

FIRST PEOPLES DEVELOPMENT INC.
Financial Statements
Year Ended March 31, 2015

Preparer	Reviewer	Partner	-
-	-	Scanned	Published

August 14, 2015

INDEPENDENT AUDITORS' REPORT

To the Directors of First Peoples Development Inc.

We have audited the accompanying financial statements of First Peoples Development Inc., which comprise the statement of financial position as at March 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flow 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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' judgment, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Peoples Development Inc. as at March 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants

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FIRST PEOPLES DEVELOPMENT INC.
Statement of Financial Position
March 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 2,263,900	\$ 2,354,478
Accounts receivable	16,050	10,839
Prepaid expenses	29,713	-
Excess funding to sub-agreement holders (Note 3)	581,653	561,939
	<u>\$ 2,891,316</u>	<u>\$ 2,927,256</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 44,285	\$ 30,106
Current portion of Due to Employment and Social Development Canada (Note 5)	125,828	169,296
Deferred income (Note 4)	1,830,240	1,725,371
	<u>2,000,353</u>	<u>1,924,773</u>
DUE TO EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA (Note 5)	<u>-</u>	<u>111,520</u>
	<u>2,000,353</u>	<u>2,036,293</u>
NET ASSETS	<u>890,963</u>	<u>890,963</u>
	<u>\$ 2,891,316</u>	<u>\$ 2,927,256</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

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Prep _____ Added _____ Approved _____

FIRST PEOPLES DEVELOPMENT INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2015

	2015	2014
REVENUE		
Employment and Social Development Canada	\$ 20,162,231	\$ 19,597,628
Interest income	24,726	33,659
Miscellaneous income	-	4,172
	<u>20,186,957</u>	<u>19,635,459</u>
EXPENSES		
Administration	1,159,059	1,110,972
Consolidated revenue fund	9,462,900	9,350,413
Employment insurance fund	3,888,761	3,855,096
Childcare	4,943,747	5,275,672
First Nations Job Fund	732,490	43,306
	<u>20,186,957</u>	<u>19,635,459</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Statement of Changes in Net Assets
Year Ended March 31, 2015

	2015	2014
NET ASSETS - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ 890,963	\$ 1,073,168
PRIOR PERIOD ADJUSTMENT <i>(Note 9)</i>	-	(182,205)
NET ASSETS- BEGINNING OF YEAR, AS RESTATED	890,963	890,963
NET ASSETS - END OF YEAR	\$ 890,963	\$ 890,963

FIRST PEOPLES DEVELOPMENT INC.
Statement of Cash Flow
Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	(5,211)	49,498
Prepaid expenses	(29,713)	(14,432)
Excess funding to sub-agreement holders	(19,714)	(492,364)
Accounts payable and accrued liabilities	14,179	(22,456)
Deferred revenue	104,869	680,901
	<u>64,410</u>	<u>201,147</u>
Cash flow from operating activities	<u>64,410</u>	<u>201,147</u>
FINANCING ACTIVITY		
Repayment of due to Employment and Social Development Canada	<u>(154,988)</u>	<u>(93,543)</u>
INCREASE (DECREASE) IN CASH FLOW	(90,578)	107,604
CASH - BEGINNING OF YEAR	<u>2,354,478</u>	<u>2,246,874</u>
CASH - END OF YEAR	<u>\$ 2,263,900</u>	<u>\$ 2,354,478</u>

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2015

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 (ASNFP). 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, 2015

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 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

	2015	2014
BALANCE - Beginning of year	\$ 1,725,371	\$ 1,851,059
Less - amount recognized as revenue in the year	(1,725,371)	(1,851,059)
Add - amount received relating to the following year	1,830,240	1,725,371
Balance - end of year	\$ 1,830,240	\$ 1,725,371

5. DUE TO EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA

Prior to September 30, 2010, the Organization administered the Aboriginal Human Resources Development Agreement (AHRDA) for Employment and Social Development Canada (ESDC). Based on a review of this program by ESDC, the Organization was instructed to repay \$529,547, by monthly payments of approximately \$14,000, beginning November, 2012.

There is no interest on this amount.

	2015	2014
Balance - beginning of year	\$ 111,520	\$ 436,004
Less - payments during the year	14,308	(155,188)
Subtotal	125,828	280,816
Less - current portion	(125,828)	(169,296)
Balance - end of year	\$ -	\$ 111,520

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2015

6. 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, 2015.

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.

7. 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.

8. 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.

9. PRIOR PERIOD ADJUSTMENT

During the current year, management discovered that Excess funding to sub-agreements holders' schedule and net assets were overstated by \$182,205. Therefore, the financial statements were retroactively restated to reflect this adjustment.

The effect of this restatement on the prior year financial statements is as follows:

- Excess funding to sub-agreement holders decreased by \$182,205
 - Net assets, beginning of year decreased by \$182,205
 - Net assets, end of year increased by \$182,205
-

FIRST PEOPLES DEVELOPMENT INC.
Schedule Of Revenues and Expenses - Administration
Year Ended March 31, 2015

	2015	2014
REVENUE		
Employment and Social Development Canada	\$ 1,134,333	\$ 1,073,141
Interest income	24,726	33,659
Miscellaneous income	-	4,172
	<u>1,159,059</u>	<u>1,110,972</u>
EXPENSES		
Advertising and promotion	8,782	2,485
Bank charges	5,246	5,375
Capacity building	15,185	10,782
Computer costs	31,303	11,104
Insurance	4,045	3,721
Office costs	29,666	25,244
Meeting facilities	10,931	5,323
Miscellaneous	2,692	3,597
Professional fees	172,579	201,867
Rent	65,867	49,323
Salaries and benefits	680,314	669,078
Telephone	18,239	17,050
Travel	114,210	106,023
	<u>1,159,059</u>	<u>1,110,972</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Schedule Of Revenues and Expenses - Consolidated Revenue Fund
Year Ended March 31, 2015

	2015	2014
REVENUE		
Employment and Social Development Canada	\$ 9,462,900	\$ 9,350,413
EXPENSES		
Administration	771,802	633,226
Core program benefit	2,221,451	2,030,389
Employment benefit	2,543,337	3,154,961
Employment support measures.	3,063,071	2,752,348
Employment and training - youth and disabled	662,873	600,060
Partnership development	58,785	44,910
Geothermal project	113,950	132,903
Other	27,631	1,616
	9,462,900	9,350,413
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - Employment Insurance
Year Ended March 31, 2015

	2015	2014
REVENUE		
Employment and Social Development Canada	\$ 3,888,761	\$ 3,855,096
EXPENSES		
Administration	286,373	454,047
Core program services	1,556,073	1,153,534
Employment benefit	1,072,061	1,009,400
Employment support measures	829,646	1,182,834
Employment and training - youth and disabled	60,780	32,907
Partnership development	82,406	20,960
Other	1,422	1,414
	\$ 3,888,761	\$ 3,855,096

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - Child Care
Year Ended March 31, 2015

	2015	2014
REVENUE		
Employment and Social Development Canada	\$ 4,943,747	\$ 5,275,672
EXPENSES		
Administration	290,088	475,275
Core program services	1,666,064	2,027,917
Employment benefit	-	5,559
Capital costs - daycare	110,743	507,155
Program costs - daycare	2,876,852	2,258,429
Partnership development	-	1,337
	4,943,747	5,275,672
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - First Nations Job Fund
Year Ended March 31, 2015

	2015	2014
REVENUE		
	\$ -	\$ -
Aboriginal Skills and Employment Training Strategy	<u>732,490</u>	<u>43,306</u>
	<u>732,490</u>	<u>43,306</u>
EXPENSES		
Administration	9,672	1,489
Core program services	65,150	31,009
Employment benefit	351,550	8,865
Employment support measures	295,152	993
Employment and training - youth and disabled	10,966	700
Partnership development	-	250
	<u>732,490</u>	<u>43,306</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>