
MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2015



INDEPENDENT AUDITOR'S REPORT

To the Directors of
MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

Report on the Financial Statements

We have audited the accompanying financial statements of Métis Provincial Council of British Columbia, which comprise the statements of financial position as at March 31, 2015 and the statement of operations, statement of changes in net assets (deficit) and statement of cash flows for the year then ended, and the related notes comprising 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.

Auditor's 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 our 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, we consider 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 in our audit 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 Métis Provincial Council of British Columbia as at March 31, 2015 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.



INDEPENDENT AUDITOR'S REPORT

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 11 in the financial statements which indicates that as at March 31, 2015 the Council's current liabilities exceeded its current assets by \$556,580 (2014 - \$646,947) and the Council had an accumulated deficit of \$2,881,322 (2014 - \$2,970,848). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Council's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that, in our opinion, the Council's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

Manning Elliott LLP

Chartered Accountants
Abbotsford, British Columbia
June 2, 2015

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

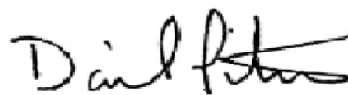
STATEMENTS OF FINANCIAL POSITION

			2015	2014
	Employment and Training <u>ASETS</u>	Other Programs	<u>Total</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ -	\$ 227,291	\$ 227,291	\$ 575,996
Accounts receivable	16,487	437,946	454,433	727,917
Prepaid expenses	12,736	13,784	26,520	14,485
Due from other programs	<u>-</u>	<u>529,726</u>	<u>529,726</u>	<u>277,154</u>
	29,223	1,208,747	1,237,970	1,595,552
LONG TERM INVESTMENTS (Note 3)	-	2	2	-
CAPITAL ASSETS (Note 4)	<u>6,195</u>	<u>39,466</u>	<u>45,661</u>	<u>69,909</u>
	<u>\$ 35,418</u>	<u>\$ 1,248,215</u>	<u>\$ 1,283,633</u>	<u>\$ 1,665,461</u>
LIABILITIES				
CURRENT LIABILITIES				
Bank indebtedness (Note 5)	\$ 140,986	\$ 29,813	\$ 170,799	\$ 37,208
Accounts payable	180,574	485,054	665,628	1,390,016
Due to other programs	63,616	466,110	529,726	277,154
Deferred revenue (Note 6)	-	248,397	248,397	358,121
Current portion of long-term debt (Note 7)	<u>-</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
	385,176	1,409,374	1,794,550	2,242,499
LONG-TERM DEBT (Note 7)	<u>-</u>	<u>2,370,405</u>	<u>2,370,405</u>	<u>2,393,810</u>
	<u>385,176</u>	<u>3,779,779</u>	<u>4,164,955</u>	<u>4,636,309</u>
COMMITMENTS (Note 8)				
CONTINGENT LIABILITY (Note 9)				
ECONOMIC DEPENDENCE AND CONTINUING OPERATIONS (Note 11)				
NET ASSETS (DEFICIT)				
INVESTED IN CAPITAL ASSETS	6,195	39,466	45,661	69,909
UNRESTRICTED	<u>(355,953)</u>	<u>(2,571,030)</u>	<u>(2,926,983)</u>	<u>(3,040,757)</u>
	<u>(349,758)</u>	<u>(2,531,564)</u>	<u>(2,881,322)</u>	<u>(2,970,848)</u>
	<u>\$ 35,418</u>	<u>\$ 1,248,215</u>	<u>\$ 1,283,633</u>	<u>\$ 1,665,461</u>

Approved by the Directors:



Bruce Dumont, President



Daniel Pitman, Treasurer

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF FINANCIAL POSITION - OTHER PROGRAMS

AS AT MARCH 31

2015 2014

	Youth	TSN	CORE	Health	Projects	Gaming	AGM	Admin	Total	Total
ASSETS										
CURRENT ASSETS										
Cash	\$ -	\$ -	\$ -	\$ -	\$ 227,291	\$ -	\$ -	\$ -	\$ 227,291	\$ 284,906
Accounts receivable	9,553	16,376	27,315	137,691	219,922	-	380	26,709	437,946	353,710
Prepaid expenses	-	-	-	-	1,286	-	-	12,498	13,784	11,553
Due from other programs	3,601	-	-	-	493,605	216	32,304	-	529,726	277,154
	13,154	16,376	27,315	137,691	942,104	216	32,684	39,207	1,208,747	927,323
LONG TERM INVESTMENTS	-	-	-	-	-	-	-	2	2	-
CAPITAL ASSETS	-	1,066	-	944	8,658	-	-	28,798	39,466	58,490
	<u>\$ 13,154</u>	<u>\$ 17,442</u>	<u>\$ 27,315</u>	<u>\$ 138,635</u>	<u>\$ 950,762</u>	<u>\$ 216</u>	<u>\$ 32,684</u>	<u>\$ 68,007</u>	<u>\$ 1,248,215</u>	<u>\$ 985,813</u>
LIABILITIES										
CURRENT LIABILITIES										
Bank indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216	\$ -	\$ 29,597	\$ 29,813	\$ 37,208
Accounts payable	-	11,463	7,723	3,612	304,204	-	-	158,052	485,054	537,709
Due to other programs	-	183,348	120,841	150,339	-	-	-	11,582	466,110	239,419
Deferred revenue	52,252	-	-	9,772	186,373	-	-	-	248,397	358,121
Current portion of long term-debt	-	-	-	-	-	-	-	180,000	180,000	180,000
	52,252	194,811	128,564	163,723	490,577	216	-	379,231	1,409,374	1,352,457
LONG-TERM DEBT	-	-	-	-	-	-	-	2,370,405	2,370,405	2,393,810
	<u>52,252</u>	<u>194,811</u>	<u>128,564</u>	<u>163,723</u>	<u>490,577</u>	<u>216</u>	<u>-</u>	<u>2,749,636</u>	<u>3,779,779</u>	<u>3,746,267</u>
NET ASSETS (DEFICIT)										
INVESTED IN CAPITAL ASSETS										
	-	1,066	-	944	8,658	-	-	28,798	39,466	58,490
UNRESTRICTED	<u>(39,098)</u>	<u>(178,435)</u>	<u>(101,249)</u>	<u>(26,032)</u>	<u>451,527</u>	<u>-</u>	<u>32,684</u>	<u>(2,710,427)</u>	<u>(2,571,030)</u>	<u>(2,818,944)</u>
	<u>(39,098)</u>	<u>(177,369)</u>	<u>(101,249)</u>	<u>(25,088)</u>	<u>460,185</u>	<u>-</u>	<u>32,684</u>	<u>(2,681,629)</u>	<u>(2,531,564)</u>	<u>(2,760,454)</u>
	<u>\$ 13,154</u>	<u>\$ 17,442</u>	<u>\$ 27,315</u>	<u>\$ 138,635</u>	<u>\$ 950,762</u>	<u>\$ 216</u>	<u>\$ 32,684</u>	<u>\$ 68,007</u>	<u>\$ 1,248,215</u>	<u>\$ 985,813</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)

FOR THE YEAR ENDED MARCH 31		2015	2014	
<u>EMPLOYMENT AND TRAINING - ASETS</u>	Invested in Capital Assets	Unrestricted	Total	Total
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	\$ 11,419	\$ (221,813)	\$ (210,394)	\$ 139,251
NET ASSET TRANSFER TO OTHER PROGRAMS	-	-	-	(120,200)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	(139,364)	(139,364)	(229,445)
AMORTIZATION OF CAPITAL ASSETS	<u>(5,224)</u>	<u>5,224</u>	<u>-</u>	<u>-</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,195</u>	<u>\$ (355,953)</u>	<u>\$ (349,758)</u>	<u>\$ (210,394)</u>
<u>OTHER PROGRAMS AND GRANTS</u>	Invested in Capital Assets	Unrestricted	Total	Total
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	\$ 58,490	\$ (2,818,944)	\$ (2,760,454)	\$ (2,439,232)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	-	228,890	228,890	(441,422)
NET ASSET TRANSFER FROM ASETS	-	-	-	120,200
AMORTIZATION OF CAPITAL ASSETS	<u>(19,024)</u>	<u>19,024</u>	<u>-</u>	<u>-</u>
NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$ 39,466</u>	<u>\$ (2,571,030)</u>	<u>\$ (2,531,564)</u>	<u>\$ (2,760,454)</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ 45,661</u>	<u>\$ (2,926,983)</u>	<u>\$ (2,881,322)</u>	<u>\$ (2,970,848)</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

2015

2014

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>
EMPLOYMENT AND TRAINING						
ASETS (Schedule 2 and 3)	\$ 5,101,148	\$ 5,240,512	\$ (139,364)	\$ 4,395,050	\$ 4,624,495	\$ (229,445)
DEFICIENCY OF REVENUE OVER EXPENSES FROM EMPLOYMENT AND TRAINING	<u>5,101,148</u>	<u>5,240,512</u>	<u>(139,364)</u>	<u>4,395,050</u>	<u>4,624,495</u>	<u>(229,445)</u>
OTHER PROGRAMS						
Membership Systems, Governance & Accountability (Schedule 4)	500,000	500,000	-	980,638	980,638	-
BOC Funding (Schedule 5)	342,000	342,000	-	376,603	376,603	-
Métis Socio-Economic & Land Use Research in BC (Schedule 6)	112,792	112,792	-	-	-	-
MARR Capacity (Schedule 7)	385,000	385,000	-	132,781	132,781	-
MARR Youth Engagement (Schedule 8)	40,000	40,000	-	36,000	36,000	-
ORAAP (MARR) (Schedule 9)	73,486	73,486	-	98,878	98,878	-
Health Surveillance (Schedule 10)	176,452	176,452	-	142,699	142,699	-
Ministry of Health (Schedule 11)	127,723	127,723	-	176,736	176,736	-
Ministry of Children and Family Development (Schedule 12)	100,000	100,000	-	100,000	100,000	-
Vancouver Coastal Health (Health Through Culture) (Schedule 13)	14,999	14,999	-	17,026	17,026	-
First Nation Health Authority - CPAC Project (Schedule 14)	13,275	13,275	-	-	-	-
Community Action Initiative (Schedule 15)	7,505	7,505	-	-	-	-
Indigenous Youth Wellness Program (PHSA) (Schedule 16)	18,344	18,344	-	-	-	-
Bursary Program (PHSA) (Schedule 17)	50,000	50,000	-	-	-	-
New Horizon for Seniors Program (Schedule 18)	9,527	9,527	-	14,701	14,701	-
Urban Partnerships Initiatives (AANDC) (Schedule 19)	<u>172,494</u>	<u>172,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>2,143,597</u>	<u>2,143,597</u>	<u>-</u>	<u>2,076,062</u>	<u>2,076,062</u>	<u>-</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

	FOR THE YEAR ENDED MARCH 31			2015			2014		
	Revenue	Expenses	Excess (Deficiency)	Revenue	Expenses	Excess (Deficiency)	Revenue	Expenses	Excess (Deficiency)
Balance forward	2,143,597	2,143,597	-	2,076,062	2,076,062	-			
Urban Aboriginal Strategy (BCAAFC) (Schedule 20)	114,827	114,827	-	-	-	-			
EMR Training Project (Schedule 21)	103,202	103,202	-	-	-	-			
Vancouver Community College (Schedule 22)	35,300	35,300	-	-	-	-			
Summer Student Program (Schedule 23)	6,027	6,027	-	4,935	4,935	-			
Gaming (Schedule 24)	7,202	7,202	-	17,813	17,813	-			
Culture Program (Schedule 25)	12,964	12,964	-	-	-	-			
Annual General Meeting (Schedule 26)	19,770	19,770	-	18,122	18,122	-			
Species at Risk (SAR) - Environment Canada (Schedule 27)	19,186	19,186	-	-	-	-			
Canadian Wildlife Services (Schedule 28)	43,037	43,037	-	33,500	33,500	-			
AJAX Copper Mine Project - CEAA (Schedule 29)	2,615	2,615	-	-	-	-			
Brucejack Gold Mine - CEAA (Schedule 30)	5,749	5,749	-	-	-	-			
Harper Creek Mine - CEAA (Schedule 31)	10,125	10,125	-	-	-	-			
KSM (Schedule 32)	1,481	1,481	-	5,319	5,319	-			
Murray River Coal Mine - CEAA (Schedule 33)	6,142	6,142	-	-	-	-			
Site C - CEAA (Schedule 34)	33,620	11,000	22,620	13,505	13,505	-			
Roberts Bank (Schedule 35)	26,897	8,672	18,225	-	-	-			
Northern Gateway Pipeline Project - CEAA (Schedule 36)	7,642	7,642	-	5,832	5,832	-			
Enbridge (Northern Gateway Pipeline) (Schedule 37)	166,904	56,086	110,818	75,179	75,179	-			
Costal Gaslink Pipeline (Schedule 38)	24,117	814	23,303	19,625	19,625	-			
Kinder Morgan Canada - Trans Mountain Pipeline (Schedule 39)	142,904	16,428	126,476	7,096	7,096	-			
LNG Projects (Schedule 40)	<u>3,871</u>	<u>3,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Subtotal	<u>2,937,179</u>	<u>2,635,737</u>	<u>301,442</u>	<u>2,276,988</u>	<u>2,276,988</u>	<u>-</u>			

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

	2015			2014		
	Revenue	Expenses	Excess (Deficiency)	Revenue	Expenses	Excess (Deficiency)
Balance forward	2,937,179	2,635,737	301,442	2,276,988	2,276,988	-
Prince Rupert Gas Transmission LP (Schedule 41)	29,485	719	28,766	15,365	15,365	-
Spectra Energy (Schedule 42)	528	528	-	-	-	-
TransCanada Pipeline - Merrick Project (Schedule 43)	110,789	110,789	-	-	-	-
TransCanada Pipeline (MOU) (Schedule 44)	47,541	286	47,255	14,215	14,215	-
Administration (Schedule 45)	455,440	515,908	(60,468)	835,818	953,679	(117,861)
CCAY	38,490	-	38,490	537,360	537,360	-
Canadian Partnership Against Cancer	1,501	1,501	-	20,223	20,223	-
Kitsault Mine Projects	-	-	-	2,531	2,531	-
Prosperity Mine Project	-	-	-	2,267	2,267	-
Energy Development Forum	-	-	-	20,544	20,544	-
Niche Environmental	-	-	-	10,410	10,410	-
Interior Health	-	-	-	26,696	26,696	-
Bladerunners - ACCESS	-	-	-	217,815	217,815	-
Métis Women Strong and Beautiful	-	-	-	-	4,590	(4,590)
Métis ORAAP Engagement	-	-	-	8,327	8,327	-
Tripartite Self-Government Negotiation - OFI	-	-	-	236,415	236,415	-
Tripartite Self-Government Negotiation - OFI	-	-	-	245,879	245,879	-
Internally allocated administration (Note 9)	<u>(429,453)</u>	<u>(429,453)</u>	<u>-</u>	<u>(318,588)</u>	<u>(318,588)</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS BEFORE OTHER ITEMS	<u>3,191,500</u>	<u>2,836,015</u>	<u>355,485</u>	<u>4,152,265</u>	<u>4,274,716</u>	<u>(122,451)</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31	2015			2014		
	Revenue	Expenses	Excess (Deficiency)	Revenue	Expenses	Excess (Deficiency)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OTHER PROGRAMS BEFORE OTHER ITEMS	3,191,500	2,836,015	355,485	4,152,265	4,274,716	(122,451)
OTHER ITEMS						
Interest expense from loan refinancing	-	126,595	(126,595)	-	-	-
Loss on sale of property	-	-	-	-	998,920	(998,920)
Loss on advances to Métis Skills and Education Centre Trust	-	-	-	-	746,241	(746,241)
Gain on loan refinancing	-	-	-	1,426,190	-	1,426,190
DEFICIENCY OF REVENUE OVER EXPENSES FROM OTHER ITEMS	-	126,595	(126,595)	1,426,190	1,745,161	(318,971)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OTHER PROGRAMS AND OTHER ITEMS	<u>3,191,500</u>	<u>2,962,610</u>	<u>228,890</u>	<u>5,578,455</u>	<u>6,019,877</u>	<u>(441,422)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 8,292,648</u>	<u>\$ 8,203,122</u>	<u>\$ 89,526</u>	<u>\$ 9,973,505</u>	<u>\$ 10,644,372</u>	<u>\$ (670,867)</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED MARCH 31	2015	2014
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 89,526	\$ (670,867)
Items not involving cash:		
Amortization	24,248	74,116
Interest expense from loan financing	126,595	-
Bad debts	-	401,790
Gain on disposal of capital assets	-	(2,307)
Loss on sale of property	-	998,920
Loss on advances to Métis Skills and Education Centre Trust	-	746,241
Gain on loan restructuring	-	(1,426,190)
	<u>240,369</u>	<u>121,703</u>
Changes in non-cash working capital balances:		
Accounts receivable	273,484	511,597
Prepaid expenses	(12,035)	79,057
Accounts payable	(724,388)	34,119
Deferred revenue	(109,724)	289,928
	<u>(332,294)</u>	<u>1,036,404</u>
FINANCING ACTIVITIES		
Repayment of loan payable	(150,000)	(2,570,705)
Proceeds from restructured loan	-	4,000,000
	<u>(150,000)</u>	<u>1,429,295</u>
INVESTING ACTIVITIES		
Long-term investments	(2)	-
Proceeds on disposal of capital assets	-	2,184,261
	<u>(2)</u>	<u>2,184,261</u>
CHANGE IN CASH AND EQUIVALENTS (DEFICIENCY) DURING THE YEAR	(482,296)	4,649,960
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>538,788</u>	<u>(4,111,172)</u>
CASH AND CASH EQUIVALENTS (DEFICIENCY) AT END OF YEAR	<u>\$ 56,492</u>	<u>\$ 538,788</u>
CASH AND CASH EQUIVALENTS (DEFICIENCY) REPRESENTED BY:		
Cash	\$ 227,291	\$ 575,996
Bank indebtedness	(170,799)	(37,208)
	<u>\$ 56,492</u>	<u>\$ 538,788</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

PURPOSE OF THE COUNCIL

The Métis Provincial Council of British Columbia ("the Council") was incorporated on October 23, 1996 under the British Columbia Society Act. The Council was established to represent and serve the needs of the Métis people and to deliver employment and training services to the Métis people of British Columbia. The Council is exempt from corporate income taxes pursuant to paragraph 149(1)1 of the Income Tax Act.

As of July 1, 2010 the Council operated under the Aboriginal Skills and Employment Training Strategy (ASETS). Prior to this, the Council operated under the Aboriginal Human Resource Development Agreement (AHRDA).

These financial statements present the schedules of operations for each program in addition to the combined statement of operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), in accordance with Canadian generally accepted accounting principles (GAAP), and have in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Revenue recognition

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are amortized to revenue at the same rate as the related assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

b) Cash and cash equivalents

Cash is defined as cash on hand, cash on deposit, short-term deposits with maturity dates of less than 90 days at the date of purchase, bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

c) Amortization

Capital assets are stated at cost less accumulated amortization which is recorded over the useful lives of the assets on the declining balance method at the following annual rates:

Furniture and equipment	30%
Computer hardware	30%
Computer software	50%
Automobile	30%

The Council monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Council, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs recognized under this policy are not reversed.

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments

i) Measurement

The Council's financial instruments consist of cash, accounts receivable, bank indebtedness, accounts payable and long-term debt.

The Council initially measures its financial instruments at fair value. The Council subsequently measures all of its financial instruments at amortized cost. Changes to financial instruments measured at fair value are recognized in the Council's statement of operations in the period incurred.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations in the period in which it is determined.

e) Investment in controlled profit-oriented enterprises

The Council holds a number of investments which are not consolidated; they are reported using the cost method of accounting for investments and by providing disclosure recommended under Part III of the CPA Canada Handbook - Accounting Standards for Not-for-Profit Organizations.

f) Use of estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the allowance for doubtful accounts receivable, determination of the useful lives of assets for amortization, amounts recorded as accrued liabilities and amounts recorded as deferred revenue.

2. FINANCIAL INSTRUMENTS RISKS

The Council's financial instruments are described in Note 1(d). In management's opinion, the Council is not exposed to significant currency, credit, liquidity, market risks or other price risks, except as disclosed in Note 5 (interest rate risk). In addition, the Council is not exposed to any material concentrations of risk and there has been no change in the risk exposures from the prior year.

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2015

3. LONG-TERM INVESTMENTS

The Council holds a 51% controlling interest in Niche Environmental Ltd. ("Niche"). Any net income generated by Niche is used to support the Council's objectives.

Niche had an October 31 year end, until its dissolution on May 14, 2014. The following information of Niche is as at May 14, 2014 and October 31, 2013 respectively and for the period then ended and represents the Council's 51% portion of the balances and activities. There has been no significant events or transactions in the intervening time period between May 14 and March 31.

	May 14 2014	October 31 2013
Total assets	\$ -	\$ 101,869
Total liabilities	<u>32</u>	<u>64,100</u>
Shareholders' equity (deficiency)	<u>\$ (32)</u>	<u>\$ 37,769</u>
Total revenue	\$ 15,798	\$ 378,264
Total expenses	<u>15,858</u>	<u>340,598</u>
Net income (loss)	<u>\$ (60)</u>	<u>\$ 37,666</u>
Dividends to Council	<u>\$ 37,740</u>	<u>\$ -</u>
Cash inflow (outflow) from:		
Operating activities	\$ 1,975	\$ 35,332
Investing activities	32	-
Financing activities	(37,740)	-

The Council also holds an interest in a general partner corporation and a limited partnership:

	2015	2014
NCSG Ventures Ltd.	\$ 1	\$ -
Métis Nation BC/NCSG Crane & Heavy Haul Limited Partnership	<u>1</u>	<u>-</u>
	<u>\$ 2</u>	<u>\$ -</u>

The Council hold a 50% interest in the share capital of NCSG Venture Ltd., the general partner corporation for Métis Nation BC/NCSG Crane & Heavy Haul Limited Partnership. The remaining 50% interest is held by an unrelated party.

The Council holds 51 units in Métis Nation BC/NCSG Crane & Heavy Haul Limited Partnership, representing 51% interest in the limited partnership. The remaining 49% interest is held by an unrelated party.

No income from the Council's investment in NCSG Venture Ltd. and Métis Nation BC/NCSG Crane & Heavy Haul Limited Partnership has been earned in the year.

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2015

4. CAPITAL ASSETS

EMPLOYMENT AND TRAINING - ASETS	<u>Cost</u>	<u>Accumulated Amortization</u>	2015 Net <u>Book Value</u>	2014 Net <u>Book Value</u>
Furniture and equipment	49,403	46,346	3,057	5,151
Computers and software	<u>67,277</u>	<u>64,139</u>	<u>3,138</u>	<u>6,268</u>
	<u>116,680</u>	<u>110,485</u>	<u>6,195</u>	<u>11,419</u>
 <u>OTHER PROGRAMS</u>				
Furniture and equipment	184,240	161,984	22,256	31,795
Computers and software	399,301	383,232	16,069	25,064
Automobile	<u>19,800</u>	<u>18,659</u>	<u>1,141</u>	<u>1,631</u>
	<u>603,341</u>	<u>563,875</u>	<u>39,466</u>	<u>58,490</u>
	<u>\$ 720,021</u>	<u>\$ 674,360</u>	<u>\$ 45,661</u>	<u>\$ 69,909</u>

5. BANK INDEBTEDNESS

Bank indebtedness is comprised of the following:	2015	2014
Bank overdraft with interest at prime plus 3% per annum	<u>\$ 170,799</u>	<u>\$ 37,208</u>

The Council has an operating line of credit with the Royal Bank of Canada, authorized to a maximum of \$400,000 bearing interest at the bank's prime rate plus 3% per annum by way of a revolving demand facility. As of March 31, 2015, the total amount drawn on this credit facility is \$Nil, however, the bank indebtedness includes \$361,266 in cheques issued in excess of cash on hand.

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**NOTES TO FINANCIAL STATEMENTS**

FOR THE YEAR ENDED MARCH 31, 2015

6. DEFERRED REVENUE

	2015	2014
Projects	\$ 186,373	\$ 189,229
Youth	52,252	-
Health	9,772	119,031
Tripartite Self-Government Negotiation	-	47,674
Gaming	-	2,187
	<u>\$ 248,397</u>	<u>\$ 358,121</u>

The continuity of the Council's deferred revenue is as follows:

Balance, beginning of year	\$ 358,121	\$ 68,193
Additions during the year	432,822	350,358
Recognized into revenue during the year	<u>(542,546)</u>	<u>(60,430)</u>
	<u>\$ 248,397</u>	<u>\$ 358,121</u>

7. LONG-TERM DEBT

	2015	2014
Royal Bank of Canada non-interest bearing loan, repayable in monthly payments of \$15,000 plus five lump sum payments of \$260,000 to be made in three year intervals commencing November 1, 2013, due October 1, 2028, secured by general security agreement	\$ 3,850,000	\$ 4,000,000
Less: Interest free portion of the long term debt	1,299,595	1,426,190
Less: Current portion of long-term debt	<u>180,000</u>	<u>180,000</u>
	<u>\$ 2,370,405</u>	<u>\$ 2,393,810</u>

Under the terms of the agreement, the original loan balance of \$4,000,000 is to be repaid on an interest-free basis as indicated above. Management determined that the fair market value of a similar loan would bear interest at a rate of 6% per annum, resulting in a gain on the loan refinancing of \$1,426,190 in fiscal 2014. This gain will be amortized and expensed into the statement of operations over the term of the debt.

Principal repayments over the next five years are as follows:

2016	\$ 180,000
2017	440,000
2018	180,000
2019	440,000
2020	<u>180,000</u>
	<u>\$ 1,420,000</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

8. COMMITMENTS

The Council leases various equipment and office space under agreements expiring March 2017. Minimum lease commitments during the next two fiscal years are as follows:

2016	\$ 213,372
2017	<u>40,834</u>
	<u>\$ 254,206</u>

9. CONTINGENT LIABILITY

The Council has been named defendant in a legal action alleging wrongful dismissal of a former employee. Legal counsel to the Council is unable to assess the Council's potential liability, if any, resulting from this action. Any settlement will be reflected as a charge to the statement of operations in the year incurred.

No provision for possible loss has been included in these financial statements.

10. INTERNALLY ALLOCATED ADMINISTRATION AND PROGRAM ADMINISTRATION EXPENSES

The Council has established a fund to track administration expenses within operating expenses. The Council's various programs are allocated a share of the direct administration expenses based upon an estimate of resources used. These allocations are eliminated from the Council's statement of operations. In 2015 Employment and Training operating expenses were allocated between CRF and EI at 68% and 32% (2014 - 70% and 30%).

11. ECONOMIC DEPENDENCE AND CONTINUING OPERATIONS

These financial statements have been prepared on the going concern basis. The going concern basis assumes that the Council will continue to realize its assets, discharge its obligations and continue its activities in the ordinary course of operations. Failure to continue as a going concern may result in the Council being unable to realize the stated value for certain of its assets.

At March 31, 2015 the Council has a working capital deficiency of \$556,580 (2014 - \$646,947) and an accumulated deficit of \$2,881,322 (2014 - \$2,970,848). The Council is economically dependent on the continued funding from grantors and on continued support from its bank.