



FIRST PEOPLES
economic growth fund

2016-2017
Annual Report

www.firstpeoplesfund.ca



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A MESSAGE FROM THE MINISTER



On behalf of the Manitoba government, I am pleased to extend greetings to the management and staff of the First Peoples Economic Growth Fund as you publish your 2016/17 annual report.

Your organization continues to help Indigenous entrepreneurs develop, launch and grow business enterprises that create jobs, contribute to the economy, strengthen communities and promote cultural pride. By supporting Indigenous economic development, you are helping many people achieve their goals, with positive ripple effects that ultimately benefit our entire province.

As you reflect on the past fiscal year, I hope you are further inspired to continue your good work in helping Indigenous business people realize their potential.

HONOURABLE EILEEN CLARKE, MINISTER
MANITOBA INDIGENOUS
AND MUNICIPAL RELATIONS



A MESSAGE FROM THE GRAND CHIEF



On behalf of the Assembly of Manitoba Chiefs, representing 62 First Nations, I would like to acknowledge and congratulate First Peoples Economic Growth Fund on another successful year of providing business development support to Manitoba First Nations.

An economic development initiative led by the Province of Manitoba and the Assembly of Manitoba Chiefs, FPEGF has grown to become a cornerstone for First Nations entrepreneurs endeavouring to venture into the world of business.

The benefits provided by FPEGF are of significant impact to the Manitoba economy contributing over \$113 million since inception, as well as to the First Nation business people who may require or benefit from the business supports and financing offered by FPEGF.

Through its eight different programs, the FPEGF has served to shape and positively impact the Manitoba First Nation business landscape and the individuals therein.

The Manitoba leadership acknowledges the dedication and achievements of the FPEGF. We are proud to support the continued hard work of the Staff and Board in assisting First Nations businesses and people in Manitoba.

Meegwetch, Ekosi, Wopida, Mahsi Cho!

GRAND CHIEF DEREK NEPINAK
ASSEMBLY OF MANITOBA CHIEFS





Background of FPEGF

A joint economic development initiative between the Province of Manitoba and the Assembly of Manitoba Chiefs (AMC) 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
- Resource & Energy Investment Program

Support Programs

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

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.



Joint Message from the Board Chair & CEO



The demand for our services is constantly growing and we believe this growth will continue for years to come. Our belief is fueled by a number of factors. Firstly, the Manitoba economy appears to be improving as the Canadian economy as a whole heats up. Secondly, the number of “hits” on our website continues to grow year after year. The hits have grown from a total of 19,000 in 2009 to 43,000 hits in 2016, and in first quarter of 2017 we have had over 15,000 hits (on pace for 60,000 in 2017). Finally, an even more direct indication of continued growth is the annual increase in the number of applications we receive per year. In 2016/17 we received 139 applications – more than ever before.

Thus the trend continues to grow for the products and services FPEGF offers, and we are faced with the challenge of keeping up with the demand. As the applications for new loans increase, so does the demand from our repeat customers. We currently have 136 outstanding loan clients (loans which have been approved and disbursed, but not yet repaid) needing our attention. Keeping pace with new applicants and the needs of our existing clients requires us to hire another Loans/Account Manager which we will do early in the new fiscal year.

This fiscal year we have approved 28 new loans amounting to \$4.8 million – which has leveraged another \$7.5 million for a total impact of \$12.3 million on the Manitoba economy. Those 28 loans will be responsible for creating 118 jobs. In addition, we have approved 24 support applications, using \$160,000 of FPEGF dollars and leveraging \$59,000 for a total impact of another \$219,000 into the Manitoba economy.

We have now approved a grand total of 179 loans resulting in a \$111 million impact on the Manitoba economy since we opened in September 2008.

Furthermore we have been delivering the federal Aboriginal business grant program through our partnership with Indigenous and Northern Affairs Canada, now represented by the National Aboriginal Capital Corporations Association. Since 2013 our contract is to deliver \$1.7 million in contributions to First Nation owned businesses in Manitoba. Due to the demand from our clients, on average we have received an additional \$175,000 per year which has also been invested directly into the growing Manitoba First Nation business community.

To our many clients, we are thankful for your entrepreneurship and for choosing to work with FPEGF. You are our inspiration and through your success, we succeed as well.

Our Board and Staff would like to acknowledge our two founding members and ongoing partners – the Province of Manitoba and the Assembly of Manitoba Chiefs – for your continued financial and moral support. Your vision for a better Manitoba is the backbone of our commitment to the growth of the First Nation business community in Manitoba.



PATRICIA TURNER,
CHAIR OF THE BOARD



IAN CRAMER,
CEO



In Memory of the Late Joe Malcolm



FPEGF Board member, Joe Malcolm, passed away June 4, 2017.

Joe began his career as the boys supervisor at a number of residential schools including Sandy Bay, Dauphin, Whitehorse and Portage until 1976. He then started working for Indian Affairs in Winnipeg.

In 1979 Joe embarked on a long and accomplished career with the Southeast Resource Development Council (SERDC) as an advocate, advisor and trusted representative for the 9 Manitoba First Nations that owned and controlled SERDC. From July 1979 to July 1985, his roles at SERDC included Tribal Government Advisor, Band Financial Advisor and Director of Student Services. In July 1985 Joe was promoted to Tribal Director of SERDC and served in this capacity until his retirement in 2008. After his retirement to his

untimely passing, he assisted SERDC on the winter road operations for Norwin Construction Company as a Safety Officer.

Joe was a highly respected Manitoban who spent his life serving and helping others whether it was family, friends, co-workers, staff or strangers. In addition to his stellar career, Joe was a valuable member of many Boards, and served in key roles in a wide variety of initiatives. Joe helped spearhead many developments within the Aboriginal community and played a significant role in the economic development successes at SERDC including the establishment of Southeast Community Futures, South Beach Casino and Southeast College to name a few.

Armed with a wealth of experience and respected by all, in February 2010 Joe was selected jointly by the Province of Manitoba and the Assembly of Manitoba Chiefs to join the FPEGF Board of Directors. He served on the Board until his passing.

Joe's fellow Board Members as well as the staff of FPEGF will always remember Joe as a thoughtful and dedicated participant at Board meetings, whose insight and knowledge of the First Nation communities in Manitoba were second to none. Our sincerest condolences go out to Joe's family. Like all who had the pleasure of meeting and working with Joe, we share a deep sense of sorrow and realize that we have lost a most valuable team player.



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 jointly appointed by AMC and the Province of Manitoba are as follows:



Patricia Turner,
FPEGF Chairperson
CEO,
ET Development
Incorporated;
co-founder of
Aboriginal Chamber
of Commerce



Bob Silver,
FPEGF Vice Chairperson
President,
Western Glove Works



Bob Brennan,
FPEGF Secretary/
Treasurer
Retired;
former President
and CEO,
Manitoba Hydro



Rosa Walker,
FPEGF Director
President and CEO,
Indigenous Leadership
Development Institute Inc.





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.

Resource & Energy Investment Program (REIP)

The REIP is intended to provide debt or equity financing to large-scale businesses in either the Resource or Energy sector of the Manitoba economy. All investments will be made in Manitoba to enhance the ownership and participation of First Nations or First Nation entrepreneurs in those businesses that show high potential for viability. Applicants must present a sound business plan.

Typical financing available will be from \$500,000 to \$1,500,000 and will typically represent about 20% of the total financing.



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 towards 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 and Northern Affairs Canada.



FPEGF Approved Loan and Support Applications

Loans Approved for Period April 1, 2016 to March 31, 2017

# Program	FPEGF Amount Approved (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)	New Jobs Created
		BCF* Dollars Approved (B)	All Other Dollars (C)		
1 Community Economic Expansion	300,000	0	2,257,301	2,557,301	5
20 Entrepreneur Loan	1,333,125	724,807	908,701	2,966,633	45
7 Joint Venture	3,137,982	744,997	2,929,432	6,812,411	68
28 Loans Approved	4,771,107	1,469,804	6,095,434	12,336,345	118

Grand Total of Loans Approved from September 23, 2008 to March 31, 2017

# Program	FPEGF Amount Approved (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)	New Jobs Created
		BCF* Dollars Approved (B)	All Other Dollars (C)		
22 Community Economic Expansion	5,041,667	963,174	22,039,344	28,044,185	253
128 Entrepreneur Loan	8,376,722	3,244,707	7,760,037	19,381,466	285
25 Joint Venture	12,995,362	2,485,555	31,362,707	46,843,624	239
4 Resource & Energy Investment	4,438,056	234,894	12,478,365	17,151,315	56
179 Loans/Equity Investments Approved	30,851,807	6,928,330	73,640,453	111,420,590	833

Support Applications Approved for Period April 1, 2016 to March 31, 2017

# Program	FPEGF Amount Approved** (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)
		BCF* Dollars Approved (B)	All Other Dollars (C)	
2 Aftercare	19,757	0	7,167	26,924
22 Business Plan Assistance	139,985	3,563	48,519	192,067
24 Support Applications Approved	159,742	3,563	55,686	218,991

Grand Total of Support Applications Approved from September 23, 2008 to March 31, 2017

# Program	FPEGF Amount Approved** (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)
		BCF* Dollars Approved (B)	All Other Dollars (C)	
9 Aftercare	75,186	0	30,105	105,291
150 Business Plan Assistance	787,947	317,381	437,963	1,543,291
12 Skills Development	34,092	0	11,371	45,463
171 Support Applications Approved	897,225	317,381	479,439	1,694,045

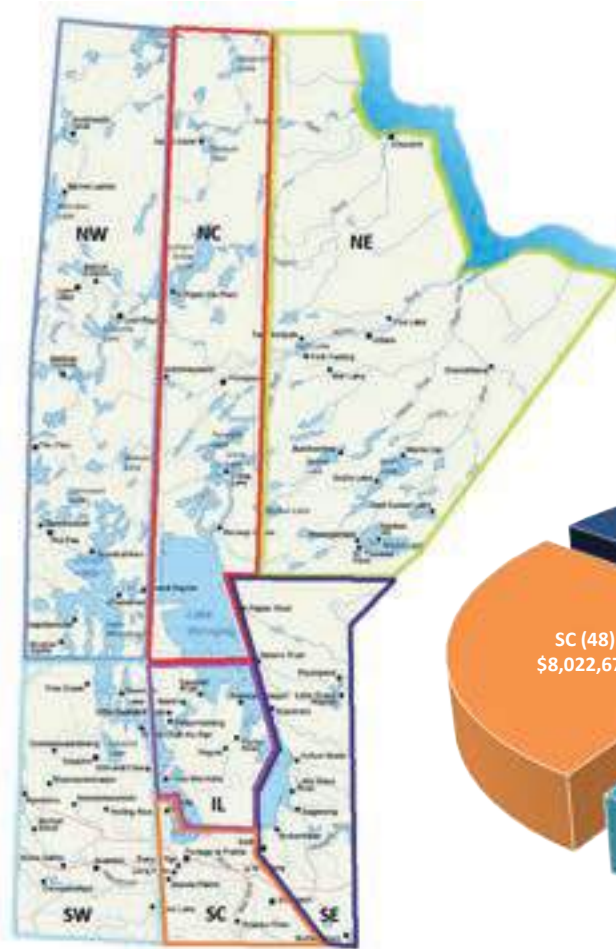
** Some Support dollars have not been disbursed as at March 31, 2017. Commitments will be disbursed once all Terms and Conditions are met.

* BCF - Business Contribution Fund delivered by FPEGF

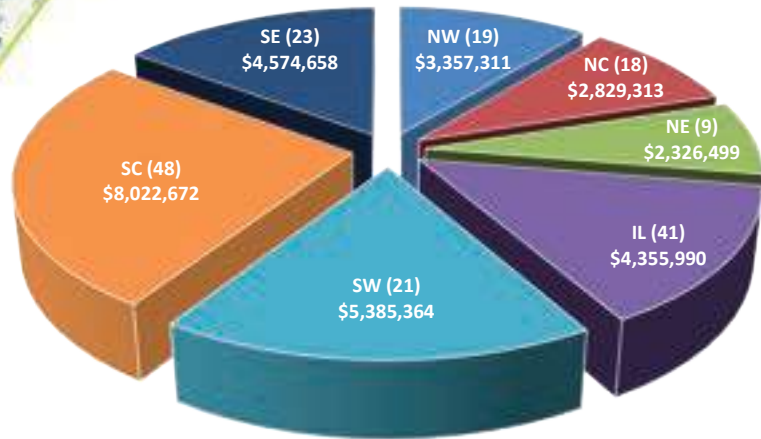


FPEGF Total Approvals by Geographic Region

September 23, 2008 to March 31, 2017

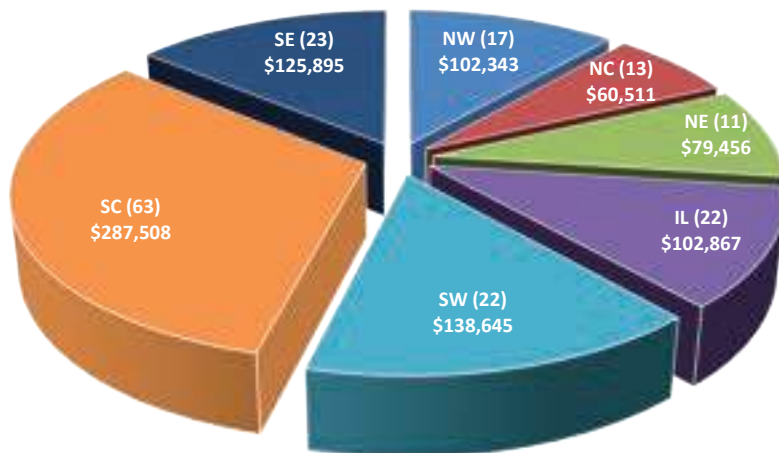


179 Loans = \$30,851,807



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

171 Support Applications Approved = \$897,225

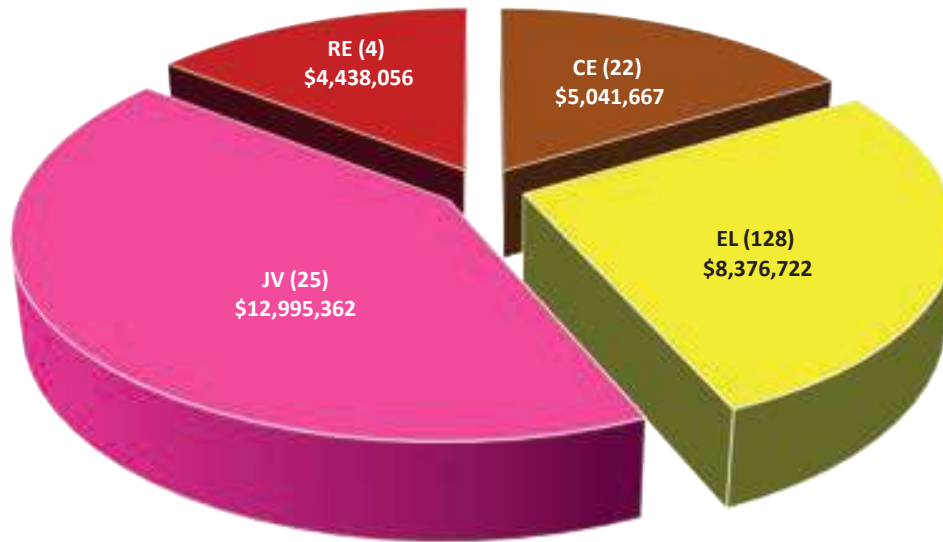




FPEGF Total Approvals by Program

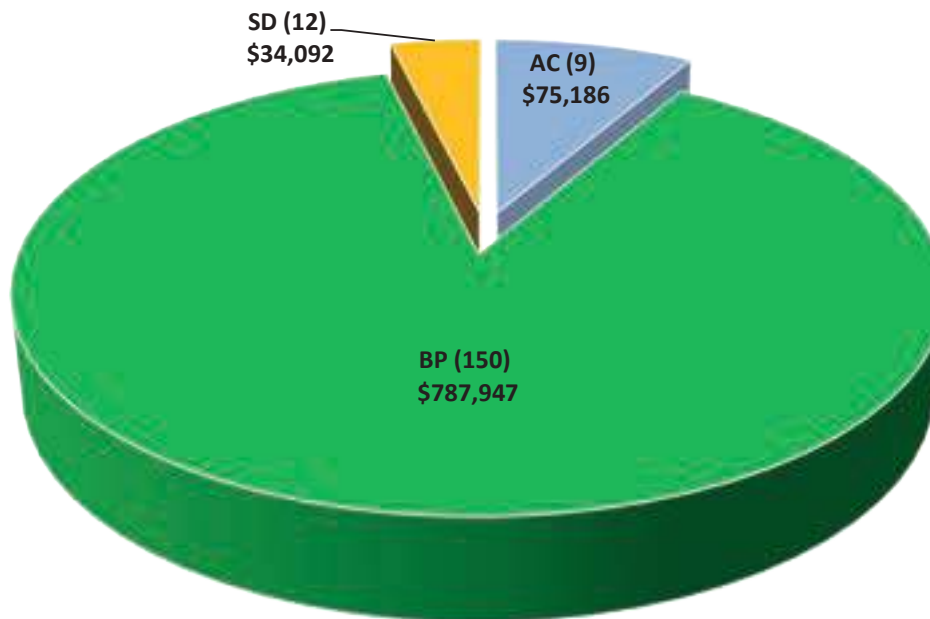
September 23, 2008 to March 31, 2017

179 Loans = \$30,851,807



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171 Support Applications = \$897,225



FPEGF's Business Contribution Fund



BCF Applications Approved for Period April 1, 2016 to March 31, 2017

Business #	Type	BCF Dollars Approved* (A)				Dollars Total (B)	(A+B)
		Capital & Planning	Operating	Business Marketing	Leveraged** Support		
1	Business Planning	1,688				0	1,688
22	Capital & Operating, Marketing and Business Support		1,371,679	21,660	3,000	1,615	1,397,954
23	BCF Support Applications Approved	1,688	1,371,679	21,660	3,000	1,615	1,399,642

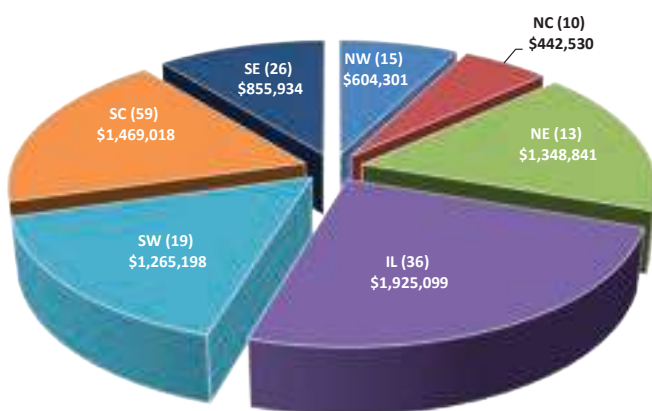
Grand Total of BCF Support Applications Approved from February 11, 2013 to March 31, 2017

Business #	Type	BCF Dollars Approved* (A)				Dollars Total (B)	(A+B)
		Capital & Planning	Operating	Business Marketing	Leveraged** Support		
70	Business Planning	362,581				16,847	379,428
108	Capital & Operating, Marketing and Business Support		7,131,541	361,555	55,244	2,533,720	10,082,060
178	BCF Support Applications Approved	362,581	7,131,541	361,555	55,244	2,550,567	10,461,488

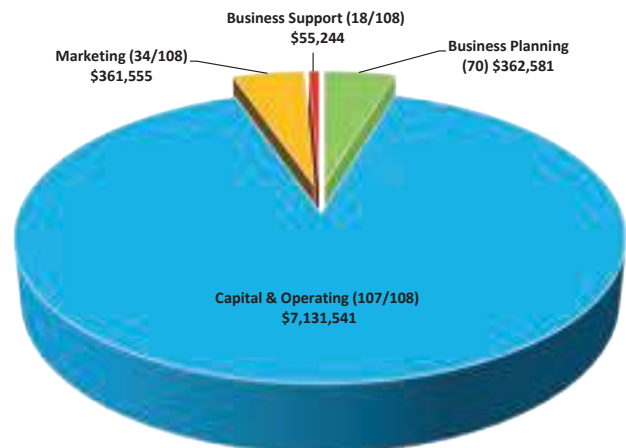
* Some BCF Support dollars have not been disbursed or were partially disbursed as at March 31, 2017. Commitments will be fully disbursed once all Terms and Conditions are met.

** Some Dollars Leveraged amounts already reported in Approved Loan and Support Applications statistics (see page 8).

178 BCF Approvals by Geographic Region = \$7,910,921



178 BCF Approvals by Type = \$7,910,921





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.

FPEGF Staff



Ian Cramer
CEO



Tom Thordarson
Senior Loans Manager



Fabian Sanderson
Loans/Accounts Manager



Robyn Wozney
BCF Analyst



Joyce Lillie
Accountant/
Office Manager



Yvonne Dubois
Executive Assistant/
Loans Administrator



Amara Waddell
BCF Administrator



Amik Inc.

E.J. Fontaine & Eva Wilson

Our names are E.J. Fontaine and Eva Wilson; we are the owners of Amik Inc.

Amik Inc. was started in 2003 and is dedicated to enhancing the socio-economic participation of Canada's Indigenous demographic through respectful collaboration.

We were referred to First Peoples Economic Growth Fund (FPEGF) through a First Nation entrepreneur and were attracted to FPEGF's interest-free loan program. Having access to interest-free financing was beneficial for growing our business.



We found the process simple: FPEGF required a completed Entrepreneur Loan application, a viable business plan, along with a statement of personal net worth that listed our assets and liabilities. Historical financial statements were also required to demonstrate financial performance and stability.

If it were not for FPEGF not only would we further delay capital investments to grow our business but we would also be paying interest on financing which would reduce our profits. Currently our business is growing and we have hired a new employee. We have a new website (www.amik.ca) and access to new and bigger markets beyond Manitoba for our services. With the success of our business we have been able to create five jobs, rent office space from Swan Lake First Nation, promote employment for Indigenous people to corporations, and buy goods and services from other Indigenous businesses.

We thank FPEGF for the opportunity and we look forward to working with them in the future.



Client Testimonials

Beatoes Productions

Glenn Ranville

My name is Glenn Ranville from Opaskwayak Cree Nation and I am the proud owner of Beatoes Productions. Beatoes has been providing audio and video entertainment since 1992. I first heard of First Peoples Economic Growth Fund (FPEGF) from Chiefs at various community events I was working at. I then decided to put in an application to FPEGF because of their willingness to help and their attractive financing programs.

I have had two loans through FPEGF. My first project with FPEGF was purchasing large audio and lighting equipment. The second project was much simpler – I contacted FPEGF to expand my business and purchase more equipment. If it were not for FPEGF I would be working with older equipment which would result in less revenues, possibly to the point of not earning any money.

Since obtaining the new equipment, more doors have opened and a new client base has been established. Currently Beatoes is moving forward and revenue has increased. Beatoes allows me to sponsor the local hockey team and give First Nation communities the opportunity to hire a First Nation owned and operated company.

I have and will continue to recommend FPEGF to other Aboriginal businesses.



Tom Thordarson, FPEGF Senior Loans Manager, with Glenn Ranville

Peguis Auto Parts

Leslie Daniels

My name is Leslie W. Daniels and I am the owner of Peguis Auto Parts located in Hodgson, Manitoba. We provide automobile and truck repairs to Peguis First Nation and the surrounding area. We had our grand opening of Peguis Auto Parts in the fall of 2016.

I first learned about First Peoples Economic Growth Fund (FPEGF) through the Peguis Surrender Claim. When I first applied for financing, I was advised that I needed a business plan. The business plan application process through FPEGF took a long time, but the staff at FPEGF were very helpful.

Today, if I had not received the financing and help from FPEGF I don't think Peguis Auto Parts would be in operation. The business is currently doing very well. We continue to contribute to our local community by providing auto and truck repair services like towing, safety inspections and diagnostic services. We will definitely apply for financing at FPEGF in the future.





Paup's Property Maintenance

Mike Paupanekis

My name is Mike Paupanekis and I have owned Paup's Property Maintenance since April 2012. From spring to fall, Paup's provides property clean-ups, lawn maintenance and landscaping. In the winter we provide snow removal, hauling and ice maintenance.

I contacted First Peoples Economic Growth Fund (FPEGF) after learning about them through friends who were familiar with their programs. I was interested in purchasing additional equipment in order to expand the types of services we could provide and to become more efficient.



Tom Thordarson, FPEGF Senior Loans Manager, with Mike Paupanekis

I found the process of applying for financial assistance through FPEGF to be quite simple. The staff were very helpful, supportive and encouraging. If Paup's had not received financing from FPEGF, we wouldn't be able to provide services to the number of customers we now have. I also believe we would not be providing landscaping, snow removal or snow hauling services.

When Paup's first began we were completing spring property clean-ups and lawn maintenance. Now we can additionally provide multiple types of landscaping services, snow removal and hauling, and, most importantly, complete these tasks in a fast and efficient manner.

Currently Paup's is in a great position. We are expanding beyond our goals and expectations. Our clients continually recommend us to their friends, families and neighbours. We consistently get great feedback and we are proud that we help to maintain and keep our community looking clean, green and beautiful.

Our experience was great and FPEGF helped us reach our business goals faster than we could have ever imagined.



Client Testimonials

Castle-Fisher River Building Supplies

Fisher River Economic Development Corporation

After another record year in 2016, Castle announced the opening of the newest member of the Castle Building Centres at Fisher River Cree Nation (FRCN), a Cree community located approximately 200 km north of Winnipeg. The Castle-Fisher River Building Supplies hardware/building material store was completed in August 2016.

Over the past 3 years, FRCN has experienced tremendous growth and expansion increasing their need for a local building supply source. In October 2013, FRCN began investigating the business opportunity available to them through Castle Building Centres Group Ltd. It became quite clear that there were many advantages that would be made available to FRCN by using the Castle Building Centre model.

In the fall of 2015, FRCN and Fisher River Economic Development Corporation were accepted to become members of the Castle Building Centres Group. The Castle Building Centres' unique business model has been implemented successfully across the country with approximately 300 members as part of the cooperative buying group. This means a huge competitive advantage for each member due to the buying power that is generated by the group. This advantage would be impossible for a small independent store to obtain.

Originally sales were projected in Year 1 to be \$1.1 million, however in the 10th month of business we had surpassed our annual sales goal, generating additional profit for reinvestment in the store and future expansion of the yard.

"This is an incredible opportunity for Fisher River Cree Nation. The community is flourishing and Castle offered us the flexibility and freedom we needed to meet the unique requirements of our growing community and surrounding area," said Chief David Crate, FRCN.

Primary financing sources for the project came from First Peoples Economic Growth Fund (FPEGF). Fisher River accessed and maximized the following FPEGF financing programs: Joint Venture Loan, Community Economic Expansion Loan, Business Contribution Fund Support and Business Plan Assistance Support. Due diligence in the areas of business planning and, at times,

business valuations has proven to be a standardized structure within FRCN. This is a standard also supported by FPEGF who is a major financier to FRCN and its projects.

The Castle Building Centre business model has been used successfully in other First Nation communities such as Nelson House, MB; La Ronge, SK; Spiritwood, SK; Onion Lake, SK; Saddle Lake, AB; Oshweken, ON; and M'Chigeeng, ON.



Ribbon cutting for Castle-Fisher River Building Supplies

Financial Statements

Year Ended March 31, 2017



FIRST PEOPLES economic growth fund



Independent Auditor's Report



To the Members of First Peoples Economic Growth Fund Inc.

We have audited the accompanying financial statements of First Peoples Economic Growth Fund Inc., which comprise the statement of financial position as at March 31, 2017 and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of First Peoples Economic Growth Fund Inc. as at March 31, 2017 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.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
June 27, 2017

1-554 St. Mary's Road. Winnipeg, MB R2M 3L5
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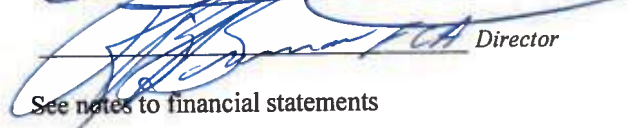
Statement of Financial Position

March 31, 2017



	2017	2016
ASSETS		
CURRENT		
Cash	\$ 1,028,311	\$ 4,179,015
Short-term investments (Note 3)	10,801,218	11,591,390
Accrued interest and other receivables (Note 5)	487,262	423,950
Prepaid expenses	10,439	9,353
	<u>12,327,230</u>	<u>16,203,708</u>
PROPERTY AND EQUIPMENT (Notes 3, 6)	50,864	45,745
LOANS RECEIVABLE (Notes 3, 7, 8)	15,356,761	12,369,659
REIP INVESTMENT (Notes 3, 9)	824,439	1,126,186
INVESTMENT IN 6606254 MANITOBA LTD. (Note 3)	100	100
	<u>\$ 28,559,394</u>	<u>\$ 29,745,398</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 65,762	\$ 59,273
NET ASSETS		
Contributed surplus (Note 2)	3,750,000	3,750,000
Net assets	<u>24,743,632</u>	<u>25,936,125</u>
	<u>28,493,632</u>	<u>29,686,125</u>
	<u>\$ 28,559,394</u>	<u>\$ 29,745,398</u>
RESTRICTIONS AND COMMITMENTS (Note 11)		

ON BEHALF OF THE BOARD

 Director
 Director
 See notes to financial statements



Statement of Operations

Year Ended March 31, 2017

	2017	2016
REVENUE		
Province of Manitoba	\$ 2,700,000	\$ 2,700,000
Business Contribution Fund - Operating	301,973	301,973
Business Contribution Fund - Equity Fund	1,871,647	1,791,181
Interest on short-term investments	245,024	336,437
Interest accretion	565,051	410,301
Interest on loans receivable	478,273	452,339
Loan fees	74,565	45,929
Miscellaneous	6,496	2,481
	<u>6,243,029</u>	<u>6,040,641</u>
ASSISTANCE COSTS	<u>4,142,523</u>	<u>2,396,791</u>
EXCESS OF REVENUE OVER ASSISTANCE COSTS	<u>2,100,506</u>	<u>3,643,850</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	35,088	44,209
Amortization of property and equipment	11,069	8,815
Bad debts REIP	1,669,767	-
Bad debts general fund	293,427	235,457
Bank charges	927	841
Collections	638	-
Consulting fees	65,398	125,207
Equipment	24,932	3,906
Insurance	5,108	4,144
Office expense	60,662	47,336
Professional development and training	3,696	1,596
Professional fees	85,193	66,749
Recruiting	3,533	-
Rent	70,172	67,720
Salaries and benefits	641,243	644,287
Travel and conferences	20,399	21,734
	<u>2,991,252</u>	<u>1,272,001</u>
OPERATING SURPLUS (DEFICIT) BEFORE OTHER LOSSES	<u>(890,746)</u>	<u>2,371,849</u>
OTHER LOSSES		
Loss on disposal of assets	-	(235)
Impairment loss on investment (Note 9)	(301,747)	(589,514)
Loan renegotiation - REIP	-	(150,000)
	<u>(301,747)</u>	<u>(739,749)</u>
OPERATING SURPLUS (DEFICIT)	<u>(1,192,493)</u>	<u>1,632,100</u>
NET ASSETS - BEGINNING OF YEAR	<u>25,936,125</u>	<u>24,304,025</u>
NET ASSETS - END OF YEAR	<u>\$ 24,743,632</u>	<u>\$ 25,936,125</u>

See notes to financial statements

First Peoples Economic Growth Fund

Statement of Cash Flows

Year Ended March 31, 2017



	2017	2016
OPERATING ACTIVITIES		
Operating surplus (deficit)	\$ (1,192,493)	\$ 1,632,100
Items not affecting cash:		
Amortization of property and equipment	11,069	8,815
Bad debts general fund	293,427	235,457
Bad debts REIP	1,669,767	-
Impairment loss on investments	301,747	589,514
Interest accretion	(565,051)	(410,301)
Interest on loans receivable	(478,273)	(452,339)
Loan renegotiation	-	150,000
Loan discount expenses	951,923	968,465
Loss on disposal of equipment	-	235
	<u>992,116</u>	<u>2,721,946</u>
Changes in non-cash working capital:		
Accrued interest and other receivables	(63,312)	160,425
Accounts payable and accrued liabilities	6,490	(313,136)
Prepaid expenses	(1,086)	5,064
	<u>(57,908)</u>	<u>(147,647)</u>
Cash flow from operating activities	<u>934,208</u>	<u>2,574,299</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(16,188)	(39,743)
Loans granted	(7,563,937)	(5,192,617)
Loan repayments	2,705,041	1,786,807
Net change of short-term investments	790,172	2,058,625
Cash flow used by investing activities	<u>(4,084,912)</u>	<u>(1,386,928)</u>
INCREASE (DECREASE) IN CASH	<u>(3,150,704)</u>	<u>1,187,371</u>
CASH - BEGINNING OF YEAR	<u>4,179,015</u>	<u>2,991,644</u>
CASH - END OF YEAR	<u>\$ 1,028,311</u>	<u>\$ 4,179,015</u>

See notes to financial statements



Notes to Financial Statements

Year Ended March 31, 2017

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 Indigenous and Municipal Relations ("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, 2017



2. DESCRIPTION OF BUSINESS *(continued)*

Resource and Energy Investment Program

On March 25, 2009, the Corporation and the Department of Indian Affairs and Northern Development ("AANDC") entered into an agreement to create the Resource and Energy Investment Program ("REIP"). The REIP is funded as follows: AANDC \$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, 2017, the Corporation and the National Aboriginal Capital Corporations Association ("NACCA") entered into an agreement to continue the Business Contribution Fund ("BCF"). NACCA will provide \$301,973 in operational funding and \$1,871,647 in equity funding for the year ended March 31, 2017. Funding for the remaining term of the agreement ended March 31, 2018 will be assessed once budget and performance targets are reviewed by NACCA.

The programs and goals of the BCF will focus on:

Providing non-repayable contributions to businesses owned by either First Nation individuals up to \$99,999 and businesses owned by a Manitoba First Nation or a group of Manitoba First Nations up to \$250,000.

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:

(continues)



Notes to Financial Statements

Year Ended March 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

(continues)

Notes to Financial Statements

Year Ended March 31, 2017



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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, 2017.

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.



Notes to Financial Statements

Year Ended March 31, 2017

5. ACCRUED INTEREST AND OTHER RECEIVABLES

	2017	2016
Goods and services tax	\$ 8,349	\$ 8,766
Loan fees	13,492	6,632
Accrued interest on short-term investments	103,640	127,237
Business Contribution Fund	361,781	281,315
	<u>\$ 487,262</u>	<u>\$ 423,950</u>

6. PROPERTY AND EQUIPMENT

	2017		2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 66,528	\$ 50,340	\$ 50,340	\$ 49,882
Website development	12,853	12,853	12,853	12,853
Office furniture	114,979	99,397	114,979	92,311
Leasehold improvements	24,675	5,581	24,675	2,056
	<u>\$ 219,035</u>	<u>\$ 168,171</u>	<u>\$ 202,847</u>	<u>\$ 157,102</u>
Net book value	<u>\$ 50,864</u>		<u>\$ 45,745</u>	

7. LOANS RECEIVABLE

Loans are classified as follows:

	2017	2016
Resource and Energy Investment Program Loans	\$ 164,526	\$ 1,955,485
Entrepreneur Loans	4,609,913	3,919,537
Joint Venture Loans	7,653,942	4,774,765
Community Economic Expansion Loans	3,631,995	2,624,820
Accrued interest on loans	97,653	148,747
Allowance for doubtful accounts	(801,268)	(1,053,695)
	<u>\$ 15,356,761</u>	<u>\$ 12,369,659</u>

Notes to Financial Statements

Year Ended March 31, 2017



8. RECONCILIATION OF LOANS RECEIVABLE

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

	2017	2016
Loans receivable - beginning of year	\$ 12,369,659	\$ 9,455,131
Gross loans granted	\$ 7,563,937	\$ 5,192,617
Provision for forgiveness ⁽¹⁾	(150,000)	(23,245)
Bad debts and loan renegotiation expense ⁽²⁾	(1,963,194)	(385,457)
Interest rate discount to fair value ⁽³⁾	<u>(801,923)</u>	<u>(945,220)</u>
	4,648,820	3,838,695
Interest accretion and interest on loans receivable ⁽⁴⁾	1,043,324	862,640
Less: Loan repayments received	<u>(2,705,042)</u>	<u>(1,786,807)</u>
	<u>\$ 15,356,761</u>	<u>\$ 12,369,659</u>

⁽¹⁾ At the Corporation's option, up to 25% of the gross loans under the Community Economic Expansion program can be forgiven if the lender's repayment experience is favourable. At the time the loans are disbursed, the Corporation established a reserve in the amount of \$150,000 (2016 - \$23,245) for the full amount that can be forgiven.

⁽²⁾ The Corporation has determined that bad debts and loan renegotiation expenses in the amount of \$1,963,194 (2016 - \$385,457) was required, related to loans outstanding at March 31, 2017. This allowance represents the present value of the amounts determined to be uncollectible using the same discount rate as the loans granted.

- During the year ended March 31, 2017, \$1,669,767 was recorded as bad debts in respect to one REIP Fund Loan, currently in receivership.
- The remaining \$293,427 relates to a few loans in the General Loan Fund.

⁽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, loans having a face value of \$3,955,006 (2016 - \$3,198,944) (before the provision for forgiveness noted above) were discounted by \$801,923 (2016 - \$945,220).

⁽⁴⁾ Interest income accretes on the loans receivable at a rate equal to the discount rate used at inception. Interest accretion in the amount of \$1,043,324 (2016 - \$862,640) was recorded as interest on loans receivable.



Notes to Financial Statements

Year Ended March 31, 2017

9. REIP INVESTMENT

	2017	2016
CFOM1 Limited Partnership ⁽¹⁾	\$ 824,439	\$ 1,126,186

- (1) 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.
- (2) Given the current market conditions relating to oil prices, the value of CFOM1 Limited Partnership has decreased in value. Management has relied on internal valuation reports prepared by the publicly listed company partner, which were audited by the partnership's independent, external auditor.

10. 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 \$27,150 (2016 - \$29,008).

11. RESTRICTIONS AND COMMITMENTS

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

Loans receivable	\$ -
Business plan assistance	93,832
Business contribution fund	189,108
Skills development	-
Aftercare	-
	<u>\$ 282,940</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, 2018	\$ 46,397
2019	46,397
2020	46,397
2021	22,071
2022	7,431

(continues)

Notes to Financial Statements

Year Ended March 31, 2017



11. 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.

12. ALLOCATED EXPENSES

During the year, certain expenses are being allocated amongst the three funds. 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.

13. COMPARATIVE FIGURES

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



General Business Assistance Program

(Schedule 1)

Year Ended March 31, 2017

	2017	2016
REVENUE		
Province of Manitoba	\$ 2,700,000	\$ 2,700,000
Interest accretion	565,940	410,301
Interest on loans receivable	371,697	274,987
Interest on short-term investments	212,785	300,447
Loan fees	74,565	45,934
Miscellaneous	5,306	2,476
	<u>3,930,293</u>	<u>3,734,145</u>
ASSISTANCE COSTS	<u>1,175,555</u>	<u>919,780</u>
EXCESS OF REVENUE OVER ASSISTANCE COSTS	<u>2,754,738</u>	<u>2,814,365</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	18,685	22,224
Amortization of property and equipment	5,198	3,859
Bad debts	293,427	235,457
Bank charges	922	831
Collections	439	-
Consulting fees	20,214	47,640
Equipment	13,472	2,177
Insurance	2,554	2,072
Office	31,205	22,843
Professional development and training	1,143	1,377
Professional fees	61,178	50,595
Recruiting	615	-
Rent	35,086	33,331
Salaries and benefits	399,180	416,010
Travel and conferences	10,847	10,120
	<u>894,165</u>	<u>848,536</u>
OPERATING SURPLUS	<u>\$ 1,860,573</u>	<u>\$ 1,965,829</u>

See notes to financial statements

Resource and Energy Investment Program

(Schedule 2)

Year Ended March 31, 2017



	2017	2016
REVENUE		
Interest on loans receivable	\$ 106,576	\$ 177,352
Interest accretion	(889)	-
Interest on short-term investments	32,239	35,990
Miscellaneous	595	-
	<u>138,521</u>	<u>213,342</u>
ASSISTANCE COSTS	<u>(121,928)</u>	<u>122,746</u>
EXCESS OF REVENUE OVER ASSISTANCE COSTS	<u>260,449</u>	<u>90,596</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	7,817	10,924
Amortization	1,630	960
Bad debts	1,669,767	-
Consulting fees	11,521	26,250
Equipment	5,472	557
Insurance	1,277	1,036
Office	14,131	10,910
Professional development and training	689	-
Professional fees	10,980	11,570
Rent	17,543	16,969
Salaries and benefits	21,510	28,901
Travel and conferences	950	3,029
	<u>1,763,287</u>	<u>111,106</u>
OPERATING DEFICIT BEFORE OTHER LOSSES	<u>(1,502,838)</u>	<u>(20,510)</u>
OTHER LOSSES		
IMPAIRMENT LOSS ON INVESTMENT (Note 9)	(301,747)	(589,514)
LOAN RENEGOTIATION	-	(150,000)
OPERATING DEFICIT	<u>\$ (1,804,585)</u>	<u>\$ (760,024)</u>

See notes to financial statements



Business Contribution Fund

(Schedule 3)

Year Ended March 31, 2017

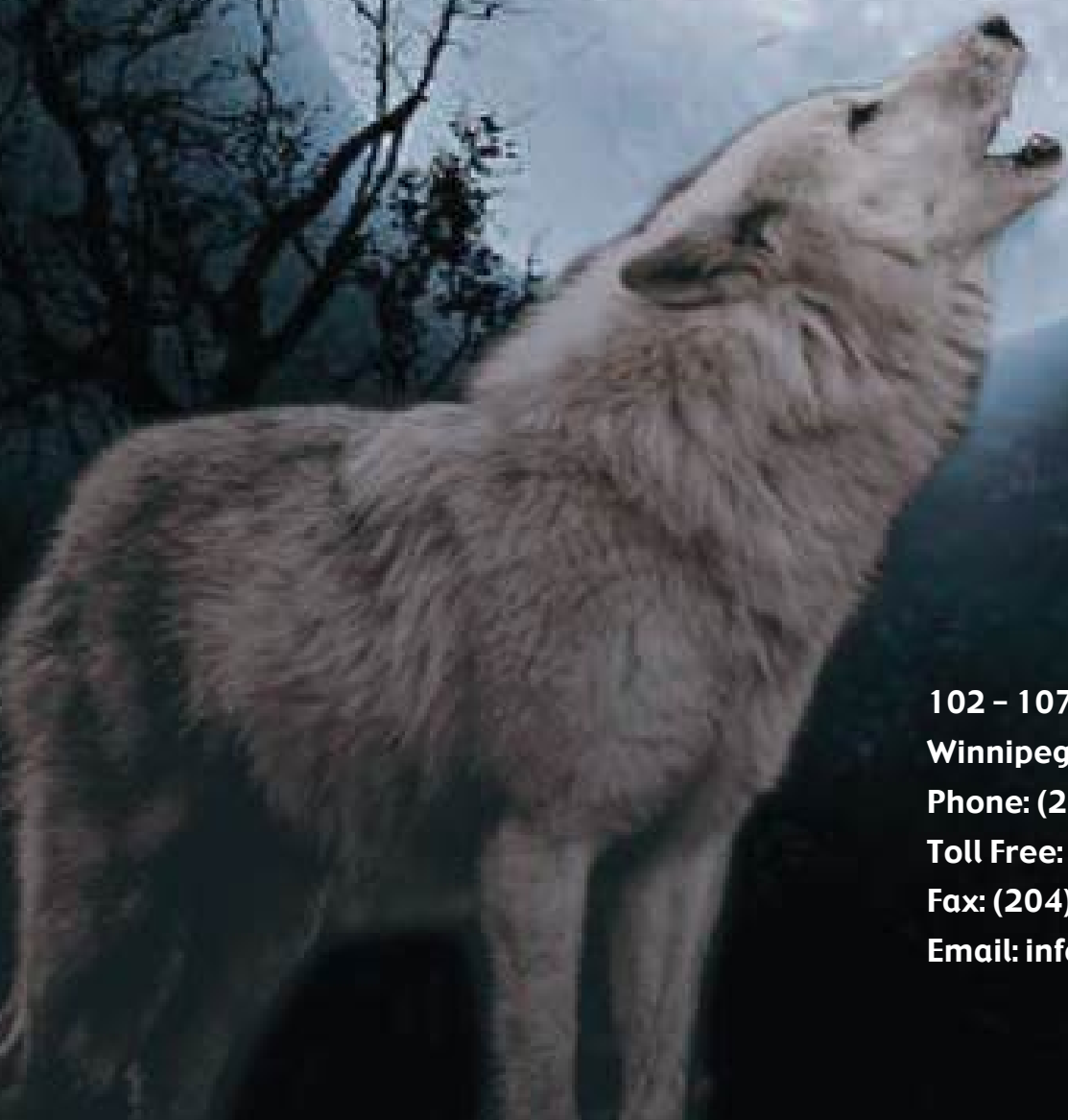
	2017	2016
REVENUE		
Business Contribution Fund - Equity Fund	\$ 1,871,647	\$ 1,791,181
Business Contribution Fund - Operating	301,973	301,973
Miscellaneous	595	-
	<u>2,174,215</u>	<u>2,093,154</u>
ASSISTANCE COSTS	<u>3,088,896</u>	<u>1,354,265</u>
EXCESS (DEFICIENCY) OF REVENUE OVER ASSISTANCE COSTS	<u>(914,681)</u>	<u>738,889</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	8,586	11,061
Amortization	4,241	3,996
Bank charges	5	10
Collections	199	-
Consulting fees	33,663	51,317
Equipment	5,988	1,172
Insurance	1,277	1,036
Office	15,326	13,583
Professional development and training	1,864	219
Professional fees	13,035	4,584
Recruiting	2,918	-
Rent	17,543	17,420
Salaries and benefits	220,553	199,376
Travel and conferences	8,602	8,585
	<u>333,800</u>	<u>312,359</u>
OPERATING SURPLUS (DEFICIT)	<u>\$ (1,248,481)</u>	<u>\$ 426,530</u>

See notes to financial statements





FIRST PEOPLES
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