

Annual reports of the National Aboriginal Capital Corporations Association are special documents, presenting more than the annual activity and expenditures of a single organization. They synthesize the lending and program support of our 50+ member IFIs, who collectively issue over one thousand loans, totalling millions of dollars, to Indigenous-owned businesses annually.

These pages contain important data and updates; yet beyond them, lives and communities are being transformed. From the frontlines of Indigenous self-determination and reconciliation, this annual report presents the achievements of our whole network for 2023/24.

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Message from the Chair



It is my honour to present the annual report for the National Aboriginal Capital Corporations Association (NACCA) for 2023/24. The past year was one of abundance and preparation.

First, abundance. Our harvest was plentiful in 2023/24. Indigenous Financial Institutions (IFIs) disbursed a record number of loans, providing over \$35 million in contributions under our flagship Aboriginal Entrepreneurship Program. The Indigenous Growth Fund invested further capital, with \$58.9 million now advanced to 6 IFIs for lending. And our women's programming was in high demand. Last year, 32 IFIs delivered 212 microloans valued at \$4.1 million. They offered 124 training workshops and 2,500 points of service to Indigenous women entrepreneurs.

We had a strong year, in other words, and for that we're grateful. Our network also faced mounting uncertainty, though, as funding agreements for all our programs were set to expire on March 31, 2024.

What did we do? We prepared for the spring. We followed in the footsteps of our ancestors, worked to remove further blockages to prosperity, confident that the new agreement with Canada would come. In February 2024, with our Indigenous partner organizations, NACCA founded a First Nations Procurement Organization. We continued advancing the case for Indigenous market housing finance. We redoubled our government relations, meeting with parliamentarians from all parties to establish our network's crucial role.

By the time we received word on our funding in Budget 2024, all in Ottawa knew our story. And all who knew it understood: our network makes a vital contribution to Indigenous business development and, through it, to Canada's GDP.

I am truly proud of the network this year. This annual report tells a story of patience, resolve, and good cheer through a long, uncertain winter as we cleared a path to sufficient funding. Our new five-year agreement provides roughly \$83 million per year. Flexible, predictable, and ongoing, the agreement will allow our network to strengthen its capacity and plan for the long term.

And from there, we are outfitted better than ever. We can resume our network's journey to get much-needed capital in the hands of Indigenous business owners, from coast to coast to coast.

Jean Vincent, Chair NACCA

Message from the CEO

My people are Cree of the Mushkegowuk tribal territory. Each year, after a long winter and careful preparations, our communities embark on a spring hunt. Families come together as the snow melts to prepare for return of the geese. At spring camp, we pass on our traditions, show the next generation how to call and hunt, and how to honour the animals that nourish them.

The spring camp comes to mind when I think of this past fiscal year.

The first months of 2023/24 saw many gatherings to share. In April 2023, NACCA held our Indigenous Prosperity Forum. That year, the theme was "Paths to Prosperity: A Bright Future Rooted in Tradition." Hosting representatives of business, financial, and government sectors, it was

our most successful forum yet. In June, we gathered on Parliament Hill—where a world-class panel of Indigenous business leaders met with parliamentarians from all parties to showcase the immense potential of the Indigenous economy.

There was growth, too. Our lending network had one of its most active years, aided by investments from our Indigenous Growth Fund. Young and early-stage entrepreneurs gathered at ADAAWE, the Indigenous Business Hub, whose membership swelled to over 200 Indigenous business owners in the Algonquin territory. We launched the Indigenous Prosperity Foundation, a new fund encouraging the philanthropic sector to invest in reconciliation. Our Indigenous Women's Entrepreneurship Program took off.

And we made further preparations as well. In February 2024, with partner national Indigenous organizations and a mandate from the Assembly of First Nations, we launched the First Nations Procurement Organization and Indigenous business definitions. For the first time, we are creating Indigenous institutions tasked with linking legitimate Indigenous businesses to procurement opportunities within government and corporate Canada.

All year long, despite our uncertainties, we built capacity and good will. We brought the next generation along, training youth, women, and early-stage entrepreneurs for business success. We made the case to connect Indigenous business to new—often digital—economies.

We prepared for a bountiful spring hunt and a long summer harvest—when, once again, our network will support First Peoples to thrive on their lands.

Shannin Metatawabin, CEO NACCA



Another Year of Growth

"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).

"I am a great role model for my children, and one day everything we are building is for them; we hired so many people within our community, we provided two new locations for our local community members, thank you for believing in me, and now I own and manage two successful businesses in Sandy Bay First Nation."

Jocelyn Monkman, Beach Road Service, Sandy Bay First Nation



"It's kind of how we judge our success. How many jobs can we create and the long-term employment, bringing wealth into our members' households?"

Kathy Parkinson, Ravenstone Construction, Duncan, BC.





"When I look at it as an Indigenous person, how do we steward our lands across the country? The longer I've been on this journey of Salish Soils, it's really brought me back to who I am and my responsibility as an Indigenous person."

Aaron Joe, Salish Soils, Sechelt First Nation, British Columbia.

Network by the Numbers

Indigenous Financial Institutions:

50

Loan
Portfolio:

\$373 м

New Loans:

\$165 м

Non-Repayable Contributions:

\$35.2 м

Business

Clients Served:

1,105

Provinces/
Territories Served:

10/3

Jobs Created or Maintained:

4,567

Clients Aged 34 or Younger:

235

Initial federal investment:

\$240 м

Loans since the mid-1980s:

53,326

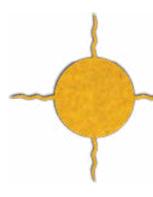
value of

\$3.38 в

"Entrepreneurs who participated in the evaluation survey reported experiencing various impacts of their entrepreneurial activity, including: improved life satisfaction of self (87%) and family (83%) and improved mental health of self (83%) and family (82%)."

Indigenous Services Canada, Evaluation of the Indigenous Entrepreneurship and Business Development Program, 2023.

Impacts of our Lending:



The Multiplier Effect

Last year, the network lent a total of \$166 million that drove: \$355 million in labour income, 8,368 FTE jobs, and over \$604 million in total GDP. The same multiplier yielded improved social well-being factors—in areas including food security, health and mental health, and housing.

8 people

move from being food insecure to having a mediumhigh level of food security

\$2.15 million

in labour income is generated

6 people

move from poor mental health status to good/excellent mental health status

51 FTE jobs

are created or supported

For Every

\$1 Million

Lent by Indigenous Financial Institutions

7 people

move from poor overall health status to a good/excellent overall health status

\$3.6 million

is produced in total GDP for Canada

7 people

move from poor housing suitability to being satisfied or very satisfied with their housing (off-reserve)

IFI Ecosystem

Indigenous Financial Institutions provide loans to diverse communities - from urban centers to remote areas. Their lending has positive impacts on labour income as Canada's GDP alongside positive outcomes on health and wellbeing.

Source: Conference Board of Canada, The Economic and Social Impacts of Indigenous Financial Institutions, 2023.

An Authentic Indigenous Lending Movement



Our Network

Indigenous Financial Institutions

Indigenous Financial Institutions (IFIs) offer business financing to First Nations, Métis, and Inuit entrepreneurs. IFIs are unique for their deep roots in the communities they serve.

Many Indigenous entrepreneurs still have difficulty obtaining loans from conventional lenders, which often see them as high risk. In the mid-1980s, Indigenous leaders worked with the federal government to create IFIs to finance Indigenous small-business development. Since then, a network of over 50 IFIs has issued over 53,326 loans totaling \$3.38 billion.

Beyond capital, IFIs offer their clients tailored supports to help them succeed—non-repayable contributions, financial and management consulting, and business start-up and aftercare services.

Professional and non-partisan, IFIs have a robust knowledge of their regional economies. As a network, they have cleared barriers in the path to Indigenous business success for almost forty years.

The Role of NACCA

In 1997, a group of IFIs founded NACCA to provide a national voice to the growing network. Today, NACCA offers its members both advocacy and programming. The Association also serves as an incubator for promising new initiatives, often together with other national Indigenous economic organizations.

Like each IFI it serves, NACCA is an authentic Indigenous organization, featuring a board that is 100 percent Indigenous, with a majority Indigenous senior managers and staff.

"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."

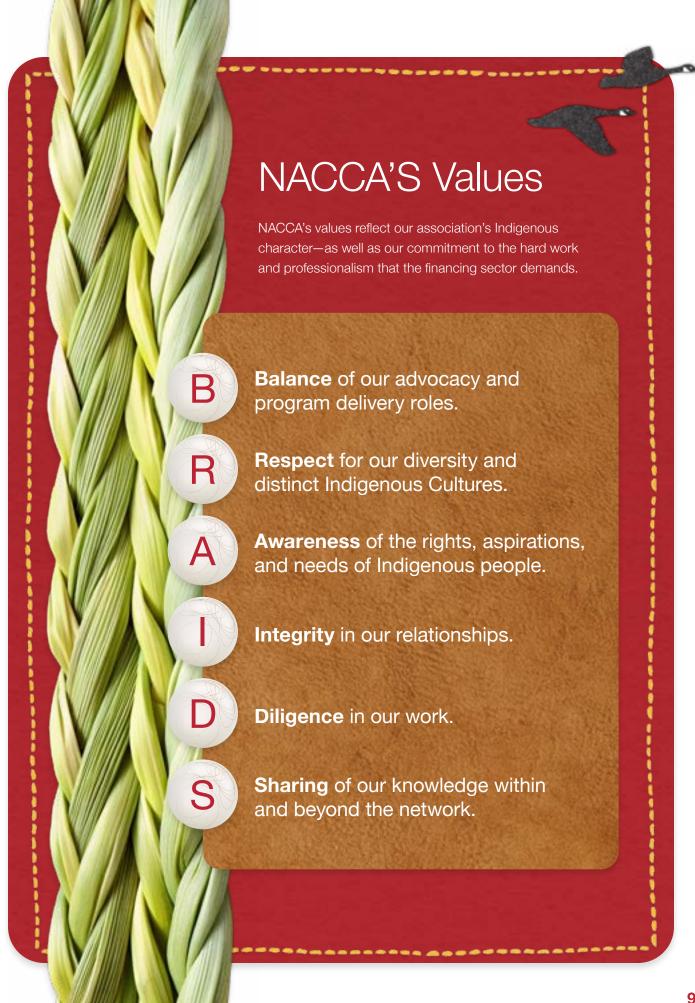
OECD, "Linking Indigenous Communities with Regional Development in Canada" (2020).

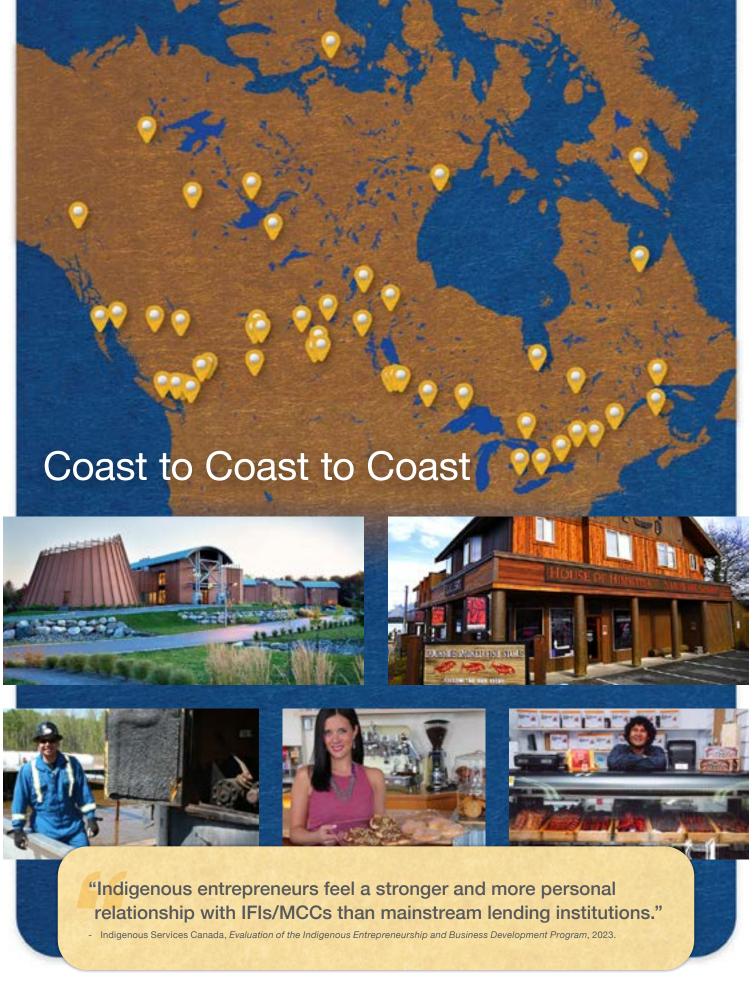
NACCA'S VISION

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.







The **Aboriginal Entrepreneurship Program** (AEP) is managed by NACCA and delivered by IFIs. In 2023/24, the program featured an ongoing budget of \$30 million annually, enhanced by an additional \$42 million for the fiscal year allocated by the federal government.

Under the AEP, four programs¹ 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
 for eligible project expenses.

 With the contribution, 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 upgrades in
 governance work. The program
 also supports capacity of the
 entire network through NACCA.
- Interest Rate Buy-Down
 Program (IRB). Faced with
 a lack of capital, some IFIs
 establish lines of credit with
 other financial institutions.
 This 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 in 2023/24. 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.
- Offers capacity-building and training opportunities
 for business service officers and IFI boards,
 supported by an additional \$2 million over two years
 from ISED.

The 2023/24 fiscal year was the final year the AEP suite of programs and IWE were offered in the versions described above. Future annual reports will report on the programs as negotiated under the network's new long-term agreement with the Government of Canada, which takes effect in 2024/25.

¹ The AEP formerly included a program known as the **Enhanced Access Loan Fund (EA)**, which provided IFIs with capital to lend to Indigenous businesses located outside their territories in underserved areas. The administrative mechanism was changed in 2023/24 to ease the reporting burden. Regular EA deliverers now simply maintain the capital in their portfolios and report to NACCA without having to reapply annually.

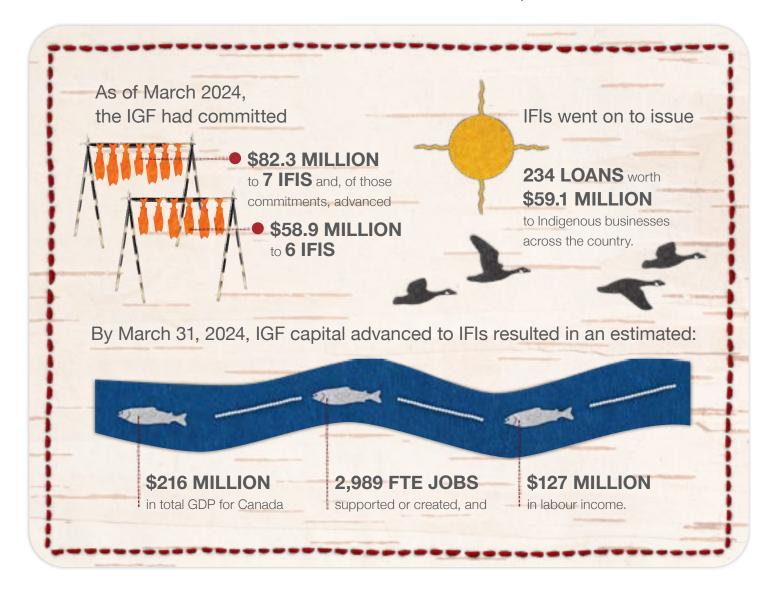


Indigenous Growth Fund

The IGF is an investment fund. Structured as a Limited Partnership (LP), it received initial LP investments of \$153 million from the Government of Canada, Business Development Bank of Canada, Export Development Canada, Farm Credit Canada, and Block Inc. (Square Technologies). The IGF enables IFIs to increase their lending to Indigenous entrepreneurs and community-owned businesses, stimulating regional economic growth and catalyzing further demand among new and expanding Indigenous businesses.

In the coming years, the IGF will raise additional capital from accredited institutional investors to meet anticipated demand from IFIs. A dedicated team at NACCA manages the IGF and NACCA builds a permanent stake in the fund over time.

The IGF's fiscal year 2023 (FYE Dec 31st) marked a sharp increase in businesses benefitting from capital advanced by the IGF on a growing number of commitments to IFIs. IFIs can utilize IGF capital in ways that are best suited to meet the unique needs of the areas and clients they serve.



Clearing New Paths to Prosperity

Indigenous economic inclusion takes work—work to clear longstanding blockages and release the untapped potential of Indigenous entrepreneurs. As in past years, NACCA and the network continued clearing paths for our communities and regional economies in 2023/24.

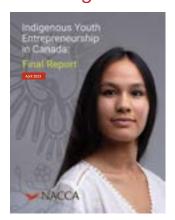
And our work is paying off. From procurement to housing to youth entrepreneurship, our network's initiatives tapped new wellsprings of business development.



Equipping the Next Generation w

Indigenous youth are getting into business at unprecedented rates, but 88 per cent use their personal savings to do it. Youth and early-stage entrepreneurs seek flexible financing, training, and resources to help them start their business. Our latest youth initiatives have just begun. Already, they have released creativity and enthusiasm in the youngest cohort of entrepreneurs.

The Indigenous Youth Entrepreneurship Initiative



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

NACCA continued to advance its Indigenous Youth Entrepreneurship Initiative in 2023/24. It builds on a research report completed early in 2023, which will inform the programs and tools designed to support young Indigenous entrepreneurs. Published in Fall 2024, the *final report* includes a literature review, survey, and focus groups of Indigenous youth entrepreneurs from across the country.

In 2023/24, NACCA also obtained \$500,000 over two years from Innovation, Science and Economic Development (ISED) Canada to develop youth programming. The funding allowed us to hire a youth coordinator and reconstitute our National Indigenous Youth Business Advisory Council.

In Winter 2024, NACCA issued a formal call for nominations for youth entrepreneurs to be named to the Youth Council in Spring 2024. The Council will play a key role in NACCA's programs to support Indigenous youth in navigating the challenges and realizing the potential of business growth.



Indigenous Prosperity Foundation



The *Indigenous Prosperity Foundation* (IPF) is a charitable foundation NACCA created in 2021. Promoting economic reconciliation, the IPF will build relationships and partnership with the philanthropic sector and work with IFIs to support underserved Indigenous women, youth, and early-stage entrepreneurs. These are new resources for the network, offering it a vehicle to engage the philanthropic sector at this scale for the first time. For its part, the depth, breadth, and reach of the network attract partnership and opportunity.

In the last fiscal year, the IPF appointed its inaugural Board of Directors. The 5-member team brings experience in Indigenous business and philanthropy to governance of the fledgling Foundation.

In 2024, the board began a Walk Together Tour of IFIs and partners, engaging with two IFIs and an Indigenous community to begin refining the strategy and fundraising goals. The IPF also received its first large donation last year—a 5-year \$17.8 million contribution from the Mastercard Foundation.

In Spring 2024, the Board initiated its search for an Indigenous executive director. With this individual in place, the Foundation will continue its fundraising, communications, and strategic planning in 2024/25.

ADAAWE: Indigenous Business Hub



ADAAWE, the Indigenous Business Hub, held its grand opening in October 2022. Since then, it has become a centre for the local Indigenous business community on unceded Algonquin territory. Meaning "A Place to Trade" in Anishinaabe, ADAAWE is co-located at NACCA's main office on Somerset Street. Providing a venue where member Indigenous entrepreneurs can gather, learn, and trade, it is also available for IFIs to use while in Ottawa.

ADAAWE surged forward in 2023/24, with several successful events and workshops offering member Indigenous businesses relevant, innovative resources. By Spring 2024, the Hub had reached almost 300 members, offering 115 business and skill development workshops and over 96 expert office hours.

In Winter 2024, ADAAWE launched its first wrap-around program. Called "Wejibàbandan" (to dream in Anishinaabe), the new 14-week Incubator Program, the new program offered its first cohort of three Indigenous business-owners specialized support, mentorship, and resources to propel their success.

ADAAWE Events, 2023/24

May 12, 2023:

August 19, 2023:

October 12, 2023:

ADAAWE One-Year

November 25, 2023:

TikTok Day

Summer Indigenous Market

ADAAWE One-Ye Anniversary Indigenous Holiday Market

Pursuing our Fair Share for Indigenous Peoples

The federal government spends approximately \$22 billion each year procuring goods and services. Currently, less than one percent of it goes towards Indigenous businesses. Indigenous procurement has the potential to be a game-changer for our communities, yet current processes are also abused by bad actors. NACCA has been at the forefront of developing an Indigenous solution to ensuring that, as soon as possible, procurement opportunities can be accessed only by authentic Indigenous businesses.

Indigenous Business Definitions

In February 2024, together with founding partners of the First Nations Procurement Organization, NACCA launched the Indigenous Business Definitions. Created to guide the federal government in meeting its 5 percent procurement target, they are intended for use across all levels of government and corporate procurement. Only by connecting early with legitimate Indigenous businesses can the sectors improve the business development and outcomes of Indigenous peoples.

First Nations Procurement Organization (FNPO)



In Summer 2023, the Assembly of First Nations (AFN) passed a resolution tasking NACCA to lead in the development of a First Nations Procurement Organization (FNPO). By December 2023, NACCA was working together with a representative of the AFN and a group of national Indigenous economic organizations including AFOA Canada, Council for the Advancement of Native Development Officers (CANDO), First Nations Finance Authority (FNFA), and First Nations Financial Management Board (FMB).

Designed by this founding group, the FNPO will offer an Indigenousmade solution to barriers to First Nations procurement, improving the outcomes of First Nations people and communities.

The First Nations Procurement Organization will:

- Assist with business certification, providing a comprehensive, verified directory of First Nations businesses.
- Offer training tools and services to develop the capacity of First Nations businesses to respond to public procurement opportunities.
- Promote First Nation procurement through networking and advocacy for mutually beneficial relationships among First Nation businesses, corporate stakeholders, and government.

The FNPO was formally launched on February 27, 2024 at an event held at NACCA. By the end of March, its Steering Committee had met several times to establish the new not-for-profit corporation. The FNPO will remain a high priority in the next fiscal year. Its systems-based approach will unify the silos that now inhibit First Nations businesses from receiving their fair share of procurement opportunities.

Promoting Care of our Communities

Housing, infrastructure, and community development are tied. In partnerships with other Indigenous organizations, NACCA has cleared a path that governments and corporate sectors can follow in helping Indigenous communities access the capital they need to flourish.

Financing Indigenous Market Housing

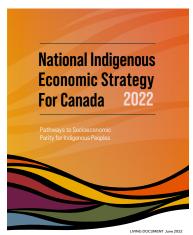
Too many Indigenous communities confront a shortage of safe, high-quality housing suited to their cultures and ways of life. In 2023/24, NACCA continued work on *Yänonhchia'*, the Indigenous Market Housing Initiative, together with the Aboriginal Savings Corporation of Canada (ABSCAN). Yänonhchia' is the Huron-Wendat word conveying "hearth and home." The initiative emphasizes the central role of quality housing, as well as a shared responsibility to achieve better housing outcomes among individual, governments, and private sector actors.

This past year, NACCA supported ABSCAN's project team in its aim to secure a \$150 million federal investment to backstop a new national revolving housing loan fund. Although the initiative received no funding in Budget 2024, housing remains a priority for the network. NACCA will continue to press for this investment in the next fiscal year.

"Yänonhchia' offers a sustainable long-term solution to the Indigenous housing crisis. It would be Indigenous-led and -run, scalable to demand and therefore better able to meet the needs of Indigenous families. Indigenous communities would benefit greatly because the resulting housing stock would be more durable and of much higher quality."

 Dominique Collin, Lawrence Schembri, Jean Vincent, "Homeownership critical to solving the Indigenous housing crisis," *Financial Post*, Aug 10, 2023.

Developing a New Economic Policy Framework



National Indigenous Economic Strategy for Canada (2022).

Since its launch in June 2022, the *National Indigenous Economic Strategy for Canada* (NIES) has guided NACCA and partner national Indigenous economic development organizations in advocating for Indigenous economic development. The first national strategy of its kind, the NIES offers four Pathways to Prosperity and over 100 Calls to Economic Prosperity. Organizations can integrate many calls into their reconciliation strategies. Some calls are directed to the federal government specifically.

Building in part on the NIES, Budget 2023 provided Indigenous Services Canada \$5 million to support co-development of an Economic Reconciliation Framework. NACCA was invited to serve as co-lead on this important work. From January to April 2024, together with the First Nations Financial Management Board, it helped bring Indigenous partners together on a First Nations Economic Development Policy Framework. The group also organized a first-ever First Nations Economic Forum, held in May 2024. Further policy work will take place in 2024/25.

Shoring up the Network's Capacity

Over the past several years, IFIs have delivered increasing numbers of loans. For too long, they have funded their own administration, with minimal funds for their own capacity. A major focus in 2023/24 has been to ensure that IFIs can maintain the capacity they will need to support their lending work.

Optimizing our Programs

To support its optimization of the Aboriginal Entrepreneurship Program (AEP), NACCA revised its AEP policy and workbooks in 2023/24 to facilitate more streamlined processes for IFIs. Work will continue in 2024/25 to share consistent service standards and simplify reporting on key performance indicators across the network.

"[A] number of IFIs in the discussion circles noted challenges in having sufficient funding to attract and retain top talent, noting many were competing against mainstream banks for talent."

 Indigenous Services Canada, Evaluation of the Indigenous Entrepreneurship and Business Development Program, Dec 2023.

Gathering and Sharing Best Practices

Succession planning is a priority in the network, as many IFI General Managers are moving toward retirement. This past year, NACCA delivered new programming. It included:

- General Manager Orientation Kit, to be rolled out via SharePoint.
- General Manager Peer Mentorship Events, allowing IFIs to share challenges and solutions.
- Executive Coaching tailored to Indigenous executives, for interested General Managers.

Recognizing a priority to retain top talent among business and loans officers, NACCA finalized and shared a review analysing the competitiveness of compensation for staff against the market standards. The network will aim to address retention issues in 2024/25, as IFIs have to compete with mainstream lenders to retain talented employees.

Fortifying our Operations

NACCA has ISO 2015 certification. In March 2024, the Association underwent an evaluation of its Quality Management System. Program delivery was deemed to be issue-free. The few minor non-conformities in management and internal audit processes are being remedied in the first months of 2024/25.

NACCA will continue making its experience with ISO 2015 Certification available to any IFI interested in achieving the certification.





2023-24 IFI Highlights

The 2023-24 fiscal year saw annual lending rise to \$166 million, its highest value yet. Likewise, the volume of loans increased, due to IFIs accessing more funds from the Indigenous Growth Fund.

| IFI Highlights² | 2021 | 2022 | 2023 | 20243 |
|---|----------------|----------------|----------------|----------------|
| Total loan dollars advanced | \$ 109,166,442 | \$ 108,483,416 | \$ 125,912,325 | \$ 165,577,955 |
| To start-ups | \$ 26,978,592 | \$ 24,271,466 | \$ 33,301,567 | \$ 35,657,017 |
| To existing businesses | \$ 82,187,850 | \$ 79,761,687 | \$ 89,637,278 | \$ 128,302,457 |
| Total number of loans | 1,012 | 903 | 1,004 | 1,105 |
| To start-ups | 296 | 333 | 386 | 347 |
| To existing businesses | 715 | 570 | 618 | 758 |
| Total FTE jobs created or maintained by new loans | 3,975 | 3,282 | 3,259 | 4,567 |
| Total gross loan portfolio (GLP) | \$ 288,935,047 | \$ 282,104,352 | \$ 299,444,038 | \$ 373,415,461 |
| Average size of new loan (weighted) | \$ 106,323 | \$ 120,157 | \$ 124,939 | \$ 139,180 |
| Interest yield on GLP (weighted average) | 5.47% | 6.11% | 6.05% | 6.51% |
| Annual write-offs as % of GLP (weighted average) | 1.95% | 1.47% | 1.67% | 0.91% |

² 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.

These highlights do not include data for microloans issued under the Indigenous Women's Entrepreneurship (IWE) Program. The results of this 3-year program are conveyed separately in the more detailed breakdown below.

³ 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 2023 to March 31, 2024, IFIs extended 1,105 loans worth almost \$166 million to Indigenous businesses. These loans either created or maintained 4,567 full-time equivalent jobs—the highest number contributed over the past five years.⁴



More Loans Than Ever, Average Size Holds Steady

In 2023/2024, IFIs were again able to access the Indigenous Growth Fund, allowing them to increase their lending. Collectively, IFIs participating in the AEP added a further 104 loans to their portfolios (this number does not include microloans under the Indigenous Women's Entrepreneurship program). The average dollar amount per loan grew somewhat, to \$139,180 compared to \$124,939 in 2022/2023.

Consistent with the mandate of IFIs, a large majority of Indigenous businesses supported by their loans were small- or medium-sized enterprises (SMEs). The proportion of loans to start-ups relative to existing businesses decreased slightly from the prior year, with just over 31% going to start-ups versus almost 69% going to existing businesses.

From Coast to Coast to Coast: IFI Highlights by Region

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

The British Columbia region was again the most active lender, disbursing over thirty percent of all the network's loans in 2023/24. In terms of loan value, businesses in the North gained—by far—the most significant proportion of loan dollars, with a total disbursement of over \$73 million.

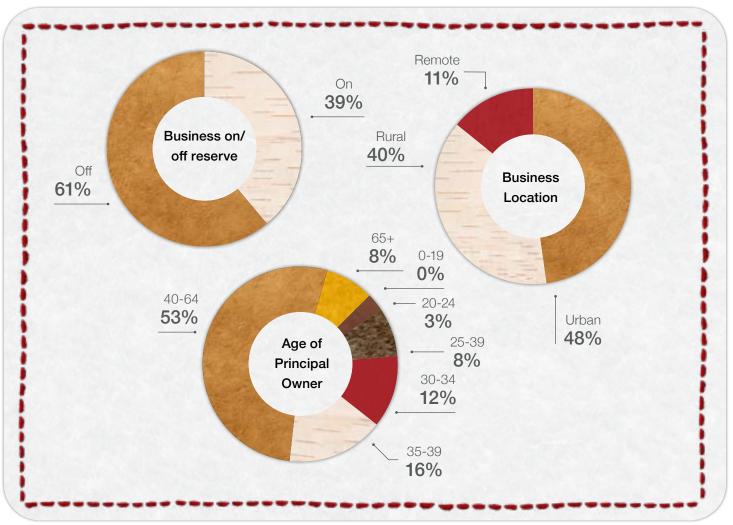
| IFI Highlights by Region | | | | | | | | |
|--------------------------|------------|----------------------|---------------------|------------|-------------|------------|------------|-------------|
| | Alberta | Atlantic & Quebec | British Columbia | Manitoba | North | Ontario | Sask. | Total |
| Total \$ New Loans | 4,977,271 | 8,806,812 | 48,152,858 | 5,344,782 | 73,217,347 | 16,209,358 | 8,869,528 | 165,577,955 |
| Total # Loans | 100 | 90 | 348 | 48 | 120 | 218 | 181 | 1,105 |
| # Loans to Start- | | | | | | | | |
| up Businesses | 26 | 35 | 110 | 24 | 33 | 47 | 72 | 347 |
| # New Loans to | | | | | | | | |
| Existing Businesses | 74 | 55 | 238 | 24 | 87 | 171 | 109 | 758 |
| Total FTE Jobs | | | | | | | | |
| Created or Maintained | 148 | 361 | 1,458 | 148 | 596 | 1,151 | 706 | 4,567 |
| Gross Loan Portfolio | 21,279,457 | 37,157,094 | 109,404,961 | 21,815,652 | 104,713,154 | 46,785,461 | 32,259,682 | 373,415,461 |
| Loan Size | | | | | | | | |
| (weighted avg) | 49,057 | 97,853 | 137,747 | 83,644 | 525,434 | 74,355 | 49,003 | 139,180 |
| Interest Yield on GLP | | | | | | | | |
| (GLP, weighted) | 10.00% | 7.34% | 7.24% | 5.80% | 6.11% | 4.29% | 5.77% | 6.51% |
| Write Offs as % of | | | | | | | | |
| GLP (weighted avg.) | 4.57% | 0.67% | 0.08% | 0.05% | 0.71% | 2.72% | 0.23% | 0.91% |

⁴ For clarification: the multiplier entailed in the "Lending with Impact" section above includes only jobs created as a direct result of the network's lending. The numbers cited in this section includes both direct and indirect jobs.

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.



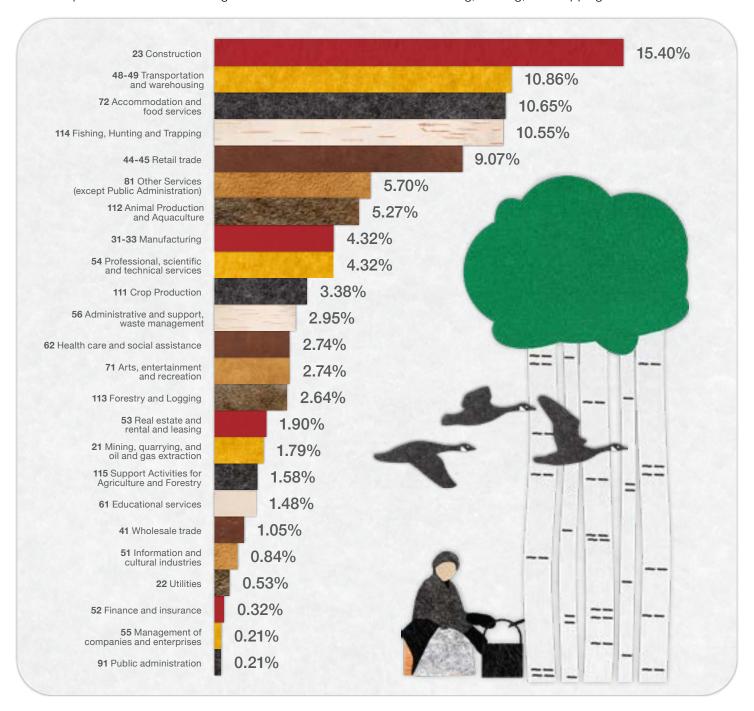
IN 2023-24:

- On-reserve/off-reserve: well under half (39%) of businesses were located on-reserve, compared to 45% located on-reserve in the prior two years.
- Location: just over half (51%) of businesses were in rural or remote locations, with 11% in remote and 40% in rural locations.
- Age: Businesses owned by youth aged 34 and under were 20%, up by 2% from 2022-23.

These breakdowns do not include data from the Indigenous Women's Entrepreneurship Program or the Indigenous Youth Entrepreneurship Program that NACCA is now developing. Annual reports for future years will incorporate data from the IWE and IYE into NACCA's demographic statistics.

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.



Here too, the graphs do not include data from microloans issued under the Indigenous Women's Entrepreneurship program, which were still administered separately this past fiscal year.

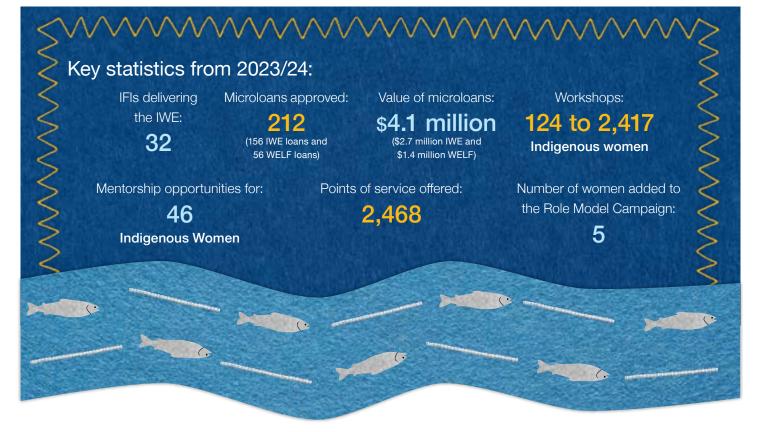
The Indigenous Women's Entrepreneurship Program

Indigenous women are, and always have been, at the very heart of Indigenous communities.

Recognizing this, NACCA launched its Indigenous Women's Entrepreneurship (IWE) Program on International Women's Day in 2022, with funding of \$22 million over 3 years.

The program's core features are dedicated business service officers (BSOs), workshops and training, and microloans for women entrepreneurs. Last year was busy, allowing the network to reach more women entrepreneurs than ever.





NACCA also obtained an additional \$2 million over two years from ISED, allowing 17 IFIs to access grants to increase their reach and impact through marketing. The funding also enabled NACCA to hold a further training session, the National IWE Gathering, in August 2024.

Capacity-Building and Training Events for IWE Business Service Officers

- Ways of Knowing Leadership and Facilitation
 Program: in-person session at the Lac Leamy Hotel
 in Gatineau in April 2023, with two virtual follow-up sessions.
- Leadership Training in Project Management: offered in collaboration with the Banff Centre for Arts and Creativity from February 11 to 16, 2024.

NACCA also sought to improve the program, anticipating being able to continue it under a new multi-year funding agreement. Activities included:

- A review and enhancement of NACCA's Gender Bias Training curriculum, expanding the content to address the needs and challenges faced by LGBTQ2S+ entrepreneurs.
- A comprehensive evaluation of the IWE Program, with findings that will inform IWE 2.0, the revised program funded under our new agreement beginning in April 2025.

Finally, IWE program added 5 Indigenous women entrepreneurs to its Role Model campaign, bringing the total to 40. The stories of these inspiring women can be found at *nacca.ca/iwe*.

"With the Loans I received I was able to purchase a gas station, this is not something that is supposed to happen for at least 10 years. This has positively impacted me because not only am I a young First Nation woman, I am now an Indigenous women entrepreneur. This still unbelievable sometimes, extremely grateful for attending the IWE workshop in Sandy Bay where I met Ivan & Vanessa, they worked with me to help me get the IWE & WELF loan."







"With a program designed specifically for women, I felt encouraged and empowered to move forward with my goal, knowing I had their support. Through the WELF program, I was able to open my business and become involved in something that shows strong dedication to the success of female entrepreneurs."

Kelly Gosselin, High Regard Artisanal Catering and Kitchen

"I am incredibly grateful for the assistance provided by the WELF program as it enabled me to purchase a workshop mobile bus.

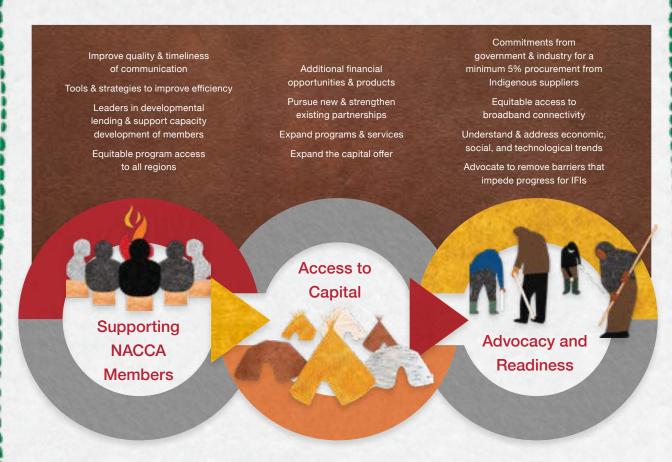
This has opened a world of possibilities for me allowing me to travel to remote communities in the Yukon to host workshops on caribou tufting and beadwork.

The ability to bring my skills and knowledge to these small towns is truly fulfilling and I am excited about the opportunity to share my passion with others in the region."

-Kimberly Geiger, Owner, Caribou Woman Creations

Checking Against Our Plans

2023-24 in Review



- Pursue market capital from nontraditional sources
- Develop the business case to adequately resource the AEP program
- Develop programming to support increased lending by IFIs to women & youth entrepreneurs
- Design & develop programming to support market based housing initiatives
- Explore small community infrastructure initiatives

- Provide the tools & resources required to support IFI capacity development
- Enhance communications to meet the needs of IFI Chairs, Boards, General Managers, and NACCA Committees
- Produce an annual report card on the social & economic impact of NACCA and IFIs

- Provide supports required byIFIs for their government relations approaches
- Develop a formal government relations strategy
- Proactively engage in an advocacy role with government, financial institutions, corporations, & Indigenous organizations to build community infrastructure & capacity for broadband connectivity
- Conduct research & create position papers to influence change in the government policy agenda
- Engage with IFIs and international Indigenous organizations & groups to share mutual successes, research, & best practices.
- Engage with governments to align IFI needs with the development of new programs & initiatives

Last year, NACCA completed Year 2 of its 2022–27 Strategic Plan. The plan includes strategic goals for each of three priority areas.

The tables below present actions to realize each priority taken in 2023-24.

Priority 1: Supporting IFIs

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.



Key Activities in 2023-24

- Obtained government support for a multi-year agreement for sustainable, sufficient, and flexible funding for the IFI network.
- Organized General Manager peer mentorship workshops to support sharing of best practices.
- Offered tailored coaching and an orientation kit for IFI General Managers.
- With the Harvard Business School Executive Education Program, delivered a customized program for IFI senior staff and board members.
- Provided marketing grants for 17 IFIs, held two major training events for Indigenous Women's Entrepreneurship Program business officers.
- Conducted the first phases of an evaluation of the IWE Program. Reviewed and enhanced gender bias awareness training for IFIs.
- Published and shared compensation review under guidance of the TAG Working Group.
- Revised AEP policy and workbooks to ensure a more streamlined process for IFIs.
- Reviewed NACCA's Quality Management system to maintain ISO 9001 certification.
- Implemented Year 2 of a 5-year comms strategy, with 8.5 rating (of 10) in IFI satisfaction survey.
- Reached out to IFIs through newsletters, Q and As, webinars, and virtual meetings to share information and gain feedback.

Priority 2: Access to Capital

Strategic Goals to Realize this Priority:

NACCA will expand the offer of capital and 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.



Key Activities in 2023-24

- Obtained government support for sufficient, sustainable, flexible funding of the network's AEP programming.
- Augmented IFI lending through the Indigenous Growth Fund, committing \$82.3 million to 7 IFIs since the Fund's inception in Fall 2021.
- Extended ADLA programming to further network members.
- With 32 IFIs, delivered 124 workshops and 212 microloans valued at \$4.1 million to women in the Indigenous Women's Entrepreneurship Program.
- Added 5 Indigenous women to the IWE program's Role Model Campaign and ensured mentorship opportunities for 46 Indigenous women.
- With \$500,000 over two years from ISED, hired a youth coordinator and reconstituted the National Indigenous Youth Business Advisory Council.
- Selected board, initiated engagement, and began recruiting Executive Director for the Indigenous Prosperity Foundation (IPF).
- Obtained first donation of \$17.8 million over 5 years from the Mastercard Foundation for the IPF.
- Expanded membership and programming of the Indigenous Business Hub.
- Served almost 300 members at ADAAWE, offering 115 workshops and 96 expert offices hours.
- Launched 14-week Incubator Program to first ADAAWE cohort of 3 Indigenous business owners.
- Supported Yänonhchia', the Indigenous Market Housing Initiative, seeking \$150 million to backstop a new revolving housing loan fund.

Indigenous Prosperity Forum

NACCA's Indigenous Prosperity Forum took place in April 2023. As with prior years, it was held at the Hilton Lac-Leamy in Gatineau, Quebec.

The Forum's theme was "Paths to Prosperity: A Bright Future Rooted in Tradition."













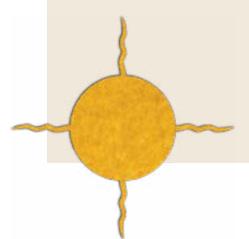


Priority 3: Advocacy and Readiness

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.



Key Activities

- With Assembly of First Nations and 5 national Indigenous economic organizations, launched the First Nations Procurement Organization and Indigenous Business Definitions.
- Continued populating an Indigenous Business
 Directory using the network's loan management
 system.
- Continued partnership with DMZ to advocate for digital equity for Indigenous entrepreneurs.
- Co-led the establishment of an Indigenous working group to co-develop an economic reconciliation framework with Indigenous Services Canada.
- Continued a Macdonald-Laurier study analyzing the Indigenous economic development ecosystem and the network's place within it.
- Developed and implemented a robust government relations strategy.
- Hosted the Indigenous Prosperity Forum in April 2023, connecting political and business leaders with network members.
- Co-hosted a June 2023 event at Parliament, introducing parliamentarians to Indigenous business leaders.
- Showcased the network's experience in addressing barriers and stimulating Indigenous business development at various conferences and panels.
- Appeared at parliamentary committees on topics involving economic reconciliation and Indigenous business.
- Published op-eds and advertisements in key media outlets to influence policy and decision-makers.

A New Season Begins



2025 and Beyond

In April 2024, the IFI network's long preparations paid off. Budget 2024 provided \$271 million over five years in new funding for NACCA's major programs.

After negotiating the details of our funding agreement with Indigenous Services Canada, NACCA will allocate the funds among programs. Our flagship Aboriginal Entrepreneurship Program (AEP) will continue, as will the Indigenous Women Entrepreneurship (IWE) Program. Both have been improved to incorporate recent evaluations and will emphasize before- and after-care for Indigenous business clients.

Further priorities in 2024-25 will address ongoing needs in Year 3 of our strategic plan:

- Indigenous Youth Entrepreneurship Initiative: the funding agreement did include support for a youth program. Building on our research report and National Youth Business Advisory Council, NACCA will prioritize implementing youth programming over the course of the next fiscal year. The programming will be structured to coordinate with offerings of ADAAWE and the Indigenous Prosperity Foundation.
- Indigenous Procurement: NACCA will continue working with partner national Indigenous economic organizations to establish the First Nations Procurement Organization and further refine the Indigenous Business Definitions. The group will recruit a senior manager to advance core goals of the FNPO.
- Indigenous Market Housing: With housing need greater than ever, NACCA will support the proposal of its partner Aboriginal Savings Corporation of Canada with government. Learning from First Nations communities that have already implemented market housing, the proposal entails \$150 million in seed investment as well as annual operating over five years.
- Building IFI and Network Capacity: NACCA will focus on network capacity, holding national training events for general managers and frontline workers.
 The focus will be on supporting members to share best practices as well as consistent supports, standards, and reporting across IFIs. NACCA will design and deliver a capacity development program to meet the varied needs of IFIs across the network.

After gathering, preparing, and waiting, the past year brought a plentiful spring. Now, we embark on a long summer of renewal. NACCA and the IFI network will continue as responsible stewards of resources. We will continue seeking capital from government, private, and philanthropic investor for loans. And we will cultivate a new growth of Indigenous prosperity across these lands, serving Indigenous Peoples and their members as they reclaim their economies—one loan at a time.

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/

Dana Soonias

Saskatchewan Region

Director

Carol Johnston

Manitoba Region

Director

Ron Marano

Ontario Region

Director

Keith Matthew

British Columbia Region

Director

Matthew Tapper Independent Director





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 – Kuujjuaq Société de crédit commercial autochtone – Wendake Tewatohnhi'saktha Business Loan Fund – Kahnawake

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

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



NACCA's Advocacy

NACCA was founded to advocate on behalf of IFIs and the years 2023/24 were no exception. NACCA continued to raise awareness of the network and advocate for Indigenous business, meaningful economic reconciliation, and self-determination through various forums and media.⁵

Conferences and Events

- April 19–20, 2023: NACCA's 2023 Indigenous Prosperity Forum, "Paths to Prosperity A Bright Future Rooted in Tradition" linked the IFI network to government, finance, and private sector.
- May 14, 2023: NACCA's Indigenous Women and Youth Program Manager presented on the network's women's programming at the 2023 Vision Quest conference held in Winnipeg.
- June 14, 2023: with Senators Marty Kline and Brian Frances, NACCA convened parliamentarians
 with Indigenous business experts for "Advancing Economic Reconciliation on Parliament Hill."
- June 26, 2023: NACCA's CEO presented on bridging the digital divide facing Indigenous business at the Collision Conference in Toronto, discussing tech and media trends with decision-makers
- June 27, 2023: CEO appeared on a panel at Cando's annual conference themed, "Transforming Economic Development in Changing Times."
- October 11–13, 2023: CEO presented on the Indigenous economic revolution with Professor Ken
 Coates at the Toronto Global Forum organized by the International Economic Forum.
- October 18, 2023: NACCA promoted awareness of the work of the IFI network via video as a sponsor of the ImagiNATIVE Film + Media Arts Festival in Toronto.
- October 24, 2023: NACCA's CEO testified before the House Committee on Indigenous and Northern Affairs on the restitution of land to First Nation, Métis, and Inuit communities.
- November 15, 2023: NACCA's CEO presented an update on development of the First Nations
 Procurement Organization to a Chiefs Committee of the Assembly of First Nations.
- **November 21- 23, 2023:** NACCA's CEO appeared at the inaugural Indigenomics on Bay Street event in Toronto, attracting change-makers, innovators, and leaders across corporate Canada.
- December 5-7, 2023: NACCA's CEO presented and held a Q and A with First Nations leaders
 about the First Nations Procurement Organization at the Special Chiefs' Assembly in Ottawa.
- **January 15, 2024:** NACCA's CEO presented on the IFI movement as a feature lecture to the Carleton University journalism program, including participating Indigenous journalists.
- February 26–28, 2024: NACCA hosted a booth at the 2024 International Indigenous Tourism Conference in Ottawa.

⁵ Our advocacy with government is ongoing and not included in this list. As a registered lobbyist under the Lobbying Act, NACCA complies with the Lobbyists Code of Conduct and our meetings with government and parliamentary officials appear on the Registry of Lobbyists.

- February 27, 2024: NACCA hosted the launch of the First Nations Procurement Organization at our offices with founding organizations and visiting delegates.
- March 5 -7, 2024: NACCA sponsored a networking breakfast at "Leading Change and Inspiring Others," the 2024 annual conference of AFOA Canada held in Winnipeg.
- March 18 –19, 2024: NACCA appeared at CMHC's 2024 National Housing Conference, with Chief
 Lance Haymond representing the Yänonhchia' Indigenous Market Housing Initiative.
- March 20, 2024: NACCA hosted a workshop connecting interested IFIs with staff of Agriculture and
 Agri-food Canada and recent research on Indigenous Agricultural Business.

Op-eds and Media Articles

- Shannin Metatawabin, "The 'For Indigenous, By Indigenous' Imperative," Indigenous Prosperity, Issue 1, Spring 2023.
- Shannin Metatawabin, "Empowering Indigenous Prosperity and Reconciliation with economy," The Hill Times, June 21, 2023.
- Shannin Metatawabin, "Empowering Indigenous Entrepreneurs: Promoting digital equity through support and awareness," Indigenous Prosperity, Issue 2, Fall 2023.
- Magnolia Perron, "Beyond International Women's Day: sustaining support of Indigenous women entrepreneurs," The Hill Times, March 25, 2024.
- Matteo Cimellaro, "Banding together for government contracts," Canada's National Observer, February 28, 2024.
- Northern Ontario Business staff, "Indigenous Leaders: Organization to help businesses get more procurement contracts," Northern Ontario Business, Mar 6, 2024.
- Ka'nhehsí:io Deer, "What defines an Indigenous business? A guide aims to weed out fronts and frauds," CBC News, Mar 18, 2024.
- Adam Freill, "Defining Indigenous business in Canada," On-Site Magazine, March 25, 2024.



NACCA's Programs at Work

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 \$33 million annually, the program has been oversubscribed for the past several years.

Under the AEP, four individual programs⁶ meet the needs of Indigenous entrepreneurs and the IFIs serving them. The increase in funding under the program for 2023/24 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.

| Aboriginal Entrepreneurship Program (AEP) ⁷ | 2021-22 | 2022-23 | 2023-24 |
|--|------------|------------|------------|
| ABFP Contributions | 20,730,137 | 28,598,563 | 35,213,450 |
| ABFP Operations | 3,328,343 | 4,218,231 | 6,792,122 |
| ACDP | 920,842 | 1,528,233 | 1,602,961 |
| ADLA | 4,987,475 | 6,537,612 | 8,860,345 |
| EA | 196,325 | 111,894 | - |
| IRB | 120,748 | 710,395 | 3,411,872 |
| TOTAL | 30,282,259 | 41,678,151 | 55,880,750 |

⁶ The AEP formerly included a program known as the **Enhanced Access Loan Fund (EA)**, which provided IFIs with capital to lend to Indigenous businesses located outside their territories in underserved areas. The administrative mechanism was changed in 2023/24 to ease the reporting burden. Regular EA deliverers now simply maintain the capital in their portfolios and report to NACCA without having to reapply annually.

⁷ 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 2023/24 reflects the boost that the program received in Budget 2021.

| ABORIGINAL BUSINESS FINANCING PROGRAM (ABFP)* | 2021-22 | 2022-23 | 2023-24 |
|--|------------|------------|------------|
| # of Regional Leads | 16 | 16 | 17 |
| Contributions provided to businesses (\$) | 20,730,137 | 28,598,563 | 35,213,450 |
| Operating support for AFI Regional Leads (\$) | 3,328,343 | 4,218,231 | 6,792,122 |
| TOTAL ABFP Funding (\$) | 24,058,479 | 32,816,794 | 42,005,572 |
| # of Projects supported | 499 | 551 | 680 |

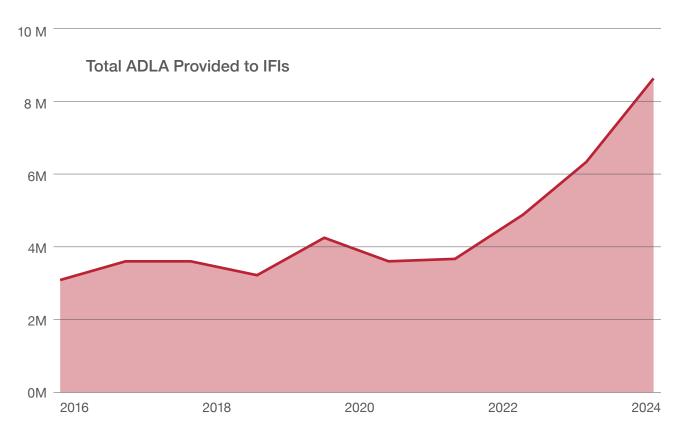
2. Aboriginal Developmental Lending Allocation Program (ADLA)

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 2023/24, the program was again over-subscribed. At \$6.5 million, ADLA funding represents the most disbursed to IFIs since the program was founded.

| ABORIGINAL DEVELOPMENTAL LENDING ASSISTANCE (ADLA) | 2021-22 | 2022-23 | 2023-24 |
|--|------------|------------|------------|
| # of IFIs accessing | 21 | 21 | 21 |
| # of loans to businesses supported | 458 | 433 | 496 |
| \$ Value of loans supported | 39,711,650 | 51,709,538 | 69,344,632 |
| \$ ADLA Funding paid to IFIs | 4,985,864 | 6,510,835 | 8,860,345 |

The demand for the ADLA is stronger than ever, as the graph below indicates. This upward trend does not obtain for all IFIs, as those that do not access the ADLA had a decline in lending volume. We are still noting a bifurcation in loan volumes for IFIs that accessed ADLA programming versus those that did not.



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 \$1.6 million in 2023/24, the funding helped the network and members scale up for the additional lending they expect to achieve with more available loan capital.

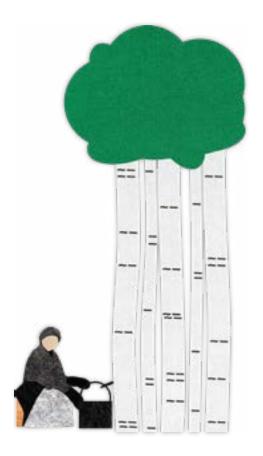
| ABORIGINAL CAPACITY DEVELOPMENT PROGRAM (ACDP) | 2021-22 | 2022-23 | 2023-24 |
|--|---------|-----------|-----------|
| # of individual IFIs supported* | 20 | 26 | 31 |
| # of IFI staff trained | 105 | 125 | 199 |
| # of IFI Directors trained | 52 | 56 | 107 |
| \$ of Funding Provided to IFIs | 920,842 | 1,528,233 | 1,602,961 |

4. 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 need to use such lines of credit to meet the demand for capital in their regions. The 2023-24 year featured growth in IFI use of the program by a multiple of 5 over 2022-23. The uptake is high due to the Indigenous Growth Fund, which is continuing to see a strong uptake due to demand for loans from entrepreneurs.

| INTEREST RATE BUY-DOWN (IRB) | 2021-22 | 2022-23 | 2023-24 |
|--------------------------------------|---------|---------|-----------|
| # of IFIs accessing the program | 4 | 5 | 7 |
| \$ Value of Interest Subsidy Claimed | 120,748 | 710,395 | 3,411,872 |



FINANCIAL STATEMENTS

For

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION

For year ended

MARCH 31, 2024

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION INDEX TO FINANCIAL STATEMENTS MARCH 31, 2024

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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, 2024, 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, 2024 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.

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.

Chartered Professional Accountants Licensed Public Accountants

elch U.P

Ottawa, Ontario August 1, 2024.



NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION STATEMENT OF FINANCIAL POSITION MARCH 31, 2024

| | Unrestricted Fund | Internally Restricted Fund | Enhanced Access Fund | ADLA | <u>ABFP</u> | <u>IGF</u> | IBSP | <u>IWE</u> | <u>WAGE</u> | <u>WELF</u> | SBED | 2024 | <u>2023</u> |
|--|---------------------------------|----------------------------------|----------------------------|--------------|--------------|------------|----------------------------------|-------------|----------------|-------------|------------|---------------|---------------|
| CURRENT ASSETS Cash (note 19) | \$ 23,472,026 | s - | s - | s - | • | s - | \$ 2,810,216 | • | s - s | | | \$ 26,282,242 | \$ 38.302.716 |
| Short-term investments (note 4) | 2.778.454 | 1,640,056 | a - | Φ - | Φ - | Φ - | \$ 2,010,210 | 3 - | Φ - 1 | | | 4,418,510 | 4.207,248 |
| Funding receivable | 2,770,434 | 1,040,030 | | 104,310 | | | | _ | | | | 104,310 | 1,927,732 |
| Accounts receivable | 184.565 | _ | _ | - | 2.867.955 | _ | 256 | _ | 28.000 | 213.500 | _ | 3.294.276 | 1.252.157 |
| Advances receivable | - | - | - | - | - | - | 199.002 | _ | | - | - | 199.002 | 199,003 |
| Emergency loan receivable (note 7) | - | - | - | - | - | - | 24,604,356 | - | _ | _ | - | 24,604,356 | - ' |
| Prepaid expenses | 187,257 | | | | | | | | | | | 187,257 | 160,483 |
| | 26,622,302 | 1,640,056 | | 104,310 | 2,867,955 | | 27,613,830 | | 28,000 | 213,500 | | 59,089,953 | 46,049,339 |
| LONG-TERM ASSETS | | | | | | | | | | | | | |
| Tangible capital assets (note 6) | 234,482 | - | - | - | - | - | - | - | - | - | - | 234,482 | 367,794 |
| Long-term investments (note 4) | 6,276,000 | - | - | - | - | - | - | - | - | - | - | 6,276,000 | 6,000,000 |
| Emergency loan receivable (note 7) Due from 2747534 Ontario | - | - | - | - | - | - | - | - | - | - | - | - | 34,833,269 |
| Corporation (note 8) Due from Indigenous Prosperity | 2,068,107 | - | - | - | - | - | - | - | - | - | - | 2,068,107 | 2,100,914 |
| Foundation (note 9) Due from Indigenous Growth | 11,143 | - | - | - | - | - | - | - | - | - | - | 11,143 | 1,559 |
| Fund LP (note 18) Investment in Indigenous | - | - | - | - | - | - | - | - | - | - | - | - | 101,000 |
| Growth Fund Inc. (note 10) Investment in Indigenous Growth | - | - | - | - | - | 1 | - | - | - | - | - | 1 | 1 |
| Fund Distributions LP (note 11) | _ | _ | _ | _ | _ | 880,687 | _ | _ | _ | _ | _ | 880.687 | 113,741 |
| | 8,589,732 | | | | | 880,688 | | | | | - | 9,470,420 | 43,518,278 |
| TOTAL ASSETS | \$ 35,212,034 | \$ 1,640,056 | <u>s</u> - | \$ 104,310 | \$ 2,867,955 | \$ 880,688 | \$ 27,613,830 | <u>s</u> - | \$ 28,000 \$ | 213,500 | š - | \$ 68,560,373 | \$ 89,567,617 |
| CURRENT LIABILITIES Accounts payable and | | | | | | | | | | | | | |
| accrued liabilities | \$ 2,067,477 | \$ - | \$ - | \$ 3,596,619 | \$ 1,453,979 | | | | | | | | |
| Deferred contributions (note 12) | 14,502,455 | - | - | 432,149 | - | 344,234 | 1,857,300 | 6,028,497 | - | 425,205 | 387,837 | 23,977,677 | 22,677,168 |
| Emergency loan payable (note 7) | 45.040.400 | - | - | (0.004.450) | 1.413.976 | (429.892) | 30,565,978 | (0.045.000) | (4.070) | (346.157) | | 30,565,978 | - |
| Interfund (note 19) | <u>15,618,423</u> 32,188,355 | | | (3,924,458) | 2.867.955 | (429,892) | <u>(4,876,329)</u> 27,613,830 | (6,645,698) | (1,279) 33.063 | 213,500 | (808,586) | 63.021.013 | 42.255.424 |
| LONG-TERM LIABILITIES | 32,100,300 | | | 104,310 | 2.007,955 | | 27,010,000 | | 33,003 | 213,300 | | 03,021,013 | 42,200,424 |
| Emergency loan payable (note 7) Deficit in 2747534 Ontario | - | - | - | - | - | - | - | - | - | - | - | - | 40,946,041 |
| Corporation (note 8) Deferred contributions related to | 9,395 | - | - | - | - | - | - | - | - | - | - | 9,395 | 17,871 |
| tangible capital assets (note 13) | 131,819 | _ | _ | _ | _ | _ | _ | _ | _ | _ | _ | 131,819 | 186.912 |
| tangible dapital abbets (note 10) | 141,214 | | | | | | | | | | | 141,214 | 41.150.824 |
| | | | | | | | | | | | | | |
| TOTAL LIABILITIES | 32,329,569 | - | - | 104,310 | 2,867,955 | - | 27,613,830 | - | 33,063 | 213,500 | - | 63,162,227 | 83,406,248 |
| FUND BALANCE | 2,882,465 | 1,640,056 | | | | 880,688 | | | (5,063) | | | 5,398,146 | 6,161,369 |
| TOTAL LIABILITIES AND FUND BALANCE | \$ 35,212,034 | <u>\$ 1,640,056</u> | <u>s</u> - | \$ 104,310 | \$ 2,867,955 | \$ 880,688 | \$ 27,613,830 | <u>s - </u> | \$ 28,000 \$ | £ 213,500 § | <u> - </u> | \$ 68,560,373 | \$ 89,567,617 |

| Approved by the Board: |
|------------------------|
| |
| WH 0 Director |

(See accompanying notes)



NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION STATEMENT OF OPERATIONS YEAR ENDED MARCH 31, 2024

| | Unrestricted | Interna Restrict | ted | Enhanced Access | 4014 | 4050 | | 105 | 1000 | 1147 | | 405 | | WE ! | CDED | 2224 | 2002 |
|---|-------------------|---------------------|-------|--------------------|--------------|---------------|----|------------|-------------|--------------|----|---------|-----------|-------|----------|--------------------|----------------------|
| REVENUE | Fund | Fund | 1 | Fund | ADLA | ABFP | | <u>IGF</u> | IBSP | IWE | W | AGE | | WELF | SBED | 2024 | 2023 |
| ISC funding | \$ 7,902,238 | \$ - | | \$ - | \$ 8,930,971 | \$ 41,511,867 | \$ | - | \$ - | \$ 7,226,673 | \$ | - | \$ | - | \$ - | \$ 65,571,749 | \$ 49,744,022 |
| ISC funding - IBSP stimulus | - | - | | - | - | - | | - | | - | | - | | - | - | 4 500 000 | 5,312,818 |
| ISC funding - IBSP IFI operating | - | - | | - | - | - | | - | 1,583,039 | - | | - | | - | - | 1,583,039 | 2,125,000 |
| WAGE funding | - | - | | - | - | - | | - | - | - | | 219,785 | | | 770.563 | 219,785 776,851 | 228,330 3,786,500 |
| ISED funding | - | - | | - | | - | | 404 704 | - | - | | - | | 6,288 | 770,563 | | |
| BDC funding FedDev Ontario funding | - | - | | - | - | - | | 104,704 | - | - | | - | | - | - | 104,704 | 131,260 227,438 |
| Amortization of deferred capital | - | - | | - | - | - | | - | - | - | | - | | - | - | - | 221,430 |
| contributions (note 13) | 99.951 | | | | | | | | | | | | | | | 99.951 | 78,422 |
| Conference income | 426.850 | - | | - | - | - | | - | - | - | | - | | - | - | 426.850 | 250,252 |
| Interest and other income | 2,566,663 | 74 | 718 | | | | | | 460,009 | | | - | | | | 3,101,390 | 1,853,713 |
| Management fees (note 18) | 2,000,000 | , | ,, 10 | | | | | 774,968 | | | | | | - | - | 774,968 | 100,000 |
| Membership fees | 150,000 | _ | | _ | _ | _ | | - 1,000 | _ | _ | | _ | | _ | _ | 150,000 | 150,000 |
| Welliberorily reco | 11,145,702 | 74 | .718 | | 8,930,971 | 41,511,867 | | 879,672 | 2.043,048 | 7,226,673 | _ | 219,785 | _ | 6,288 | 770,563 | 72,809,287 | 63,987,755 |
| PROGRAM COSTS | 11,110,102 | | | | 0,000,011 | 11,011,007 | _ | 0.0,0.2 | 210 1010 10 | 7 (880)070 | | -10,100 | _ | 0,200 | | 72,000,207 | |
| ABFP equity | _ | _ | | _ | _ | 34,088,474 | | - | _ | _ | | _ | | - | - | 34,088,474 | 25.711.904 |
| ABFP operating support costs | - | _ | | - | _ | 6,523,393 | | - | - | - | | - | | - | - | 6,523,393 | 4.218.231 |
| CanNor equity | - | - | | - | | 700,000 | | - | - | - | | | | - | - | 700,000 | - |
| CanNor operating support costs | - | - | | - | - | 200,000 | | - | - | - | | - | | - | - | 200,000 | - |
| ADLA costs | - | - | | - | 8,930,971 | | | - | - | - | | - | | - | - | 8,930,971 | 5,950,222 |
| Enhanced access | - | - | | - | - | - | | - | - | - | | - | | - | - | | 111,894 |
| BSP stimulus costs | - | - | | - | - | - | | - | - | - | | - | | - | - | - | 5,604,232 |
| IBSP operating support costs | - | - | | - | - | - | | - | 1,849,145 | - | | - | | - | - | 1,849,145 | 2,125,000 |
| IWE costs | - | - | | - | - | - | | - | - | 6,737,734 | | - | | - | - | 6,737,734 | 5,803,165 |
| nterest rate buy down | 3,411,872 | - | | - | - | - | | - | - | - | | - | | - | - | 3,411,872 | 710,395 |
| ACDP costs | 1,580,564 | - | | - | - | - | | - | - | - | | - | | - | - | 1,580,564 | 1,794,257 |
| HUB costs | 156,914 | - | | - | - | - | | - | - | - | | - | | - | - | 156,914 | - |
| SBED costs | - | - | | - | - | - | | - | - | - | | - | | - | 652,370 | 652,370 | - |
| WELF costs | | - | | - | - | - | | - | - | - | | - | | - | - | | 4,568,750 |
| Research and program development | 643,843 | | | | | | | | | | | - | | - | | 643,843 | 907,950 |
| EVEENAGE | 5,793,193 | | | | 8,930,971 | 41,511,867 | _ | | 1,849,145 | 6,737,734 | | - | _ | | 652,370 | 65,475,280 | 57,506,000 |
| EXPENSES | 40.740 | | | | | | | | | | | | | | | 40.740 | 55.005 |
| AEP committee Advertising and promotion | 19,748 235,686 | - | | - | | - | | 5,982 | - | 9,319 | | 20,782 | | - | 23,123 | 19,748 294,892 | 55,235 261,113 |
| Advertising and promotion Amortization (notes 2 and 6) | 169,842 | - | | - | - | - | | 5,962 | - | 9,319 | | 20,762 | | = | 23,123 | 169,842 | 153,269 |
| Audit and legal | 121,238 | - | | - | - | - | | 30,488 | 10,080 | - | | - | | - | - | 161,806 | 120.536 |
| Bank and processing fees | 2.724 | - 1 | | | | | | 50,400 | 1,311 | | | | | | - : | 4.035 | 6.356 |
| Board (Schedule 1) | 376,810 | _ | | | - | - | | - | 1,011 | - | | - | | - | | 376,810 | 296,765 |
| Conference | 426,850 | | | | _ | _ | | _ | | | | - | | _ | | 426,850 | 250,252 |
| IT upgrade | 119.830 | | | | | | | - | | | | | | - | | 119.830 | 129,702 |
| Insurance | 36,720 | _ | | _ | _ | _ | | 12,000 | _ | - | | _ | | - | - | 48,720 | 33.998 |
| Office and administration | 81.880 | | | | | | | 59.862 | 3.232 | 7.103 | | 254 | | _ | 1.942 | 154.273 | 235,290 |
| Professional fees/consultants | 802,671 | - | | - | - | - | | 83,001 | 104,146 | 68,793 | | 18,475 | | 2,650 | 23,197 | 1,102,933 | 1,306,587 |
| Rent | 261,526 | - | | - | - | - | | 59,007 | - ' | - ' | | - ' | | - ' | 5,175 | 325,708 | 321,376 |
| Staff recruitment and relocation | 29,231 | - | | - | - | - | | - ' | - | - | | - | | - | - | 29,231 | 16,106 |
| Staff training and development | 61,132 | - | | - | | - | | 8,676 | - | 646 | | 553 | | - | 5,717 | 76,724 | 26,343 |
| Telephone and utilities | 42,692 | - | | - | - | - | | - | - | - | | - | | - | - | 42,692 | 36,397 |
| Translation | 22,400 | - | | - | - | - | | - | - | 720 | | | | 3,638 | 610 | 27,368 | 22,636 |
| Travel and accommodation | 384,379 | - | | - | - | - | | 33,518 | - | 70,756 | | 258 | | - | 7,552 | 496,463 | 523,201 |
| Wages and benefits (note 14) | 2,157,150 | | | | | | _ | 587,138 | 75,134 | 331,602 | | 171,425 | _ | | 50,877 | 3,373,326 | 2,540,654 |
| | 5,352,509 | | _ | | | | | 879,672 | 193,903 | 488,939 | | 211.747 | _ | 6,288 | 118,193 | 7.251,251 | 6,335,816 |
| OTHER ITEMS | | | | | | | | | | | | | | | | | |
| Income on investment in 2747534 Ontario | | | | | | | | | | | | | | | | | |
| Corporation (note 8) | 8,476 | - | | - | - | - | | - | - | - | | - | | - | - | 8,476 | 39,246 |
| Income on investment in Indigenous Growth | | | | | | | | 700.046 | | | | | | | | 700 6 : - | 440 717 |
| Fund Distributions LP (note 11) | | | _ | | | | _ | 766,948 | | | | - | _ | - | | 766,948 | 113,740 |
| EXCESS OF DEVENUE OVED EXCESS | 8,476 | | _ | | | | _ | 766,948 | | | _ | | _ | | | 775,424 | 152,986 |
| EXCESS OF REVENUE OVER EXPENSES | ¢ 0.470 | e 74 | 710 | • | e | e | | 766 040 | e | ¢ | e | 8.038 | ¢ | | • | 6 050 100 | ¢ 200.00F |
| (EXPENSES OVER REVENUE) | \$ 8,476 | <u>a</u> /4, | ,718 | <u>a - </u> | <u>a - </u> | <u>a - </u> | \$ | 766,948 | <u>a - </u> | <u>a - </u> | ð | 850,0 | <u>\$</u> | | <u> </u> | \$ 858,180 | \$ 298,925 |

(See accompanying notes)



 $Welch\, {\tt LLP}^{\! \circ}$

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION STATEMENT OF FUNDS BALANCES YEAR ENDED MARCH 31, 2024

| | Unrestricted Fund | Internally Restricted Fund | Enhanced Access Fund | <u>ADLA</u> | <u>ABFP</u> | <u>IGF</u> | IBSP | <u>IWE</u> | <u>WAGE</u> | <u>WELF</u> | SBED | <u>2024</u> <u>2023</u> |
|--|----------------------|----------------------------------|----------------------------|-------------|-------------|----------------------|------|-------------|----------------|-------------|-------------|----------------------------|
| BALANCE, BEGINNING OF YEAR | \$ 2,873,989 | \$ 1,565,338 | \$ 1,621,403 | 5 - | \$ - | \$ 113,740 \$ | - | \$ - | \$ (13,101) \$ | - | \$ - | \$ 6,161,369 \$ 13,126,492 |
| Excess of revenue over expenses (expenses over revenue) | 8,476 | 74,718 | - | - | - | 766,948 | - | - | 8,038 | - | - | 858,180 298,925 |
| Transfer of fund balances to IFIs (note 5) | | | (1,621,403) | | | | | | | | | (1,621,403)(7,264,048) |
| BALANCE, END OF YEAR | \$ 2,882,465 | \$ 1,640,056 | <u>s - </u> | \$ - | <u>s - </u> | <u>\$ 880,688</u> \$ | - | <u>s - </u> | \$ (5,063) \$ | | <u>\$</u> - | \$ 5,398,146 \$ 6,161,369 |

(See accompanying notes)



NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2024

| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | <u>2024</u> | | <u>2023</u> |
|---|-------------|---------------------|----|----------------------|
| Excess of revenue over expenses | \$ | 858,180 | \$ | 298,925 |
| Adjustments for items not effecting cash: | | | | |
| Amortization | | 169,842 | | 153,269 |
| Amortization of deferred capital contributions | | (99,951) | | (78,422) |
| Gain on investment in 2747534 Ontario Corporation | | (8,476) | | (39,246) |
| Gain on investment in Indigenous Growth Fund | | (766,948) | | (113,741) |
| Transfer of loans receivable to IFIs | | (1,621,403) | | - |
| Reinvested interest on investments | | (487,262) | | (312,213) |
| | | (1,956,018) | | (91,428) |
| Changes in non-cash working capital components: | | | | |
| Funding receivable | | 1,823,422 | | 1,991,005 |
| Accounts receivable | | (2,042,119) | | 289,424 |
| Prepaid expenses | | (26,774) | | 119,545 |
| Accounts payable and accrued liabilities | (' | 11,100,898) | | 4,690,268 |
| Deferred contributions | | <u>1,300,509</u> | | 8,123,795 |
| | (` | <u>12,001,878</u>) | _ | <u> 15,122,609</u> |
| CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES | | | | |
| Tangible capital asset additions - net | | (36,527) | | (79,355) |
| Repayment of advances from (advances to) | | (00,027) | | (10,000) |
| 2747534 Ontario Corporation | | 32,807 | | (243,792) |
| Advances to Indigenous Prosperity Foundation | | (9,584) | | (1,559) |
| Due from Indigenous Growth Fund LP | | 101,000 | | (101,001) |
| Dividends received from 2747534 Ontario Corporation | | - | | 44,655 |
| Issuance of new EA loans | | _ | | (22,950) |
| Sale of investments | | 4,024,525 | | 1,898,044 |
| Purchase of investments | | (4,024,525) | | (9,894,878) |
| Repayments of repayable IBSP emergency loans (note 7) | | 10,624,512 | | 15,073,803 |
| | | 10,712,208 | | 6,672,967 |
| CARLEL CARLE EDGA (LIGED IN) FINANCING ACTIVITIES | | _ | | _ |
| CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES | | 40 775 000) | , | 50 045 00C) |
| Repayments of IBSP emergency loan program (note 7) | (| 10,775,662) | (| 52,015,296) |
| Deferred capital contribution received | | 44,858 | _ | 79,356 54,035,040 |
| | | <u>10,730,804</u>) | _(| <u>51,935,940</u>) |
| DECREASE IN CASH | (' | 12,020,474) | (| 30,140,364) |
| CASH, BEGINNING OF YEAR | | <u>38,302,716</u> | | 68,443,080 |
| CASH, END OF YEAR | <u>\$ 2</u> | 26,282,242 | \$ | <u>38,302,716</u> |

(See accompanying notes)



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 Indigenous Financial Institutions (IFIs), is a not-for-profit corporation without share capital and is exempt from taxation under paragraph 149(1)(I) 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 are 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 Indigenous Financial Institutions to fund loan capital to viable, qualified, Aboriginal businesses for areas not serviced by IFIs 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).



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 Business Stabilization Program (IBSP) relates to the Association's program destined to support Indigenous businesses and IFIs 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 IFIs until 2025.

Interest Relief and Contingency Fund Program

To provide Indigenous Financial Institutions (IFIs) 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.

The Small Business and Entrepreneurship Development (SBED) relates to breaking down barriers to start, maintain, and grow a business among small and medium sized enterprises across Canada, particularly equity deserving groups, by providing targeted support to enhance overall sustainability, and drive growth, competitiveness, innovation, and productivity toward broader economic and social benefits. The Government of Canada committed \$2.5 million to carry out this program.



SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

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.

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

Conference income is recognized when the event is held.

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

Membership fees are recognized as revenue in the period in which they relate. Membership fees received in advance of the year to which they apply are deferred and taken into revenue in the year in which the services are provided. As memberships fees are invoiced and received in the fiscal year which they relate, there is no deferred revenue in relation to membership fees at year-end.

Management fees are recognized as revenue in the period in which the budgeted expenditures are incurred. Management fees are deferred and taken into revenue in the year in which the services are provided.

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, the determination of certain 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.



SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

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.

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.

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, loans receivable and amounts due from related parties. 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. Management monitors the financial performance of its related parties and has determined all such amounts to be collectible.

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.



FINANCIAL INSTRUMENTS - Cont'd.

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.

4. SHORT-TERM AND LONG-TERM INVESTMENTS

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

| | <u>2024</u> | | <u>2023</u> |
|---|----------------------------------|----|-----------------------|
| Term certificate, maturing April 5, 2024 with an interest rate of 5.15% | \$ 2,054,800 | \$ | - |
| Term certificate, maturing July 5, 2024 with an interest rate of 5.20% | 1,969,725 | | - |
| Redeemable term certificate, maturing July 5, 2026 with an interest rate of 4.60% | 3,138,000 | | 3,000,000 |
| Redeemable term certificate, maturing July 5, 2026 with an interest rate of 4.60% | 3,138,000 | | 3,000,000 |
| Term certificate, matured July 5, 2023 with an interest rate of 3.95% | - | | 1,894,878 |
| Term certificate, matured April 5, 2023 with an interest rate of 3.65% | - | | 2,000,000 |
| Accrued interest income receivable | <u>393,985</u> 10,694,510 | _ | 312,370 10,207,248 |
| Less: short-term investments | (4,418,510) | | (4,207,248) |
| Long-term investments | \$ 6,276,000 | \$ | 6,000,000 |



5. ENHANCED ACCESS LOANS

Enhanced access loans (EA) were made to participating Indigenous 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.

In 2023, the administration of this program was transferred from the Association to the Indigenous Financial Institutions. In 2024, the remaining fund balance of \$1,621,403 was transferred to select Aboriginal Financial Institutions to support increased development lending capacity. This transfer was reflected as an interfund transfer on the Statement of Fund Balances.

6. TANGIBLE CAPITAL ASSETS

Tangible capital assets consists of:

| | | 2024 | | 2023 | | |
|--|---|----------------------------------|--------------------------------|--|--|--|
| | <u>Cost</u> | Accumulated amortization | Net <u>book value</u> | Net book value | | |
| Office equipment Leasehold improvements Computer equipment | \$ 175,030 265,149 <u>348,623</u> | \$ 123,175 162,486 268,659 | \$ 51,855 102,663 79,964 | \$ 110,199 180,882 <u>76,713</u> | | |
| | <u>\$ 788,802</u> | <u>\$ 554,320</u> | <u>\$ 234,482</u> | <u>\$ 367,794</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 in the form of:

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

This funding was available to businesses in two segments; the first component was \$40,000 with \$10,000 (or 25 percent) being non-repayable (ELP1) and the second component was \$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. As the loans are expected to be repaid on or before March 31, 2025, the entire balance is displayed as a current asset in the financial statements. Emergency loan receivable consists of the following:

| Emergency loan receivable balance, beginning of year | \$ 34,833,269 | \$ 91,225,881 |
|--|----------------------|---------------|
| Repayments from IFIs | (10,624,512) | (15,073,803) |
| Loans forgiven in the year | (2,687,285) | (41,318,809) |
| Loans written off | (1,875,252) | - |
| Rebates paid to IFIs | <u>4,958,136</u> | |
| Emergency loan receivable balance, end of year | <u>\$ 24,604,356</u> | \$ 34,833,269 |



7. INDIGENOUS BUSINESS STABILIZATION PROGRAM - Cont'd.

The emergency loan payable in the accompanying statements represents the repayable contributions received 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. Emergency loan payable consists of the following:

| Emergency loan payable balance, beginning of year | \$ 40,946,041 | \$134,280,146 |
|---|----------------------|----------------------|
| Excess loan funding returned to ISC | - | (18,805,182) |
| Excess grant funding returned to ISC | - | (6,268,394) |
| Repayments returned to ISC | (10,775,662) | (21,983,584) |
| Loans forgiven in the year | (2,687,285) | (41,318,809) |
| Loans written off | (1,875,252) | - |
| Rebates paid (payable) to IFIs | <u>4,958,136</u> | <u>(4,958,136</u>) |
| Emergency loan payable balance, end of year | <u>\$ 30,565,978</u> | <u>\$ 40,946,041</u> |

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 or the Organization.

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>2024</u> | <u>2023</u> |
|--|---|---|
| IFI operating costs IFI interest and contingency fund | \$ 2,125,000 | \$ 2,125,000 5,718,033 |
| Funding received | \$ 2,125,000 | \$ 7,843,033 |
| IFI operating costs provided Interest and contingency funds provided NACCA operating costs NACCA deferred (used) Fund surplus (loss) Interest earned on bank account | \$ 1,849,145 - 193,903 541,961 - (460,009) | \$ 2,125,000 5,604,232 167,857 405,216 113,801 (573,073) |
| Funding disbursements | \$ 2,125,000 | \$ 7,843,033 |

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.

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>2024</u> | <u>2023</u> | | |
|--|---|--|--|--|
| Summarized Balance Sheet | | | | |
| Assets Total assets | <u>\$ 2,964,604</u> | \$ 3,000,034 | | |
| Liabilities and net deficit Total liabilities Share capital Deficit Total liabilities and deficit | \$ 2,973,899 100 (9,395) \$ 2,964,604 | \$ 3,017,805 100 (17,871) \$ 3,000,034 | | |
| Summarized Statement of Operations | | | | |
| Total revenues Total expenses Total income taxes Total refundable dividend tax recovered Net Profit | \$ 311,405 (281,961) (20,968) | \$ 309,211 (258,901) (28,182) 17,118 \$ 39,246 | | |
| Summarized Statement of Cash Flows | | | | |
| Cash flows from operating activities Cash flows from (used in) investing activities Cash flow used in financing activities Cash, beginning of year Cash, end of year | \$ 111,857 (32,806) (40,710) 141,308 \$ 179,649 | \$ 23,639 92,944 (67,125) 91,850 \$ 141,308 | | |

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

| • | <u>2024</u> | <u>2023</u> |
|--|---|--|
| Payable to NACCA, beginning of year 2747534 Ontario Corp. operating expenses paid by NACCA Repayment by 2747534 Ontario Corporation to NACCA Dividends issued Rent charged to NACCA Rent paid to NACCA Payable to NACCA, end of year | \$ 2,100,914 25,893 (58,700) - 311,405 (311,405) \$ 2,068,107 | \$ 1,857,122 - 199,137 44,655 309,211 (309,211) \$ 2,100,914 |
| Net profit for the year Dividends paid Prior year deficit Deficit in 2747534 Ontario Corporation, end of year | \$ 8,476 - (17,871) \$ (9,395) | \$ 39,246 (44,655) (12,462) \$ (17,871) |



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 2024, there was little activity in the Foundation, made up of \$733 (2023 - \$nil) of donation revenue, accounting fees which amounted to \$1,696 (2023 - \$1,559), subscriptions which amounted to \$5,925 (2023 - \$nil), and other miscellaneous expenses which amounted to \$2,100 (2023 - \$nil). The expenses were 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, 2024.

On March 26, 2024, the Foundation secured funding from Mastercard Foundation in the amount of \$17,608,332. Funds will be disbursed between April 2024 and September 2029, of which \$2,909,639 was received by the Foundation on April 16, 2024.

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.

\$766,948 (2023 - \$113,740) of IGF LP's earned net income was distributed to IGF Distributions LP in the form of 727,696 (2023 - 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, 2023. For the period January 1, 2024 to March 31, 2024 there were no further distributions from IGF LP to IGF Distributions LP.



12. **DEFERRED CONTRIBUTIONS**

Deferred contributions consist of the following:

| | <u>2024</u> | <u>2023</u> |
|---|---|---|
| Balance, beginning of year Contributions received during the year Contributions recognized as revenue during the year | \$ 22,677,168 70,373,400 (69,072,891) | \$ 14,553,373 70,365,359 (62,241,564) |
| Balance, end of year | \$ 23,977,677 | \$ 22,677,168 |

Deferred contributions represent amounts received under the funding agreements that have not yet been spent on operations or programming. There is \$16,359,755 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 \$14,502,455 include | • | 4.502.455 include | of \$ | fund | Unrestricted | • |
|---|---|-------------------|-------|------|--------------|---|
|---|---|-------------------|-------|------|--------------|---|

- IFI deferred operating contributions

| - General operations | \$ 3,316,074 |
|--|----------------------|
| - ACDP | 10,538,730 |
| Forum 3rd Party Funding | 115,314 |
| Indigenous Prosperity Foundation | 132,984 |
| - Procurement | 332,035 |
| - NIES/Housing | 64,551 |
| - HUB | 2,767 |
| | <u>\$ 14,502,455</u> |
| IBSP fund of \$1,857,300 includes: | |
| NACCA deferred operating contributions | \$ 1,581,445 |

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.

13. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

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

| | <u>2024</u> | | 2023 |
|--|-------------------------------------|-----------|-------------------------------|
| Balance, beginning of year Received during the year Recognized during the year | \$ 186,912 44,858 (99,951) | \$ | 185,978 79,356 (78,422) |
| Balance, end of year | \$ <u> 131,819</u> | <u>\$</u> | 186,912 |



275,855

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, 2024 were \$255,878 (2023 - \$190,339). 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:

| 2025 2026 | \$ 256,255 106,773 |
|--------------|--------------------------|
| | \$ 363,028 |

16. **ECONOMIC DEPENDENCE**

The Association derives 91% (2023 - 89%) 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 received management fees of \$1,119,203 (2023 - \$100,000). As at March 31, 2024, \$nil (2023 - \$101,000) is receivable from IGF LP.



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:

| ADLA | 3,924,458 |
|------|----------------|
| IGF | 429,892 |
| IBSP | 4,876,329 |
| IWE | 6,645,698 |
| WAGE | 1,279 |
| WELF | 346,157 |
| SBED | <u>808,586</u> |
| | \$ 17,032,399 |

Amounts owed to the unrestricted fund by other funds:

ABFP \$ (1,413,976)

If the restricted funds had individual bank accounts and the above amounts were settled, the unrestricted fund cash balance would decrease by \$15,618,423 (2023 - \$27,902,053) at the end of the fiscal year to \$7,853,603 (2023 - (\$214,431)). If the unrestricted, short-term and long-term investments were cashed, the unrestricted cash balance at the end of the fiscal year would increase to \$16,908,057 (2023 - \$8,427,611).

20. **COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.



NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION SCHEDULE 1 - BOARD COMMITTEE EXPENSES YEAR ENDED MARCH 31, 2024

(unaudited)

| | | <u>2024</u> | 2023 |
|-----------------------------|----|---------------|------------------|
| Honorarium by meeting | | · | |
| Board of directors | \$ | 36,550 | \$ 52,550 |
| Executive committee | | 2,700 | 3,875 |
| Governance committee | | 13,600 | 7,200 |
| Audit and finance committee | | 5,875 | 13,650 |
| Annual general meeting | | 8,625 | 14,900 |
| General manager's meeting | | 12,481 | 12,550 |
| Individual meetings | | 4,550 | 1,800 |
| Other | | 4,900 | <u>4,175</u> |
| | | 89,281 | 110,700 |
| Airfare and meals | | 158,536 | 127,175 |
| Accommodations | | 95,835 | 51,462 |
| Other | _ | <u>33,158</u> | 7,428 |
| | \$ | 376,810 | \$ 296,765 |

NATIONAL ABORIGINAL CAPITAL CORPORATIONS ASSOCIATION SCHEDULE 2 - STATEMENT OF OPERATIONS AND FUNDING RECOGNIZED YEAR ENDED MARCH 31, 2024

(unaudited)

| | Procurement | <u>Housing</u> | Hub <u>2024</u> | Financial Literacy <u>Game</u> | <u>Forum</u> | Indigenous Prosperity Foundation | <u>Total</u> |
|--|----------------------------|----------------|---------------------------------|--------------------------------------|----------------------------|--|---|
| Funding received ISC funding Other funding | \$ 369,366 - 369,366 | \$ - - - | \$ 380,000 16,925 396,925 | \$ 95,000 | \$ - 268,661 268,661 | \$ 225,000 | \$ 1,069,366 <u>285,586</u> 1,354,952 |
| Expenses | | | | | | | |
| Conference | - | _ | - | - | 426,850 | - | 426,850 |
| Administration | 20,100 | - | 27,903 | - | - | - | 48,003 |
| Office | 18,531 | - | 35,980 | - | - | - | 54,511 |
| Program costs | - | - | 136,656 | - | - | - | 136,656 |
| Professional fees/program | | | | | | | |
| development | 58,762 | - | 194,091 | 97,133 | - | 142,686 | 492,672 |
| Travel | 24,345 | - | 4,485 | - | - | - | 28,830 |
| Wages | 78,657 | - | 118,393 | - | - | - | 197,050 |
| Other | | | <u> 11,712</u> | | | | 11,712 |
| | 200,395 | - | 529,220 | 97,133 | 426,850 | 142,686 | <u>1,396,284</u> |
| Net activity | 168,971 | - | (132,295) | (2,133) | (158,189) | 82,314 | (41,332) |
| Deferred contributions, beginning | 163,064 | 64,551 | 135,062 | - | 273,503 | 50,670 | 686,850 |
| Transfer between programs | | | | 2,133 | | | 2,133 |
| Deferred contributions, ending | \$ 332,035 | \$ 64,551 | \$ 2,767 | \$ - | \$ 115,314 | \$ 132,984 | \$ 647,651 |

