

**FIRST PEOPLES DEVELOPMENT INC.**  
**Financial Statements**  
**Year Ended March 31, 2019**

July 31, 2019

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**INDEPENDENT AUDITOR'S REPORT**

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To the Directors of First Peoples Development Inc

*Opinion*

I have audited the financial statements of Manitoba First Peoples Development Inc (the Organization), which comprise the statement of financial position as at March 31, 2019 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, 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.

*Basis for Opinion*

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with those requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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Independent Auditor's Report to the Directors of First Peoples Development Inc (*continued*)

*Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

*Tony Yauthier, CPA*

Chartered Professional Accountant  
1515 One Lombard Place  
Winnipeg MB R3B 0X3

**FIRST PEOPLES DEVELOPMENT INC.**  
**Statement of Financial Position**  
**March 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 7,770,782	\$ 7,024,722
Accounts receivable	51,511	91,959
Prepaid expenses	-	69,966
	<u>\$ 7,822,293</u>	<u>\$ 7,186,647</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 1,748,127	\$ 677,878
Deficiency of funding to sub-agreement holders (Note 3)	-	439,945
Deferred income - ASETS (Schedule 5)	4,486,490	4,968,521
Deferred income - Other (Note 5)	1,587,676	1,100,303
	<u>\$ 7,822,293</u>	<u>\$ 7,186,647</u>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**FIRST PEOPLES DEVELOPMENT INC.**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2019**

	2019	2018
<b>REVENUE</b>		
Employment and Social Development Canada	\$ 21,910,306	\$ 23,860,295
Aboriginal Affairs and Northern Development Canada	1,319,908	597,168
CMJG	81,942	-
Province of Manitoba	-	201,823
Interest income	106,263	37,230
Licensed Practical Nurse	56,622	158,542
SAH	40,234	108,092
Embridge	33,680	-
Miscellaneous income	-	923
AES - LMI Pilot	81,172	-
CME - Welding	53,562	-
	<u>23,683,689</u>	<u>24,964,073</u>
<b>EXPENDITURES</b>		
Administration - Schedule 1	2,895,505	2,432,933
Consolidated revenue fund - Schedule 2	11,089,232	13,228,280
Employment insurance fund - Schedule 3	4,129,838	3,374,311
Child care fund - Schedule 4	5,569,114	5,928,549
	<u>23,683,689</u>	<u>24,964,073</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

**FIRST PEOPLES DEVELOPMENT INC.**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2019**

	2019	2018
	\$ -	\$ -
NET ASSETS- BEGINNING OF YEAR	-	-
NET ASSETS - END OF YEAR	\$ -	\$ -

**FIRST PEOPLES DEVELOPMENT INC.**  
**Statement of Cash Flow**  
**Year Ended March 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	40,448	119,041
Prepaid expenses	69,966	(42,710)
Accounts payable and accrued liabilities	1,139,658	480,470
Deficiency funding to sub-agreement holders	(439,945)	(632,663)
Deferred revenue	(64,067)	4,083,890
	<u>746,060</u>	<u>4,008,028</u>
<b>INCREASE IN CASH FLOW</b>	<b>746,060</b>	<b>4,008,028</b>
Cash - beginning of year	<u>7,024,722</u>	<u>3,016,694</u>
<b>CASH - END OF YEAR</b>	<b>\$ 7,770,782</b>	<b>\$ 7,024,722</b>

**FIRST PEOPLES DEVELOPMENT INC.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2019**

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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.

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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.

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**FIRST PEOPLES DEVELOPMENT INC.**  
**Notes to Financial Statements**  
**Year Ended March 31, 2019**

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. COMPARATIVE FIGURES

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

5. DEFERRED REVENUE - OTHER

	2019	2018
BALANCE - Beginning of year	\$ 1,100,303	\$ 1,100,303
Add - amount received relating to the following year	487,373	-
Balance - end of year	\$ 1,587,676	\$ 1,100,303

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, 2019.

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, 2019**

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**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.

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**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.

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**FIRST PEOPLES DEVELOPMENT INC.**  
**Schedule Of Revenues and Expenses - Administration**  
**Year Ended March 31, 2019**

(Schedule 1)

	2019	2018
<b>REVENUE</b>		
Employment and Social Development Canada	\$ 1,122,122	\$ 1,329,155
Aboriginal Affairs and Northern Development Canada	1,319,908	597,168
CMJG	-	-
Province of Manitoba	81,942	201,823
Interest income	106,263	37,230
LPN	56,622	158,542
SAH	40,234	108,092
Embridge	33,680	-
Miscellaneous income	-	923
CME	53,562	-
AES - LMI Pilot	81,172	-
	<u>2,895,505</u>	<u>2,432,933</u>
<b>EXPENSES</b>		
AES - LMI Pilot	81,172	-
Advertising and promotion	8,389	10,564
Bank charges	6,257	7,756
CAR	-	-
CMJG Service provider	122,176	309,915
Capacity building	11,546	15,253
Computer costs	-	4,844
Core	-	-
Employment support measures	-	-
Enbridge Welding Camps	33,680	-
Equipment	8,057	10,436
Funded program	-	-
Insurance	4,483	4,445
Licensed Practical Nurse	56,622	158,608
MCP	-	-
Meeting facilities	1,495	1,477
Miscellaneous	(47)	923
Office costs	21,234	30,616
Partnership development	-	-
Professional fees	139,097	117,439
Rent	68,009	78,638
Robotics career fair	-	129,900
Robotics pilot	603,629	467,268
STEP Welding Project	53,591	-
Salaries and benefits	814,866	943,849
Telephone	16,675	17,756
Travel	128,295	123,246
Youth summit/Proposal Writing/Summer Pilot	716,279	-
	<u>2,895,505</u>	<u>2,432,933</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

**FIRST PEOPLES DEVELOPMENT INC.**  
**Schedule Of Revenues and Expenses - Consolidated Revenue Fund** (Schedule 2)  
**Year Ended March 31, 2019**

	2019	2018
<b>REVENUE</b>		
Employment and Social Development Canada	<u>\$ 11,089,232</u>	<u>\$ 13,228,280</u>
<b>EXPENSES</b>		
Administration	724,679	695,419
Capital costs	-	26,831
Core program benefit	2,266,306	2,614,751
Funded program	7,948,063	9,707,196
Partnership development	<u>150,184</u>	<u>184,083</u>
	<u>11,089,232</u>	<u>13,228,280</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>

**FIRST PEOPLES DEVELOPMENT INC.**  
**Schedule of Revenues and Expenses - Employment Insurance Fund (Schedule 3)**  
**Year Ended March 31, 2019**

	2019	2018
<b>REVENUE</b>		
Employment and Social Development Canada	<b>\$ 4,129,838</b>	<b>\$ 3,374,311</b>
<b>EXPENSES</b>		
Administration	273,626	260,923
Capital costs	-	25,000
Core program services	1,495,601	1,253,808
Employment support measures	-	370
Funded program	2,282,013	1,749,142
Partnership development	78,598	85,068
	<b>4,129,838</b>	<b>3,374,311</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ -</b>

**FIRST PEOPLES DEVELOPMENT INC.**  
**Schedule of Revenues and Expenses - Child Care Fund**  
**Year Ended March 31, 2019**

**(Schedule 4)**

	<u>2019</u>	<u>2018</u>
<b>REVENUE</b>		
Employment and Social Development Canada	<u>\$ 5,569,114</u>	<u>\$ 5,928,549</u>
<b>EXPENSES</b>		
Administration	445,781	623,606
Capital costs - daycare	887,389	813,633
Program costs - daycare	<u>4,235,944</u>	<u>4,491,310</u>
	<u>5,569,114</u>	<u>5,928,549</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ -</u>	<u>\$ -</u>