

FIRST PEOPLES DEVELOPMENT INC.
Financial Statements
Year Ended March 31, 2025

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 Gauthier, CPA

Chartered Professional Accountant
Winnipeg, Manitoba

FIRST PEOPLES DEVELOPMENT INC.
Statement of Financial Position
March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 18,068,562	\$ 17,844,939
Accounts receivable	99,066	81,247
	\$ 18,167,628	\$ 17,926,186
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 49,893	\$ 123,016
Deferred income - ISET	11,632,025	11,294,147
Deferred income - Other	6,485,710	6,509,023
	\$ 18,167,628	\$ 17,926,186

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

FIRST PEOPLES DEVELOPMENT INC.
Statement of Revenues and Expenses
Year Ended March 31, 2025

	2025	2024
REVENUES		
Employment and Social Development Canada - ISET	\$ 14,634,068	\$ 12,720,732
AES - LMI Pilot	559,748	283,225
Interest income	543,145	735,806
Apprentice Support Project	510,000	15,706,931
Women in Trades	506,731	187,173
Quality Improvement Program	476,463	10,374
Indigenous Service Canada - Robotics	335,928	347,192
Province of Manitoba - BSC	49,660	-
Miscellaneous income	10,000	-
New Horizons for Seniors Program	-	23,939
	<u>17,625,743</u>	<u>30,015,373</u>
EXPENSES		
Administration - Schedule 1	3,763,040	17,491,318
Consolidated revenue fund - Schedule 2	7,309,461	6,495,683
Employment insurance fund - Schedule 3	2,601,128	2,695,534
Child care fund - Schedule 4	2,824,559	2,701,428
ESDC - FNICCI - R & R - Schedule 5	1,127,555	631,410
	<u>17,625,743</u>	<u>30,015,373</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Statement of Changes in Net Assets
Year Ended March 31, 2025

	2025	2024
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -
NET ASSETS- BEGINNING OF YEAR	-	-
NET ASSETS - END OF YEAR	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Statement of Cash Flow
Year Ended March 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	(17,819)	(57,931)
Accounts payable and accrued liabilities	(73,123)	57,401
Deferred revenues	314,565	(13,311,264)
	<u>223,623</u>	<u>(13,311,794)</u>
INCREASE (DECREASE) IN CASH FLOW	223,623	(13,311,794)
Cash - beginning of year	<u>17,844,939</u>	<u>31,156,733</u>
CASH - END OF YEAR	\$ 18,068,562	\$ 17,844,939

FIRST PEOPLES DEVELOPMENT INC.
Notes to Financial Statements
Year Ended March 31, 2025

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 Indigenous Skills and Employment Training Program (ISET), a key component of the Federal Framework for Aboriginal Economic Development. ISET links training to labour market demand and ensures that Canada's Aboriginal people can fully participate in economic opportunities. Under this program, 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, 2025

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. 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, 2025.

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.

5. CONTINGENCIES

First Peoples Development Inc. receives funding from Employment and Social Development Canada (ESDC) to administer the Indigenous Skills and Employment Training (ISET) 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.

6. 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, 2025

	2025	2024
REVENUES		
Employment and Social Development Canada - ISET	\$ 1,314,510	\$ 932,483
AES - LMI Pilot	559,748	283,225
Apprenticeship Support Project	510,000	15,706,931
Women in Trades	506,731	187,173
Indigenous Early Learning and Child Care - Quality Improvement Program	476,463	10,374
Indigenous Service Canada - Robotics	335,928	347,193
Province of Manitoba - BSC	49,660	-
Miscellaneous income	10,000	-
New Horizons for Seniors Program	-	23,939
	3,763,040	17,491,318
EXPENSES		
AES - LMI Pilot	559,748	283,225
Advertising and promotion	9,401	9,817
Agri - Food project	-	-
Apprenticeship Support Project	510,000	15,706,931
Bank charges	4,495	4,320
Capacity building	8,735	3,649
Computer costs/capital	-	10,026
Equipment	8,744	6,201
IELCC - QIP	476,463	10,374
Insurance	3,008	1,586
Meeting facilities	2,739	2,858
Miscellaneous	10,000	-
New Horizons for Seniors Program	-	23,939
Office costs	39,327	31,749
Professional fees	92,501	155,814
Province of Manitoba - BSC	49,660	-
Rent	256,763	112,460
Robotics pilot	335,928	347,192
Salaries and benefits	774,464	492,312
Telephone	16,601	13,694
Travel	97,732	87,998
WIT	506,731	187,173
	3,763,040	17,491,318
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - Consolidated Revenue Fund (Schedule 2)
Year Ended March 31, 2025

	2025	2024
REVENUES		
Employment and Social Development Canada - ISET	\$ 6,766,316	\$ 5,759,877
Interest income	543,145	735,806
	<u>7,309,461</u>	<u>6,495,683</u>
EXPENSES		
Administration	224,060	175,272
Capital costs	-	-
Core program benefit	1,615,881	1,656,547
Funded program	5,369,847	4,548,263
Partnership development	99,673	115,601
	<u>7,309,461</u>	<u>6,495,683</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - Employment Insurance Fund (Schedule 3)
Year Ended March 31, 2025

	2025	2024
REVENUES		
Employment and Social Development Canada - ISET	<u>\$ 2,601,128</u>	<u>\$ 2,695,534</u>
EXPENSES		
Administration	67,342	59,182
Core program services	591,921	631,244
Funded program	1,864,645	1,934,106
Partnership development	<u>77,220</u>	<u>71,002</u>
	<u>2,601,128</u>	<u>2,695,534</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - Child Care Fund
Year Ended March 31, 2025

(Schedule 4)

	<u>2025</u>	<u>2024</u>
REVENUES		
Employment and Social Development Canada - ISET	<u>\$ 2,824,559</u>	<u>\$ 2,701,428</u>
EXPENSES		
Administration	88,767	89,429
Program costs - daycare	<u>2,735,792</u>	<u>2,611,999</u>
	<u>2,824,559</u>	<u>2,701,428</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

FIRST PEOPLES DEVELOPMENT INC.
Schedule of Revenues and Expenses - ESDC- FNICCI - R & R (Schedule 5)
Year Ended March 31, 2025

	2025	2024
REVENUES		
Employment and Social Development Canada - ISET	\$ 1,127,555	\$ 631,410
EXPENSES		
Funded program	<u>1,127,555</u>	<u>631,410</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>