

2008 Annual Report

# GROWTH





## OUR MISSION

Our mission is to provide opportunities for Native people to develop assets and create wealth by assisting in the establishment of strong, permanent institutions and programs, contributing to economic independence and strengthening sovereignty for all Native communities.



## TABLE OF CONTENTS

Chairman's Message	3
CEO's Message	4
2008 Highlights	6
Partners	20
Supporters & Investors	21
Financial Statements	22



# 2008

## A YEAR OF GROWTH

### CHAIRMAN'S MESSAGE



**Michael Roberts**  
Chairman of the Board  
First Nations Oweesta Corporation

"Beyond our wildest dreams!" That is how I would characterize Oweesta's many achievements in its short history. While the legislation passed by President Clinton 14 years ago to create the Community Development Financial Institutions (CDFI) Fund was an important milestone in growing Native economies, it was the recruitment of Elsie Meeks nine years ago that gave Oweesta, then a newly-formed subsidiary of First Nations Development Institute (FNDI), the entrepreneurial zeal necessary to lead the movement in transforming Native economies. Since its inception Oweesta has contributed to a dramatic increase of certified CDFIs in Native communities, bringing the count to 48 in all.

Today, Oweesta's more than 20 staff members work tirelessly to unleash entrepreneurship and asset building in Native communities. It is the Board of Directors' hope that this will create new wealth opportunities for and increase the assets of Native peoples by: *expanding economic liberty* in economically disadvantaged Native communities; *promoting economic self-reliance* of individuals and families through financial literacy and entrepreneurial education; *increasing access to capital* as a means of increasing economic self-sufficiency; and *strengthening Native financial institutions* that allow individual community members access to financial services, as well as teach skills and provide the knowledge they need to innovate and grow.

As we take this moment to reflect on the organization's accomplishments, we would also like to acknowledge our partners: the CDFI Fund, whose staff understand Native economic development and have been strong supporters of Oweesta's work; our foundation partners and investors, who provide both credit capital and much needed operating and program support; Oweesta's staff, who create and run the programs; and most importantly, the Native communities themselves, for inviting us to join them in their dreams and their hard work and to whom we hope to be a good partner in empowering their communities to move ahead.

“Oweesta's staff members work tirelessly to unleash entrepreneurship in Native communities.”





**Elsie Meeks**  
President and CEO  
First Nations Oweesta Corporation

## CEO'S MESSAGE

The adage “time flies when you’re having fun” may be old and overused but I can’t think of a better one to describe the last nine years. It is hard to believe that Oweesta is nearing its 10 year anniversary! I remember sitting at my desk as director of the Lakota Fund in August 2000 and receiving a telephone call from Rebecca Adamson, President of FNDI. She asked if I was interested in becoming executive director of the Oweesta Corporation. My first thought was, “Well, since the Lakota Fund has made almost every mistake possible, maybe I could help steer other tribes considering starting a community development financial institution away from similar pitfalls.”

The first challenge was getting the word out to Indian Country and Native communities in Alaska and Hawaii about the importance of CDFIs. Just saying “community development financial institution” was hard enough! So, I took the lessons learned from the Lakota Fund and the Hopi Credit Association, the only two CDFI Fund-certified Native CDFIs at that time, on the road, or more aptly, through the air. I started going to every Native conference and gathering I could to talk about CDFIs.

The second challenge was trying to position Oweesta as the “go-to” organization for CDFI development assistance. Since Oweesta was essentially just me (with a lot of support from FNDI), I first turned to Opportunity Finance Network (OFN) (then National Community Capital Association). I knew we needed to partner with an established organization in order to have the capacity to develop a national training and technical assistance program. Partnering became the secret to Oweesta’s success. It is almost impossible to name all the important national partners we have worked with over the years, but National Congress of American Indians (NCAI), CFED, National American Indian Housing Council (NAIHC), OFN and the CDFI Fund were a few of our early valued partners.

Beyond partnerships, Oweesta needed credible staff that had experience in Native CDFI start-up and operations. To my knowledge, at that time there were only two people with those credentials: myself and Stewart Sarkozy-Banoczy, who had recently started Four Bands Community Fund on the Cheyenne River Reservation. Stewart became that first full-time staff person on the ground with me. Today Oweesta has a staff of more than 20 highly skilled, outstanding, mission-driven people.

Native CDFIs have grown along with Oweesta. There are 48 certified Native CDFIs today, a drastic increase from just two institutions operating nine years ago. Native CDFIs are now recognized by tribal and Native community leaders, as well as policy-makers and funders, as primary catalysts for asset-building strategies in their communities. Native CDFIs offer many programs to make sure their community members have every opportunity for success. These include Individual Development Account (IDA) programs, Earned Income Tax Credit (EITC) outreach, free tax preparation programs, entrepreneurship training, home ownership training, financial education and, of course, financing.

I cannot end this message without further recognizing FNDI for the vision it had 24 years ago when it developed the Oweesta Program. Their vision was to help build capacity and bring capital to the local level, and I believe they went a long way toward realizing this goal when they created First Nations Oweesta Corporation. They provided not only support, but just as important, the freedom and trust that allowed Oweesta to grow in capacity and knowledge. There is no telling how much Native communities will prosper over time, but I know that FNDI and Oweesta will contribute as much as we can to their success.

We hope you find our accomplishments inspiring because this is just the beginning. Achieving our vision of healthy Native communities will take dedicated people, time and resources.

“Native CDFIs are now recognized as primary catalysts for asset-building strategies in their communities.”



# 2008

## YEAR IN REVIEW

### LOOKING BACK TO MOVE FORWARD



2008 marks a year of dynamic growth for Oweesta! With the milestone of a decade of investment in Native opportunity quickly approaching, it was time to take a look back to see how far we had come and what we had achieved since we began this journey in 1999. Oweesta remains the only certified Native CDFI intermediary in the country, and our work is critical to the advancement of this burgeoning movement. The Native CDFI industry is still very young, and much work remains if we are truly to affect systemic change in Native communities. With this insight in tow, Oweesta began the year immersed in an intensive strategic planning process that culminated into several key goals and objectives for the ensuing five years. These goals and objectives will position Oweesta and the Native CDFI industry for continued growth and maturity:

1. Using the Oweesta Model as a foundation, provide new and ongoing consulting and capacity building services to Native organizations, tribes, corporations and programs, doubling the number of established asset building institutions and programs in Native communities and assisting in relevant infrastructure development.
2. Provide grants, debt and equity funding of \$7 million to Native institutions and their partners.
3. Provide an enhanced and comprehensive Research, Policy & Advocacy Program tied to Native asset building and community economic development.
4. Develop systems, staffing and procedures for full communications, outreach and marketing capabilities.
5. Expand internal and external Oweesta infrastructure to meet demand and create appropriate programs and services in line with our mission.

As part of this process, Oweesta adopted a new mission statement. Our new mission is *to provide opportunities for Native people to develop assets and create wealth by assisting in the establishment of strong, permanent institutions and programs, contributing to economic independence and strengthening sovereignty for all Native communities.* We are proud of this mission and our staff is 100% dedicated to fulfilling it.

#### NATIVE ECONOMIES CONTINUE TO GROW

Oweesta's work builds the foundations of Native economies. As Native communities establish financial institutions, programs, and systems, they strengthen and grow their economies. 2008 was a year of growth not only for Oweesta, but for the Native community development field as a whole.

##### Native CDFIs

This year, there was a 13% increase in certified Native CDFIs, bringing the nationwide total from 42 to 48, and 60 more emerging Native organizations are on the path to becoming certified.

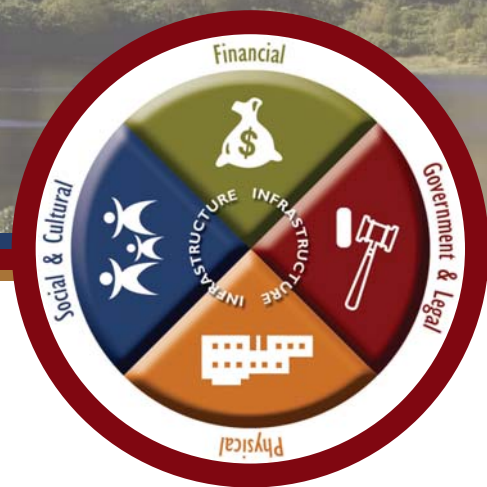
##### Native Financial Education Programs

Over 33 Native financial education programs have been established and implemented since 2003, 18 in this year alone. Over 30 more Native organizations are in the process of establishing their own programs.

##### Enterprise & Entrepreneurship

As financial institutions and programs mature, a shift towards development of comprehensive systems that support enterprise and entrepreneurship in Native communities is occurring.





## THE FOUR SECTORS OF CHANGE™

### A Framework for Native Community Development

Every Native community has a different set of conditions that set the stage for Oweesta's work. Four sectors of infrastructure - Financial, Government & Legal, Physical, and Social & Cultural - serve as a framework for Oweesta and its clients to approach challenges and new opportunities that create change at the local level.

#### Financial Infrastructure

In this sector we focus on the awareness, use and availability of infrastructure from financial and financing standpoints that we and our clients often tackle, such as:

- Limited access to credit and financial services
- Few CDFIs and financial education providers
- Prominence of predatory lenders

#### Governmental & Legal Infrastructure

In this sector we focus on the governmental and legal building blocks of a private economy that may or may not exist in a community, such as:

- Private sector enterprise and ownership not supported
- Absence of commercial codes and court systems
- Trust status of land

#### Physical Infrastructure

In this sector we focus on the physical challenges that often impede community development efforts, such as:

- Lack of housing stock and commercial space
- Poor telecommunications and utility systems
- Remote, low-population density communities

#### Social & Cultural Infrastructure

In this sector we focus on the core community change and outlook, socially and culturally, that we and our clients may affect, such as:

- Lack of financial management skills
- Inexperienced workforce
- No culture of formal entrepreneurship

## THE OWEESTA MODEL™



### Integrated Community Development

The Oweesta Model is our foundational community development model and graphically represents our mission and the larger goals of our work. We assist Native communities with creating the appropriate institutions, programs, and systems that lead to increased sovereignty and create long-lasting impact.

#### Institutions

Institutions, in particular Native CDFIs, become the spring board or economic engine for community change.

*~ Viable institutions are strengthened by appropriate integrated programs...*

#### Programs

Programs such as financial education and credit counseling, take community members, institutions, and economies to the next level.

*~ Appropriate integrated programs lead to real community impact...*

#### Impact

As impact creates change in a community through the strength of the institutions and programs, it affects the structure and sovereignty of the community.

*~ Real community impact helps to create true sovereignty...*

#### Sovereignty

The impact of the institutions and programs have a profound effect on individual, community and nation-wide sovereignty.

*~ True sovereignty supports strong local institutions, programs and integrated systems...*

#### Systems

Systemic change is necessary for creating sustainable and strong Native economies.

*~ Integrated systems allow strong institutions, appropriate programs, real impact and true sovereignty to flourish...*





“The Native Convening offers a unique opportunity to witness and celebrate the successes of our peers within the Native CDFI community.”

-- Chrystel Cornelius, Executive Director, Turtle Mountain CDFI

## 4th ANNUAL NATIVE CDFI CONVENING

Nearly 100 representatives from more than 40 Native communities across the United States gathered at the 4th annual Native CDFI Convening in Miami, Florida to promote entrepreneurship development, affordable housing opportunities, job creation and expanded Native asset building for their underserved communities. Hosted by Oweesta and Opportunity Finance Network (OFN), the Convening was part of the 23rd annual OFN Conference that took place from December 11-14, 2007. The four-day OFN conference brought together more than 700 industry experts and provided a platform to study capitalization, strategic communications, fundraising, mortgage lending and products, services and delivery.

The Native CDFI Convening highlighted that Native CDFIs and asset building institutions are playing a growing role in creating opportunity and economic strength among Native communities, and discussed the progress of the industry as well as tools for opportunity finance and integrated asset building. With the theme *NEXT: Opportunities for Native CDFIs*, the Convening and the Native-focused sessions held throughout the week took the informational and instructional effort one step further to provide a variety of concrete lessons for Native CDFI growth and stabilization.

The conference included nine Native-specific sessions and workshops with a focus on leadership, funding, financial management, development, housing finance and more. Among the Native Convening panelists and presenters were representatives of ten different Native CDFIs, leaders from around the country, topical experts, as well as staff from Oweesta.

Concluding the Convening at the Seminole Hard Rock Hotel and Casino was the 2nd annual Native Awards Ceremony which honored two Native CDFIs for their vision and leadership

within the growing community development field. Wind River Development Fund was the recipient of the Circle of Honor Award which recognizes the outstanding achievements made by a Native CDFI. It is a non-profit corporation operating in Ft. Washakie, Wyoming that provides financial opportunities to stimulate economic development on the Wind River Indian Reservation, promoting self-sufficiency, self-determination and an enhanced quality of life. The Visionary Leader Award for Outstanding Achievement was awarded to Tanya Fiddler, executive director of Four Bands Community Fund located on the Cheyenne River Reservation in Eagle Butte, South Dakota. Through Ms. Fiddler's leadership, Four Bands is leading the charge toward economic sovereignty for the people of the Cheyenne River Reservation.

Generous sponsorships from the following organizations made the 4th Annual Native Convening possible:

*Annie E. Casey Foundation*  
*Seminole Tribe of Florida*  
*NeighborWorks America*  
*Bank of America*  
*Washington Mutual*  
*USDA*

Several Native-owned businesses/organizations provided items for the gift bags including: Little Chief Specialty Foods, Citizen Potawatomi Community Development Corporation, Wind River Development Fund, Intertribal Bison Cooperative, Common Goals Software, Kola Tissue, Alu Like, Lakota Foods, Four Bands Community Fund, FNDI, Island Enterprises, Skookum Creek Tobacco, Hollywood Hard Rock Hotel & Casino, Native American Natural Foods, Navajo Designs, Little Traverse Bay Bands of Odawa Indians and Oweesta.

### WACHOVIA NEXT AWARD

In recognition of the accomplishments and growth of our programs, Oweesta was named one of four "Outstanding U.S. Financial Institutions" receiving \$25,000 in unrestricted grant prizes from the Opportunity Finance Network. This grant was funded by the Wachovia Foundation and the John D. and Catherine T. MacArthur Foundation.

The Wachovia NEXT Awards for Opportunity Finance were announced on December 13, 2007, at the Opportunity Finance Network Conference in Miami, Florida. The Awards recognize CDFIs or "opportunity finance institutions" with exceptional track records and extraordinary potential. Oweesta was chosen for the extraordinary impact it has made on the Native CDFI industry and the communities these Native CDFIs serve.





# INSTITUTION DEVELOPMENT

Establishing financial institutions like CDFIs in Native communities is an integral part of developing Native assets. Oweesta's Institution Development Department focuses on the development of strong financial institutions. The organizations we assist create local entrepreneurs, homeowners, and tribal businesses as well as develop the infrastructure and knowledge that lead to solid and culturally appropriate governance, legal systems, commercial practices and community-focused financial management. Currently, our primary method of delivering institution development services is through a contract with the U.S. Department of Treasury's CDFI Fund to facilitate the Native Communities Financing Initiative (NCFI).

*The Institution Development Department has had an incredible impact on Native communities. To date, this department has:*

- *facilitated 132 trainings;*
- *trained 1,803 participants in 927 tribes/organizations;*
- *and helped grow the number of certified Native CDFIs to 48.*

To meet the ever increasing demand in the field, Oweesta added two new staff to the Institution Development team this year as well as two new programs- the Native Credit Union Program and the Peer Shadowing Program for Native CDFIs.

### Start-up and Emerging Native CDFI Program

The Start-up and Emerging Native CDFI Program, developed under NCFI in 2003, is a two-component program that has been successfully guiding Native communities through each step in establishing and operating a Native CDFI for the past five years. Curriculum #1, "Does Your Native Community Need a CDFI?" is a one-day introduction to the CDFI industry and the process of establishing a Native CDFI. Curriculum #2, "Organizing a CDFI to Serve Native Communities," is a 9-module program that covers the building blocks for starting and operating a Native CDFI. Technical assistance is also provided with Curriculum #2 to address specific issues each group may have as they establish their individual CDFIs.

*This year through the Start-up and Emerging Native CDFI Program, 12 trainings were facilitated to 35 Native organizations, and more than 1,425 hours of technical assistance were provided as follow-up to the trainings.*

### Native Credit Union Program

A new program offered by Oweesta and its partners and developed under the NCFI focuses on assisting Native communities with creating credit unions. A lack of mainstream financial institutions remains a major barrier to economic development in Native communities. The Native Credit Union Program was created to mitigate this barrier and address the need for financial institutions that provide depository services in Native communities.

There are two components including: Curriculum #1, "Does Your Native Community Need a Credit Union?" and Curriculum #2, "Organizing a Native Credit Union: A Building Guide."

*This year through the Native Credit Union Training Program, 6 training sessions were facilitated to a total of 237 participants representing 130 Native communities and organizations.*

### Peer Shadowing Program for Native CDFIs

Also new this year as part of the NCFI is the Peer Shadowing Program for Native CDFIs which allows for experienced professionals from Native CDFIs to offer ongoing advice and assistance to growing Native CDFIs. The program matches emerging and mature CDFIs so that the staff and boards of these organizations may gain new insight and improve their operations.

*More than 127 hours of technical assistance were provided to 2 organizations during the course of fiscal year 2008.*

### OWEESTA CLIENT SPOTLIGHT: COMMUNITY DEVELOPMENT FINANCIAL INSTITUTE OF THE TOHONO O'ODHAM NATION

Certified in February of 2008, the Community Development Financial Institute of the Tohono O'odham Nation (CDFI TON) serves residents and members of the Tohono O'odham Nation located in Southern Arizona by providing valuable resources that help to promote economic growth and sustainability.

**Disbursing Loans & Investing in Community**  
By disbursing over \$6,000,000 in loans to individuals, small businesses and government entities, the CDFI TON has contributed to the tribe's overall economic development as well as the establishment and expansion of local businesses. This year, 114 jobs were created as a direct result of the loans provided by the CDFI TON.

**Strengthening the Local Economy**  
Most notably, the Tohono Plaza expansion project was funded through the CDFI TON. This project doubled available business space and enabled a greater number of entrepreneurs to set up shop. By providing physical infrastructure to house local businesses, the Plaza will allow the economy in the Tohono O'odham Nation to strengthen and grow.

**Enriching Entrepreneurial Skills**  
The CDFI TON successfully conducted two entrepreneur-building conferences in which participants received valuable information regarding local resources and business development.

“The ultimate goal is to lift the nation from entitlement to empowerment.”

-- Fernando G. Valentine, Chief Executive Officer,  
Community Development Financial Institute  
of the Tohono O'odham Nation





## FINANCIAL EDUCATION & ASSET BUILDING

Oweesta's Financial Education & Asset Building Department works to enhance the ability of tribes, Native organizations and individuals to better manage their assets and develop their financial skills. 2008 saw tremendous growth for this department. By adding two new staff, the Financial Education & Asset Building team was able to successfully expand their products and services and broaden their outreach efforts. The department worked diligently to deliver training and technical assistance to help clients institutionalize sustainable financial education and asset building programs in Native communities.

*To date, the Financial Education & Asset Building Department has had a tremendous impact in Native communities throughout the nation by:*

- training 1,653 participants;
- helping to establish 33 Native financial education programs with 34 more in the pipeline;
- and assisting in the establishment of 22 Native IDA programs with 28 more in the pipeline.

### Improving Financial Education Skills

The Financial Education & Asset Building Department facilitated a multitude of trainings this year, improving financial education in Native communities throughout the country.

#### *Native Financial Skills Initiative*

Under a contract with the CDFI Fund, Oweesta developed and delivers the Native Financial Skills Initiative (NFSI), a program based on the *Building Native Communities (BNC): Financial Skills for Families* culturally appropriate financial education curriculum.

*6 trainings were facilitated for 185 participants from 80 Native organizations. 1,080 hours of technical assistance were provided as follow-up to the trainings.*

#### *Building Native Communities Instructor Trainings*

Oweesta provides instructor training workshops utilizing the BNC suite of curricula to increase the number of qualified Native financial education trainers.

*4 trainings were facilitated for 88 participants of 43 Native organizations.*

#### *Native Individual Development Account (IDA) Initiative*

Under a contract with the CDFI Fund Oweesta and our partners facilitate the Native IDA Initiative to assist participants with starting IDA programs in their communities.

*Over 234 hours of technical assistance were provided as follow up to trainings from the previous year.*

#### *EITC Workshops & Trainings*

Utilizing the *Tribal Leaders Guide to Launching an EITC Campaign* curricula, Oweesta provides training and technical assistance to help Native communities conduct EITC outreach.

*9 workshops and trainings were conducted at various industry meetings and conferences for over 300 attendees.*

### Focus on Youth Financial Education

Research from the Jump\$tart Coalition for Personal Financial Literacy shows Native youth have troublingly low rates of financial literacy. In response to this research and to strong demand from our clients, partners and tribal leaders, the Financial Education & Asset Building Department expanded its focus to promote youth financial education opportunities. The team developed workshops to deliver financial education to Native youth leaders.

*Provided 2 financial education sessions to approximately 150 Native youth leaders.*

### Native Financial Education Coalition

Oweesta is the leader of the Native Financial Education Coalition (NFEC), a group of local, regional, and national organizations and government agencies that have joined together for one purpose: to promote financial education in Native communities. To commemorate Financial Literacy Month, NFEC hosted its 4th Annual Policy Briefing on Wednesday, April 30, 2008 at the Washington, DC office of the Mashantucket Pequot Nation. Remarks were heard from several government officials, and NFEC also presented policy recommendations regarding financial education with a specific focus on youth for federal, state and tribal policy makers. The Native Caucus of the National Conference of State Legislators drafted a resolution in support of this year's recommendations.

### OWEESTA CLIENT SPOTLIGHT: CITIZEN POTAWATOMI COMMUNITY DEVELOPMENT CORPORATION

By offering a combination of training, technical assistance, loans and financial education, the Citizen Potawatomi Community Development Corporation (CPCDC) helps to promote, educate, and inspire the entrepreneurial growth and financial well being of the Citizen Potawatomi Nation.

#### Developing a Sustainable Economy

Established in 2003, the CPCDC has had an incredible impact. They have disbursed nearly \$7,000,000 in micro and commercial loans, creating over 490 jobs. In addition, they offer business development training, financial education, and credit counseling services to their clients. This year they changed 1,095 individual lives by providing 3,043 hours of training through those programs.

#### Investing in Youth, Ensuring a Brighter Future

In 2008, CPCDC launched their Youth IDA Program to help youth develop financial management skills and knowledge. The program combines a week long camp with monthly follow-up meetings over a 12-month period. 16 participants, ages 16-20, participated in Camp Shonya Mbwaka (Money Smart) where they gained hands-on experience with money management, budgeting, credit and goal setting. The monthly meetings following the camp covered youth-specific topics such as decision making, investing, renting, and buying a car. Program participants made monthly deposits with a 2:1 match to save for post-secondary education.

“Our youth IDA program creates strong, self-sufficient, financially-educated young people who will be our future tribal and community leaders.”

-- Cindy Logsdon, Assistant Director,  
Citizen Potawatomi Community Development Corporation





## ENTERPRISE & ENTREPRENEURSHIP DEVELOPMENT

“We are applying the NEED model in laying the groundwork to expand economic opportunity.”

-- Betty Hamley, Turtle Mountain Renewal Community,  
Turtle Mountain Band of Chippewa Indians

Oweesta recognizes that a thriving economy needs tribal enterprises and tribal entrepreneurs and also that a well-developed Native economy raises all members' financial, education, and esteem levels. Enterprise & Entrepreneurship Development is a new department at Oweesta and was established out of the need for a more comprehensive approach to economic development in Native communities. The Enterprise & Entrepreneurship Development team is comprised of three staff members, all of whom bring great expertise to implement the strategies of this new department. In only its first year, this department has had great success in assisting Native communities to establish systems that support entrepreneurship.

### Meeting the NEED in Native Communities

The Enterprise & Entrepreneurship Development Department delivers training that utilizes a proprietary model developed by Oweesta, the Native Enterprise and Entrepreneurship Development (NEED) Model, to assist Native organizations with creating entrepreneurship development systems and infrastructure and addresses sustainability barriers in Native communities. The NEED Model and associated curriculum are a product of research into other successful entrepreneurship development systems programs used in non-Native communities, combined with Oweesta's specialized knowledge of and experience with culturally based nuances encountered when developing business environments in Native communities.

The NEED Model addresses seven components, including:

- Community (Culture, Physical Infrastructure and Natural Environment)
- Local Entrepreneurship Climate and Policy
- Tribal and Social Business Sector
- Entrepreneur and Enterprise Education and Training
- Technical Assistance and Coaching
- Networks
- Access to Capital

The NEED Model is the foundation for the NEED Initiative, developed and facilitated under a contract with the CDFI Fund. The program is designed to assist Native communities with identifying the “ingredients” needed to develop entrepreneurs and enterprises and then provide them with a “recipe” for creating an effective enterprise/entrepreneurship development system. During the training, participants gain valuable insight on how to implement the NEED Model and develop a healthy infrastructure while maintaining respect for their inherent Native cultures.

*2 trainings were facilitated to 52 participants representing 16 Native organizations. 105 hours of technical assistance were provided as follow-up to the trainings.*

### Department of Justice Weed & Seed Program

Seizing the opportunity to develop new partnerships, Oweesta entered into a cooperative agreement with the Department of Justice Community Capacity Development Office to help implement the Weed & Seed program in Native communities, which seeks to weed out crime and reseed communities with positive development programs. In conjunction with the International Economic Development Council and Dr. Ted Jojola, Professor of University of New Mexico's School of Indigenous Planning, the Enterprise & Entrepreneurship Development Department at Oweesta began to execute Phase I of the program in two Native communities, the Leech Lake Band of Ojibwe in Minnesota and the Keweenaw Bay Indian Community on the L'Anse Reservation in Michigan.

Phase I work required conducting an in-depth economic, demographic, and legal analysis of the two tribal sites and making recommendations to stimulate the economies of the sites.

Phase II work will consist of development and implementation of secured transactions filing systems within the two participating tribes, thereby creating a more appealing environment for mainstream financing institutions.

### OWEESTA CLIENT SPOTLIGHT: TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

The Turtle Mountain Indian Reservation in Rolette County, North Dakota is home to the Turtle Mountain Band of Chippewa Indians. The economic distress on the Turtle Mountain Indian Reservation is particularly notable with respect to unemployment, poverty, and income levels. In short, the barriers faced by community members are much larger and more systemic than inadequate credit, lack of collateral, and isolation.

### Creating Change in the Community

Several entities within the tribe, including the Turtle Mountain CDFI, the Turtle Mountain Renewal Community and the Turtle Mountain Pathways to Prosperity, are working diligently to develop systems within the community that lead to a thriving economy. These entities contracted with Oweesta to complete a market analysis, which served as the foundation of a work plan to transform their community.

### NEED Training

Members of the Turtle Mountain Band of Chippewa Indians attended a 3-day NEED training in February of 2008. In this training they learned how to use the NEED model to develop an environment in their community that supports entrepreneurship and how to approach sustainability in their economy. This information will assist the tribe in formulating systems and executing their strategic plan to expand economic opportunity.





## LENDING & CAPITALIZATION

In order to facilitate and encourage development and growth in Native communities, Oweesta provides low interest loans to qualified Native Financial Institutions and similar community development institutions that principally serve Native peoples. Oweesta's loans help organizations create local entrepreneurs, homeowners and strong, vibrant Native economies. Investment amounts depend on the type of institution and the market it serves.

After spending several years growing the CDFI market for Oweesta's products and services, we were glad to see the fruits of these labors materialize in the form of greater demand for lending and capitalization services by Native CDFIs. In response to that demand, Oweesta hired our first-ever Lending & Capitalization Manager, a position which prioritizes disbursing loans and creating access to capital for Oweesta's clients.

### Remarkable Increase in Lending

As a direct result of bringing a Lending & Capitalization Manager on board, Oweesta has been able to focus on making loans, resulting in dramatic growth in this department. As of June 30, 2007, Oweesta had eight outstanding loans for a total of \$1 million dollars. 2008 saw a 40% increase in the dollar amount and a 37.5% increase in the number of loans to 11 for a total of \$1.4 million invested in Native communities.

### South Dakota Native Financial Education Grant

This year our Lending & Capitalization Department began developing the South Dakota Native Financial Education Grant program with support from the Federal Home Loan Bank of Des Moines. Successful grant applicants will be able to use the funds to enhance an existing financial education or home buyer education program, including those related to IDA programs, and/or free tax preparation or EITC services. This grant may also be used to start a new program if a budget, other sources of funding, curriculum and start date are in place.

### LENDING STRENGTHENS NATIVE ECONOMIES

Oweesta's borrowers have re-lent Oweesta's investments as micro-loans, small business loans, and as mortgages to individuals and small businesses in their communities, ultimately strengthening Native economies by creating or retaining jobs and providing home ownership opportunities.

### OWEESTA BORROWER SPOTLIGHT

#### Hopi Credit Association

Provides personal loans, business loans, and home loans to the Hopi people in Arizona.

#### Montana Community Development Corporation

Provides business loans to entrepreneurs on the Flathead Indian Reservation.

#### Citizen Potawatomi Community Development Corporation

Provides personal, micro business and business loans to Native people in Oklahoma and across the nation.

#### Four Directions Development Corporation

Provides business and housing loans to the Wabanaki people in Maine.

## RESEARCH, POLICY & ADVOCACY

In addition to being an innovator in training and technical assistance for Native economies, Oweesta also focuses on the areas of Research, Policy & Advocacy. This includes information, education and advocacy on behalf of our constituents and clients from the grassroots level up. An ongoing part of this effort has been collaborating on research studies that focus on identifying and mitigating barriers to Native control of and access to financial assets. Our national voice works to create and retain the integrity of policy favorable to building assets in Native communities. Our Research, Policy & Advocacy Department worked on two research projects in 2008.

### Understanding the Financial Literacy of Native Youth

Under a grant with the National Council on Economic Education, Oweesta is collaborating with the Jump\$tart Coalition for Personal Financial Literacy and other partners in New Mexico and South Dakota to take an in-depth look at the financial literacy of Native youth. National studies suggest that all youth have troublingly low financial literacy scores and that Native youth score at or near the very bottom of these surveys. There is limited information that can be gleaned about the reasons behind this poor performance because the Native youth sample is very small, so our study takes a more in-depth look at Native youth financial literacy in South Dakota and New Mexico. Our survey focuses on non-public schools that serve Native communities to understand variations in financial literacy within the Native population. Through this investigation, we hope to inform and influence policy at the tribal, state, and federal levels.

### Native CDFI Research Project

Oweesta was awarded a grant from the CDFI Fund to complete an analysis of the Native CDFI market as part of a larger multi-faceted research program. Oweesta partnered with FNDI in this effort and used several sources of existing data, further interviews and casework. We presented the findings at a meeting in Washington, DC in June 2008.



### WITH INFORMATION WE CAN MAKE CHANGE

Only by identifying the barriers to healthy Native economies can we help to improve them.

### Native CDFI Research Project Select Findings:

- Loan funds, banks, and credit unions serving Native communities may be younger than those serving other communities and therefore may need more start-up support and technical assistance.
- Nearly 50% of all the Native financial institutions in the dataset we analyzed have attended an NCFI training facilitated by Oweesta.
- 85% of all Native financial institutions have received some form of funding or developmental service supported by the CDFI Fund.
- A lesson learned was the need to "grow customers" in Native communities through means such as providing financial education and credit repair to clients to help them become credit worthy.
- A promising practice is the provision of intensive, ongoing technical assistance to loan clients which seems to be particularly important in some Native communities where there are few experienced borrowers.





## PARTNERS

With abounding gratitude, we would like to take a moment to recognize a few key partners we engaged this year.

### US Department of Treasury, CDFI Fund

The CDFI Fund has enabled Oweesta to implement our primary programs through the Native Communities Financing Initiative, Native Financial Skills Initiative, Native Individual Development Account Initiative and Native Enterprise & Entrepreneurship Development Initiative and has provided us with critical grant support for our programs.

### OFN

OFN has been a valued partner of Oweesta's for almost a decade and has offered a multitude of knowledge and support focused on Native CDFI development.

### CFED

CFED, another long-standing and valued partner, continues to help us grow our programs. With their help we were able to successfully launch the Native Individual Development Account Initiative and the Native Enterprise & Entrepreneurship Development Initiative.

### ONABEN

ONABEN offered its wisdom and experience to Oweesta as they also helped to launch the Native Enterprise & Entrepreneurship Development Initiative.

### Bank of America

A new partnership with Bank of America allowed Oweesta to increase its number of loans, expand its capacity building services, and move more Native institutions and communities toward financial self sufficiency. Bank of America provided Oweesta with a \$2 million Program Related Investment (PRI) in combination with a \$200,000 operating grant.

### First Nations Development Institute

FNDI remains a valued partner of Oweesta. Together we completed a research study of the advancement of the Native CDFI industry.



## SUPPORTERS & INVESTORS

Oweesta would like to extend our special thanks to the organizations and individuals listed below. Our tremendous growth would not be possible without their support.

### Supporters

Annie E. Casey Foundation  
Citi Foundation  
Enterprise Community Partners, Inc.  
Federal Home Loan Bank of Des Moines  
F.B. Heron Foundation  
Ruffin Foundation  
Wachovia Foundation  
Wells Fargo  
Bank of America  
CDFI Fund, US Department of the Treasury  
US Department of Justice, Office of Justice Programs  
National Association of Housing & Redevelopment Officials  
Fannie Mae  
National Council on Economic Education  
Washington Mutual  
United States Department of Agriculture, Dept. of Rural Development  
NeighborWorks America  
Wells Fargo Housing Foundation  
Seminole Tribe of Florida  
Seminole Tribe of Florida Housing Department  
Johnson Scholarship Foundation  
Sherry Salway Black and Ronald Simpson Black  
Internal Revenue Service  
The Ford Foundation

### Investors

Arthur & Susan Lloyd  
James A. Babson Irrevocable Trust  
James A. Babson Trust-1958  
James Adams Babson Trust-1996  
Sisters of the Blessed Sacrament  
Sisters of Loretto  
Sisters of St. Francis of Philadelphia  
Sisters of Charity of St. Elizabeth  
Sisters of Mercy of the Americas NE Community  
Congregation of the Sisters of Charity of the Incarnate Word  
Unitarian Universalist Association  
Rural Community Assistance Corporation  
Larry Dansinger & Karen Marysdaughter  
The Ford Foundation  
Mercy Investment Program  
Calvert Foundation  
Peter & Sharon Moller  
Veronica Frost  
Bank of America  
Karen Brandow  
Clients of Trillium Asset Management Corp. (7)

### WE VALUE COLLABORATION

Oweesta encourages a collaborative environment inside and outside our organization and we value diversity of thought and skills with all involved. This is especially true in the coordination of our many partnerships with local, regional and national organizations in the delivery of programs and services. We embrace and value the ideas of all involved, as they all have equal potential to transform organizations, communities and nations.

Oweesta attributes much of our success to the strategic partnerships we've formed throughout the years. By collaborating with other organizations that share our vision, we have been able to grow, develop and expand our organization and the products and services we offer.



# 2008

## FINANCIAL STATEMENTS

### STATEMENTS OF FINANCIAL POSITION

	For Year Ended June 30th	
	2008	2007
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,326,010	\$ 1,751,737
Short-term investments	1,025,268	279,777
Grants receivable	-	80,000
Notes receivable, current portion	200,000	650,000
Government grants receivable	129,121	-
Interest receivable	16,000	6,743
Other current receivables, net of allowance of \$10,000 (2008 and 2007)	621,582	114,368
Prepaid expenses	3,965	3,971
<b>Total current assets</b>	<b>3,321,946</b>	<b>2,886,596</b>
<b>Property and equipment</b>		
Furniture and fixtures	125,264	40,477
Less accumulated depreciation	(28,149)	(14,152)
<b>Total property and equipment</b>	<b>97,115</b>	<b>26,325</b>
<b>Other assets</b>		
Long-term notes receivable, net of valuation allowance	1,130,000	300,000
Investments	471,611	356,008
Asset restricted for endowment	150,000	150,000
Security deposit	8,614	1,300
<b>Total other assets</b>	<b>1,760,225</b>	<b>807,308</b>
<b>Total assets</b>	<b>\$ 5,179,286</b>	<b>\$ 3,720,229</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 147,387	\$ 47,363
Deferred revenue	540,592	775,855
Due to affiliate	20,539	6,517
Short-term debt	2,500	2,500
Current maturities of long-term debt	150,000	340,000
<b>Total current liabilities</b>	<b>861,018</b>	<b>1,172,235</b>
<b>Long-term liabilities</b>		
Long-term debt, net of current maturities	3,002,000	1,490,000
<b>Total liabilities</b>	<b>3,863,018</b>	<b>2,662,235</b>
Commitments and contingencies		
<b>Net assets</b>		
Unrestricted	817,194	430,974
Temporarily restricted	349,074	477,020
Permanently restricted	150,000	150,000
<b>Total net assets</b>	<b>1,316,268</b>	<b>1,057,994</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,179,286</b>	<b>\$ 3,720,229</b>





# STATEMENTS OF ACTIVITIES

	For the Years Ended							
	June 30, 2008				June 30, 2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Public support</b>								
Grants	\$ 309,971	\$ 794,982	\$ -	\$ 1,104,953	\$ 108,636	\$ 548,639	\$ -	\$ 657,275
Contributions	600	-	-	600	3,100	5,000	-	8,100
<b>Total public support</b>	<b>310,571</b>	<b>794,982</b>	<b>-</b>	<b>1,105,553</b>	<b>111,736</b>	<b>553,639</b>	<b>-</b>	<b>665,375</b>
<b>Other revenue</b>								
Program service fees	1,575,255	-	-	1,575,255	535,734	-	-	535,734
Interest/dividend income	125,274	-	-	125,274	89,806	-	-	89,806
Unrealized loss on investments	(4,693)	-	-	(4,693)	(85)	-	-	(85)
Other revenue	2,211	-	-	2,211	598	-	-	598
<b>Total other revenue</b>	<b>1,698,047</b>	<b>-</b>	<b>-</b>	<b>1,698,047</b>	<b>626,053</b>	<b>-</b>	<b>-</b>	<b>626,053</b>
Net assets released from restrictions	922,928	(922,928)	-	-	579,731	(579,731)	-	-
<b>Total public support and other revenue</b>	<b>2,931,546</b>	<b>(127,946)</b>	<b>-</b>	<b>2,803,600</b>	<b>1,317,520</b>	<b>(26,092)</b>	<b>-</b>	<b>1,291,428</b>
<b>Functional expenses</b>								
<b>Program services</b>								
Institutional development	388,739	-	-	388,739	402,795	-	-	402,795
Financial education and asset building	897,395	-	-	897,395	324,162	-	-	324,162
Lending	91,892	-	-	91,892	77,761	-	-	77,761
Entrepreneurship	277,699	-	-	277,699	101,154	-	-	101,154
Advocacy policy and research	122,617	-	-	122,617	114,336	-	-	114,336
<b>Supporting services</b>								
Administration	658,192	-	-	658,192	173,854	-	-	173,854
Development	108,792	-	-	108,792	78,900	-	-	78,900
<b>Total functional expenses</b>	<b>2,545,326</b>	<b>-</b>	<b>-</b>	<b>2,545,326</b>	<b>1,272,962</b>	<b>-</b>	<b>-</b>	<b>1,272,962</b>
Change in net assets	386,220	(127,946)	-	258,274	44,558	(26,092)	-	18,466
Net assets at beginning of year	430,974	477,020	150,000	1,057,994	386,416	503,112	150,000	1,039,528
<b>Net assets at end of year</b>	<b>\$ 817,194</b>	<b>\$ 349,074</b>	<b>\$ 150,000</b>	<b>\$ 1,316,268</b>	<b>\$ 430,974</b>	<b>\$ 477,020</b>	<b>\$ 150,000</b>	<b>\$ 1,057,994</b>



## STATEMENTS OF CASH FLOWS

## NOTES

	For Year Ended June 30th	
	2008	2007
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 258,274	\$ 18,466
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities</b>		
Depreciation and amortization	13,997	8,032
Unrealized loss on investments	4,693	2,489
Loss on disposal of assets	-	83
Loan loss reserve expense	20,000	10,000
Bad debt expense	-	10,000
<b>Changes in operating assets and liabilities</b>		
Grants receivable	80,000	127,000
Government grants receivable	(129,121)	231,827
Interest receivable	(9,257)	3,994
Other current receivables	(507,214)	(88,755)
Prepaid expenses	6	(2,900)
Security deposit	(7,314)	-
Accounts payable and accrued liabilities	100,024	(23,773)
Deferred revenue	(235,263)	261,038
Due to affiliate	14,022	6,517
Regrants payable	-	(143,024)
	<b>(655,427)</b>	<b>402,528</b>
<b>Net cash (used in) provided by operating activities</b>	<b>(397,153)</b>	<b>420,994</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investment	-	50,000
Purchase of investments	(865,787)	(150,000)
Purchase of fixed assets	(84,787)	(7,046)
Disbursements related to notes receivable	(400,000)	(220,000)
Collections of notes receivable	-	20,000
<b>Net cash used by investing activities</b>	<b>(1,350,574)</b>	<b>(307,046)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt	1,482,000	200,000
Payments on long-term debt	(160,000)	(50,000)
<b>Net cash provided by financing activities</b>	<b>1,322,000</b>	<b>150,000</b>
Net (decrease) increase in cash and cash equivalents	(425,727)	263,948
Cash and cash equivalents at beginning of year	1,751,737	1,487,789
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,326,010</b>	<b>\$ 1,751,737</b>
<b>Supplemental cash flow information</b>		
<b>Cash paid for interest</b>	<b>\$ 48,442</b>	<b>\$ 32,675</b>



## NOTES

## OFFICERS AND DIRECTORS



Elsie Meeks  
President & CEO



Stewart Sarkozy-Banoczy  
Vice President & COO



Angela Sharpe  
Chief Financial Officer



Jody Sarkozy-Banoczy  
Chief External Relations  
Officer



William Guevara  
Director of Institution  
Development



Joanna Donohoe  
Director of Financial  
Education & Asset  
Building



Tracey Fischer  
Director of Enterprise &  
Entrepreneurship  
Development

## STAFF

Logan Anderson  
Institution Development Manager

Lisa Wagner  
Institution Development Manager

Linda LaMarr  
Institution Development Administrative  
Assistant

Jaci Ree  
Financial Education & Asset Building  
Manager

Vicki Oldman-John  
Financial Education & Asset Building  
Manager

Adrianne Brave Heart  
Financial Education & Asset Building  
Specialist

**Kellie Jewett**  
Enterprise & Entrepreneurship  
Development Manager

Kaitlin Cramer  
Enterprise & Entrepreneurship  
Development Specialist

David Fleming  
Lending & Capitalization Manager

Noorie Brantmeier  
NFEC Coordinator / Research & Policy  
Associate

Staci LaCroix  
Information Resource Manager

Heidi Davis  
Communications Manager

Kim Hayes  
Communications & Development  
Associate

Sheila White Horse  
Administration & Payroll Manager

Mike Jackson  
Staff Accountant

Cathy Peck  
Jr. Staff Accountant

Kalaua Del Rial  
Administrative Support & Receptionist





Since 1999, Oweesta has been working to increase the number of CDFIs and asset building programs in Native communities. Our mission is to provide opportunities for Native people to develop assets and create wealth by assisting in the establishment of strong, permanent institutions and programs, leading to economic independence and strengthening sovereignty for all Native communities. We offer unique, specific and highly targeted financial products and development services for Native communities. Our expertise lies in building sustainable Native economies through the creation of Native CDFIs, entrepreneurship development systems, and financial education and asset building programs.



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