

FIRST PEOPLES DEVELOPMENT INC.
Financial Statements
Year Ended March 31, 2017

August 10, 2017

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, 2017 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted 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' 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 auditors consider 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, 2017 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 Professional Accountant

FIRST PEOPLES DEVELOPMENT INC.
Statement of Financial Position
March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 3,016,694	\$ 1,370,474
Accounts receivable	211,000	720,163
Prepaid expenses	27,256	40,989
	\$ 3,254,950	\$ 2,131,626
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 197,408	\$ 882,714
Deficiency of funding to sub-agreement holders <i>(Note 3)</i>	1,072,608	1,248,912
Deferred income <i>(Note 4)</i>	1,984,934	-
	\$ 3,254,950	\$ 2,131,626

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

FIRST PEOPLES DEVELOPMENT INC.
Statement of Revenues and Expenditures
Year Ended March 31, 2017

	2017	2016
REVENUE		
Employment and Social Development Canada	\$ 24,083,229	\$ 20,372,937
Interest income	14,484	17,268
Miscellaneous income	31,949	45,756
Aboriginal Affairs and Northern Development Canada	198,986	194,166
Province of Manitoba	300,000	57,829
SAH	150,001	-
Licensed Practical Nurse	178,910	-
	<u>24,957,559</u>	<u>20,687,956</u>
EXPENDITURES		
Administration - Schedule 1	3,151,693	1,395,234
Consolidated revenue fund - Schedule 2	12,004,407	9,053,642
Employment insurance fund - Schedule 3	3,555,401	4,214,345
Child care fund - Schedule 4	5,340,408	5,104,142
First Nations job fund - Schedule 5	905,650	920,593
	<u>24,957,559</u>	<u>20,687,956</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Statement of Changes in Net Assets
Year Ended March 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	\$ -	\$ -
NET ASSETS- BEGINNING OF YEAR, AS RESTATED	-	-
NET ASSETS - END OF YEAR	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2017

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, 2017

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

	2017	2016
BALANCE - Beginning of year	\$ 1,820,685	\$ 1,725,371
Less - amount recognized as revenue in the year	(1,820,685)	(1,725,371)
Add - amount received relating to the following year	1,984,934	1,820,685

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 by \$14,000, beginning November, 2012.

There is no interest on this amount.

	2017	2016
Balance - beginning of year	\$ -	\$ 111,520
Less - payments during the year	-	28,216
Subtotal	-	139,736
Less - current portion	-	139,736
Balance - end of year	\$ -	\$ 139,736

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2017

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, 2017.

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.

FIRST PEOPLES DEVELOPMENT INC.**Schedule Of Revenues and Expenses - Administration****(Schedule 1)****Year Ended March 31, 2017**

	2017	2016
REVENUE		
Employment and Social Development Canada	\$ 2,277,363	\$ 1,080,216
Aboriginal Affairs and Northern Development Canada	198,986	194,166
Province of Manitoba	300,000	57,829
SAH	150,001	-
Miscellaneous income	31,949	45,756
Interest income	14,484	17,267
LPN	178,910	-
	<u>3,151,693</u>	<u>1,395,234</u>
EXPENSES		
Advertising and promotion	5,969	2,582
Bank charges	5,834	5,635
Capacity building	15,650	14,972
CMJG Service provider	450,000	-
Computer costs	2,955	6,199
Employment benefits	1,115,593	-
Employment support measures	46,128	-
Insurance	4,224	5,496
Licenced Practical Nurse	178,910	57,829
Meeting facilities	7,592	5,962
Miscellaneous	31,949	45,758
Office costs	34,561	28,624
Partnership development	68,629	23,500
Professional fees	170,159	144,017
Rent	71,456	70,725
Robotics pilot	198,986	194,166
Salaries and benefits	614,600	614,315
Telephone	11,309	14,560
Travel	117,189	160,894
	<u>3,151,693</u>	<u>1,395,234</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, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Employment and Social Development Canada	<u>\$ 12,004,407</u>	<u>\$ 9,053,642</u>
EXPENSES		
Administration	786,011	613,540
Core program benefit	2,149,087	2,327,481
Employment and training - youth and disabled	565,450	640,061
Employment benefit	4,222,086	2,903,688
Employment support measures.	3,803,292	2,487,490
Other	359,683	7,111
Partnership development	118,798	74,271
	<u>12,004,407</u>	<u>9,053,642</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.

Schedule of Revenues and Expenses - Employment Insurance Fund

(Schedule 3)

Year Ended March 31, 2017

	2017	2016
REVENUE		
Employment and Social Development Canada	\$ 3,555,401	\$ 4,214,345
EXPENDENDITURES		
Administration	334,592	336,879
Core program services	1,442,257	1,633,612
Employment and training - youth and disabled	5,745	52,499
Employment benefit	849,285	1,192,564
Employment support measures	870,423	985,458
Other	-	337
Partnership development	53,099	12,996
	\$ 3,555,401	\$ 4,214,345

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

(Schedule 4

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Employment and Social Development Canada	<u>\$ 5,340,408</u>	<u>\$ 5,104,142</u>
EXPENSES		
Administration	318,059	119,712
Capital costs - daycare	126,990	39,565
Core program services	219,150	306,590
Employment benefit	-	43,080
Employment support measures	-	959
Partnership development	-	99
Program costs - daycare	<u>4,676,209</u>	<u>4,594,137</u>
	<u>5,340,408</u>	<u>5,104,142</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

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

(Schedule 5)

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
REVENUE		
Aboriginal Skills and Employment Training Strategy	<u>\$ 905,650</u>	<u>\$ 920,593</u>
EXPENSES		
Administration	63,798	23,692
Core program services	176,392	192,926
Employment benefit	488,901	369,282
Employment support measures	176,559	327,890
Partnership development	-	6,803
	<u>905,650</u>	<u>920,593</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>