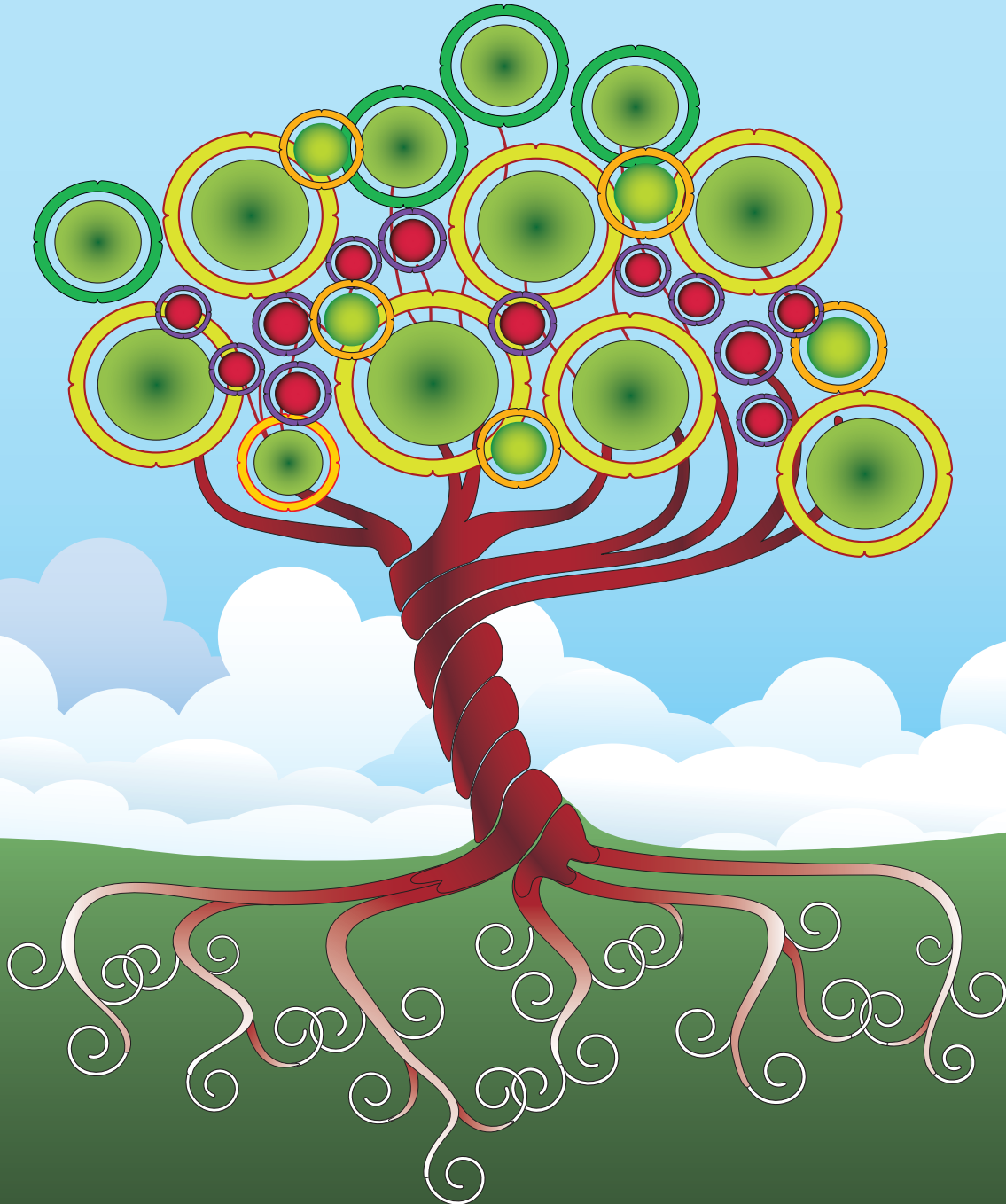
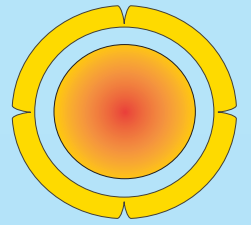
(unaudited)

	<u>2023</u>	<u>2022</u>
Honorarium by meeting		
Board of directors	\$ 52,550	\$ 35,700
Executive committee	3,875	4,750
Governance committee	7,200	7,000
Audit and finance committee	13,650	6,643
Annual general meeting	14,900	2,650
General manager's meeting	12,550	-
Individual meetings	1,800	11,600
Other	<u>4,175</u>	<u>5,225</u>
	110,700	73,568
 Airfare and meals	 127,175	 21,402
 Accommodations	 51,462	 8,831
 Other	 <u>7,428</u>	 <u>2,912</u>
	<u>\$ 296,765</u>	<u>\$ 106,713</u>

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION
SCHEDULE 2 - STATEMENT OF OPERATIONS AND FUNDING RECOGNIZED
YEAR ENDED MARCH 31, 2023

(unaudited)

	Procurement 2022	Procurement 2023	NIES	Housing	Hub 2022	Hub	Youth Partnership	Financial Literacy Game	Forum	Indigenous Prosperity Foundation	Total
Funding received											
ISC funding	-	\$ 253,541	-	\$ 177,000	-	\$ 500,000	-	\$ 38,000	\$ 200,000	\$ 100,000	\$ 1,268,541
Other funding	-	<u>253,541</u>	-	<u>50,000</u>	-	<u>30,796</u>	-	-	<u>73,503</u>	-	<u>154,299</u>
				<u>227,000</u>	-	<u>530,796</u>	-	-	<u>273,503</u>	-	<u>1,422,840</u>
Expenses											
Conference Administration	-	-	-	-	-	-	-	-	68,352	-	68,352
Office	23,500	-	-	-	-	33,944	-	54,382	-	-	54,382
Professional fees/program development	83,852	51,920	101,552	54,041	66,214	358,226	36,972	202,657	-	49,330	1,004,764
Travel	-	-	-	108,408	-	3,564	-	-	-	-	111,972
Wages	57,478	32,116	-	-	-	-	-	-	-	-	89,594
Other	<u>743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>743</u>
	<u>165,573</u>	<u>84,036</u>	<u>101,552</u>	<u>162,449</u>	<u>66,214</u>	<u>395,734</u>	<u>36,972</u>	<u>257,039</u>	<u>68,352</u>	<u>49,330</u>	<u>1,387,251</u>
Net activity	(165,573)	169,505	(101,552)	64,551	(66,214)	135,062	(36,972)	(219,039)	205,151	50,670	(118,710)
Deferred contributions, beginning	163,533	(4,401)	101,552	-	66,214	-	36,972	219,039	68,352	-	651,261
Transfer between programs	<u>2,040</u>	<u>(2,040)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred contributions, ending	-	\$ 163,064	-	\$ 64,551	-	\$ 135,062	-	-	\$ 273,503	\$ 50,670	\$ 686,850



Building Vibrant Local Economies

NACCA Annual Report 2022-23

National Aboriginal Capital Corporations Association