



2017 ANNUAL REPORT





Our Mission:

To provide opportunities for Native people to develop financial 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.

Our Board



First Nations Oweesta has a 11-member Board of Directors, all of whom are Native American or Native Hawaiian. The board consists of a diverse representation of Indian Country, including different tribes, geographic areas, community and Native leaders, and business and professional representatives. Our board provides the strategic direction and oversight to ensure that Oweesta stays focused on our dynamic mission.

(Top) Michael Roberts, President, Tlingit; Marguerite Smith, Vice Chair, Shinnecock; Shyla Sheppard, Secretary, Mandan, Hidatsa; Susan Jenkins, Treasurer, Choctaw;
 (Middle) Benny Shendo, Jr., Member, Jemez Pueblo; Chandra Hampson, Member, Winnebago, White Earth Chippewa; Robin Danner, Member, Hawaiian, Kauai; Jeff Bowman, Member, Mohican;
 (Bottom) Susan Hammond, Member, Penobscot Nation; Gelvin Stevenson, Member, Cherokee; Derek Valdo, Member, Pueblo of Acoma

Letter From Executive Director, Chrystel Cornelius



As Oweesta enters our 19th year of operations, we have had the pleasure of growing and expanding our programmatic and financing products to meet the needs of not only our Native CDFI clientele, but also our champions. As the only intermediary lender specifically serving the Native CDFI industry and Tribal communities across the nation, we have directly witnessed and assisted in facilitating paths for prosperity and true economic mobility for Tribal communities across the United States.

Our report for this year’s activities will not only reflect Oweesta’s impact within our technical assistance measures, national training endeavors and lending initiatives, but also directly reflects the strength and growth of our Native peoples and communities. With the inception of the Native CDFI industry over 20 years ago, these institutions have become true catalysts in creating community wealth and generating opportunities never before available to their respective Tribal communities.

Oweesta continues our long tradition of capitalizing and providing in-depth culturally appropriate training and development services for the Native CDFI industry. Of particular note, this year Oweesta launched a pilot project introducing a new Native specific financial coaching model Native CDFIs can utilize when working with their local Tribal clientele. We also expanded our pilot sites within our data impact collection system and now have 16 Native CDFIs enrolled with this OTIS platform. Oweesta has also worked diligently on our new \$10 million capital pool for mature Native CDFIs to have the opportunity to access long-term, patient capital to meet their ever-growing local lending demands.

Our annual report this year is a true testament to First Nations Oweesta’s values and beliefs—that when armed with the appropriate resources, Native people hold the capacity and integrity to ensure the sustainable, economic, spiritual, and cultural wellbeing of their communities.

On behalf of our staff and Board of Directors, I would like to extend my sincerest thanks to our clients, investors, and constant believers. With your continual dedication to our Tribal communities and Native peoples throughout the nation, we are redefining our economic landscape and creating a more equitable and prosperous future for our children and future generations to come. It is such an honor, privilege, and blessing to work with and for our Native communities.

Chi Miigwetch,

Our Staff



(Top) Chrystel Cornelius, Executive Director, Ojibwe, Oneida; Krystal Langholz, Chief Operating Officer; Florence Ludka, Chief Financial Officer, Chippewa; Lanalle Smith, Programs Manager, Navajo;
(Middle) Heather Rademacher Taylor, Programs Manager; Christopher Hansen, Programs Officer, Ojibwe; Caleb Selby, Programs Officer & Data Analyst; Lindsey Sexton, Programs Officer;
(Bottom) Isaiah Cornelius, OTIS Systems Specialist, Chippewa; Emily Trump, Lending and Compliance Manager; Debbie Powers, Accountant

OUR STRATEGY

Native community development financial institutions directly provide Native American communities the tools and capital support required for real and sustainable job creation, small business development, commercial real estate development, and affordable housing/home ownership, while also offering basic banking services and financial literacy training to “underbanked” Native American communities who have been historically targeted by predatory lending practices.

Nationwide Impact

Oweesta is the only existing Native CDFI intermediary offering financial products and development services exclusively to Native CDFIs and Native communities. Specifically, Oweesta provides training, technical assistance, investments, research, and policy advocacy to help Native communities develop an integrated range of asset-building products and services including financial education and financial products.

All of Oweesta's programs flow from our strategic plan and are designed to support the empowerment and sustainability of local-level institutions. We provided in-depth, high-quality support in the form of training and one-on-one technical assistance for organizations all across the U.S. Because of the work we do, these organizations are better equipped to build thriving local economies in their Native communities.



Financial Education & Asset Building Programs

Oweesta's financial education program assists the development and integration of programs such as financial education, matched savings programs, and credit counseling. Our Building Native Communities: Financial Skills for Families (BNC) curriculum offers a culturally appropriate training program to help Native organizations establish and sustain financial education programs from certified instructors with deep experience in Native communities. With BNC, our purpose is to enable community members to realize their traditional values by learning financial skills to help each person make informed financial decisions for themselves, their family, and their community.

Oweesta's Train-the-Trainer program continues to grow in demand and impact, enabling the distribution of the most up-to-date, relevant financial knowledge to Native communities. Co-owned by First Nations Oweesta Corporation and First Nations Development Institute, BNC has been in existence for 17 years, and the curriculum is currently in its 5th edition. In 2017, BNC Train-the-Trainer workshops certified 121 trainers, bringing the total number of certified trainers to 317 on just the 5th Edition of the curriculum alone. To date, over 25,000 copies of the BNC curriculum workbook are in circulation, with certified trainers reaching 6,996 community members through 3,537 courses in 2017.

Oweesta's BNC training program builds the sustainability of local grassroots programs, supporting them in creating financial education programs. In 2017, 71% of all clients who have gone through our train-the-trainer program provided financial education in their community, creating large local level impacts. For example, 25% percent of financial education participants have increased their routine savings behaviors a year after taking a BNC class.

**121 trainers certified
reaching 6,996 participants
total through 3,537 courses
delivered in 2017 alone**

With BNC, our purpose is to enable community members to realize their traditional values by learning financial skills that will help each person make informed financial decisions for themselves, their family, and their community.

Capacity Building Programs

Through our Capacity Building Programs, Oweesta assists certified and emerging Native CDFIs by providing individualized training, technical assistance, and systematic, multi-faceted program delivery. Our goal is to help create and sustain healthy and thriving Native CDFI operations. In 2017, we provided 2,234 hours of training, technical assistance, and back-office service support to forty-seven NCDFIs from New York to Hawaii. We delivered 49 trainings on capacity building topics attended by 1,471 people, mostly delivered on-site.

In addition to our in-person training and individualized technical assistance, Oweesta has a robust on-line learning platform. We delivered 17 webinars in 2017, attracting 393 participants with topics such as

Strategic Planning and Deciphering CDFI Financials for Non-Finance Staff. All Oweesta webinars are recorded and available on-line for our clients to utilize for ongoing professional development and staff training. A complete list of webinar topics and the recording archive can be found on-line at Oweesta.org/On-line-Help-Desk.

Additionally, last year, we integrated 16 NCDFIs in our back-office impact tracking platform for NCDFIs (OTIS), helping them build impact tracking systems from the ground up. Almost all of those groups had no existing impact tracking systems designed to capture individual-level client data before OTIS, which ultimately has kept them from developing a diversified capital base.



In 2017, Oweesta provided 2,234 hours of training, technical assistance, and back-office service support to 47 NCDFIs
49 capacity building trainings attended by 1,471 people
17 webinars delivered, attracting 393 participants

Lending Programs

As the only existing Native CDFI intermediary offering financial products and development services, Oweesta understands the need for investment capital in Native CDFIs and seeks to create appropriate loan products that enable reinvestment of capital back into Native communities. **In 2017, Oweesta closed \$1.62 million in new loans through our Capital Loan, Native Fresh Food Fund Loan, and Start-Up Loan products, allowing our borrowers to leverage an additional \$5.82 million in financing.**

Our loan clients reinvest this capital into their local communities by providing products and services including business assistance, consumer education, and financial products. In 2017 alone, our community impact evaluation showed that Oweesta's lending directly contributed to the creation or retention of over 756 jobs, helped to start 63 small or micro-businesses, and created four Affordable Housing units. These lending efforts directly combat the high poverty and unemployment found in Native communities and discussed previously by rebuilding self-sufficient economies. Of our NDCFI borrowers, 86% of their loans are ultimately directed at Native Americans/Hawaiians; thus, one loan at a time, we are witness to tribal communities truly becoming self-sufficient and less reliant on outside resources for basic community needs and services.

Our lending clients are also changing the face of their communities through providing quality technical assistance and training through their development services. Last year, they trained or counseled 1,158 small business owners, and provided training or one-on-one TA to 910 consumers for needs such as Credit Counseling (520) and Home Buying Assistance (124). These support services build a lending pipeline of capable, well-informed borrowers and ensure that our borrowers have some of the lowest default rates in the CDFI industry.

Oweesta commenced lending in 2008 and has an exceptional track record, achieving steady loan volume growth and demonstrated capacity to deploy funds rapidly and effectively. **Since our inception, Oweesta has made 73 loans totaling more than \$12.6 million** with a current weighted interest rate on our portfolio of 3.35%. This direct financing to Native CDFIs have made incredible impact within tribal communities across the nation with over 3,632 jobs created or retained, 1,058 small and micro business created within tribal communities and 130 affordable housing units built as a direct result of our financing efforts.

Oweesta closed \$1.62 million in new loans through our Capital Loan, Native Fresh Food Fund Loan, and Start-Up Loan products, allowing our borrowers to leverage an additional \$5.82 million in financing. Our community impact evaluation showed that Oweesta's lending directly contributed:

- ✱ **756 jobs retained or created**
- ✱ **63 small or micro-businesses created**
- ✱ **7 affordable housing units created**

Industry Innovation

Financial Coaching Training Program

In 2017, Oweesta built on the longstanding success of our financial education program with our Building Native Communities: Financial Skills for Families curriculum and launched an innovative new training program to support financial coaching in Native communities. Driven by intense demand from our financial educators and the growing body of research that has demonstrated the importance of financial coaching in helping individuals improve their financial security, Oweesta included the development of this training program as part of 2016-2019 strategic plan.

In 2017, The United States Department of Agriculture – Rural Development (USDA-RD) through their Rural Community Development Initiative (RCDI) program—awarded a grant of \$242,145 to Oweesta to develop a financial coaching model and associated curriculum with six Native CDFIs partnering in this initiative. These six Native CDFIs are graciously serving as pilot sites for this financial coaching program: Nimiipuu Community Development Fund (ID), Taala Fund (WA), Four Bands Community Fund (SD), Lakota Funds (SD), NACDC Financial Services (MT), and Leech Lake Financial Services (MN).

Financial coaching training, peer-based learning, in-person training, and support are all being provided by Oweesta so each organization can develop custom financial coaching models that work for their communities. All groups have access to Change Machine, an on-line financial coaching platform by The Financial Clinic, that combines their financial coaching blueprint, outcomes framework, content guides, customer engagement tools, specialized content for at-risk populations, and active community forum under one roof and makes them accessible to programs working with individuals and families on their finances.

Through additional support from Capital One and Bank of America, Oweesta will be able to scale up this pilot nationally in 2018. In partnership with Seven Sisters Community Development Corporation, this national financial coaching training and curriculum has been developed from scratch and is deeply embedded in Native values and culture. Through the support of our partners, our first national training will take place in the fall of 2018.



OTIS

In 2017, Oweesta piloted our NCDFI back-office impact tracking system, the Opportunity through Impact System (OTIS). OTIS is an impact tracking system built on an Outcome Tracker platform, designed specifically for Native CDFIs in collaboration with SweetGrass Consulting, LLC. As a fully customizable solution, it can help Native CDFIs track their unique impacts, assist with grant writing and reporting, capital investment campaigns and more, while lessening the time intensiveness and frequently high cost of customized impact tracking.

OTIS was created by an advisory board of Native CDFI practitioners, who reviewed all impact tracking forms as they were developed to ensure their utility at the local level. Exceeding our goal of having 10 pilot sites on OTIS by the end of the year, there are currently 16 NCDFIs using and fully integrated onto OTIS. With the help of these 16 different NCDFIs, Oweesta is learning how to support NCDFIs tracking individual client level data.

In 2016, Oweesta received \$200,000 from the CDFI Fund Prize Competition to support the rollout of OTIS to our partners and clients in 2016. In 2017, Oweesta continued to receive funding for this innovative project from the Northwest Area Foundation and NeighborWorks American, allowing us to subsidize the addition of new pilot sites onto OTIS.

OTIS can track:

- ✱ **Technical Assistance**
- ✱ **Training**
- ✱ **Lending**
- ✱ **Client Demographics**
- ✱ **Credit Scores**
- ✱ **Financial Confidence**
- ✱ **Service Evaluation**
- And More*

Traditions of Excellence

14th Annual Native Convening

The 14th Annual Native Convening was held in conjunction with the Annual Opportunity Finance Network (OFN) Conference on September 26th-28th in Washington, DC. This three-day event included a one-day Native Gathering, an array of Native specific break out sessions, and the 12th Annual Native CDFI Awards. More than 100 leaders representing Native CDFIs, tribal programs, tribal housing authorities, and industry partners in asset-building attended the 2017 Native Convening. This year's Native CDFI Gathering Day emphasized sharing innovative organizational designs while featuring an interactive funders panel and an update from the CDFI Fund. In addition to the Native CDFI Gathering Day, Oweesta offered a unique training track of sessions that included such sessions as "Growing your Native CDFI Dream Team," "Native CDFI Networking," and "Financial Resilience: Is your Native CDFI Prepared," "Growing with Debt Capital," and "Portfolio Management: The Ins and Outs of Loan Loss Reserve."

On the last evening of the Native Convening, Oweesta held the 12th Annual Native CDFI Awards Ceremony to recognize excellence in the Native CDFI industry. The Circle of Honor Award recognizes a Native CDFI that is successfully increasing access to capital and financial resources in Native communities by developing innovative loan products, promoting community development, and overcoming challenges. **The 2017 Circle of Honor Award winner is Sequoyah Fund, a Native CDFI located in Cherokee, North Carolina, that offers economic and community development within the Qual-la Boundary, the home of the Eastern Band of Cherokee Indians.** Sequoyah Fund demonstrates outstanding leadership within the industry by overcoming adversity in a challenging rural economic climate, while meeting community needs for devel-

opment of financial capabilities and credit counseling, youth programming, and capitalization and training and technical assistance for entrepreneurs. Sequoyah Fund has also developed an innovative entrepreneurship brand, Authentically Cherokee, to support the marketing of contemporary Native American artist-entrepreneurs.

The Visionary Leader Award for Outstanding Achievement recognizes a person who has made a long term contribution to the Native CDFI industry and whose local financing and asset building efforts make them an inspiration for others. **Angie Main, Executive Director of NACDC Financial Services, has been a trailblazing visionary leader exemplifying a level of commitment to NACDC Financial Services and the Native CDFI industry. Under her leadership, NACDC Financial Services has provided affordable capital to over 200 Tribal members across the state of Montana, lending out over \$1.5 MM.** In the last year, NACDC Financial Services has seen significant growth with loan volume doubling from 2014 to 2016 and total assets increasing to over \$1 MM. She has also forged partnerships with local, state, and governmental entities to propel economic development efforts benefiting Tribal members located on all seven reservations in Montana.

Oweesta also introduced a new award; The Rodger Boyd Nat'aanii Award for Advancing National Policy Inclusion for his contributions to the Native CDFI industry. Rodger Boyd worked with the CDFI Fund in its inception and through his efforts established the first Native American Program within the Treasury's CDFI Fund. He also led the efforts to develop the first Native American Lending Study that highlighted the access to capital issue in Native communities. This study led to the Native set aside funding to support the development and growth of Native CDFIs. He also dedicated 13 years leading the HUD Office of Native American Programs as Deputy Assistant Secretary, impacting Tribal communities nationwide.





Native CDFI Capital Access Initiative Grows

With funding from the Northwest Area Foundation, Oweesta launched its original Native CDFI Capital Access Initiative in May 2015. This initiative seeks to address issues around accessing debt capital investments. This program combines lending, training, and technical assistance with opportunities for networking with funders and investors in order to build capacity of Native CDFIs to access diverse sources of funding so they can raise additional and larger amounts of capital, lend more to meet unsatisfied financing demand, grow their balance sheets, and ensure long-term organizational sustainability.

In 2017, Oweesta received another two-year grant of \$435,000 to continue its capital access work with the Native CDFI Capital Access 2.0 Initiative. This 2.0 Initiative is a continuation of work focused on increasing Native CDFIs capacity to access capital and diversify funding sources through training, technical assistance, lending, and annual learning and networking convenings. This 2.0 Initiative will continue and build upon that work, while also including an update of Oweesta's Snapshot 2012: Native CDFIs and the Capital Access Challenge that can be used for advocacy.

Through a grant with NeighborWorks America, Oweesta was able to scale up our efforts to not only provide training and technical assistance to NCDFIs in the eight-state region of the Northwest Area Foundation (Idaho, Iowa, Minnesota, Montana, Oregon, North Dakota, South Dakota, and Washington), but also NCDFIs in the rest of the Neighborworks Western Region as well. There are subsequently 27 NCDFIs participating in this initiative.

In 2017, we held the 2nd annual Access to Capital Convening in Seattle. On day one, we provided in-depth NCDFI training; on day two, we brought together Native CDFIs, funders, investors, and partners to discuss capital access in Indian Country on day and facilitated a networking session bringing all these groups together. The Convening was a day of collaboration among peer organizations, learning from industry leaders, and navigating partnerships with foundations and investors.



Our Values

We believe that when armed with the appropriate resources, Native peoples hold the capacity and ingenuity to ensure the sustainable economic, spiritual and cultural well-being of their communities.

Institutional Partners

Oweesta works tirelessly every day, putting our values into action. With deep commitments to hard work, transparency, and partnership, we continue to grow as an organization and tackle challenging projects. We are lucky to have many dedicated partners that walk hand in hand with us to support the empowerment of the communities we serve. Many of our clients, investors, and funding partners, such as the KeyBank Foundation and the Northwest Area Foundation, have become close friends along the way, and long-term allies in the fight for economic justice for our Native communities.

*Northwest Area Foundation | KeyBank Foundation
| Bank of America | Prosperity Now |
Peter B. & Adeline W. Ruffin Foundation | Capital
One | Neighborworks America |
OFN/Wells Fargo*

Social Investment Portfolio

As a National lending intermediary, Oweesta is also supported by debt and equity investments which enhance our capitalization base to better serve Native communities across the nation. We believe that when armed with the appropriate resources, Native peoples hold the capacity and ingenuity to ensure the sustainable economic, spiritual and cultural well-being of their communities.

Armed with this belief and nearly two decades of lending and investment experience, Oweesta has a robust and growing social investment portfolio of

over 30 social investments ranging in size from \$5,000 to \$150,000. Each investment helps Oweesta capitalize Native CDFIs throughout the nation.

These Native CDFIs are on the front lines of revitalizing their local economies, but still have unmet capital needs of over \$47 million. Therefore, each investment in our portfolio, no matter how small, works hand-in-hand with us to help us rebuild our Native nations.

\$3,896,480 Million Social Investment Portfolio
In 17 Years, \$0 Loss of Investor Capital
\$47 Million Unmet Capital Need Remains in
Native Communities

Social Investment Partners

*Adrian Dominican Sisters | Bank of America |
Basilian Fathers of Toronto | The CDFI Fund | The
Congregation of Sisters of the Incarnate Word |
Mercy Investment Services | Natural Invest-
ments | Northwest Area Foundation |
Religious Communities Investment Fund | Sisters of the
Blessed Sacrament | Sisters of St. Francis of
Philadelphia | Tamalpais Trust | Trillium Investments*

Financial Statements

The financial information on the following pages represents First Nations Oweesta Corporation's 2017 audited financial statements. The sound fiscal management practices by Oweesta management is evident by an increase in net assets of \$428,307 and an increase in the loan portfolio by \$905,000 at the same time as lowering debt capital by \$235,000.

Although Oweesta still relies heavily on federal funding, management continues to work toward revenue diversification. For fiscal year 2017, Oweesta increased earned revenue by 5% and currently has a 25% self-sufficiency ratio. Earned revenue represents approximately 24% of total revenue.

Oweesta has reduced administrative costs by implementing more efficient procedures, eliminating duplication, and reducing outsourcing. In fiscal year 2017, Oweesta reduced administrative costs by 7.35% allowing these funds to be shifted to capacity building for increased programming and services.



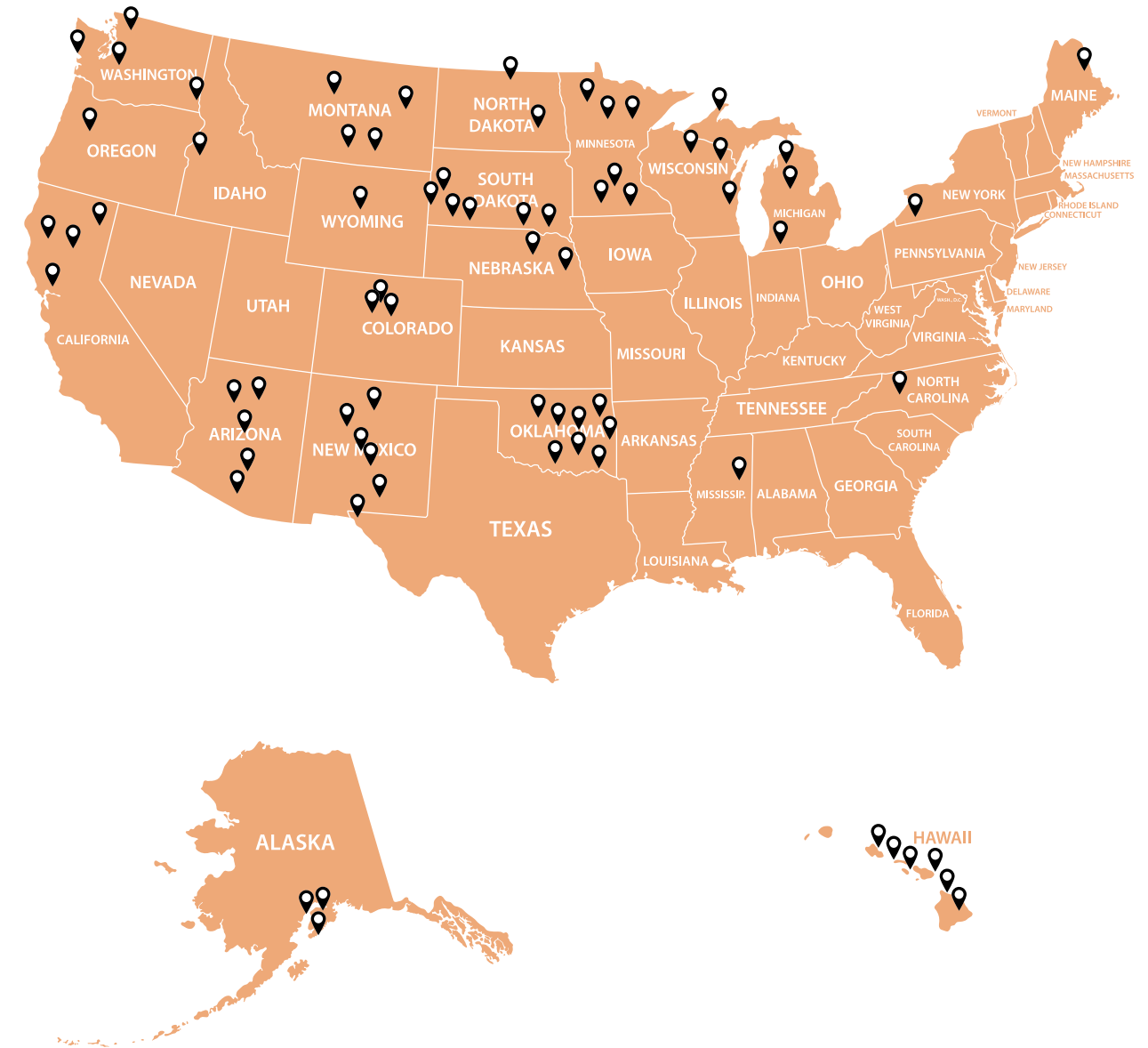
First Nations Oweesta Corporation Statement of Financial Position June 30, 2017 and 2016

	2017	2016
Assets:		
Current assets:		
Cash and cash equivalents	2,101,488	3,003,509
Short-term investments	225,028	-
Grants receivable	26,990	-
Current notes receivable, net of allowance of \$64,650 and \$35,500, respectively	828,350	674,500
Government grants receivable	26,877	159,577
Interest receivable	14,130	18,976
Other current receivables, net of allowance of \$10,000	63,757	27,785
Prepaid expenses	22,164	12,797
Total current assets	<u>3,308,784</u>	<u>3,897,144</u>
Property and equipment, net	21,151	26,634
Other assets:		
Long-term notes receivable, net of allowance of \$173,000 and \$156,900, respectively	3,687,000	2,981,100
Long-term government grants receivable	475,700	225,700
Investments	538,118	741,875
Total other assets	<u>4,700,818</u>	<u>3,948,675</u>
Total assets	\$ 8,030,753	7,872,453
Liabilities and Net Assets:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 80,130	106,808
Due to affiliate	3,030	7,359
Deferred revenue	4,000	8,000
Current maturities of long-term debt	1,166,480	685,000
Total current liabilities	<u>1,253,640</u>	<u>807,167</u>
Noncurrent liabilities:		
Long-term debt, net of current maturities	2,495,000	3,211,480
Total liabilities	<u>3,748,640</u>	<u>4,018,647</u>
Net assets:		
Unrestricted	3,371,811	2,807,414
Temporarily restricted	910,302	1,046,392
Total net assets	<u>4,282,113</u>	<u>3,853,806</u>
Commitments and contingencies		
Total liabilities and net assets	\$ 8,030,753	7,872,453



Thank You

To our target market of Native CDFIs across the country.
Without you, our work would not be possible!





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