

ANNUAL REPORT

2018



weesta

FIRST NATIONS OWEESTA CORPORATION
A SUBSIDIARY OF FIRST NATIONS DEVELOPMENT INSTITUTE



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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.



BOARD OF DIRECTORS

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.



Michael Roberts
Board Chair
Tlingit



Marguerite Smith
Vice Chair
Shinnecock



Shyla Sheppard
Secretary
Mandan / Hidatsa



Susan Jenkins
Treasurer
Choctaw



Benny Shendo, Jr.
Jemez Pueblo



Chandra Hampson
*Winnebago/White Earth
Chippewa*



Gelvin Stevenson
Cherokee



Susan Hammond
Penobscot Nation



Jeff Bowman
Mohican



Robin Danner
Hawaiian, Kauai



Derek Valdo
Acoma

A MESSAGE FROM THE EXECUTIVE DIRECTOR



As Oweesta enters our historic 20th year of operations and celebrates our anniversary of serving Indian Country for two decades, we have much to reflect upon over these last 20 years as an organization as well as an industry.

With the advent and creation of the CDFI Fund in 1994, Native communities have realized an opportunity like never afforded to our people in history; the chance to change the economic landscape of our tribal communities. Our Native CDFIs have afforded a measure of financial upward mobility in building both individual and community assets in a manner that coincides with our cultural values as Native Nations- this work has been nothing short of revolutionary.

Oweesta has had the privilege to walk hand in hand with many of our Native CDFIs throughout our 20 years of operations, and we are so very honored and humbled to have created and fostered so many deep seeded relationships during this timeframe. Our organizations have created a movement in creating avenues for equality, equity and inclusion for our tribal members to enjoy the same financial opportunities most of America enjoys. Through these twenty years of operations as financing agents in our respective tribal communities, we have also created a family. Our Native CDFIs have acted as mentors, experts and support systems for each other and have grown personal relationships that are truly priceless. With the evolving growth of the Native CDFI industry, we welcome, support and uplift new entrants

into the Native CDFI space and though these last twenty years, our family continues to grow.

This year's annual report will showcase Oweesta's expanded partnerships which has assisted to increase homeownership opportunities for tribal communities across the nation, our creation and deployment of the first of its kind capital aggregate pool to serve the Native CDFI industry and their growing lending demand, in addition to detailing our vast technical assistance and development efforts for our Native CDFIs nationwide. Our success as an organization has always been centered in accessing the needs of our partner Native CDFIs and respectfully defining objectives and strategies internally that propel and uplift our Native CDFIs on the local level. Our relationships have always been the greatest strength of Oweesta, and we continue to be so very honored to have the trust of our partners to continue to serve Indian Country to the best of our ability.

On behalf of our staff and Board of Directors, I would like to extend my sincerest thanks to our clients, investors, partners, and constant believers. Your support and belief in Oweesta over the last twenty years has directly assisted in creating a better future for our Native Nations and offered an avenue where our people can dare to dream and have a path to opportunity to achieve a future of prosperity many never thought possible.

Chii Miigwetch for all you do.

CHRYSTEL CORNELIUS
Executive Director

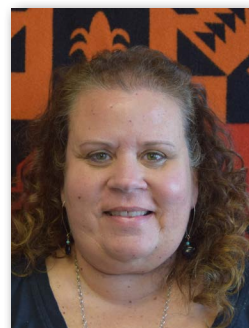
OUR STAFF



Chrystel Cornelius
Executive Director
Ojibwe/Oneida



Krystal Langholz
Chief Operating Officer



Florence Ludka
Chief Financial Officer
Chippewa



**Heather
Rademacher Taylor**
Director of Programs



Lanalle Smith
Programs Manager
Navajo



Stephanie Cote
Programs Officer
Anishinaabe



Tawny Wilson
Programs Officer
Sicangu Lakota Oyate



Emily Trump
Lending and Compliance
Manager



Debbie Powers
Accountant



Isaiah Cornelius
OTIS Specialist
Chippewa

OUR STRATEGY

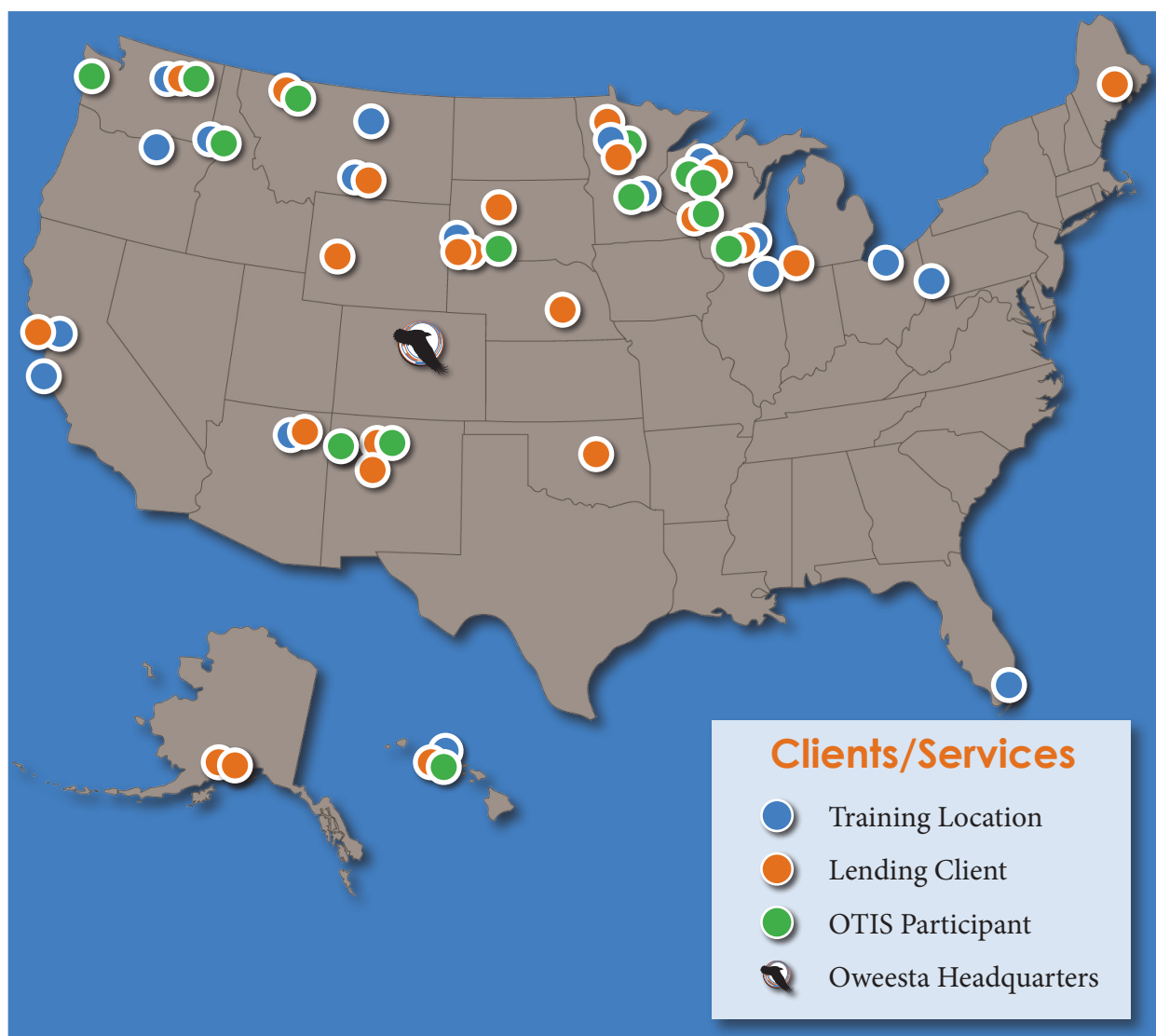
Native community development financial institutions directly provide Native American communities the tools and capital support required for real and sustainable job creation, small business development, commercial real estate development, and affordable housing/home ownership, while also offering basic 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 (BNC) curriculum suite offers a culturally-appropriate curriculum and financial capability training to Native organizations. The purpose of our entire BNC suite 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.

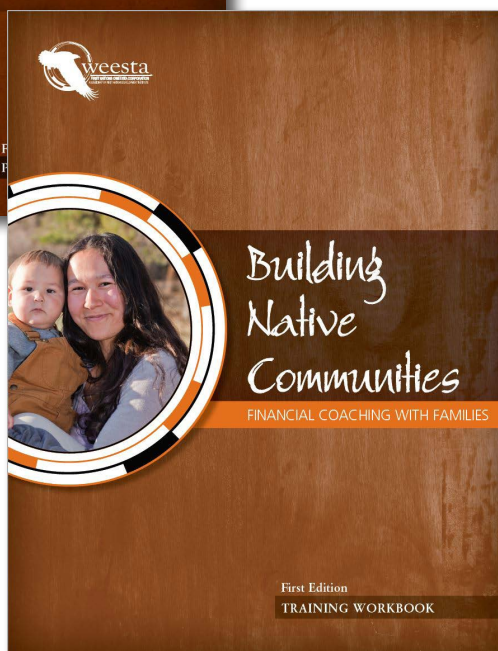
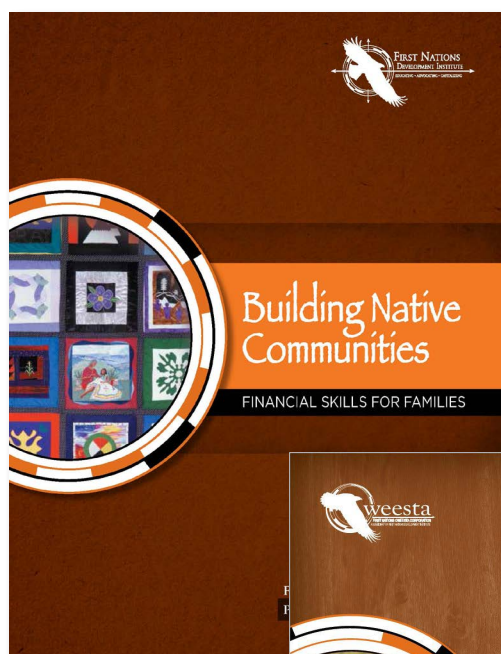
The longest-standing member of our curriculum suite is the well-loved *Building Native Communities: Financial Skills for Families*. This train-the-trainer certification program helps instructors establish and sustain financial education programs. Oweesta's Train-the-Trainer program continues to grow 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 over 20 years, and the curriculum is currently in its 5th edition. In 2018, 10 BNC Train-the-Trainer workshops certified 159 trainers, bringing the total number of certified trainers to 476 on just the 5th Edition of the curriculum alone. To date, over 30,000 copies of the BNC curriculum

workbook are in circulation, with certified trainers **reaching 7,038 community members through 1,212 courses in 2018 alone.**

Oweesta's BNC training program builds the sustainability of local grassroots programs, supporting them in creating financial education programs. In 2018, **79% 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.

In addition to our financial education efforts, Oweesta took its new financial coaching program national last year with the release of *Building Native Communities: Financial Coaching With Families*. 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.

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. In 2018, these six Native CDFIs have graciously continued to serve 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).

Through additional support from Capital One and Bank of America, Oweesta scaled 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. Oweesta held three financial coaching trainings in 2018, including our first national training December 11-13th in Boulder, Colorado.



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 2018, we provided **2279 hours of technical assistance, 918 hours of training, and 130 hours of back-office support to sixty-six emerging and certified NCDFIs** from New York to Hawaii. We delivered **31 trainings on capacity building topics attended by 615 people**, mostly delivered on-site.

2018 marked the soft-launch of Oweesta's **Native CDFI Practitioner Certification Program**.

Oweesta rolled out a soft launch of the Native CDFI Practitioner Certification program May 8-11th of 2018. In partnership with Native Learning Center in Hollywood, Florida, Oweesta offered the Fundamentals Week training, a four-day overview of key facets of running a Native CDFI.

At the training, new NCDFI practitioners learned the history of the CDFI industry and discussed the theory of change and what

it means to be a mission driven organization. Participants of the week long “boot-camp” learned the ins and outs of establishing and running a Native CDFI, including an overview of potential services to offer their Native communities.

In 2019, Oweesta has begun offering the additional specialization tracks that will delve deeper into Native CDFI operations, including: Financial Management, Development Services, Lending, and an Executive Track. The program



is designed to provide standardized training to orient new practitioners and help current practitioners grow their skills.

In 2018, Oweesta continued to grow 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. There are currently 15 NCDFIs using and fully integrated with OTIS. With the help of these 15 different NCDFIs, Oweesta is learning how to support NCDFIs tracking individual client level data.

OTIS

IMPACT BY THE NUMBERS

OUR NETWORK: 15 NCDFIs

1,895 CLIENTS SERVED

96% NATIVE AMERICAN, ALASKA NATIVE, OR NATIVE HAWAIIAN

78% EMPLOYED OR SELF-EMPLOYED

ON AVERAGE

\$29,692

MEDIAN HOUSEHOLD INCOME

3.3 PEOPLE PER HOUSEHOLD

CREDIT SCORE CHANGE **+22** POINTS

980 HOURS TECHNICAL ASSISTANCE

125 CLIENTS **738** SESSIONS

Lending Programs

Native CDFIs often struggle to obtain the loan capital they require to create impact in their communities, in part because of the perception that lending in Native communities is especially risky. As the only existing Native CDFI intermediary offering financial products and development services, Oweesta understands both the need for capital in Native communities and the particularly successful business model of Native CDFIs that results in impressively low delinquency and charge-off rates.

In 2018, Oweesta closed a **record \$10.8 million in new loans** through our Capitalization, Native Fresh Food Fund, First-In, and new Capital Pool Loan products, and distributed an additional \$1.2 million in grants for relending. Oweesta's investment in Native CDFIs also serves to bolster confidence among other investors, helping our borrowers to leverage an additional \$2.58 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 2018, **our borrowers provided \$4.76 million in business loans, \$2.85 million in housing loans, \$3.10 million in consumer loans** such as credit repair and auto loans, plus \$135,000 in down payment and closing cost grants.

These loans create real impact in the lives of Native people. In 2018 alone, our community impact evaluation showed that Oweesta's lending directly contributed to the creation or retention of over 110 jobs, helped to start 30 small or micro-businesses, and created 10 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

\$23 MILLION

TOTAL LOANS MADE SINCE 2005

IMPACT TO TRIBAL COMMUNITIES:

3,742 JOBS
CREATED OR
RETAINED

1,088 BUSINESSES
ESTABLISHED

**140 AFFORDABLE
HOUSING**
NEW UNITS BUILT

borrowers, 98% of their loans are ultimately directed at Native Americans, Alaska Natives, and Native 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.

Oweesta began lending in 2005 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 91 loans totaling more than \$23 million with a current weighted interest rate of 2.59%. This direct financing to Native CDFIs have made incredible impact within tribal communities across the nation with over 3,742 jobs created or retained, 1,088 small and micro business created within tribal communities and 140 affordable housing units built as a direct result of our financing efforts.

INDUSTRY INNOVATION

The Native CDFI Susan White Memorial Capital Pool

A truly historic year, **Oweesta launched our \$10MM Native CDFI Capital Pool** in 2018. Oweesta used this capital pool to deploy long-term, low-interest loan products for Native CDFIs that continue to experience growth in their lending demand. The pool was designed with the feedback of the Native CDFI Industry through a Native CDFI Advisory Board. This pool was designed using an innovative, cooperative financing structure that both shares pool proceeds and risk among participating NCDFI pool members.

strengthen Native CDFI financial capacity and long-term sustainability. Funders, investors, and Native CDFIs came together June 13 to celebrate the launch of this historic capital pool in Pacific Grove, CA.

Native CDFIs with strong lending histories, sound financial management experience, and stable, long-term leadership were invited to become pool members. These groups include: Chi Ishobak Inc. (MI), Citizen Potawatomi Community Development Corporation (OK), Cook Inlet Lending Center (AK), First American Capital Corporation (WI), First Ponca Financial (NE), First Nations Community Financial (WI), Four Bands Community Fund (SD), Lakota Funds (SD), Mazaska Owecaso Otipi Financial



The pool provided two products that Native CDFI members could choose from—a low-cost loan or a loan-grant combination product. The loan-grant combination was designed to allow Native CDFIs to make internal capacity investments that supported the effective deployment of larger capital amounts. The Native CDFI capital pool was designed to

(SD), NACDC Financial Services (MT), Four Directions Development Corporation (ME), Northwest Native Development Fund (WA), and Tiwa Lending (NM).

Among the funders and investors that helped make this capital pool a reality, Northwest Area Foundation acted as a key partner in the support of Oweesta during development

In Remembrance: Susan White

Susan White was a dedicated member of the Oweesta loan committee from 2011 to 2018. Passing away June 25, 2018, Susan was an innovative woman who advocated for using the investment of tribally-controlled capital to enhance the well-being of Native people. A citizen of the Oneida Nation in Wisconsin, Susan served as the Director of the Oneida Trust Enrollment Department and maintained the Trust's sustainable and responsible investment (SRI) philosophy.



She coordinated shareholder activism for Indigenous peoples' rights and well-being when affected by corporations. Susan's shareholder advocacy led to her receiving the Harvard Honoring Nations American Indian Economic Development Award in

2010 for advocacy through investment holdings and the SRI Service Award in 2011.

In addition to her professional legacy, Susan left behind a husband and two sons. All those who knew her were profoundly struck by both her humility and passion. Even while losing her battle with cancer, Susan remained committed to completing her service on Oweesta's loan committee, refusing to resign until after Oweesta had finished the capital pool project. She passed away only a short few months after. It is for those reasons that 2018 Native CDFI Capital Pool is named in her honor.

of this capital pool and has actively supported Oweesta's efforts to increase access to capital for Native CDFIs over the last several years. They also devote 40% of new grant dollars to Native-led organizations working to advance economic, social and cultural prosperity in the urban, suburban, and reservation communities that anchor their eight-state region.

In addition to the \$1MM provided by Oweesta and the Native CDFI pool participants, the supportive funders and investors that provided the investment needed for creation of the capital pool included: AMERIND Risk, Bank of America, Bush Foundation,

Enterprise Community Capital, First Nations Development Institute, Kalliopeia Foundation, Northwest Area Foundation, Tamalpais Trust, and Wells Fargo.

Oweesta foresees the capital pool will create significant long-term impact in Native communities. In the first few months alone, **Capital pool members had deployed \$4,783,811 in their local community and leveraged an additional \$2,900,011** with their capital pool funds. Native CDFI capital pool members had created 11 small businesses, helped create/retain 82 jobs, and created 9 new homeowners with their funds.

Down Payment Assistance Program

In 2018, Oweesta partnered with Wells Fargo to create a home down payment assistance program aimed at increasing U.S. homeownership opportunities for Native Americans. The **\$500,000 grant given to Oweesta was among the first by Wells Fargo** in its five-year, \$50 million commitment to American Indian/Alaska Native communities to help address unique economic, social and environmental needs in Indian Country.

The funds were given directly as equity grants, allowing each organization to provide direct grant funds up to \$5,000 each to Tribal

members for down payment assistance capital through their respective lending programs. Five Native Community Development Financial Institutions (CDFIs) are participating in the program, including:

- **Cook Inlet Lending Center** (*Anchorage, AK*)
- **Four Directions Development Corporation** (*Orono, ME*)
- **Mazaska Owecaso Otipi Financial** (*Pine Ridge, SD*)
- **Native Community Finance** (*Laguna, NM*)
- **TIWA Lending Services** (*Isleta Pueblo, NM*)

Research into the Field



Oweesta was excited to release two new research reports in 2018. These reports were sponsored by the Northwest Area Foundation and focused on the Native CDFI industry.

Snapshot 2018: The Growing Native CDFI Movement looked at the broader Native CDFI data and highlighted the growth, needs, and financial health of the industry. In 2012, Oweesta produced *Snapshot 2012: Native CDFIs and the Capital Access Challenge*. This report provided a look inside the Native CDFI industry and documented growing

capital needs. Since 2012, we've seen growth, capacity development, and increased funding/investment. This 2018 report:

- Provided a “snapshot” of the Native CDFI industry, focusing on growing lending and capital needs;
- Contextualized these capital needs in the long-term history of the Native CDFI movement, documenting industry growth;
- And provided recommendations for both Native CDFIs and future partners on how to confront barriers and challenges restricting capital flow.

In **Native CDFI Industry Profile 2017**, Oweesta compiled the FY 2017 financial information from a significant subset of the Native CDFI industry. Native CDFIs can use this Industry Profile to gain additional understanding about their own organization and other Native CDFIs across the field through comparison. These reports are part of a larger series of reports on capital access for all Native CDFIs. Oweesta is also completing a white paper on Native CDFI credit unions, banks, and venture funds that will be coming out in 2019.

TRADITIONS OF EXCELLENCE

15th Annual Native Convening

The 15th Annual Native Community Development Financial Institution Convening (Native Convening) was held in conjunction with the 34th Annual Opportunity Finance Network (OFN) Conference on October 8th-11th in Chicago, Illinois. This four-day event included a one-day Native Gathering, an array of Native specific breakout sessions, and the 13th Annual Native CDFI Awards. More than 80 leaders representing Native CDFIs, Tribal programs, Tribal housing authorities, and industry partners in asset-building attended the 2018 Native Convening. This year's Native

CDFI Gathering Day emphasized learning and exploration, featuring:

- A research discussion on Snapshot 2018: The Growing Native CDFI Movement & 2017 Native CDFI Industry Profile
- A fundraising strategies (tips and tricks) Native CDFI leaders panel
- A conversation exploring dynamic homeownership programs and community-focused products, which included a panel of Native CDFI practitioners
- A CDFI Fund led discussion on their NACA grant applications and award compliance Application to Award Compliance



In addition to the Native CDFI Gathering Day, Oweesta also offered a unique training track of sessions that included such sessions as *Year in the Life of Your Loan Loss Reserve*, *Native CDFI Networking*, *Financial Coaching for Native Communities: The Next Level for Strengthening Financial Capabilities*, and *Taking Your Impact Tracking to the Next Level*.

On the last evening of the Native Convening, Oweesta held the 13th 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 2018 Circle of Honor Award winner is **Mazaska Owecaso Otipi Financial, Inc. (Masaska)**, a Native CDFI serving the Pine Ridge Indian Reservation and adjacent communities. Mazaska demonstrates outstanding leadership within the industry by creating safe and affordable housing opportunities by providing home loans to first-time and existing homeowners, development services such as free financial literacy and homeownership classes, and financial insight to empower Native people to build assets and create wealth. Mazaska's Executive Director, Colleen Steele, is an enrolled member of the Oglala Sioux Tribe with over twenty years' experience working with Native organizations and has served as Mazaska's primary staff member since 2005. Ms. Steele has been instrumental in raising funds and building the loan program.

In the past two years, Mazaska has: started providing a bridge loan product to veterans

on the Pine Ridge Reservation, as well as the USDA Rural Development 502 Pilot Program, a partnership in the works for several years designed to deploy \$1 million to provide low- and moderate-income households with the opportunity to own adequate, modest, decent, safe, and sanitary housing in eligible



rural areas. Mazaska is also working with the partner organizations on additional reservation homeownership initiatives, including projects that will pass through \$100,000 for down payment assistance and utilize \$1 million from a

capital pool for affordable housing. Additionally, Mazaska is working with the Oglala Sioux Tribe Home Improvement Subsidy program and the Federal Home Loan Bank to provide up to \$10,000 in down payment assistance to qualified borrowers. Finally, Mazaska is partnering with Lakota Funds to provide mortgage lending at Eagle Nest Housing, which includes 30 units of rental housing currently converting to mortgages, providing the tenants with an opportunity to become homeowners.

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. **Tawney Brunsch, Executive Director of The Lakota Funds (TLF)**, is a trailblazing visionary leader exemplifying a level of commitment to the Native CDFI industry and TLF, where she has served as Executive Director since 2010. She has led TLF through many history-making accomplishments and is a tireless advocate for the Lakota people and for capital access throughout Indian Country. She was a founding board member for the Native CDFI Network and currently serves on Mazaska's Board. She Chairs the Credit Committee for the Council for Native American Farmers and Ranchers and serves on the Federal Home Loan Bank's Advisory Council. Tawney is also actively involved with the South Dakota Native Homeownership Coalition (SDNHC), where she chairs the Physical Issues Committee and serves on the Executive and Veterans Committees.

Under Ms. Brunsch's leadership, Lakota Funds started the Lakota Federal Credit Union

(LFCU), the first federally-insured financial institution on the Pine Ridge Reservation, which as of 2018 also offers checking accounts (250 people opened one in the first two weeks). TLF has also developed an innovative partnership with Lakota Federal Credit Union and First Peoples Fund to take services to



communities throughout the reservation with the Rolling Rez. Rolling Rez is a mobile unit which delivers financial literacy training, artist business development training, and financial services through Lakota Federal Credit Union

and allows TLF to reach the most marginalized individuals in all 9 reservation districts.

In 2017, TLF deployed over \$1.1 million in loans, creating 105 jobs and starting or expanding 46 small businesses on the Pine Ridge Reservation. They helped prepare 326 tax returns returning almost \$900K in tax refunds to Tribal members. In fall 2015, TLF was the first Native CDFI approved as a USDA Farm Service Agency guaranteed lender. This allowed TLF to offer more financing solutions for reservation farmers and ranchers. TLF has also seen growing assets totaling over \$6 million and in early 2018, the organization was approved to participate in the first-ever Native Capital pool through Oweesta.

Additionally, growing efforts to increase residential housing stock have led to increased demand for contractors and local inspectors on the reservation but the largest barrier is lack of a qualified workforce. In summer 2017, TLF partnered with SDNHC, Oglala Lakota College, and Four Bands Community Fund on the Cheyenne River Reservation in South Dakota to launch the Construction Internship Pilot. This innovative program delivered an intensive hands-on work experience to participants from the Cheyenne River and Pine Ridge Reservations. Twenty-three students from both Reservations participated in the program, in partnership with local contractors. Upon completion of the program, nine local students received offers of permanent employment. To further support contractor business development, TLF also provided two home inspector certification trainings and contractor workshops to build skills for the validation process required when building using HUD 184 funds. More than 70 people attended the inspector certification trainings, several whom either obtained jobs or started their own home inspection business upon certification.



Native CDFI Capital Access Convening Continues to Grow

Oweesta is excited that in 2018, we expanded the 3rd Annual Native CDFI Capital Access Convening to a national event, bringing more Native CDFIs, funders, investors, and partners from across the country together network, discuss capital access in Native communities, and build capacity to access capital. This was also the longest convening thus far, at three-days. Overall, the event was successful, with Native CDFIs reporting to Oweesta that the convening helped grow their capacity, learn about key topics, network with other Native CDFIs and funders/investors, and provided a great opportunity overall for them and their staff/Board.

Oweesta coordinated a NCDFI Capital Access Convening with general sessions, 18 breakouts, a networking session, and a funder/investor session. This event took place in Pacific Grove, California, June 12-14. A wide range of breakout sessions were offered, including: Federal Granting/Lending; Capital Access for Agriculture; Data & Brands; Capital Access for Housing; Corporate/Sustainable Investor Support; Impact Tracking; Innovative Programs; AERIS; Accounting; Performance Tracking; Capitalization Planning; LLR; Supporting Development Services; Social Investment Strategies; CAMELS; Portfolio Management; Financial Capabilities; Advanced Capitalization. Finally, **the Native CDFI Capital Access Convening saw its highest attendance of 144**, with 76 NCDFI representatives from 42 NCDFIs, 34 partners/staff, and 34 funders/investors joining us in California.



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.



POWER OF PARTNERSHIP

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.

INSTITUTIONAL GRANTING AND CONTRACTING PARTNERS



Northwest Area Foundation | KeyBank Foundation | Bank of America
Prosperity Now | Peter B. & Adeline W. Ruffin Foundation | Capital One
Neighborworks America | Wells Fargo | Freddie Mac
Native American Agricultural Fast Track Fund – Keepseagle Cy Pres
Federation of Appalachian Housing Enterprise

Social Investment Portfolio

As a 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 20 social investments ranging in size from \$25,000 to \$100,000. 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.

SOCIAL INVESTMENT PARTNERS

Adrian Dominican Sisters | AMERIND Risk | Bank of America | Basilian Fathers of Toronto
Bush Foundation | The CDFI Fund | The Congregation of Sisters of the Incarnate Word
Enterprise Community Capital First Nations Development Institute | Kalliopeia Foundation
Mercy Investment Services | Natural Investments | Northwest Area Foundation
Religious Communities Investment Fund | Sisters of the Blessed Sacrament
Sisters of St. Francis of Philadelphia | Tamalpais Trust | Trillium Investments

Federal Grants

The continued support of our federal institutional partners is invaluable. These grants are leveraged as matching funds many times over, and the power of these partnerships in the development of ambitious, innovative, and collaborative initiatives, such as our financial coaching project, cannot be overstated. In the 2018 calendar year, Oweesta delivered programming using funding received from three federal agencies: USDA Rural Development, Administration for Native Americans (HHS), and the Community Development Financial Institutions (CDFI) Fund (US Department of Treasury). Especially exciting this year, Oweesta receive an award from the CDFI Fund's regular program. This created room for up to an additional six start-up Native CDFIs to receive awards in the Native set-aside (NACA).

FEDERAL GRANTS RECEIVED IN CALENDAR YEAR 2019

CDFI Fund	\$1,125,000
ANA SEDS.....	\$299,420



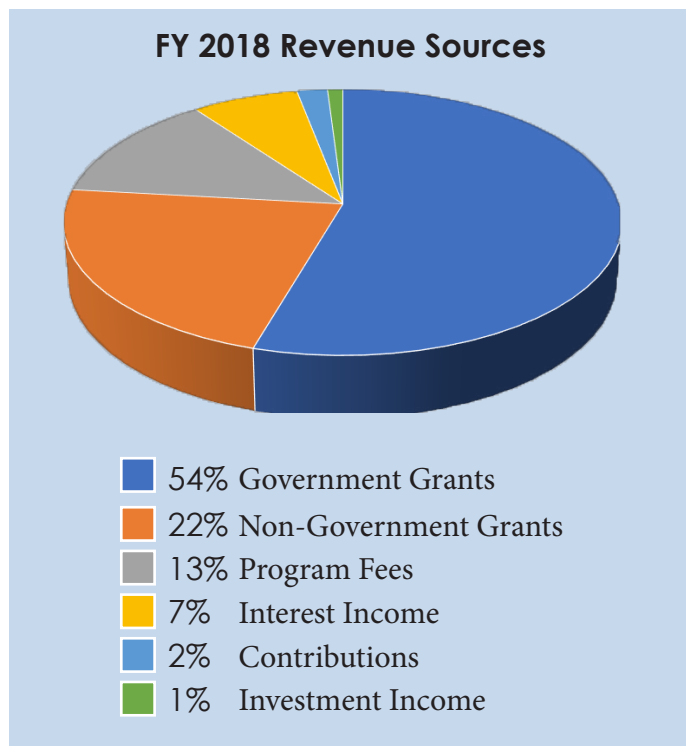
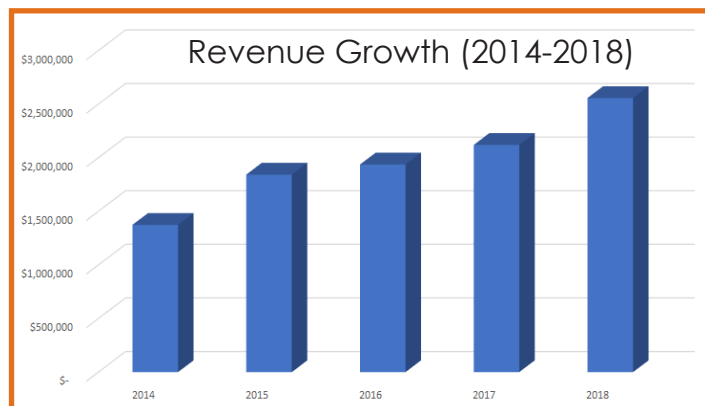
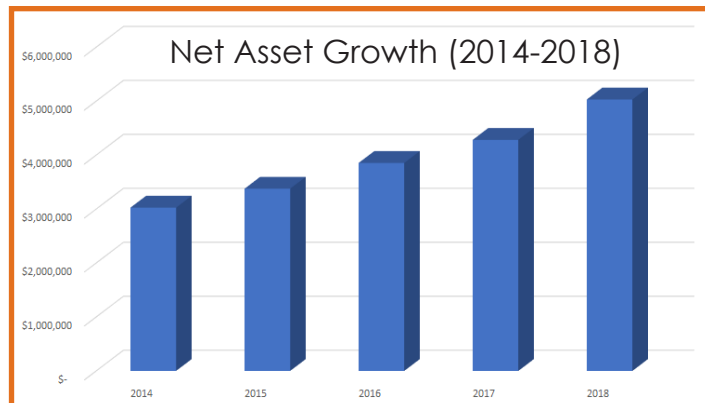
FINANCIAL STATEMENTS

The financial information on the following pages represents First Nations Oweesta Corporation's audited financial statements for the fiscal year ending June 30, 2018. Oweesta management continues to demonstrate sound fiscal financial management practices.

The Statement of Financial Position and Statement of Activities as of June 30, 2018, contain the following fiscal highlights:

- Increase in total assets of **\$3,421,948**
- Increase in net assets of \$747,374
- Increase in cash and cash equivalents of \$2,081,662
- Net income: **\$747,374**
- Net Asset Ratio: 43.92%
- Current Ratio: 3.52
- Deployment: **81.6%**
- Self Sufficiency: 28.52%
- Operating Liquidity Ratio: 8.60

The increase in non-government grants of \$361,502 and increase in program revenue of \$87,909 is indicative of Oweesta management successfully diversifying revenue streams and reducing Oweesta's reliance on federal grants. Interest and investment revenue increased by \$35,172. This is a result of thoughtful and strategic investment practices. The increase in program revenue and interest and investment income is furthering Oweesta's efforts at becoming self-sufficient.



FIRST NATIONS OWEESTA CORPORATION

Statement of Financial Position

June 30, 2018 and 2017

ASSETS	2018	2017
Current assets:		
Cash and cash equivalents	\$ 3,892,211	2,101,488
Short-term investments	164,390	225,028
Grants receivable	-	26,990
Current notes receivable, net of allowance of \$60,650 and \$64,650, respectively	1,152,350	828,350
Government grants receivable	66,973	26,877
Other current receivables, net of allowance of \$10,000	94,756	77,887
Prepaid expenses	19,766	22,164
Total current assets	<u>5,390,446</u>	<u>3,308,784</u>
Property and equipment, net	<u>15,751</u>	<u>21,151</u>
Other assets:		
Long-term notes receivable, net of allowance of \$200,500 and \$173,000, respectively	3,809,500	3,687,000
Long-term grants receivable	771,333	475,700
Investments	1,465,671	538,118
Total other assets	<u>6,046,504</u>	<u>4,700,818</u>
Total Assets	<u>\$ 11,452,701</u>	<u>8,030,753</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 167,878	80,130
Due to affiliate	7,856	3,030
Deferred revenue	4,000	4,000
Refundable advance	1,000,000	-
Current maturities of long-term debt	350,000	1,166,480
Total current liabilities	<u>1,529,734</u>	<u>1,253,640</u>
Noncurrent liabilities:		
Long-term Debt, net of current maturities	<u>4,893,480</u>	<u>2,495,000</u>
Total Liabilities	<u>6,423,214</u>	<u>3,748,640</u>
Net assets		
Unrestricted	3,961,936	3,371,811
Temporarily restricted	1,067,551	910,302
Total Net Assets	<u>5,029,487</u>	<u>4,282,113</u>
Total Liabilities and Net Assets	<u>\$ 11,452,701</u>	<u>8,030,753</u>

FIRST NATIONS OWEESTA CORPORATION

Statement of Cash Flow

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 747,374	428,307
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	5,400	5,483
Net realized and unrealized gain on investments	(4,906)	(8,578)
Provision for loan losses	23,500	45,250
Decrease (increase) in operating assets:		
Grants receivable	26,990	(26,990)
Government grants receivable	(335,729)	(117,300)
Other receivables	(16,869)	(31,126)
Prepaid expenses and other assets	2,398	(9,367)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	87,748	(26,678)
Deferred revenue	-	(4,000)
Refundable advance	1,000,000	-
Due to affiliate	4,826	(4,329)
Net cash provided by operating activities	<u>1,540,732</u>	<u>250,672</u>
Cash flows from investing activities:		
Net purchases of investments	(862,009)	(12,693)
Disbursements related to notes receivable	(1,320,000)	(905,000)
Collections of notes receivable	850,000	-
Net cash used in investing activities	<u>(1,332,009)</u>	<u>(971,693)</u>
Cash flows from financing activities:		
Proceeds from debt	2,748,480	435,000
Payments on debt	(1,166,480)	(670,000)
Net cash provided by (used in) financing activities	<u>1,582,000</u>	<u>235,000</u>
Net increase (decrease) in cash and cash equivalents	1,790,723	(902,021)
Cash and cash equivalents at beginning of year	<u>2,101,488</u>	<u>3,003,509</u>
Cash and cash equivalents at end of year	<u>\$ 3,892,211</u>	<u>2,101,488</u>
Supplemental cash flow information:		
Cash paid during the year for interest	<u>\$ 73,163</u>	<u>94,311</u>



FIRST NATIONS OWEESTA CORPORATION

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