



FIRST PEOPLES

economic growth fund

2021-2022 Annual Report



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In 2005 the Chiefs-in-Assembly agreed to enter into a Letter of Understanding with the Government of Manitoba which established the First Peoples Economic Growth Fund. The Fund provides provincial net gaming revenue to First Nation’ economic development opportunities in a number of areas including:

Job Creation; Business Development, Education and Training; and Responsible Gaming Initiatives.

Background of FPEGF

A joint economic development initiative between the Assembly of Manitoba Chiefs (AMC) and the Province of Manitoba saw the creation of First Peoples Economic Growth Fund Inc. (FPEGF).

FPEGF is an organization with the mandate to provide financing to support Manitoba First Nation business proposals that are economically viable.

The unique aspect of FPEGF is that it can provide a variety of support for First Nation-owned businesses through a diverse portfolio of programs. FPEGF may provide financing for business development and support in the following areas:

Financing Programs

- Joint Venture Program
- Community Economic Expansion Program
- Entrepreneur Loan Program

Support Programs

- Business Plan Assistance Program
- Aftercare Program
- Skills Development Program
- Business Contribution Program

First Peoples Economic Growth Fund was established as an independent not-for-profit corporation. The Board of Directors governs the Fund under the Unanimous Members Agreement between the Assembly of Manitoba Chiefs and the Province of Manitoba.

Guiding Principles

- The Fund will only support those projects that are economically viable and provide a positive return on investment to First Nations entrepreneurs, communities and FPEGF.
- Leveraging other investment dollars is critical to the growth of the First Nation’s economy and must be demonstrated by every business proposal presented to FPEGF.
- Capacity building will be an important criteria in the decision-making processes, be it human capital, infrastructure or community capacity.
- Job creation, long-term and sustainable employment opportunities, in areas where there is high unemployment, is desirable.
- A portion of the Fund will be targeted for projects originating in rural and northern Manitoba.
- All businesses receiving funding will have to meet or exceed prevailing environmental and health standards.
- FPEGF, while looking to assist businesses of high economic return, will also consider the needs of the applicants; in general, applications of exceptional merit with the greatest need will receive the highest priority.

Board of Directors

The volunteer Board members bring a broad range of experience including corporate finance and accounting, business management, First Nations economic and regional development and entrepreneurship. The members of the Board are jointly appointed by the Assembly of Manitoba Chiefs and the Province of Manitoba.

FPEGF Chairperson - Rosa Walker
President and CEO, Indigenous Leadership Development Institute



FPEGF would like to say a special thanks to our Chair Rosa Walker, for her strong commitment to our organization. Rosa has been serving as a Board Director since 2010, accepted the role of Chairperson in 2019, and continued to serve admirably until February 2022. Throughout this timeline, Rosa played an instrumental role in the approval and disbursement of \$74,097,698 in loans, grants, and support financing, which created over 1,250 jobs. Rosa’s passion to advance First Nation economic development was evident all throughout her tenure. She operated in wisdom, integrity, and a tireless dedication to FPEGF’s mandate and mission.

FPEGF will greatly miss Rosa’s leadership, and even more so her genuine care and concern for Manitoba’s First Nations Peoples. We want to thank Rosa for her unwavering dedication to our cause, and we look forward to building on the strong foundation she has laid. We wish Rosa only the best in her future endeavors.



Vice Chair

Michael
McMullen, MBA

President,
MCM Consulting
Ltd.



Secretary /
Treasurer

George
Merasty, CA

Director of Finance,
Manitoba First
Nations Education
Resource Centre Inc.



Director

Dr. Wanda
(Wuttunee)
Charles, PhD

Professor of Native
Studies, University
of Manitoba



Director

Jim
Beardy

Director of Finance
and Administration,
Keewatin Tribal
Council

Financing Programs

Joint Venture Program

This program is intended to provide support for large-scale Manitoba First Nations enterprises which, in the opinion of the Fund, have a business concept that, through initial screening, provides excellent opportunity. The First Nation or First Nation entrepreneur must own at least 51% of the business.

Financing is available for up to the lesser of \$1,000,000 or 50% of the total project costs (including identified startup costs and working capital). Appraisal of the project costs may be required. Projects funded under this program must be for-profit and commercially viable with total project costs generally in excess of \$500,000. Priority will be given, but not restricted, to higher-end value-added projects.

Community Economic Expansion Program

This program is intended to assist Manitoba First Nation community-owned businesses for startup, expansions or acquisitions. The intent is that these viable businesses will provide for the creation of wealth and jobs for First Nations.

Small and medium-sized viable businesses owned by a Manitoba First Nation may be eligible for an interest-free loan up to \$300,000 or 50% of the total project costs (including identified startup costs and working capital). Appraisal of the project costs may be required. At the end of the loan, if the business is still in operation, has not been sold and all loan payments have been made consistently, up to \$75,000 or 25% of the total loan (whichever is less) may be forgiven.

Entrepreneur Loan Program

This program is intended to assist Manitoba First Nation entrepreneurs by providing capital and/or working capital through interest-free loans that will enhance the applicant's ability to leverage financing from other institutions and agencies.

Each loan will be for the lesser of \$200,000 per project or 50% of the total project costs (including identified startup costs and working capital) identified in the business plan. Appraisal of the project costs may be required.

CEO's Message



This past year we have seen change in many of the areas at First Peoples Economic Growth Fund Inc. Firstly, I'd like to express my heartfelt gratitude to the Board of Directors for the opportunity to serve as CEO. It's truly an honor to be entrusted with this important role and I'm excited about the journey ahead. Their guidance and leadership helped make this year's transition as smooth as possible.

Secondly, a sincere thank you to our Founding Partners, the Assembly of Manitoba Chiefs, and the Province of Manitoba, for their outstanding contributions and unwavering support. Without the support of both these governments, we would not be where we are today. Their encouragement and endorsement are fundamental to our achievements and more importantly, our clients' success.

Over the course of this year, significant issues continued to present challenges within the business community. COVID Lockdowns and restrictions on business operations continued to stifle growth across our Province and globally. Ripple effects were felt even after the decision to reopen the economy. Through all of this, it was encouraging to see so many First Nation entrepreneurs advancing their companies through technology, identifying new areas for business start-ups, and overall economic development advancement within the small to medium enterprise landscape.

As a result, FPEGF experienced a significant uptick in applications, loan financing, and non-repayable contribution approvals. This fiscal year we approved twenty-one new loan applications amounting to \$3,165,735, and our Business Contribution Fund approved twenty-two non-repayable contribution applications amounting to \$1,354,309. These projects have helped to create fifty-five new jobs and maintain a hundred and two existing positions. It is encouraging to see the continued recovery and potential growth within the Indigenous market, and we are excited about the potential future investment opportunities that will benefit Manitoba First Nations Communities and their Members.

Additionally, we continue to grow our management and staff team and are thrilled by the opportunity to serve this growing market better. Together, with the oversight of the Board of Directors, we are committed to supporting our clients through creating jobs, capacity building, and wealth creation for our First Nation community-owned businesses and First Nation entrepreneurs for start-ups, expansions, or business acquisitions.

Finally, to our clientele, we are thankful for your entrepreneurial spirit and for choosing to work with FPEGF. You are our inspiration and through your success, we succeed as well.

A handwritten signature in blue ink, appearing to read 'F. Sanderson', with a stylized flourish at the end.

FABIAN SANDERSON
Chief Executive Officer

Support Programs

Business Plan Assistance Program

This program is intended to provide support to Manitoba First Nation individuals or First Nation-based enterprises which, in the opinion of the Fund, have a business concept that, through initial screening, provides excellent opportunity, but demonstrates a need for financial assistance to develop a professional independent business plan.

This program allows the applicant to engage the services of a professional consultant to assist in the research and development of a quality business plan that will be used to attract financing for the business.

Funding available is up to 75% of the costs to a maximum of \$20,000. This funding is non-repayable. The client is expected to pay the first 25% of the costs.

Skills Development Program

This program supports rapid business readiness training for new and existing First Nations entrepreneurs to develop their management and marketing skills.

Funding available is up to 75% of the approved costs. The program funds only direct course costs such as tuition, workshop fees and books; living expenses are not included. The program is not intended to finance the acquisition of a degree or certificate.

Aftercare Program

This program is intended to provide professional support to new businesses that have obtained assistance under another FPEGF financing program in order to help improve the opportunity for success.

Funding under this program is intended to allow the business to engage the services of a professional consultant to examine the operations of the business in order to identify areas that may require special attention. Funding is not intended for the development of interim or annual financial statements.

Funding available is up to 75% of the costs to a maximum of \$20,000. Approved funding must be used within two years. The funding is non-repayable.

Business Contribution Fund

This program is available to eligible First Nation businesses in Manitoba. Contributions may be made towards a startup, expansion or acquisition of a viable business. Maximum contribution towards a business owned by a First Nation individual is up to 30% of eligible costs to a maximum of \$99,999. Maximum contribution toward a business owned by a Manitoba First Nation or group of Manitoba First Nations is up to 30% of eligible costs to a maximum of \$250,000.

Besides a contribution towards capital and operating as summarized above, FPEGF will also consider providing a non-repayable contribution of up to 75% of the cost for the development of an independent business plan. As well we may contribute up to 75% towards environmental assessments when required, 60% towards marketing costs and 75% towards business support (training, aftercare management). The BCF is generously supported by Indigenous Services Canada

FPEGF Staff



Fabian Sanderson
Chief Executive Officer - CEO

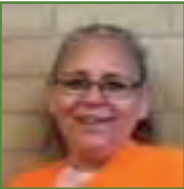
Finance and Administration



Robyn Wozney
Finance Manager



Lisa Myran
Finance Associate



Catherine Holder
Loans Administrator 1



Joanne Fortney
Loans Administrator 2

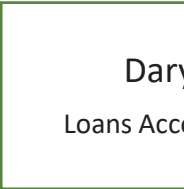


Hannah Brass
Loans Associate

Loans and Grants



Tiffany Monkman
Senior Loans Manager



Daryl Bone
Loans Account Manager



Eugene Desjarlais
BCF Analyst & IBSP Coordinator



Clayton Burka
Loans Account Manager



Past Staff: Lesley Danielson
Administrative Assistant

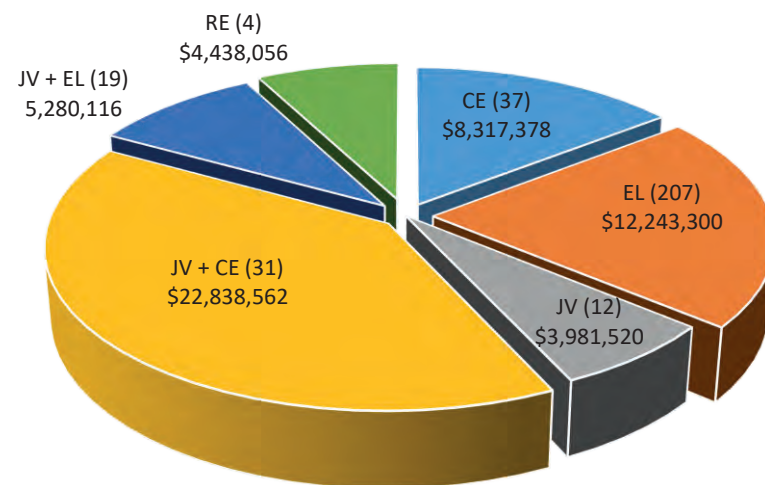


FPEGF Approved Loans

Loans Approved for Period April 1, 2021 to March 31, 2022					
#	Program	FPEGF Amount Approved** (A)	Dollars Leveraged		New Jobs Created
			BCF* Dollars Approved (B)	All Other Dollars (C)	
2	Community Economic Expansion only	519,300	293,100	488,793	13
16	Entrepreneur Loan only	798,872	596,209	307,493	26
1	Joint Venture only	300,000	215,000	118,000	2
1	Joint Venture combined with Community Economic Expansion*	1,300,000	250,000	1,063,000	6
1	Joint Venture combined with Entrepreneur Loan**	247,563	0	250,039	8
21	Loans Approved	3,165,735	1,354,309	2,227,325	55
*Joint Venture Loan: \$1,000,000 + Community Economic Expansion Loan: \$300,000					
**Joint Venture Loan: \$145,563 + Entrepreneur Loan: \$102,000					

Grand Total of Loans Applications Approved from September 23, 2008 to March 31, 2022					
#	Program	FPEGF Amount Approved* (A)	Dollars Leveraged		New Jobs Created
			BCF* Dollars Approved (B)	All Other Dollars (C)	
37	Community Economic Expansion	8,317,378	2,019,898	29,218,746	318
207	Entrepreneur Loan	12,243,300	5,780,320	10,038,104	406
12	Joint Venture only	3,981,520	577,000	1,999,869	115
31	Joint Venture combined with Community Economic Expansion*	22,838,562	4,165,183	38,877,793	256
19	Joint Venture combined with Entrepreneur Loan**	5,280,116	1,296,670	5,534,531	102
4	Resource & Energy Investment	4,438,056	234,894	12,478,365	65
310	Loans/Equity Investments Approved	57,098,932	14,073,965	98,147,408	1,262
*Joint Venture Loans: \$14,057,424 + Community Economic Expansion Loans: \$8,781,138					
** Joint Venture Loans: \$2,931,022 + Entrepreneur Loans: \$2,349,094					

310 Loans Applications Approved = \$57,098,932



FPEGF Approved Support Applications

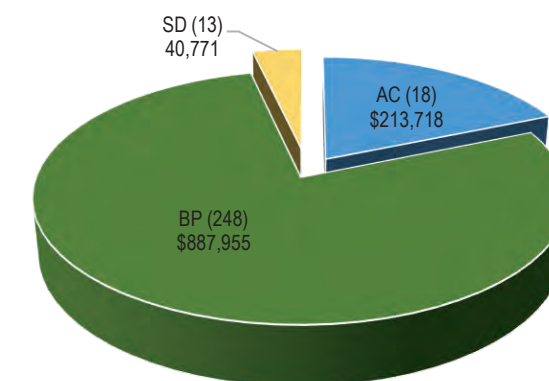
Support Applications Approved for Period April 1, 2021 to March 31, 2022					
#	Support # Program	FPEGF Amount Approved** (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)
			BCF* Dollars Approved (B)	All Other Dollars (C)	
0	Aftercare	0	0	0	0
15	Business Plan Assistance	10,239	78,269	32,754	121,262
0	Skills Development	0	0	0	0
15	Support Applications Approved	10,239	78,269	32,754	121,262

Grand Total of Support Applications Approved from September 23, 2008 to March 31, 2022					
#	Support # Program	FPEGF Amount Approved* (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)
			BCF* Dollars Approved (B)	All Other Dollars (C)	
18	Aftercare	213,718	0	90,938	304,656
248	Business Plan Assistance	887,955	891,922	698,369	2,478,246
13	Skills Development	40,771	0	13,597	54,368
279	Support Applications Approved	1,142,444	891,922	802,904	2,837,270

** Some Support dollars have not been disbursed as at March 31, 2022. Commitments will be disbursed once all Terms and Conditions are met.

* BCF - Business Contribution Fund delivered by FPEGF.

279 Support Applications Approved = \$1,142,444

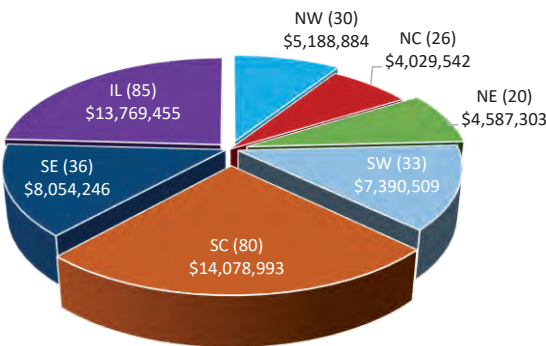


FPEGF Total Loan, Support & BCF Approvals
by Geographic Region

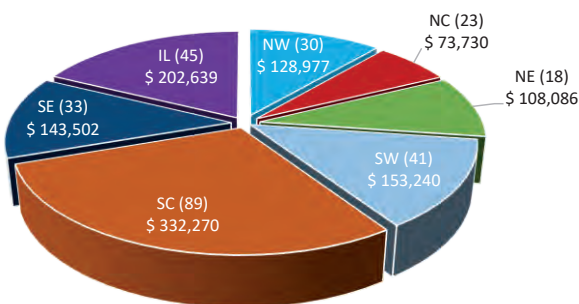


NW – Northwest
NC – North Central
NE – Northeast
IL – Interlake
SW – Southwest
SC – South Central
SE - Southeast

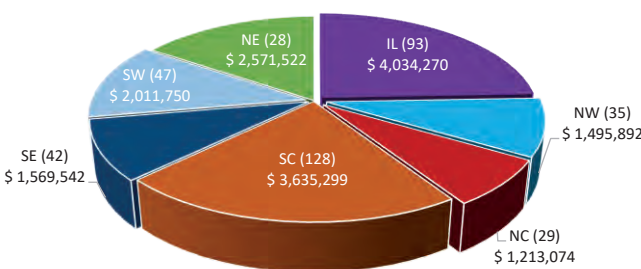
310 Loans Approved = \$57,098,932



279 Support Applications Approved = \$1,142,444



402 Business Contribution Fund Approved = \$16,531,349



FPEGF Business Contribution Fund

BCF Applications Approved for Period April 1, 2021 to March 31, 2022

#	Type	BCF Dollars Approved * (A)				Dollars Leveraged ** (B)	Total (A+B)
		Business Planning	Capital & Operating	Marketing	Business Support		
15	Business Planning	78,269					78,269
22	Capital & Operating		1,332,359	36,567	13,383	0	1,382,309
	Marketing and Business Support						
36	BCF Support Applications Approved	78,269	1,332,359	36,567	13,383	0	1,460,578

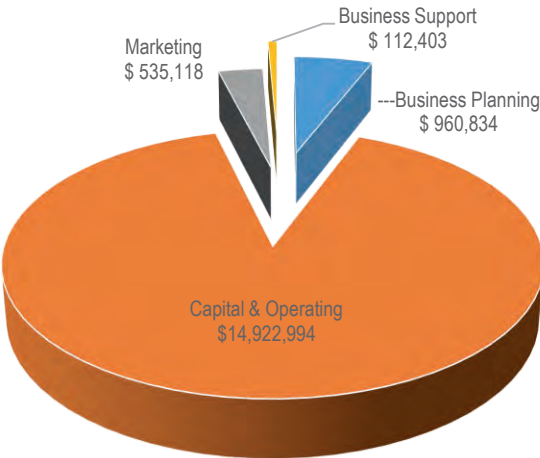
Grand Total of BCF Support Applications Approved from February 11, 2013 to March 31, 2022

#	Type	BCF Dollars Approved * (A)				Dollars Leveraged ** (B)	Total (A+B)
		Business Planning	Capital & Operating	Marketing	Business Support		
181	Business Planning	960,834				29,382	990,216
221	Capital & Operating		14,922,994	535,118	112,403	4,571,569	20,142,084
	Marketing and Business Support						
402	BCF Support Applications Approved	960,834	14,922,994	535,118	112,403	4,600,951	21,132,300

* Some BCF Support dollars have not been disbursed or were partially disbursed as at March 31, 2022. Commitments will be fully disbursed once all Terms and Conditions are met.

** Some Dollars Leveraged amounts are already reported in Approved Loan and Support Applications statistics (see Pages 7 + 8.)

402 BCF Approvals by Type = \$16,531,349



Client Testimonials

CREE STAR GIFTS

CORINNE STEVENS-BELANGER, JOHN BELANGER

My name is Corinne Stevens-Belanger, and my husband is John Belanger. We are the proud owners of Cree Star Gifts. Check us out at www.creestargifts.com. We are 100% Indigenous owned and operated in Swan River, MB. I am from Sapotaweyak Cree Nation and my husband is from White Bear First Nation in Saskatchewan. We currently have 10 staff, and we are a family operated business. We make Teepees, Trappers Tents, Star Bags, Star Blankets-all sizes. We ship everywhere. Stop by to check out our store front at 201 Dixie Road in Swan River, MB.



We support other Indigenous entrepreneurs in the store, and showcase their Jewelry, Slippers, Art, etc. We decided to make Teepees because my husband John is Dakota/Nakota Ancestry, and due to the demand and encouragement from community members from various Bands surrounding us, we decided to also make this year, the Trappers' Tents. All Teepees/Tents are made to order and therefore sufficient time is needed to have your order completed, so it is best to order early. Our Canvas Teepees are made with Sunforger Canvas. Sunforger is a type of canvas which is treated with fire retardant, water repellent and mildew resistant substances.



We started as a home-based business in 2011. We did this for many years, until we couldn't keep up by ourselves with the demand. First Peoples Economic Growth Fund was recommended to us by Chris Reimer from MNP in Swan River. We did our taxes with him yearly, and he strongly suggested we try and get a grant/loan. We thought about this for a few more years, and we decided to expand, and in 2018-19, we contacted FPEGF for a grant/loan. We were so excited when we got approved! We are so thankful for the grant/loan. It gave us the necessary funds to buy the needed equipment to expand. We immediately hired more staff, and we bought a quilting machine and several industrial machines to increase our productivity. We were also able to advertise and get to more people. We are still building our client base, but more and more people are discovering who we are and what we make. We love what we do, and we love all the people we have had the opportunity to meet through our business. The teepees symbolize that Indigenous people are still here and they increase our connection to the land and culture. They will never be forgotten, as long as Indigenous people exist. Also, the star blankets will continue to be a way to exonerate Indigenous achievement & recognition! We thank FPEGF for giving us the opportunity to serve Indigenous communities and non-Indigenous peoples by enabling us to supply them with teepees, tents & star blankets. We believe utilizing traditional technology (such as teepees), to honor the traditional land use is a great step towards education, understanding and nation building.



Client Testimonials

MISSINIPPI AIRWAYS

MATHIAS COLOMB CREE NATION

Missinippi Airways has been owned and operated by Mathias Colomb Cree Nation (Pukatawagan) since 1987 when then-Chief Pascal Bighetty bought the airline and a single Cessna 185 with the hopes of improving air travel for his people. Since then, the company has grown to include five King Air 200s and four Piper Navajos, making our dreamcatcher logo a common sight amidst the prairie skies.

We proudly provide aero medical evacuation services throughout the Province of Manitoba and offer the only scheduled service flight between The Pas and Pukatawagan.



The expansion and growth of our company would not have been possible had it not been for the long-standing relationship we have with First Peoples Economic Growth Fund (FPEGF). We at Missinippi Airways feel that FPEGF is an organization we can count on, and we have received financing from them over the years for a variety of projects.

Most recently FPEGF provided financing to purchase a hangar in Thompson, Manitoba, which allowed for an expansion of our Medevac Service. If it wasn't for the hard work and dedication of FPEGF Senior Loans Manager Tom Thordarson, I doubt that we would have secured the hangar and been privy to the success we have experienced since purchasing the asset in 2016.

We are thankful for the ongoing professional relationship we have built with FPEGF. Their staff are always helpful and courteous, and their loan applications and processes are simple and pain free. Missinippi Airways looks forward to our future knowing FPEGF is behind us.



Client Testimonials

NIPI ENVIRONMENTAL MONITORING SERVICES INC.

WILLIAM KENNETH SCHROEDER



My name is Ken Schroeder, I am the Owner of NIPI Environmental Monitoring Services Inc. (NIPI) and am a member of the Pimicikamak Cree Nation. Established in 2017, NIPI is a trusted small Aboriginal business that offers quality project management, water monitoring, facilitation, Aboriginal liaison, and project development services. The company also performs Environmental Site Assessments Phase 1, 2 and 3. We specialize in the effective delivery of solutions for Aboriginal relations.

Our company name reflects our unique capabilities in bridging gaps between Indigenous people and government, industry, and business to cultivate improved trust and business relationships. Our company logo, NIPI, symbolizes its Aboriginal translation of “water” and our motto is that *“in every drop of water, there is a story of life.”* This reflects our attitude towards developing relationships, addressing challenges, seizing opportunities, and building a successful business.

COVID-19 did affect NIPI in a few different ways. Travelling was restricted to meeting with a client, Mishkeegogamang First Nation, who NIPI has secured a contract for 5 more years in Northwestern Ontario. A lot of work had to be done by phone with Contractors that I was managing, and I could not travel due to provincial travel restrictions in place. Also, payments on company credit cards and vehicles were tough to keep on time.

I heard of First Peoples Economic Growth Fund through a First Nation newspaper. I approached them for financing as the various programs available for a First Nation business or Entrepreneurs, will assist a business from start to finish. My main contact was Tiffany Monkman. I found the process of applying very straight forward and I utilized all the recommended avenues to take advantage of. FPEGF was always available to assist along the way. If I did not receive financing from FPEGF my business would not be where it is, they propelled me to the level where I am today. NIPI is doing very well, and we are looking to expand in the new year providing covid restrictions do not slow business and travel down.

NIPI benefits the First Nation community by providing First Nation project management for many of their capital projects, environmental review of mining companies approaching the First Nation to conduct exploration on traditional land and water areas. I have project managed the housing shortage and have brought in 55 new modular houses, and 6 office buildings to date and still going. We have secured 3 companies (electrical, plumbing and sewer) to make the installs go quicker and researched for the best modular company that suited Mishkeegogamang First Nations’ request for designs i.e., fire retardant walls and belly, wood stoves as primary heat with electrical furnace as back-up, Lexan Windows, and hardy board siding. This relieves some of the overcrowding for this fast-growing community with more members moving back. I would definitely apply for financing from FPEGF in the future and recommend to other First Nation members to take up this opportunity and apply for FPEGFs business programs.

Client Testimonials

PEAK PERFORMANCE & ATHLETICS 24/7

RODMAN BATSON

My name is Rodman Batson, a member of Pine Creek First Nation, and I own Peak Performance & Athletics 24/7 with my brother Ryker. The purpose of Peak Performance is to provide a safe, state of the art, 24-hour training facility/gym/club for everyone. We aim to provide a positive, encouraging, and safe environment and outlet through sports, health and wellness.



I began personal training in 2011 and throughout the years worked with many teams and athletes that I decided to start the gym in 2015. I heard about First Peoples Economic Growth Fund through a young entrepreneurial Aboriginal course and searched online through Google. FPEGF seemed like a legitimate place, and they were available to help. Tiffany Monkman and Fabian Sanderson were my main contacts. The process was very thorough, but it also provided an opportunity for me to learn more about the business and myself. If it weren’t for the funding and support that Peak Performance received from FPEGF I don’t see our business succeeding or being what it is today.

COVID-19 provided an opportunity for us to re-evaluate our business. We adapted our revenue streams to cater to more online and virtual training. We also utilized the opportunity to “close the doors” and do massive and extensive renovation, upgrades and repairs to the facility, equipment, and overall business.

Peak Performance is doing well, with Covid restrictions being lifted we are finding it much easier to attract new clients, members, and athletes to our facility. We are also going to be expanding our services and offering remote training camps in the off-season.

Our business contributes directly to the community by providing sports and a positive environment with an outlet for people to train and remain healthy. We have junior programs for children ages five and up. We also have senior programs for people 40 years and over. During the off-season summer months, we travel to First Nations Communities and provide sports camps and direction and information on living a healthy lifestyle.



Clientele List – Commitment Disbursements

The following client list are those businesses who received approval for a commitment this year and past years, and who met all the commitment terms and conditions as at March 31, 2022.

These funds were disbursed into the economy this fiscal year.

<u>Loans</u>	<u>Impact on Manitoba Economy \$1,321,053</u>
<i>Entrepreneur Loan Program</i>	<i>Community Economic Expansion</i>
Manitoba region: North Central Jack River Drilling & Blasting Moar (Ovide) Fishing	Manitoba region: North Central Norway House Mining Camp
Manitoba region: South Central CRU Barber & Company Peace Pipe Cannabis Company Everett (Reg) Fishing Wigwam Firewood Sales	Manitoba region: Southwest Wayway Food Mart
Manitoba region: Southeast Spring (Candice) Fishing	<i>Joint Venture</i>
Manitoba region: Interlake Monkman (Ryle) Fishing Ron’s Commercial Fishing Whiteway (Willy’s) Fishing	Manitoba region: South Central Peace Pipe Cannabis Company

<u>Business Support Programs</u>	<u>Impact on Manitoba Economy \$14,489</u>
<i>Business Plan Assistance</i>	
Manitoba region: Northwest TLC & Sons	Manitoba region: South Central FN Paper & Chemical Supply Wolverine Construction Inc.
Manitoba region: North Central LD’s Chicken Shack Sayisi Dene – Solar Panels Wabowden Ice Cream Parlor	Manitoba region: Southeast Owen Leasing Inc.
Manitoba region: Northeast God’s Lake Convenience Store	<i>Skills Development</i>
Manitoba region: Southwest Chartrand Trucking Inc. Cree Star Gifts Prairie Mountain Meats Silver Ridge Service	Manitoba region: South Central EWF Electrical

Clientele List – Commitment Disbursements cont.

<u>Business Contribution Fund</u>	<u>Impact on Manitoba Economy \$464,910</u>
<i>Business Plan Assistance</i>	<i>C&O/Marketing/Business Support</i>
Manitoba region: Northwest TLC & Sons	Manitoba region: North Central Jack River Drilling & Blasting Norway House Mining Camp Moar (Ovide) Fishing Sayisi Dene – Solar Panels
Manitoba region: North Central LD’s Chicken Shack Wabowden Ice Cream Parlor	Manitoba region: Southwest Cree Star Gifts JT Septic Service Peak Performance and Athletics
Manitoba region: Northeast God’s Lake Convenience Store	Manitoba region: South Central CRU Barber & Company DIY Craft Bar Everett (Reg) Fishing Style Encore The Indigenous Marketing Company
Manitoba region: Southwest Chartrand Trucking Inc. Cree Star Gifts Prairie Mountain Meats Silver Ridge Service	Manitoba region: Southeast Spring (Candice) Fishing
Manitoba region: South Central FN Paper & Chemical Supply Ojibwe Artisan Creations Wolverine Construction Inc.	Manitoba region: Interlake Cook Brothers Transport Monkman (Ryle) Fishing Ron’s Commercial Fishing Whiteway (Willy’s) Fishing
Manitoba region: Southeast Owen Leasing Inc.	

Clientele List – Application Commitments

The following client list are those businesses who received application approval commitments as at March 31, 2022. Clients must meet all the commitment terms and conditions prior to funds being released.

Business Support Programs \$10,239

Business Plan Assistance \$10,239

Manitoba region: Northwest

T.K.'s Car Wash
The Lido
TLC & Sons

Manitoba region: North Central

Sayisi Dene – Solar Panels
Wabowden Ice Cream Parlor

Manitoba region: Southwest

Cloud's Convenience
Prairie Mountain Meats
Silver Ridge Service

Manitoba region: South Central

Flying Eagle Foot Care

Manitoba region: Southeast

Mashkiki Mistadim Medicine Horse Life Skills
Owen Leasing Inc.

Manitoba region: Interlake

Fisher River Grocery
JJs Convenience
Kristy's Hot and Ready Meals

BCF Business Plan Dollars \$74,524

Client Dollars Leveraged \$32,753

Business Contribution Fund \$1,457,778

Business Plan Assistance \$78,269

Manitoba region: Northwest

T.K.'s Car Wash
The Lido
TLC & Sons

Manitoba region: North Central

Sayisi Dene – Solar Panels
Wabowden Ice Cream Parlor

Manitoba region: Southwest

Cloud's Convenience
Prairie Mountain Meats
Silver Ridge Service

Manitoba region: South Central

Flying Eagle Foot Care
Ojibwe Artisan Creations

Manitoba region: Southeast

Mashkiki Mistadim Medicine Horse Life Skills

Manitoba region: Interlake

Fisher River Grocery
JJs Convenience
Kristy's Hot and Ready Meals

C&O/Marketing/Business Support \$1,382,309

Manitoba region: Northeast

God's Lake Convenience Store

C&O/Marketing/Business Support \$1,382,309 cont.

Manitoba region: Northwest

Missinippi Airways
Ne Mosoom Weke
TLC & Sons

Manitoba region: North Central

Jack River Drilling & Blasting
Moar (Ovide) Fishing
Norway House Mining Camp
Sanderson Heavy Duty
Wabowden Ice Cream Parlor

Manitoba region: Southwest

Chartrand Trucking Inc.
Parkland Sport and Marine

Manitoba region: South Central

CRU Barber Company
FN Paper & Chemical Supply
Style Encore
The Indigenous Marketing Co.

Manitoba region: Interlake

Gregory (Christopher) Fishing
Monkman (Ryle's) Fishing
Ron's Commercial Fishing
Saulteaux Gas Bar
Spring (Candice) Fishing
Whiteway (Willy's) Fishing
Wolverine Construction

Client Dollars Leveraged \$0

Clientele List – Commitments cont.

Loans \$3,165,735

Entrepreneur Loan Program \$900,872

Manitoba region: Northwest

NE Mosoom Weke
TLC & Sons

Manitoba region: North Central

Jack River Drilling & Blasting
Moar (Ovide) Fishing
Norway House Fisherman's Co-op
Sanderson Heavy Duty
Wabowden Ice Cream Parlour

Manitoba region: Southwest

Chartrand Trucking Inc.
Parkland Sport & Marine

Manitoba region: South Central

CRU Barber Company
FN Paper & Chemical Supply
Peace Pipe Cannabis Company

Manitoba region: Southeast

Spring (Candice) Fishing

Manitoba region: Interlake

Monkman (Ryle) Fishing
Ron's Commercial Fishing
Whiteway (Willy's) Fishing
Wolverine Construction

Community Economic Expansion \$819,300

Manitoba region: North Central

Norway House Mining Camp

Manitoba region: Northeast

God's Lake Convenience Store

Manitoba region: Interlake

Saulteaux Gas Bar

Joint Venture Program \$1,445,563

Manitoba region: Northwest

Missinippi Airways

Manitoba region: South Central

Peace Pipe Cannabis Company

Manitoba region: Interlake

Saulteaux Gas Bar

Business Contribution Fund Dollars \$1,354,309

Client Dollars Leveraged \$2,227,325

Financial Statements
Year Ended March 31, 2022



FIRST PEOPLES
economic growth fund



INDEPENDENT AUDITORS' REPORT

To the Members of First Peoples Economic Growth Fund Inc.

Opinion

We have audited the financial statements of First Peoples Economic Growth Fund Inc. (the Corporation), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The other information comprises the financial information included in the annual report, including the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of

(continues)

Independent Auditors' Report to the Members of First Peoples Economic Growth Fund Inc. (continued)

accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation 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.

We 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 we identify during our audit.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
October 20, 2022


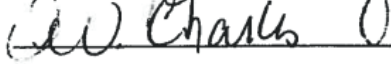
Statement of Financial Position

March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 6,385,328	\$ 13,355,173
Short-term investments (Note 3)	14,813,692	4,737,886
Accrued interest and other receivables (Note 5)	5,542,437	3,353,438
Prepaid expenses	7,190	6,303
	26,748,647	21,452,800
PROPERTY AND EQUIPMENT (Notes 3, 6)	1,469	4,994
LOANS RECEIVABLE (Notes 3, 7, 8)	16,092,502	17,541,846
INVESTMENT IN 6606254 MANITOBA LTD. (Note 3)	100	100
	\$ 42,842,718	\$ 38,999,740
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 71,389	\$ 201,065
Due to NACCA (Note 10)	126,009	412,000
Deferred revenue (Note 11)	172,730	152,562
	370,128	765,627
NET ASSETS		
Contributed surplus (Note 2)	3,750,000	3,750,000
Net assets	38,722,590	34,484,113
	42,472,590	38,234,113
	\$ 42,842,718	\$ 38,999,740

RESTRICTIONS AND COMMITMENTS (Note 13)

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

Statement of Operations

Year Ended March 31, 2022

	2022	2021
REVENUE		
Province of Manitoba	\$ 2,750,000	\$ 2,700,000
Business Contribution Fund - Equity Fund	864,858	1,221,871
Interest accretion (Note 8)	688,785	668,381
Interest on loans receivable (Note 8)	575,809	236,279
Business Contribution Fund - Operating	305,042	305,042
Aboriginal Developmental Lending Assistance (Note 15)	208,398	295,348
Interest on short-term investments	205,465	219,801
NACCA - Contingency Fund	55,618	500,564
Indigenous Business Stabilization Program (Note 15)	50,277	331,240
Miscellaneous	2,976	3,356
Investment Readiness Program (Note 15)	-	36,147
NACCA - Interest Relief	-	348,236
Loan fees	(1,313)	37,566
	5,705,915	6,903,831
ASSISTANCE COSTS	813,362	2,327,671
EXCESS OF REVENUE OVER ASSISTANCE COSTS	4,892,553	4,576,160
ADMINISTRATIVE COSTS		
Advertising and promotion	1,547	6,475
Amortization of property and equipment	3,525	8,653
Bad debts general fund	(360,028)	1,251,021
Bank charges	1,754	568
Consulting fees	51,849	55,529
Equipment	20,368	3,455
Insurance	10,463	9,448
Office expense	60,929	53,016
Professional fees	49,537	46,160
Recruiting	27,243	179
Rent	88,181	88,236
Salaries and benefits	698,264	866,030
Travel and conferences	444	(1,061)
	654,076	2,387,709
OPERATING SURPLUS	4,238,477	2,188,451
NET ASSETS - BEGINNING OF YEAR	34,484,113	32,295,662
NET ASSETS - END OF YEAR	\$ 38,722,590	\$ 34,484,113

See notes to financial statements

Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Operating surplus	\$ 4,238,477	\$ 2,188,451
Items not affecting cash:		
Amortization of property and equipment	3,525	8,653
Bad debts general fund	(360,028)	1,251,021
Interest accretion	(688,785)	(668,381)
Interest on loans receivable	(575,809)	(236,279)
Loan discount expenses	333,964	705,904
	2,951,344	3,249,369
Changes in non-cash working capital:		
Accrued interest and other receivables	(2,188,999)	(2,837,209)
Accounts payable and accrued liabilities	(129,675)	155,774
Prepaid expenses	(887)	909
Due to NACCA	(285,991)	412,000
Deferred revenue	20,168	152,562
	(2,585,384)	(2,115,964)
Cash flow from operating activities	365,960	1,133,405
INVESTING ACTIVITIES		
Loans granted	(1,321,053)	(2,937,285)
Loan repayments	4,061,054	2,000,803
Net change of short-term investments	(10,075,806)	(118,126)
Net change in loan security investment	-	(24,065)
Cash flow used by investing activities	(7,335,805)	(1,078,673)
INCREASE (DECREASE) IN CASH	(6,969,845)	54,732
CASH - BEGINNING OF YEAR	13,355,173	13,300,441
CASH - END OF YEAR	\$ 6,385,328	\$ 13,355,173

See notes to financial statements

Notes to Financial Statements

Year Ended March 31, 2022

1. INCORPORATION

First Peoples Economic Growth Fund Inc. ("the Corporation") was incorporated as a corporation without share capital under the Corporation Act (Manitoba) on October 3, 2007. The Province of Manitoba, as represented by the Minister of Economic Development and Jobs ("the Province"), and the Assembly of Manitoba Chiefs Secretariat Inc. ("AMC") are the sole voting members of the Corporation.

2. DESCRIPTION OF BUSINESS

General Business Assistance Program

On October 3, 2007, the Province and AMC entered into a Unanimous Members Agreement that sets out the Program Principles and Program Outlines under which the Corporation will operate. The Program principles include:

Supporting those projects that are economically viable and provide a positive return on investment to First Nations entrepreneurs, communities, the Corporation and its sponsors;

Leveraging investments in First Nations enterprise and giving priority to those projects that can act as a catalyst for further economic development;

Enabling First Nations' human capital, infrastructure or community capacity;

Creating jobs, particularly long-term and sustainable employment opportunities in communities where there is high unemployment; and

Meeting or exceeding prevailing environmental and health standards as set out by legislation, regulation and/or municipal codes.

Furthermore, while considering projects of high economic return, the Corporation will also consider the relative needs of the applicants. In general, applications of exceptional merit and the greatest need will receive the highest priority. Furthermore, a portion of the Corporation's programs and activities will be reserved for projects originating in rural and northern Manitoba.

While the Program outlines may from time to time be amended by the Corporation's Board of Directors, the Corporation will offer the following programs:

Financing Programs

- Joint Venture Program
- Community Economic Expansion Program
- Entrepreneur Loan Program

Support Programs

- Business Plan Assistance Program
- Aftercare Program
- Skills Development Program

(continues)

Notes to Financial Statements

Year Ended March 31, 2022

2. DESCRIPTION OF BUSINESS (continued)

Resource and Energy Investment Program

On March 25, 2009, the Corporation and Indigenous Services Canada ("ISC") entered into an agreement to create the Resource and Energy Investment Program ("REIP"). The REIP is funded as follows: ISC \$3,000,000, the Corporation \$1,500,000 and Manitoba Hydro \$750,000. \$3,750,000 of this funding has been reflected as contributed surplus in the statement of financial position. The programs and goals of the REIP focus on the following:

A self sustaining, revolving capital pool that will grow and ultimately create sustainable First Nation economic development in the resource and energy sector of Manitoba.

Leverage private industry partner investment financing from financial institutions or other non-governmental services, and other equity investments.

The Program and goals of the REIP will be administered through two types of investments - sub-debt and equity financing. The REIP is an investment fund - there will be expectations of a return, however it will consider requirements for "patient capital", where returns may be deferred during a development period. Sub-debt will typically include medium term loans that would take a subordinate security position to bank financing, typically for a higher rate of interest. Equity financing may take several forms such as partnership units, common equity or preferred shares with fixed dividend provisions or returns based on available profits. The shares may also be redeemable or convertible in defined circumstances.

Business Contribution Fund

During the year ended March 31, 2022 the Corporation and the National Aboriginal Capital Corporations Association ("NACCA") entered into an agreement to continue the Business Contribution Fund ("BCF"). NACCA provided \$305,042 in operational funding and was to provide \$1,729,715.99 in equity funding for the year ended March 31, 2022. This agreement was amended due to Covid-19 lockdowns during the year ended March 31, 2022 to reduce the equity funding to \$864,858. As Manitoba was under such tight lockdowns and was unable to flow funding, where other provinces were open, FPEGF was required to return the funds to NACCA who redistributed these funds to Provinces that had projects that could disburse the funds within the fiscal year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

(continues)

Notes to Financial Statements

Year Ended March 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Short-term investments

Short-term investments consist of guaranteed investment certificates with original terms to maturity of greater than 90 days.

Loans receivable

At the time loans are advanced, they are recognized at fair value and then subsequently recorded at amortized cost using the effective interest method of amortization. Loans are stated net of an allowance for loan losses which is established to recognize estimated and probable losses. Loans are written off when there is no realistic prospect of recovering the loan in full. Recoveries on loans previously written off are taken into income.

See Note 8 for details related to policies for loans receivable.

REIP investment

REIP investments represent ownership in a limited liability partnership that is not actively traded and is accounted for at cost. Management assesses impairment of the investment on an annual basis.

Investment in 6606254 Manitoba Ltd.

The investment in 6606254 Manitoba Ltd. represents the 100% ownership of the general partner in the CFOM1 Limited partnership agreement. 6606254 Manitoba Ltd. acts as the bare trustee for CFOM1 Limited Partnership. This investment is accounted for at cost.

Impaired loans and allowance for loan impairment

The Corporation maintains an allowance for loan impairment which reduces the carrying value of these loans to their estimated realizable amounts. The loan is considered impaired if the Corporation no longer has reasonable assurance that the full amount of the principal and interest, if any, will be collected in accordance with the terms of the loan agreement. Estimated realizable amounts are determined by estimating the fair value of security underlying the loans and deducting costs of realization, or by discounting the expected future cash flows at the effective interest rate. Changes in the estimated realizable amounts arising subsequent to initial impairment recognition are recorded as a charge or credit in the statement of operations and net assets.

Revenue recognition

Amounts received or receivable pursuant to individual funding agreements are recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest revenue on loans receivable is recorded as income using the effective interest rate method except for loans which are considered impaired. Recognition of income ceases when it becomes apparent that the loan is impaired.

Interest on short-term investments is recognized as income when earned.

Loan fees represent reimbursements of legal and other costs incurred to set up the loan, and are therefore classified as revenue when charged, to match the period of related expenses.

(continues)

Notes to Financial Statements

Year Ended March 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment are stated at cost less accumulated amortization. Normal repair and maintenance costs are expensed as incurred. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	25% - 50%	straight-line method
Website development	20%	straight-line method
Office furniture	20%	straight-line method
Leasehold improvements		Term of leasehold plus one renewal period

Income taxes

The Corporation is a not-for-profit organization and accordingly, is not subject to income taxes under provisions of the Income Tax Act.

4. FINANCIAL INSTRUMENTS

The Corporation 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 Corporation's risk exposure and concentration as of March 31, 2022.

Credit risk

Credit risk arises from the potential that a counter-party will fail to perform its obligations. The Corporation is exposed to credit risk from individuals and businesses to whom funds have been loaned. In order to reduce its credit risk, the Corporation has adopted credit policies which include the analysis of the borrower's net worth, credit rating, financial viability of the business, personal guarantees and subordinate positions as collateral.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation is exposed to other price risk through its REIP investment.

5. ACCRUED INTEREST AND OTHER RECEIVABLES

	2022	2021
Goods and services tax	\$ 5,564	\$ 5,704
Loan fees	6,476	5,516
Accrued interest on short-term investments	80,397	45,384
NACCA Business Contribution Fund holdback	-	596,834
Province of Manitoba	5,450,000	2,700,000
	<u>\$ 5,542,437</u>	<u>\$ 3,353,438</u>

Notes to Financial Statements

Year Ended March 31, 2022

6. PROPERTY AND EQUIPMENT

	2022		2021	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 69,489	\$ 69,489	\$ 69,489	\$ 69,489
Website development	12,853	12,853	12,853	12,853
Office furniture	117,752	117,752	117,752	117,752
Leasehold improvements	24,675	23,206	24,675	19,681
	<u>\$ 224,769</u>	<u>\$ 223,300</u>	<u>\$ 224,769</u>	<u>\$ 219,775</u>
Net book value	\$ 1,469		\$ 4,994	

7. LOANS RECEIVABLE

Loans are classified as follows:

	2022	2021
Resource and Energy Investment Program Loans	\$ 102,412	\$ 161,333
Entrepreneur Loans	3,790,744	4,339,989
Joint Venture Loans	9,102,496	9,980,940
Community Economic Expansion Loans	4,850,092	5,216,442
Accrued interest on loans	114,143	95,402
Allowance for doubtful accounts	(1,867,386)	(2,252,260)
	<u>\$ 16,092,502</u>	<u>\$ 17,541,846</u>

Notes to Financial Statements

Year Ended March 31, 2022

8. RECONCILIATION OF LOANS RECEIVABLE

Changes in loans receivable activity for the year are as follows:

	2022	2021
Loans receivable - beginning of year	\$ 17,541,846	\$ 17,657,630
Gross loans granted	\$ 1,321,053	\$ 2,937,285
(Bad debts) recovery and loan renegotiation expense ⁽²⁾	360,028	(1,251,021)
Interest rate discount to fair value ⁽³⁾	(333,964)	(705,904)
	<u>1,347,117</u>	<u>980,360</u>
Interest accretion and interest on loans receivable ⁽⁴⁾	1,264,594	904,659
Less: Loan repayments received	<u>(4,061,055)</u>	<u>(2,000,803)</u>
	<u>\$ 16,092,502</u>	<u>\$ 17,541,846</u>

⁽²⁾ The Corporation has determined that bad debts and loan renegotiation expenses (recovery) in the amount of (\$360,028) (2021 - \$1,251,021) was required, related to loans outstanding at March 31, 2022. This allowance represents the present value of the amounts determined to be uncollectible using the same discount rate as the loans granted.

⁽³⁾ Entrepreneur Loans and Community Economic Expansion Loans are issued with an interest rate of 0%. These loans are recognized at inception at the discounted fair value using a discount rate of 8%. Therefore, during the year, loans having a face value of \$1,175,490 (2021 - \$1,734,207) were discounted by \$333,964 (2021 - \$705,904).

⁽⁴⁾ Interest income accretes on the loans receivable at a rate equal to the discount rate used at inception. Interest in the amount of \$688,785 (2021 - \$668,381) was recorded as interest accretion and \$575,809 (2021 - \$236,279) was recorded as interest on loans receivable.

9. REIP INVESTMENT

First Peoples Economic Growth Fund has entered into a limited partnership with another First Nation organization called CFOM1 Limited Partnership. CFOM1 Limited Partnership has purchased a 45.65% interest in a partnership that owns and operates a drilling rig. The remaining 54.35% partnership interest in this partnership is held by a publicly listed company on the TSX. The equity ownership in this partnership meets the mandate of the REIP program since a drilling rig is in the energy industry.

Given the current market conditions relating to the oil industry, the value of CFOM1 Limited Partnership has decreased in value. Management historically relied on internal valuation reports prepared by the publicly listed company partner, which were audited by the partnership's independent, external auditor. Information related to the value of the asset indicated that a future return on investment was unlikely. Therefore the asset has been impaired to a \$NIL value.

Notes to Financial Statements

Year Ended March 31, 2022

10. DUE TO NACCA

During the year, the Corporation entered into an agreement with the National Aboriginal Capital Corporations Association to administer Indigenous Business Stabilization Program Emergency Loans. The amount due to the National Aboriginal Capital Corporations Association represents funds advanced to the Corporation that have not been paid back to the National Aboriginal Capital Corporations Association.

11. DEFERRED REVENUE

	2022	2021
Aboriginal Developmental Leading Assistance Program	\$ 86,977	\$ 86,499
Investment Readiness Program	85,753	66,063
	<u>\$ 172,730</u>	<u>\$ 152,562</u>

12. PENSION PLAN

The Corporation has a defined contribution pension plan for its employees. The employees are responsible for paying half of the contributions into the plan, and the Corporation matches these contributions. The Corporation's expenses related to this plan for the current year were \$27,223 (2021 - \$30,316).

13. RESTRICTIONS AND COMMITMENTS

a) The Corporation has approved, but not yet disbursed, the following assistance related to support programs and loans receivable:

Loans receivable	\$ 3,149,766
Business plan assistance	38,341
Business contribution fund	1,411,878
Skills development	317
Aftercare	17,169
	<u>\$ 4,617,471</u>

These transactions have not been reflected in the financial statements. Commitments will be disbursed and recorded once all the terms and conditions under the lending agreements have been complied with by the party seeking the funds from the Corporation.

b) Operating lease

The Corporation has entered into an operating lease agreement for office space and various equipment. The aggregate minimum annual cash rental payments under lease agreements are as follows:

March 31, 2023	\$ 57,152
2024	57,152
2025	11,860

(continues)

Notes to Financial Statements

Year Ended March 31, 2022

13. RESTRICTIONS AND COMMITMENTS (continued)

c) The Corporation's disbursements are limited to "eligible assistance cost" for the purpose described in note 2 and "eligible administrative costs" which include wages and benefits, general office overhead, insurance and professional fees as defined in the funding agreement.

d) Indemnification of directors and officers

The Corporation has agreed to indemnify its directors to the extent permitted by law against any and all charges, costs, expenses and amounts paid in settlement and damages incurred by them as a result of any lawsuit or any other judicial administrative or investigative proceeding in which they are sued as a result of their service.

14. ALLOCATED EXPENSES

During the year, certain expenses are being allocated to various programs, as detailed in the schedules to the financial statements. The expenses are allocated based on proportional time spent by employees and actual use of supplies and equipment. Any expenses determined to be solely related to any program are charged in full to that program.

15. COVID-19 PROGRAMS

During the year ended March 31, 2021 the Corporation received funding for three new programs. This funding is related to the COVID-19 pandemic and management does not expect these programs to continue beyond the pandemic. These programs are:

- Indigenous Business Stabilization Program
- Aboriginal Development Lending Assistance
- Investment Readiness Program

16. COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the corporation continues to maintain operations where possible, while looking out for the needs and safety of their clients and employees.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows.

In response to the COVID-19 crisis First Peoples Economic Growth Fund (FPEGF), through assistance provided by the Government of Canada, has been delivering the Indigenous Business Stabilization Program (IBSP). The IBSP is designed to provide emergency support funding to eligible businesses owned by Manitoba First Nations and First Nations entrepreneurs in Manitoba.

The IBSP can provide up to a maximum of \$60,000 comprised of up to 67% interest-free loan and up to 33% non-repayable contribution. The loan and contribution are issued together. The loan portion is to be repaid within 48 months from the time funding is received.

Notes to Financial Statements

Year Ended March 31, 2022

17. CONTINGENT LIABILITY

The Corporation receives funding from various agencies based on specific program needs and budgets. Some of the funding is contingent on not receiving funding from other agencies. At this time, no estimate of funding that may be payable has been recorded in these financial statements.

General Business Assistance Program

(Schedule 1)

Year Ended March 31, 2022

	2022	2021
REVENUE		
Province of Manitoba	\$ 2,750,000	\$ 2,700,000
Interest accretion	688,785	663,122
Interest on loans receivable	568,922	233,036
Interest on short-term investments	205,465	219,801
NACCA Contingency Fund	55,618	500,564
Miscellaneous	2,976	3,356
NACCA Interest Relief	-	348,236
Loan fees	(1,313)	37,566
	<u>4,270,453</u>	<u>4,705,681</u>
ASSISTANCE COSTS	<u>348,452</u>	<u>668,280</u>
EXCESS OF REVENUE OVER ASSISTANCE COSTS	<u>3,922,001</u>	<u>4,037,401</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	1,145	5
Bad debts	(360,028)	1,251,021
Bank charges	1,332	-
Consulting fees	2,063	-
Equipment	4,487	39
Insurance	6,278	-
Office	14,094	-
Professional fees	27,044	-
Recruiting	-	51
Rent	48,499	-
Salaries and benefits	344,136	144,842
Travel and conferences	281	(1,379)
	<u>89,331</u>	<u>1,394,579</u>
OPERATING SURPLUS	<u>\$ 3,832,670</u>	<u>\$ 2,642,822</u>

See notes to financial statements

Resource and Energy Investment Program

(Schedule 2)

Year Ended March 31, 2022

	2022	2021
REVENUE		
Interest on loans receivable	\$ 6,886	\$ 3,243
Interest accretion	-	5,259
	<u>6,886</u>	<u>8,502</u>
ADMINISTRATIVE COSTS		
Professional fees	<u>501</u>	<u>1,195</u>
OPERATING SURPLUS	<u>\$ 6,385</u>	<u>\$ 7,307</u>

See notes to financial statements

Business Contribution Fund

(Schedule 3)

Year Ended March 31, 2022

	2022	2021
REVENUE		
Business Contribution Fund - Equity Fund	\$ 864,858	\$ 1,221,871
Business Contribution Fund - Operating	<u>305,042</u>	<u>305,042</u>
	<u>1,169,900</u>	<u>1,526,913</u>
ASSISTANCE COSTS	<u>464,910</u>	<u>1,659,391</u>
EXCESS OF REVENUE OVER ASSISTANCE COSTS	<u>704,990</u>	<u>(132,478)</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	402	2,126
Amortization	2,467	-
Bank charges	701	-
Consulting fees	36,656	4,604
Equipment	15,881	233
Insurance	4,185	3,779
Office	46,503	14,717
Professional fees	19,748	12,545
Recruiting	27,243	51
Rent	39,682	22,059
Salaries and benefits	112,102	263,593
Travel and conferences	-	14
	<u>305,570</u>	<u>323,721</u>
OPERATING SURPLUS (DEFICIT)	<u>\$ 399,420</u>	<u>\$ (456,199)</u>

See notes to financial statements

Indigenous Business Stabilization Program

(Schedule 4)

Year Ended March 31, 2022

	2022	2021
REVENUE (Note 15)	\$ 50,277	\$ 331,240
EXPENSES		
Advertising and promotion	-	654
Equipment	-	1,315
Insurance	-	945
Office expense	-	3,432
Professional fees	-	2,552
Rent	-	17,647
Salaries and benefits	42,060	309,978
Travel and conferences	-	196
Consulting fees	8,216	-
	50,276	336,719
OPERATING SURPLUS (DEFICIT)	\$ 1	\$ (5,479)

Aboriginal Developmental Lending Assistance

(Schedule 5)

Year Ended March 31, 2022

	2022	2021
REVENUE (Note 15)	\$ 208,398	\$ 295,348
EXPENSES		
Advertising and promotion	-	3,373
Amortization of capital assets	1,058	8,653
Bank charges	(279)	568
Consulting fees	4,914	18,416
Equipment	-	455
Insurance	-	4,724
Office expense	332	32,959
Professional fees	2,244	29,868
Recruiting	-	77
Rent	-	48,530
Salaries and benefits	199,966	147,617
Travel and conferences	163	108
	208,398	295,348
OPERATING SURPLUS	\$ -	\$ -

See notes to financial statements

See notes to financial statements

Investment Readiness Program

(Schedule 6)

Year Ended March 31, 2022

	2022	2021
REVENUE (Note 15)	\$ -	\$ 36,147
EXPENSES		
Advertising and promotion	-	317
Consulting fees	-	32,509
Equipment	-	1,413
Office expense	-	1,908
	-	36,147
OPERATING SURPLUS	\$ -	\$ -

See notes to financial statements



discover how we can help your business



FIRST PEOPLES

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