



FIRST PEOPLES

economic growth fund

2019-2020 Annual Report



Table of Contents

<i>Greetings</i>	<i>1</i>
<i>Background of First Peoples Economic Growth Fund</i>	<i>2</i>
<i>Guiding Principles</i>	<i>2</i>
<i>Board of Directors.....</i>	<i>3</i>
<i>Farewell to Former FPEGF Board Members</i>	<i>4</i>
<i>Message from the CEO.....</i>	<i>5</i>
<i>Financing Programs.....</i>	<i>6</i>
<i>Support Programs.....</i>	<i>7</i>
<i>FPEGF Approved Loans.....</i>	<i>8</i>
<i>FPEGF Approved Support Applications.....</i>	<i>9</i>
<i>FPEGF Total Loan & Support Approvals by Geographic Region</i>	<i>10</i>
<i>FPEGF's Business Contribution Fund</i>	<i>11</i>
<i>FPEGF Staff</i>	<i>12</i>
<i>Client Testimonials</i>	<i>14</i>
<i>Audited Financial Statements</i>	<i>20</i>



A MESSAGE FROM THE MINISTER



On behalf of the Government of Manitoba, please accept my congratulations on another year of supporting the growth and expansion of First Nation businesses in Manitoba. I also wish to extend my sincere thanks to the board of directors, management and staff of the

First Peoples Economic Growth Fund for your commitment to the success of the organization.

First Peoples Economic Growth Fund continues to show great leadership in supporting the growth and development of Indigenous business initiatives across the province. The Manitoba government has been proud to partner with the Assembly of Manitoba Chiefs since 2005 to support your work, which is critical to the economic strength of First Nations and Manitoba as a whole.

Congratulations on your achievements over the past fiscal year. I wish you continued success.

HONOURABLE RALPH EICHLER
MANITOBA ECONOMIC DEVELOPMENT
AND TRAINING



A MESSAGE FROM THE GRAND CHIEF



On behalf of the Assembly of Manitoba Chiefs I would like to congratulate the Board of Directors and staff of the First Peoples Economic Growth Fund (FPEGF) on another successful year. FPEGF continues to work with First Nations to create partnerships around Manitoba that will assist

First Nations to grow their economies. Creativity and collaboration are key to their success. We hear the stories of how these resources are supporting First Nations to reach their economic development goals.

I also want to thank the Province of Manitoba for their continued support as their financial contributions supports FPEGF to provide grants and financing to First Nation entrepreneurs, businesses, Nations and organizations. Through this partnership we are able to promote economic development and improve opportunities for First Nations people.

We look forward to our continued working relationship with First Peoples Economic Growth Fund...because when First Nations do better, then all of Manitoba does better.

Sincerely,

ARLEN DUMAS, GRAND CHIEF
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

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.

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 AMC and the Province of Manitoba.



Rosa Walker

a/Chairperson, FPEGF Board

President and CEO, Indigenous Leadership Development Institute
Rosa has served on the FPEGF Board since 2010

New FPEGF Board Members

Effective September 25, 2019, by Joint Resolution of the Assembly of Manitoba Chiefs and the Province of Manitoba, we are pleased to welcome the following 4 new Board members who join Rosa Walker, a/Chairperson of the FPEGF Board:



George Merasty, CA

Secretary/Treasurer, FPEGF Board

George is graduate of the Bachelor of Commerce Honours Program at the U of M, and a CA, CAFM. He is currently the Director of Finance for the Manitoba First Nations Education Resource Centre Inc.



Michael McMullen, MBA

Vice Chairperson, FPEGF Board

Michael is the President of MCM Consulting Ltd., which specializes in mapping strategic direction to detailed action for businesses. He has held many senior executive positions with national and international firms such as IKEA, Pallister Furniture and the North West Company to name a few. He also held Board positions at the Aboriginal Chamber of Commerce and the Canadian Chamber of Commerce.



Dr. Wanda (Wuttunee) Charles, PhD

Director, FPEGF Board

Wanda is a professor in the department of Native Studies at the U of M. Her PhD focused on Economic Development Strategies employed by Aboriginal communities. She was the director of the Aboriginal Business Education Partners from 1995-2014 at the I. H. Asper School of Business. She is the author of several publications on Aboriginal economic development and entrepreneurship.



Jim Beardy

Director, FPEGF Board

Jim is currently the Director of Finance and Administration for the Keewatin Tribal Council. He has a Bachelor of Business Administration with Distinction from the University College of the North. He has sat on a variety of Boards including being an Executive Board Member of Thompson Chamber of Commerce and Thompson Unlimited (Community Development Corporation).



Farwell to Former FPEGF Board Members

We wish to thank former Volunteer Board members:



Pat Turner,
past Chairperson



Bob Silver,
past Vice Chairperson



Bob Brennan,
past Secretary/Treasurer

They were part of the very first Board of FPEGF and will always hold a special place in FPEGF's history. They provided direction, guidance, patience and an abundance of their time during their eleven years on the FPEGF Board of Directors.

Their dedication and passion for the work we do and the clients we serve helped many business dreams come true – for both First Nation entrepreneurs and First Nation communities all across Manitoba. Their wisdom and sense of humour will be missed. We wish them all the best in their future endeavours.





CEO's Message 2019/20



This year will be remembered as the Year of Change at FPEGF. We have seen 4 new Board Members start halfway through the year in September 2019. Even though this represents an 80% turnover in our leadership, this was a relatively smooth transition, however it represented a huge change and some obvious challenges for FPEGF. The process of bringing on new Board Members actually started well before 2019. After the passing of Joe Malcolm, we were left with 4 Board Members. Then, our fearless leader Pat Turner, our Chairperson from the very beginning, suffered some serious health issues that kept her from her duties with FPEGF. And finally, 2 Board Members, Bob Silver and Bob Brennan were due to retire from our Board, after 11 years of volunteer service, leaving Rosa Walker as the only remaining Board Member.

After an exhaustive search, 4 new Board Members were jointly appointed by our two Founding Members: the Assembly of Manitoba Chiefs and the Province of Manitoba.

In October 2019, shortly after the new Board took over, we were informed by the Province that their responsibility for FPEGF was being transferred from the Department of Indigenous & Northern Relations under Minister Eileen Clarke to the Department of Economic Development & Training under Minister Ralph Eichler.

On behalf of the old Board, the new Board and the Staff at FPEGF, we want to thank Minister Eileen Clarke and her staff for their strong and constant support. Also we welcome Minister Ralph Eichler and his staff to our extended family at FPEGF. We know we will receive the same level of support for

years to come. While the transition was relatively smooth, there is a steep learning curve for us and our new partners at the Province.

We also had some staff turnover, illness and a retirement, as we said goodbye just before the new fiscal year began to our long time Accountant/Office Manager, Joyce Lillie.

Despite all the changes, we still managed to approve \$5.5 million in new loans and leveraged an additional \$10.4 million for a total impact on the Manitoba Economy of almost \$15.9 million, which helped our clients create 58 new jobs. This brings the Grand Total of loans approved since we began in September 2008 to \$47 million which leveraged another \$108 million for a total impact of \$155 million, creating over 1,100 new jobs.

We survived the year of change and performed slightly above average for the last 7 years. For that I need to thank the FPEGF Staff who worked hard during this year of change to support the First Nation Business Community of Manitoba which we are honoured to serve. A very special thank you goes to Rosa Walker who helped make this years' transitions as smooth as possible.

Thanks also to the new Volunteer Board Members who came in under less-than-ideal circumstances with all these changes and performed at a very high level to ensure a sense of continuity for the Staff and for our many Clients.

Finally, many thanks go to our Founding Members, the Assembly of Manitoba Chiefs and the Province of Manitoba, who continued their strong support of FPEGF.

IAN CRAMER
CEO



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

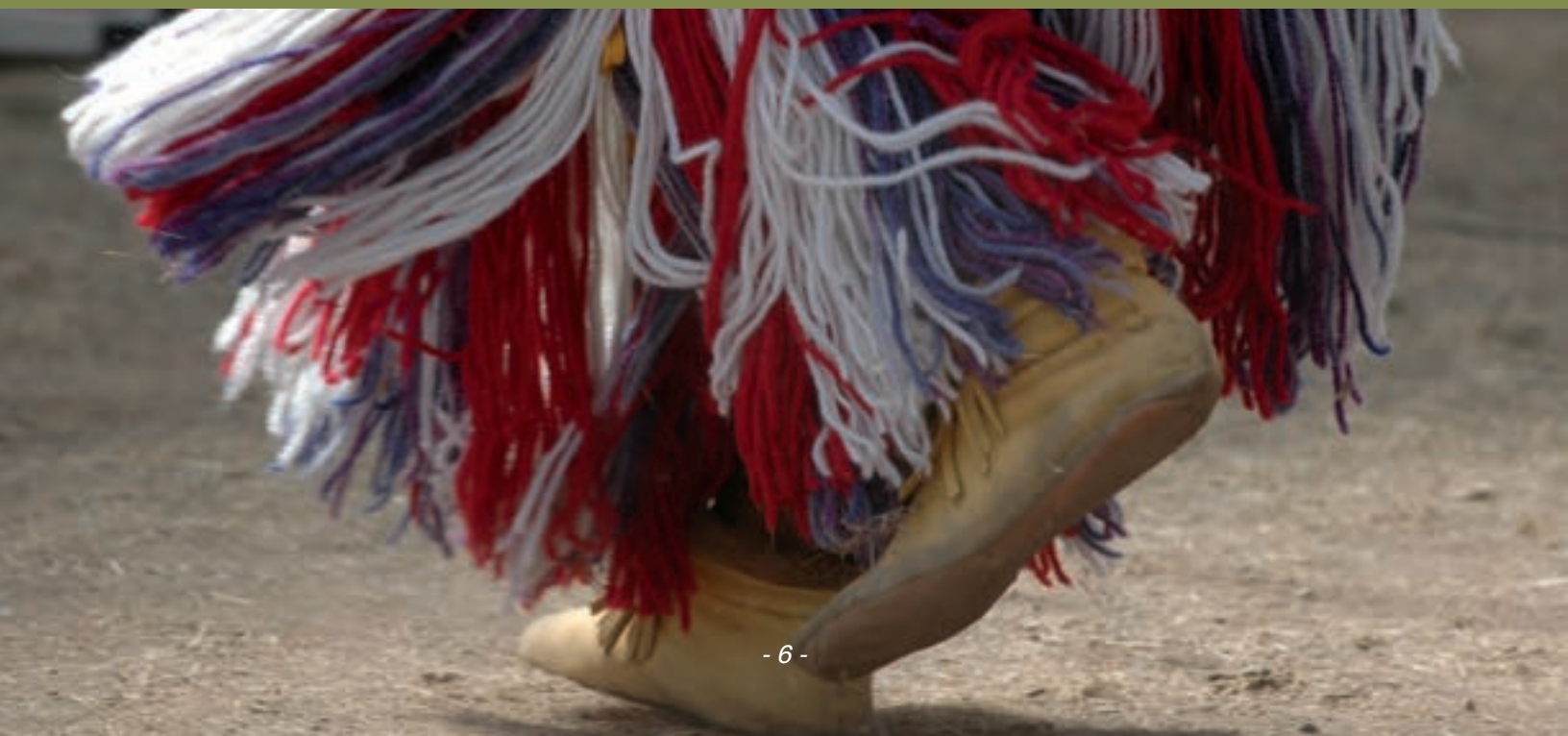
This program is intended to assist Manitoba First Nation community-owned businesses for startup, expansions or acquisitions. The intent is that these viable businesses will provide for the creation of wealth and jobs for First Nations.

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 business 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.





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 Services Canada.



FPEGF Approved Loans

Loans Approved for Period April 1, 2019 to March 31, 2020

#	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)		
4	Community Economic Expansion only	849,301	278,460	1,263,185	2,390,946	23
16	Entrepreneur Loan only	835,800	588,887	484,199	1,908,886	13
3	Joint Venture only	500,700	0	632,450	1,133,150	2
4	Joint Venture combined with Community Economic Expansion•	3,014,926	490,000	6,399,115	9,904,041	18
1	Joint Venture combined with Entrepreneur Loan**	263,078	99,999	165,710	528,787	2
28	Loans Approved	5,463,805	1,457,346	8,944,659	15,865,810	58

• Joint Venture Loans: \$1,814,926; Community Economic Expansion Loans: \$1,200,000

** Joint Venture Loans: \$218,203; Entrepreneur Loans: \$44,875

Grand Total of Loans Approved from September 23, 2008 to March 31, 2020

#	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)		
34	Community Economic Expansion	7,548,078	1,726,798	28,477,453	37,752,329	305
179	Entrepreneur Loan only	10,834,975	4,751,466	9,432,973	25,019,414	368
11	Joint Venture only	3,681,520	362,000	18,881,869	22,925,389	113
29	Joint Venture combined with Community Economic Expansion•	20,562,414	3,915,183	33,831,180	58,308,777	244
16	Joint Venture combined with Entrepreneur Loan**	4,908,677	1,196,445	5,156,315	11,261,437	89
4	Resource & Energy Investment	4,438,056	234,894	12,478,365	17,151,315	65
273	Loans/Equity Investments Approved	51,973,720	12,186,786	108,258,155	172,418,661	1,184

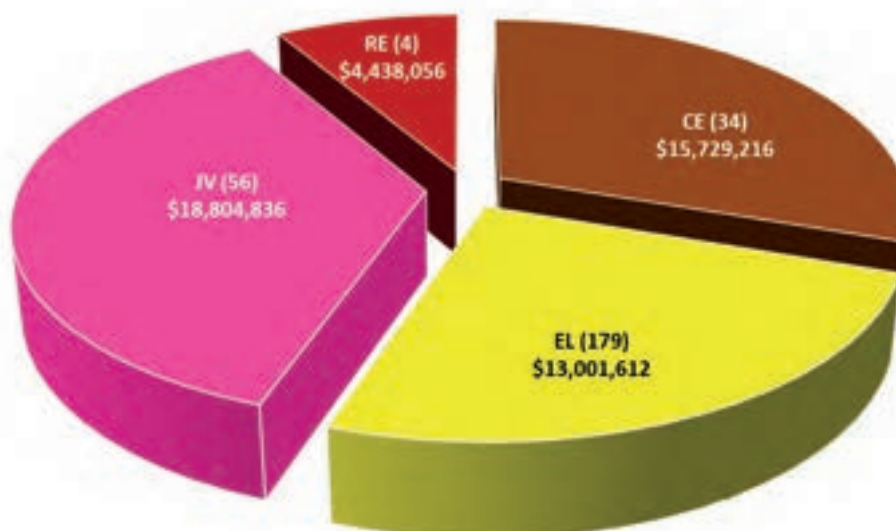
• Joint Venture Loans: \$12,381,276; Community Economic Expansion Loans: \$8,181,138

** Joint Venture Loans: \$2,742,040; Entrepreneur Loans: \$2,166,637

** Some Loan dollars have not been disbursed as at March 31, 2020. Commitments will be disbursed once all Terms and Conditions are met.

* BCF - Business Contribution Fund delivered by FPEGF.

273 Loans Approved = \$51,973,720



FPEGF Approved Support Applications



Support Applications Approved for Period April 1, 2019 to March 31, 2020

#	Program	FPEGF Amount Approved** (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)
			BCF* Dollars Approved (B)	All Other Dollars (C)	
2	Aftercare	29,925	0	9,975	39,900
19	Business Plan Assistance	8,760	94,116	51,921	154,797
21	Support Applications Approved	38,685	94,116	61,896	194,697

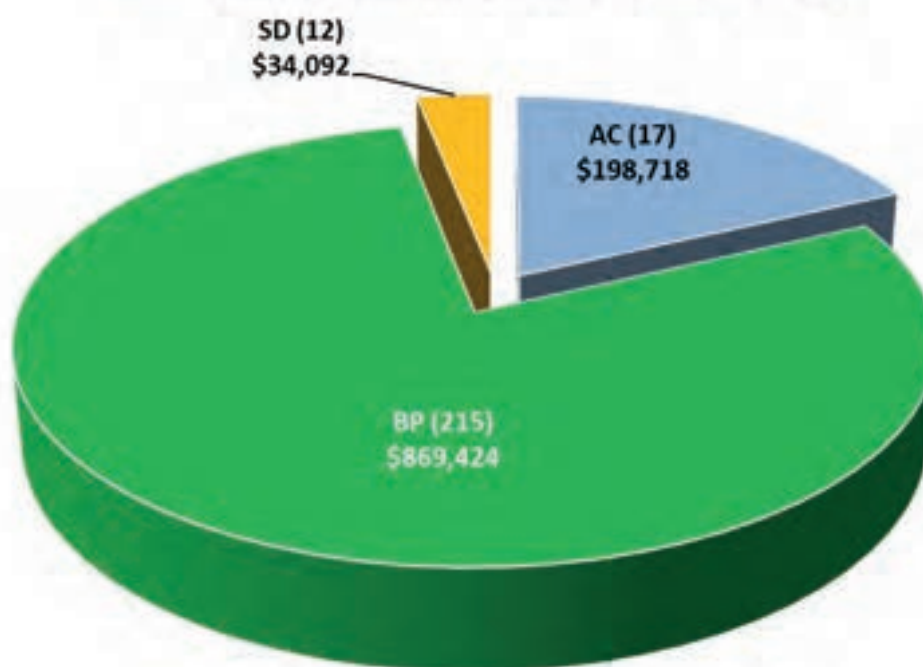
Grand Total of Support Applications Approved from September 23, 2008 to March 31, 2020

#	Program	FPEGF Amount Approved** (A)	Dollars Leveraged		Impact on Manitoba Economy (A+B+C)
			BCF* Dollars Approved (B)	All Other Dollars (C)	
17	Aftercare	198,718	0	84,888	283,606
215	Business Plan Assistance	869,424	685,600	617,499	2,172,523
12	Skills Development	34,092	0	11,371	45,463
244	Support Applications Approved	1,102,234	685,600	713,758	2,501,592

** Some Support dollars have not been disbursed as at March 31, 2020. Commitments will be disbursed once all Terms and Conditions are met.

* BCF - Business Contribution Fund delivered by FPEGF.

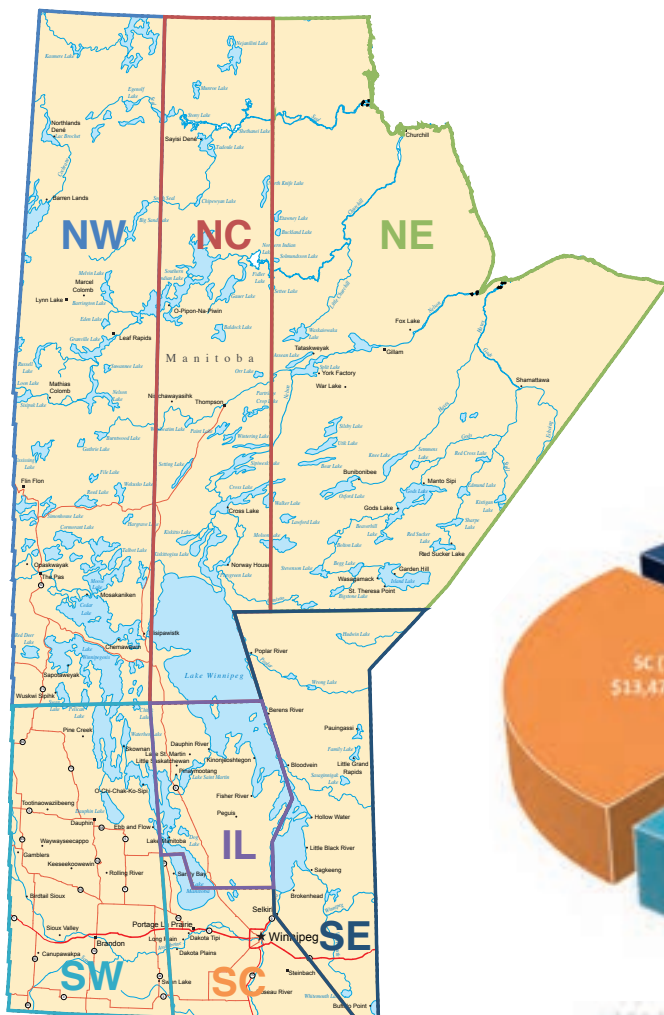
244 Support Applications Approved = \$1,102,234



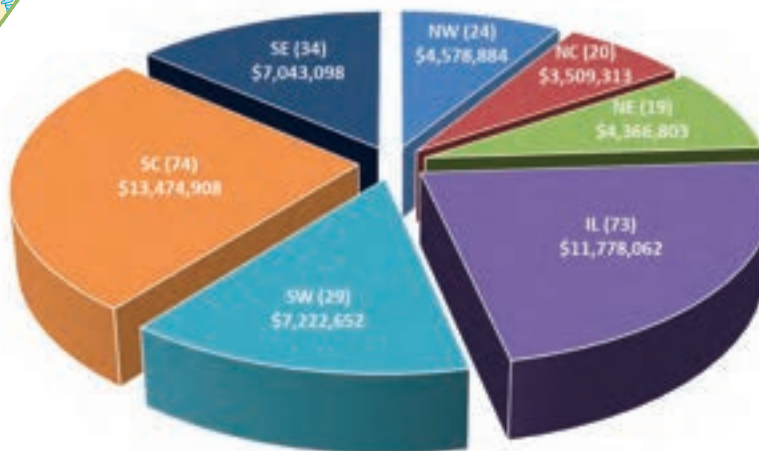


FPEGF Total Loan & Support Approvals by Geographic Region

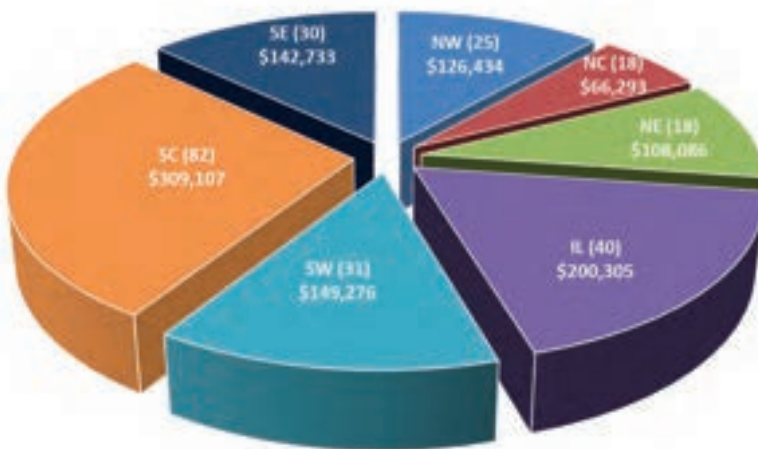
September 23, 2008 to March 31, 2020



273 Loans Approved = \$51,973,720



244 Support Applications Approved = \$1,102,234



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

FPEGF's Business Contribution Fund



BCF Applications Approved for Period April 1, 2019 to March 31, 2020

#	Type	BCF Dollars Approved* (A)				Dollars Leveraged** (B)	Total (A+B)
		Business Planning	Capital & Operating	Marketing	Business Support		
18	Business Planning	94,116					94,116
24	Capital & Operating Marketing & Business Support		1,858,059	57,623	7,875	663,376	2,586,933
42	BCF Support Applications Approved	94,116	1,858,059	57,623	7,875	663,376	2,681,049

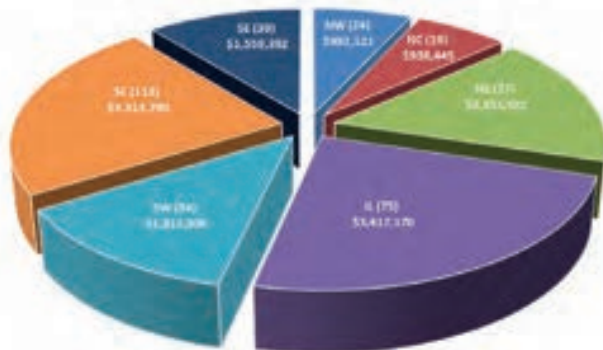
Grand Total of BCF Support Applications Approved from February 11, 2013 to March 31, 2020

#	Type	BCF Dollars Approved* (A)				Dollars Leveraged** (B)	Total (A+B)
		Business Planning	Capital & Operating	Marketing	Business Support		
148	Business Planning	754,512				29,382	783,894
183	Capital & Operating, Marketing and Business Support		13,078,391	457,325	94,520	4,560,781	18,191,017
331	BCF Support Applications Approved	754,512	13,078,391	457,325	94,520	4,590,163	18,974,911

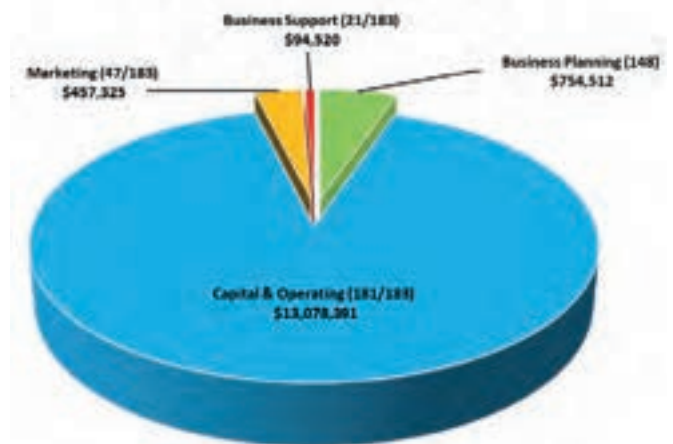
* Some BCF Support dollars have not been disbursed or were partially disbursed as at March 31, 2020. Commitments will be fully disbursed once all Terms and Conditions are met.

** Some Dollars Leveraged amounts are already reported in Approved Loan and Support Applications statistics (see pages 8 & 9).

331 BCF Approvals by Geographic Region = \$14,384,748



331 BCF Approvals by Type = \$14,384,748





Staff



Ian Cramer
CEO



Yvonne Dubois
Executive Assistant/
Loans Administrator



Robyn Wozney
Finance Manager



Blair Strong
Administrative Assistant/
Claims Clerk



Jessica Pierre
Administrative Assistant



Fabian Sanderson
Loans Account Manager



Tiffany Monkman
Loans Account Manager



Daryl Bone
Loans Account Manager





FIRST PEOPLES
economic growth fund

Client Testimonials



Client Testimonials

Catcheway's Septic Services Cameron Catcheway

After running a successful business for almost 20 years, I heard about First Peoples Economic Growth Fund through a friend. My company, Catcheway's Septic Services has been providing septic cleaning and draining septic tank services to my community of Skownan First Nation.

When I made the decision to apply for a loan through FPEGF, I was excited to receive approval for a second truck, allowing my business to continue to grow. Working with Former FPEGF Senior Loans Manager Tom Thordarson was smooth; he ensured we had all of the appropriate documentation to receive our loan. Receiving a loan from FPEGF has helped my business grow and succeed, and has helped our community by allowing them to hire within, rather than calling an outside service that charges more. My business provides services to the community as all houses have a holding tank, and the occasional service for Manitoba Housing.

Had I not received a loan from FPEGF, my business would have suffered from the high costs of having our single truck break down. I would apply for financing with FPEGF again because it helped our business grow and will be good for future expansion plans. I look forward to working with FPEGF in the future.





Client Testimonials

First Nation Focus Realty Inc. Cheryl Kretzmann



I started my realty business, First Nation Focus Realty Inc. (FNFR), in 2018 with the purpose of providing residential real estate services, commercial real estate services, property management, as well as real estate training and employment.

I had first learned of FPEGF while working in the same building and decided to do some research and I found that people had great experiences with FPEGF. FPEGF has a good reputation – being known for taking care of their clients through the whole process – which also attracted me to their programs. I found FPEGF wanted to take the time to work with us, as opposed to traditional lending. I wanted a place that would be there for me for any questions I had or guidance I needed.

The process of applying can be a long one, but all by design. The staff helps to ensure the application is done properly, as well as explains the next steps and why they are necessary. The process was detailed, thorough and efficient. Everyone at FPEGF knew their jobs so well, that I was always informed what next steps were and why those steps were necessary. If I hadn't received financing from FPEGF, I would have found a way. I'm sure there would have been more upfront failures, there would have been more early learning by mistake, I would have eaten up resources, and I probably would not be as far along as I am now – financially and support wise.

FNFR is always looking to expand with Indigenous professionals by providing guidance and our training and mentorship program. We have partnerships with the education departments of First Nations in order to increase professionals within the communities. FNFR has also sponsored and continues to sponsor community fundraising initiatives such as Vision Quest, Peguis Drive for Youth, ACFS Fundraising Golf Tournament, IRTC Tournament of Champions, TWCC Annual Fundraising Golf Tournament, and Ride for Dad.

Currently FNFR is doing great. Having good and stable resources available ensures we have everything we need to get our jobs done. We have scaled back a bit due to the niche market we service. We want to grow FNFR to be an expert within the Property Management Division and Commercial Property Management. Once we master our skills in those departments, we will definitely get in contact with FPEGF when we're ready to master the residential part.



Grey Owl Skid Steer Services Conrad DeLaronde, Owner/Operator



I always had an aspiration of owning my own business that would keep me outdoors and not tied to a desk of which I did for many years prior. Having seen the continued growth in the construction of homes in and around the Winnipeg area, I realized that there was and is great demand for commercial and residential skid steer services.

My main focus would be providing landscaping services, insofar that one could see a project taking shape and the results would speak for itself in a very short period of time. Client satisfaction would be paramount for customer referrals and repeat customers.

Seeking out lending opportunities for small business start-up of this type for Indigenous peoples was virtually non-existent and discouraging, that I almost gave up on pursuing this business endeavor. In the fall of 2017 I heard about First Peoples Economic Growth Fund through a family member and I met with Robyn Wozney, FPEGF BCF Manager. She provided me with an overview of the FPEGF requirements. This information enabled me to develop a structured and sound 5-year business plan, all the while Ms. Wozney provided continued support and mentoring advice throughout the application process. With my business plan approved for financing my business, Ms. Wozney remains a valued point of contact.

In the late spring/early summer of 2018, I was able to start providing seasonal landscaping services with an emphasis on auguring and setting fence posts, along with commercial snow clearing services. Start-up wasn't easy as I hadn't thought of everything and the challenges that would be realized. Through hard work and maintaining my client satisfaction focus, I have developed a repeat contractor customer base and have received more word-of-mouth job referrals than advertising. I have had potential customers state that they would be willing to wait several weeks for my company to get to their project as these types of referrals on work quality is trusted and valued.

While my business is primarily owner/operator delivery of services, I hope to expand my business to employ Indigenous peoples full-time in the future.

It goes without saying without the financial assistance, counselling and mentoring, Grey Owl Skid Services would be nothing more than dream. To that end, I will forever be grateful to the staff and leadership of FPEGF for investing in me.



Client Testimonials

M&M Food Market Reva McDonald



L to R: Tiffany Monkman, FPEGF Loans Account Manager, with Reva McDonald

My name is Reva McDonald and I am a member of O-Chi-Chak-Ko-Sipi First Nation. Approximately 15 years ago the opportunity to purchase an existing M&M franchise in Selkirk presented itself. After applying for and completing training in Kitchener, Ontario, my husband and I purchased the M&M Meat Shop. Not having any business experience, we struggled and learned along the way the ins and outs of the business.

For those not familiar with the business, we are a Canadian-owned and operated frozen food retail business. The first store opened in 1980 in Kitchener. We are now known as M&M Food Market with 350+ stores Canada-wide. We carry over 400 products ranging from chicken, beef, desserts, breads, ready-made meals, vegetables, fries and party foods, all of which are frozen, of great quality, reasonably priced and easy to prepare.

In the fall of 2016 we were aware that we would have to renovate the store to keep in line with the new look that M&M Food Market was adopting. We began to research financial avenues and that is when we found out about FPEGF. We met with former FPEGF Senior Loans Manager Tom Thordarson who took the time to explain what FPEGF could do for us and what types of financing they offered.

With the zero percent interest loans that FPEGF offers to First Nation member-owned businesses, why would anyone go anywhere else? When we confirmed that this was the avenue we wanted to pursue, Tom was very helpful in providing us with contacts to aid in completing a business plan. Once we had the business plan put together and submitted, it took about 5-6 months for everything to be approved and the money granted. By this time we were working closely with FPEGF Loans Manager Tiffany Monkman who ensured that everything they required was being submitted in a timely manner.

With the monies received from FPEGF, we closed our doors in January 2018 for nine days, and we were able to complete the renovation. The new store look provided us with a newer, brighter, bigger, more up-to-date appearance. Tiffany attended the store's grand reopening and surprised us with a small gift of congratulations. With the renovation done, we have seen an increase in traffic and in sales.

M&M Food Market has been in Selkirk for 20 years, we have a customer base that includes people from communities as far away as Arborg, Stonewall, Beausejour and the beach communities on either side of Lake Winnipeg. We pride ourselves on our exceptional customer service all the while providing good tasting, quality foods at a reasonable price that make our customers say, "I'll be back."

We look forward to working with FPEGF in future endeavours.



Sternat Manaigre Law Corporation Priscilla Sternat and Lisa Manaigre



L to R: Priscilla Sternat and Lisa Manaigre

My name is Priscilla Sternat, a member of Sandy Bay First Nation; my law partner, Lisa Manaigre is a Métis woman. We started our law firm, Sternat Manaigre Law Corporation, in March 2017, and our initial launch was flawless. All systems were put in place in a very short period of time and all of the staff were up and running within the first week of opening. Since then, we have grown by two lawyers, bringing the total to six for the firm. Our law firm employs Métis and Indigenous lawyers and we strive to employ Métis and Indigenous staff where possible.

A service offered through our law firm includes the Law Society of Manitoba's lawyer referral service wherein the general public can seek referrals to Indigenous lawyers to assist them in areas such as: Family Law, Estate Planning and Real Estate. We are receiving new clients specifically seeking Indigenous lawyers to represent them in any personal issues.

We knew of First Peoples Economic Growth Fund (FPEGF) because Priscilla had previously worked with FPEGF CEO Ian Cramer. Priscilla contacted Ian to inquire about the services that FPEGF provides. Ian was helpful in providing a lot of information and advised what was required to start our business.

As a strong leader in the Aboriginal business community, it made sense to apply for funding from FPEGF to establish a firm that includes both Indigenous and Métis Heritages.

Our main contact at FPEGF was FPEGF BCF Manager Robyn Wozney and the application process was smooth – from our initial consultations to the actual execution of the contribution and loan. The service was fast, all calls and emails were handled nicely, and everyone at FPEGF was wonderful to deal with. There was a bit of urgency in getting the financing and Robyn did what she could to expedite the process.

We look forward to applying to FPEGF in the future; they were a pleasure to deal with.



FIRST PEOPLES
economic growth fund

Financial Statements

Year Ended March 31, 2020



Independent Auditor's 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, 2020, 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, 2020, 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 Auditor's Report Thereon

The other information comprises the financial information included in the annual report, but does not include 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)

1-554 St. Mary's Road, Winnipeg, MB R2M 3L5

Telephone: (204) 943-1584 Fax: (204) 957-5195

E-mail: info@exg.ca Website: www.exg.ca



Independent Auditor's Report

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
July 28, 2020



Statement of Financial Position

March 31, 2020



	2020	2019
ASSETS		
CURRENT		
Cash	\$ 13,300,441	\$ 9,632,790
Short-term investments (Note 3)	4,619,760	7,595,328
Accrued interest and other receivables (Note 5)	516,229	119,179
Prepaid expenses	7,212	10,327
	<u>18,443,642</u>	<u>17,357,624</u>
PROPERTY AND EQUIPMENT (Notes 3, 6)	13,646	24,212
LOANS RECEIVABLE (Notes 3, 7, 8)	17,657,630	15,955,772
INVESTMENT IN 6606254 MANITOBA LTD. (Note 3)	100	100
	<u>\$ 36,115,018</u>	<u>\$ 33,337,708</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 45,291	\$ 30,219
LOAN SECURITY	<u>24,065</u>	<u>24,139</u>
	<u>69,356</u>	<u>54,358</u>
NET ASSETS		
Contributed surplus (Note 2)	3,750,000	3,750,000
Net assets	<u>32,295,662</u>	<u>29,533,350</u>
	<u>36,045,662</u>	<u>33,283,350</u>
	<u>\$ 36,115,018</u>	<u>\$ 33,337,708</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, 2020

	2020	2019
REVENUE		
Province of Manitoba	\$ 2,700,000	\$ 2,700,000
Business Contribution Fund - Operating	305,042	305,042
Business Contribution Fund - Equity Fund	1,729,716	1,917,221
Interest on short-term investments	401,760	361,109
Interest accretion	680,132	679,973
Interest on loans receivable	562,524	489,961
Loan fees	52,989	79,220
Miscellaneous	3,843	2,229
	6,436,006	6,534,755
ASSISTANCE COSTS	2,559,942	2,901,762
EXCESS OF REVENUE OVER ASSISTANCE COSTS	3,876,064	3,632,993
ADMINISTRATIVE COSTS		
Advertising and promotion	16,486	27,066
Amortization of property and equipment	10,565	11,994
Bad debts general fund	192,335	480,541
Bank charges	1,094	1,222
Consulting fees	64,802	13,409
Equipment	5,165	6,765
Insurance	7,624	5,270
Office expense	58,426	56,498
Professional development and training	595	1,600
Professional fees	43,759	63,419
Recruiting	702	5,043
Rent	79,134	70,910
Salaries and benefits	617,210	740,261
Travel and conferences	15,855	17,673
	1,113,752	1,501,671
OPERATING SURPLUS	2,762,312	2,131,322
NET ASSETS - BEGINNING OF YEAR	29,533,350	27,402,028
NET ASSETS - END OF YEAR	\$ 32,295,662	\$ 29,533,350

See notes to financial statements

Statement of Cash Flows

Year Ended March 31, 2020



	2020	2019
OPERATING ACTIVITIES		
Operating surplus	\$ 2,762,312	\$ 2,131,322
Items not affecting cash:		
Amortization of property and equipment	10,565	11,994
Bad debts general fund	192,335	480,541
Interest accretion	(680,132)	(679,973)
Interest on loans receivable	(562,524)	(489,961)
Loan discount expenses	798,386	1,101,219
	<u>2,520,942</u>	<u>2,555,142</u>
Changes in non-cash working capital:		
Accrued interest and other receivables	(397,050)	7,355
Accounts payable and accrued liabilities	15,073	(1,498)
Prepaid expenses	3,115	1,536
	<u>(378,862)</u>	<u>7,393</u>
Cash flow from operating activities	<u>2,142,080</u>	<u>2,562,535</u>
INVESTING ACTIVITIES		
Loans granted	(5,666,210)	(6,826,672)
Loan repayments	4,216,287	3,364,803
Net change of short-term investments	2,975,568	4,418,243
Net change in loan security investment	(75)	930
Cash flow from investing activities	<u>1,525,570</u>	<u>957,304</u>
INCREASE IN CASH	<u>3,667,650</u>	<u>3,519,839</u>
CASH - BEGINNING OF YEAR	<u>9,632,790</u>	<u>6,112,951</u>
CASH - END OF YEAR	<u>\$ 13,300,441</u>	<u>\$ 9,632,790</u>

See notes to financial statements



Notes to Financial Statements

Year Ended March 31, 2020

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 Northern 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, 2020



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, 2020, 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 \$1,729,716 in equity funding for the year ended March 31, 2020. Funding for future agreements 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, 2020

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, 2020



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, 2020.

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, 2020

5. ACCRUED INTEREST AND OTHER RECEIVABLES

	2020	2019
Staff members	\$ 15	\$ -
Goods and services tax	5,755	6,081
Loan fees	6,348	5,356
Accrued interest on short-term investments	71,682	107,742
NACCA Business Contribution Fund holdback	432,429	-
	\$ 516,229	\$ 119,179

6. PROPERTY AND EQUIPMENT

	2020		2019	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	\$ 66,528	\$ 62,482	\$ 66,528	\$ 58,434
Website development	12,853	12,853	12,853	12,853
Office furniture	114,979	113,898	114,979	110,905
Leasehold improvements	24,675	16,156	24,675	12,631
	\$ 219,035	\$ 205,389	\$ 219,035	\$ 194,823
Net book value	\$ 13,646		\$ 24,212	

7. LOANS RECEIVABLE

Loans are classified as follows:

	2020	2019
Resource and Energy Investment Program Loans	\$ 191,089	\$ 235,349
Entrepreneur Loans	4,344,331	4,203,843
Joint Venture Loans	9,178,880	7,977,332
Community Economic Expansion Loans	4,883,988	4,352,914
Accrued interest on loans	144,039	85,218
Allowance for doubtful accounts	(1,084,698)	(898,884)
	\$ 17,657,630	\$ 15,955,772

Notes to Financial Statements

Year Ended March 31, 2020



8. RECONCILIATION OF LOANS RECEIVABLE

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

	2020	2019
Loans receivable - beginning of year	\$ 15,955,772	\$ 12,905,729
Gross loans granted	\$ 5,666,210	\$ 6,826,672
Bad debts and loan renegotiation expense ⁽²⁾	(192,335)	(480,541)
Interest rate discount to fair value ⁽³⁾	(798,386)	(1,101,219)
Interest accretion and interest on loans receivable ⁽⁴⁾	1,242,656	1,169,934
Less: Loan repayments received	(4,216,287)	(3,364,803)
	<u>\$ 17,657,630</u>	<u>\$ 15,955,772</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 \$Nil (2019 - \$127,845) for the full amount that can be forgiven.

⁽²⁾ The Corporation has determined that bad debts and loan renegotiation expenses in the amount of \$192,335 (2019 - \$480,541) was required, related to loans outstanding at March 31, 2020. 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, 2020, \$6,943 was recorded as a bad debt recovery in respect to Entrepreneur Loans.
- The remaining \$199,278 in bad debts relates to current year impairments of loan balances.

⁽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 \$2,754,580 (2019 - \$3,772,572) were discounted by \$798,386 (2019 - \$1,101,219).

⁽⁴⁾ Interest income accretes on the loans receivable at a rate equal to the discount rate used at inception. Interest in the amount of \$680,132 (2019 - \$679,973) was recorded as interest accretion and \$562,524 (2019 - \$489,960) was recorded as interest on loans receivable.



Notes to Financial Statements

Year Ended March 31, 2020

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.

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 \$24,574 (2019 - \$31,860).

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	\$	3,453,279
Business plan assistance		6,379
Business contribution fund		1,171,039
Skills development		-
Aftercare		29,925
	\$	<u>4,660,622</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, 2021	\$	21,874
2022		9,710
2023		9,710
2024		9,710

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.

(continues)

Notes to Financial Statements

Year Ended March 31, 2020



11. RESTRICTIONS AND COMMITMENTS *(continued)*

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. SUBSEQUENT EVENTS

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, is proud to announce the corporation will be 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 \$40,000 comprised of a 75% interest-free loan and a 25% 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.

See notes to financial statements



General Business Assistance Program

(Schedule 1)

Year Ended March 31, 2020

	2020	2019
REVENUE		
Province of Manitoba	\$ 2,700,000	\$ 2,700,000
Interest accretion	673,025	671,186
Interest on loans receivable	550,762	483,368
Interest on short-term investments	401,760	361,109
Loan fees	52,989	79,220
Miscellaneous	3,843	2,229
	<u>4,382,379</u>	<u>4,297,112</u>
ASSISTANCE COSTS	<u>826,739</u>	<u>1,304,496</u>
EXCESS OF REVENUE OVER ASSISTANCE COSTS	<u>3,555,640</u>	<u>2,992,616</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	9,922	17,331
Amortization of property and equipment	6,261	6,339
Bad debts	192,335	480,541
Bank charges	1,094	1,222
Consulting fees	23,589	6,291
Equipment	3,099	4,160
Insurance	4,574	3,162
Office	34,764	34,930
Professional development and training	446	757
Professional fees	29,768	44,103
Recruiting	407	2,551
Rent	47,480	46,668
Salaries and benefits	378,641	483,900
Travel and conferences	9,677	11,567
	<u>742,057</u>	<u>1,143,522</u>
OPERATING SURPLUS	<u>\$ 2,813,583</u>	<u>\$ 1,849,094</u>

See notes to financial statements

Resource and Energy Investment Program

(Schedule 2)

Year Ended March 31, 2020



	2020	2019
REVENUE		
Interest on loans receivable	\$ 11,762	\$ 6,593
Interest accretion	<u>7,107</u>	<u>8,787</u>
	<u>18,869</u>	<u>15,380</u>
ADMINISTRATIVE COSTS		
Office	-	3
Professional fees	<u>3,370</u>	<u>5,838</u>
	<u>3,370</u>	<u>5,841</u>
OPERATING SURPLUS	<u>\$ 15,499</u>	<u>\$ 9,539</u>

See notes to financial statements



Business Contribution Fund

(Schedule 3)

Year Ended March 31, 2020

	2020	2019
REVENUE		
Business Contribution Fund - Equity Fund	\$ 1,729,716	\$ 1,917,221
Business Contribution Fund - Operating	<u>305,042</u>	<u>305,042</u>
	2,034,758	2,222,263
ASSISTANCE COSTS	<u>1,733,203</u>	<u>1,597,266</u>
EXCESS OF REVENUE OVER ASSISTANCE COSTS	<u>301,555</u>	<u>624,997</u>
ADMINISTRATIVE COSTS		
Advertising and promotion	6,564	9,735
Amortization	4,304	5,655
Consulting fees	41,213	7,118
Equipment	2,066	2,605
Insurance	3,050	2,108
Office	23,662	21,565
Professional development and training	149	843
Professional fees	10,621	13,478
Recruiting	295	2,492
Rent	31,654	24,242
Salaries and benefits	238,569	256,361
Travel and conferences	<u>6,178</u>	<u>6,106</u>
	368,325	352,308
OPERATING SURPLUS	<u>\$ (66,770)</u>	<u>\$ 272,689</u>

See notes to financial statements



discover how we can help your business



FIRST PEOPLES

economic growth fund

First Peoples Economic Growth Fund

102 - 1075 Portage Ave.

Winnipeg, MB R3G 0R8

Phone: (204) 942-6026

Toll Free: 1-888-942-6026

Fax: (204) 942-6441

Email: info@firstpeoplesfund.ca

www.firstpeoplesfund.ca