

FIRST PEOPLES DEVELOPMENT INC.
Financial Statements
Year Ended March 31, 2018



September 11, 2018

INDEPENDENT AUDITOR'S REPORT

To the Directors of First Peoples Development Inc. :

I have audited the accompanying financial statements of First Peoples Development Inc., which comprise the statement of financial position as at March 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepting auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of First Peoples Development Inc. as at March 31, 2018, and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

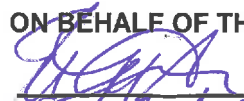
Tony Gauthier, CPA


Chartered Professional Accountant

FIRST PEOPLES DEVELOPMENT INC.
Statement of Financial Position
March 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 7,024,722	\$ 3,016,694
Accounts receivable	91,959	211,000
Prepaid expenses	69,966	27,256
	\$ 7,186,647	\$ 3,254,950
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 677,878	\$ 197,408
Deficiency of funding to sub-agreement holders <i>(Note 3)</i>	439,945	1,072,608
Deferred income <i>(Note 4)</i>	6,068,824	1,984,934
	\$ 7,186,647	\$ 3,254,950

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

FIRST PEOPLES DEVELOPMENT INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2018

	2018	2017
REVENUE		
Employment and Social Development Canada	\$ 23,860,295	\$ 24,083,229
Interest income	37,230	14,484
Miscellaneous income	923	31,949
Aboriginal Affairs and Northern Development Canada	597,168	198,986
Province of Manitoba	201,823	300,000
SAH	108,092	150,001
Licensed Practical Nurse	158,542	178,910
	<u>24,964,073</u>	<u>24,957,559</u>
EXPENDITURES		
Administration - Schedule 1	2,432,933	3,151,693
Consolidated revenue fund - Schedule 2	13,228,280	12,004,407
Employment insurance fund - Schedule 3	3,374,311	3,555,401
Child care fund - Schedule 4	5,928,549	5,340,408
First Nations job fund - Schedule 5	-	905,650
	<u>24,964,073</u>	<u>24,957,559</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Statement of Changes in Net Assets
Year Ended March 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ -	\$ -
NET ASSETS - END OF YEAR	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Statement of Cash Flow
Year Ended March 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	119,041	509,163
Prepaid expenses	(42,710)	13,733
Accounts payable and accrued liabilities	480,470	(685,306)
Deficiency funding to sub-agreement holders	(632,663)	(176,304)
Deferred revenue	4,083,890	1,984,934
	<u>4,008,028</u>	<u>1,646,220</u>
INCREASE IN CASH FLOW	4,008,028	1,646,220
Cash - beginning of year	<u>3,016,694</u>	<u>1,370,474</u>
CASH - END OF YEAR	\$ 7,024,722	\$ 3,016,694

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2018

1. PURPOSE OF THE ORGANIZATION

First Peoples Development Inc., the "Organization", was incorporated on March 10, 2006 without share capital in the Province of Manitoba under the Corporations Act of Manitoba.

The Organization administers the Aboriginal Skills and Employment Training Strategy (ASETS), a key component of the Federal Framework for Aboriginal Economic Development. ASETS links training to labour market demand and ensures that Canada's Aboriginal people can fully participate in economic opportunities. Under this strategy, First Peoples Development Inc.'s sub-agreement holders design and deliver employment programs and services best suited to the unique needs of their clients.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Cash and short-term investments

Cash and short-term investments include cash on hand, balances with bank net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Recognition recognition

The Organization follows the deferral method of accounting for government funding. Externally restricted funding is recognized as revenue in the year in which the related expenses are incurred. Miscellaneous income is recognized as revenue when it is received or becomes receivable and collection is reasonably assured. Interest income is recognized as revenue when it is earned.

Recognition of program assistance costs

Program assistance costs are recognized after the related expenditure reports have been received and approved by the Organization.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

First Peoples Development Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at cost.

The financial assets subsequently measured at cost include cash, term deposits and accounts receivable. The financial liabilities measured at cost include accounts payable and due to Employment and Social Development Canada.

3. EXCESS (DEFICIENCY) FUNDING TO SUB-AGREEMENT HOLDERS

Under the terms of agreement with the sub-agreement holders, funding that is not spent during the period can be carried forward to subsequent periods, with the approval of the organization. Otherwise, this funding must be repaid to the organization.

4. DEFERRED REVENUE

	<u>2018</u>	<u>2017</u>
BALANCE - Beginning of year	\$ 1,984,934	\$ 1,820,685
Less - amount recognized as revenue in the year	(1,984,934)	(1,820,685)
Add - amount received relating to the following year	<u>6,068,824</u>	<u>1,984,934</u>
Balance - end of year	\$ <u>6,068,824</u>	\$ <u>1,984,934</u>

5. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2018.

Credit risk

The Organization is exposed to credit risk with respect to term deposits and accounts receivable. The Organization assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The credit risk with respect to term deposits is significant since they are held in a large financial institution.

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2018

6. CONTINGENCIES

First Peoples Development Inc. receives funding from Employment and Social Development Canada (ESDC) to administer the Aboriginal Skills and Employment Training Strategy (ASETS) program. ESDC transfers funds to First People Development Inc. based on funding agreement.

Under the terms of the funding agreement with ESDC, the operations of First Peoples Development Inc. are subject to a review by ESDC to ensure compliance with the agreement. Should a review disclose any discrepancies, First Peoples Development Inc. may be required to reimburse ESDC for any expenses that may be disallowed.

7. ECONOMIC DEPENDENCE

The Organization received a major portion of its revenue from Employment and Social Development Canada. The nature and extent of this revenue is of such significance that the Organization is economically dependent on this source of revenue.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

FIRST PEOPLES DEVELOPMENT INC.

Schedule Of Revenues and Expenses - Administration

(Schedule 1)

Year Ended March 31, 2018

	2018	2017
REVENUE		
Employment and Social Development Canada	\$ 1,329,155	\$ 2,277,363
Aboriginal Affairs and Northern Development Canada	597,168	198,986
Province of Manitoba	201,823	300,000
SAH	108,092	150,001
Miscellaneous income	923	31,949
Interest income	37,230	14,484
LPN	158,542	178,910
	<u>2,432,933</u>	<u>3,151,693</u>
EXPENSES		
Advertising and promotion	10,564	5,969
Bank charges	7,756	5,834
Capacity building	15,253	15,650
CAR	-	-
CMJG Service provider ✓	309,915	450,000
Computer costs	4,844	2,955
Core	-	-
Equipment	10,436	-
Employment support measures	-	46,128
Funded program	-	1,115,593
Insurance	4,445	4,224
Licenced Practical Nurse	158,608	178,910
MCP	-	-
Meeting facilities	1,477	7,592
Miscellaneous	923	31,949
Office costs	30,616	34,561
Partnership development	-	68,629
Professional fees	117,439	170,159
Rent	78,638	71,456
Robotics career fair	129,900	-
Robotics pilot	467,268	198,986
Salaries and benefits	943,849	614,600
Telephone	17,756	11,309
Travel	123,246	117,189
	<u>2,432,933</u>	<u>3,151,693</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Schedule Of Revenues and Expenses - Consolidated Revenue Fund **(Schedule 2)**
Year Ended March 31, 2018

	2018	2017
REVENUE		
Employment and Social Development Canada	\$ 13,228,280	\$ 12,004,407
EXPENSES		
Administration	695,419	786,011
Capital costs	26,831	-
Core program benefit	2,614,751	2,149,087
Funded program	9,707,196	8,950,511
Partnership development	184,083	118,798
	13,228,280	12,004,407
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - Employment Insurance Fund (Schedule 3)
Year Ended March 31, 2018

	2018	2017
REVENUE		
Employment and Social Development Canada	\$ 3,374,311	\$ 3,555,401
EXPENDENDITURES		
Administration	260,923	334,592
Capital costs	25,000	-
Core program services	1,253,808	1,442,257
Employment and training - youth and disabled	-	5,745
Employment benefit	-	849,285
Employment support measures	370	870,423
Funded program	1,749,142	-
Partnership development	85,068	53,099
	\$ 3,374,311	\$ 3,555,401

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - Child Care Fund

(Schedule 4)

Year Ended March 31, 2018

	2018	2017
REVENUE		
Employment and Social Development Canada	\$ 5,928,549	\$ 5,340,408
EXPENSES		
Administration	623,606	318,059
Capital costs - daycare	813,633	126,990
Program costs - daycare	4,491,310	4,895,359
	5,928,549	5,340,408
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - First Nations Job Fund

(Schedule 5)

Year Ended March 31, 2018

	2018	2017
REVENUE		
Aboriginal Skills and Employment Training Strategy	\$ -	\$ 905,650
EXPENSES		
Administration	-	63,798
Core program services	-	176,392
Employment benefit	-	488,901
Employment support measures	-	176,559
	-	905,650
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -