
**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2018**

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, 2018 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, 2018 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 12 in the financial statements which indicates that as at March 31, 2018 the Council's current liabilities exceeded its current assets by \$727,781 (2017 - \$684,375) and the Council had an accumulated deficit of \$2,408,442 (2017 - \$2,733,444). 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 Professional Accountants
Abbotsford, British Columbia
June 25, 2018

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENTS OF FINANCIAL POSITION

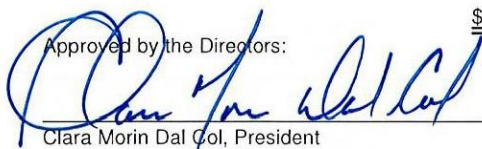
AS AT MARCH 31

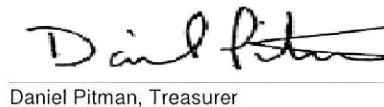
2018

2017

	Employment and Training <u>ASSETS</u>	Other <u>Programs</u>	<u>Total</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Cash	\$ -	\$ 1,793,535	\$ 1,793,535	\$ 816,069
Restricted funds	-	-	-	940,000
Accounts receivable (Note 3)	11,411	401,528	412,939	985,900
Prepaid expenses	16,159	81,531	97,690	156,607
Due from other programs	-	<u>640,995</u>	<u>640,995</u>	<u>579,632</u>
	27,570	2,917,589	2,945,159	3,478,208
LONG TERM INVESTMENTS (Note 4)	-	55	55	54
CAPITAL ASSETS (Note 5)	-	<u>3,365</u>	<u>3,365</u>	<u>10,961</u>
	<u>\$ 27,570</u>	<u>\$ 2,921,009</u>	<u>\$ 2,948,579</u>	<u>\$ 3,489,223</u>
LIABILITIES				
CURRENT LIABILITIES				
Bank indebtedness (Note 6)	\$ 28,317	\$ -	\$ 28,317	\$ 588,570
Accounts payable (Note 7)	196,295	550,688	746,983	798,701
Due to other programs	502,112	138,883	640,995	579,632
Deferred revenue (Note 8)	294,256	1,447,535	1,741,791	1,015,680
Due to Métis Capital Corporation	-	14,854	14,854	940,000
Current portion of long-term debt (Note 9)	<u>60,000</u>	<u>440,000</u>	<u>500,000</u>	<u>240,000</u>
	1,080,980	2,591,960	3,672,940	4,162,583
LONG-TERM DEBT (Note 9)	<u>88,079</u>	<u>1,596,002</u>	<u>1,684,081</u>	<u>2,060,084</u>
	<u>1,169,059</u>	<u>4,187,962</u>	<u>5,357,021</u>	<u>6,222,667</u>
COMMITMENTS (Note 10)				
ECONOMIC DEPENDENCE AND				
CONTINUING OPERATIONS (Note 12)				
CONTINGENCIES (Note 13)				
NET ASSETS (DEFICIT)				
INVESTED IN CAPITAL ASSETS	-	3,365	3,365	10,961
UNRESTRICTED	<u>(1,141,489)</u>	<u>(1,270,318)</u>	<u>(2,411,807)</u>	<u>(2,744,405)</u>
	<u>(1,141,489)</u>	<u>(1,266,953)</u>	<u>(2,408,442)</u>	<u>(2,733,444)</u>
	<u>\$ 27,570</u>	<u>\$ 2,921,009</u>	<u>\$ 2,948,579</u>	<u>\$ 3,489,223</u>

Approved by the Directors:


Clara Morin Dal Col, President


Daniel Pitman, Treasurer

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF FINANCIAL POSITION - OTHER PROGRAMS

AS AT MARCH 31

2018

2017

	Projects	Gaming	AGM	Admin	Total	Total
ASSETS						
CURRENT ASSETS						
Cash	\$ 1,767,136	\$ 1,202	\$ -	\$ 25,197	\$ 1,793,535	\$ 816,069
Restricted funds	-	-	-	-	-	940,000
Accounts receivable	350,085	-	-	51,443	401,528	524,127
Prepaid expenses	66,766	-	-	14,765	81,531	154,615
Due from other programs	<u>607,982</u>	<u>-</u>	<u>33,013</u>	<u>-</u>	<u>640,995</u>	<u>579,632</u>
	2,791,969	1,202	33,013	91,405	2,917,589	3,014,443
LONG TERM INVESTMENTS						
	-	-	-	55	55	54
CAPITAL ASSETS						
	<u>3,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,365</u>	<u>10,175</u>
	<u>\$ 2,795,334</u>	<u>\$ 1,202</u>	<u>\$ 33,013</u>	<u>\$ 91,460</u>	<u>\$ 2,921,009</u>	<u>\$ 3,024,672</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	\$ 426,072	\$ -	\$ 329	\$ 124,287	\$ 550,688	\$ 645,264
Due to other programs	-	1,202	-	137,681	138,883	288,222
Due to Métis Capital Corporation	14,853	-	-	1	14,854	940,000
Deferred revenue	1,447,535	-	-	-	1,447,535	651,923
Current portion of long term-debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,000</u>	<u>440,000</u>	<u>180,000</u>
	1,888,460	1,202	329	701,969	2,591,960	2,705,409
LONG-TERM DEBT						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,596,002</u>	<u>1,596,002</u>	<u>1,912,005</u>
	<u>1,888,460</u>	<u>1,202</u>	<u>329</u>	<u>2,297,971</u>	<u>4,187,962</u>	<u>4,617,414</u>
NET ASSETS (DEFICIT)						
INVESTED IN CAPITAL ASSETS						
	3,365	-	-	-	3,365	10,175
UNRESTRICTED						
	<u>903,509</u>	<u>-</u>	<u>32,684</u>	<u>(2,206,511)</u>	<u>(1,270,318)</u>	<u>(1,602,917)</u>
	<u>906,874</u>	<u>-</u>	<u>32,684</u>	<u>(2,206,511)</u>	<u>(1,266,953)</u>	<u>(1,592,742)</u>
	<u>\$ 2,795,334</u>	<u>\$ 1,202</u>	<u>\$ 33,013</u>	<u>\$ 91,460</u>	<u>\$ 2,921,009</u>	<u>\$ 3,024,672</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)

FOR THE YEAR ENDED MARCH 31

2018

2017

<u>EMPLOYMENT AND TRAINING - ASETS</u>	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	\$ 786	\$(1,141,488)	\$(1,140,702)	\$(1,017,231)
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	-	(787)	(787)	(123,471)
AMORTIZATION OF CAPITAL ASSETS	<u>(786)</u>	<u>786</u>	<u>-</u>	<u>-</u>
DEFICIT AT END OF YEAR	\$ -	\$(1,141,489)	\$(1,141,489)	\$(1,140,702)
<u>OTHER PROGRAMS</u>	<u>Invested in Capital Assets</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	\$ 10,175	\$(1,602,917)	\$(1,592,742)	\$(1,776,568)
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	325,789	325,789	183,826
AMORTIZATION OF CAPITAL ASSETS	<u>(6,810)</u>	<u>6,810</u>	<u>-</u>	<u>-</u>
NET ASSETS (DEFICIT) AT END OF YEAR	<u>3,365</u>	<u>(1,270,318)</u>	<u>(1,266,953)</u>	<u>(1,592,742)</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ 3,365</u>	<u>\$(2,411,807)</u>	<u>\$(2,408,442)</u>	<u>\$(2,733,444)</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

2018

2017

	<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)	\$ 7,160,527	\$ 7,161,314	\$ (787)	\$ 6,558,280	\$ 6,681,751	\$ (123,471)
DEFICIENCY OF REVENUE OVER EXPENSES FROM EMPLOYMENT AND TRAINING	<u>7,160,527</u>	<u>7,161,314</u>	<u>(787)</u>	<u>6,558,280</u>	<u>6,681,751</u>	<u>(123,471)</u>
OTHER PROGRAMS						
Metis Nation BC Capital Corporation (Schedule 4)	65,147	65,147	-	-	-	-
Core Governance - INAC (Schedule 5)	1,874,602	1,874,602	-	1,300,000	1,300,000	-
BOC Funding (Schedule 6)	421,475	421,475	-	421,475	421,475	-
Organizational Capacity INAC (Schedule 7)	9,940	9,940	-	-	-	-
Recognition of Indigenous Rights Discussion Table - INAC (Schedule 8)	50,050	50,050	-	-	-	-
Table on Climate Change INAC (Schedule 9)	62,500	62,500	-	-	-	-
Health Capacity - INAC (Schedule 10)	7,633	7,633	-	-	-	-
Urban Programming for Indigenous People - INAC (Schedule 11)	379,001	379,001	-	111,596	111,596	-
MIRR Governance (Schedule 12)	361,415	361,415	-	385,000	385,000	-
MIRR Youth Engagement (Schedule 13)	46,000	46,000	-	36,000	36,000	-
MIRR ORAAP (Schedule 14)	80,989	80,989	-	84,752	84,752	-
Ministry of Health (Schedule 15)	196,587	196,587	-	219,098	219,098	-
Ministry of Children and Family Development (Schedule 16)	100,193	100,193	-	109,807	109,807	-
Early Learning & Childcare Engagement - MCFD (Schedule 17)	148,079	148,079	-	-	-	-
First Nation Health Authority (Schedule 18)	1,000	1,000	-	68,077	68,077	-
Community Action Initiative (Schedule 19)	62,306	62,306	-	53,125	53,125	-
Provincial Health Services Authority (Schedule 20)	<u>24,488</u>	<u>24,488</u>	<u>-</u>	<u>7,859</u>	<u>7,859</u>	<u>-</u>
Subtotal	<u>3,891,405</u>	<u>3,891,405</u>	<u>-</u>	<u>2,796,789</u>	<u>2,796,789</u>	<u>-</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

2018

2017

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>
Balance forward	3,891,405	3,891,405	-	2,796,789	2,796,789	-
Bursary Program (PHSA) (Schedule 21)	50,000	50,000	-	50,000	50,000	-
Vancouver Coastal Health (Health Through Culture) (Schedule 22)	29,553	29,553	-	30,244	30,244	-
"Healthy Metis Communities" - BC						
Healthy Communities (Schedule 23)	46,396	46,396	-	-	-	-
Northern Health Authority (Schedule 24)	6,200	6,200	-	9,649	9,649	-
Perinatal Service BC (Schedule 25)	3,361	3,361	-	-	-	-
Fraser Health Authority (Schedule 26)	2,758	2,758	-	7,242	7,242	-
Canadian Partnership Against Cancer (Schedule 27)	40,011	40,011	-	6,361	6,361	-
Poverty Reduction Engagement Sessions (Schedule 28)	21,963	21,963	-	-	-	-
Civil Forfeiture Grant (Schedule 29)	20,000	20,000	-	-	-	-
Terry Fox Foundation (Schedule 30)	6,216	6,216	-	-	-	-
Aboriginal Community Based Training (Schedule 31)	12,177	12,177	-	-	-	-
Education - Ministry of Education Aboriginal (Schedule 32)	50,000	50,000	-	93,438	93,438	-
Indigenization Open Educational Resources Project (Schedule 33)	11,578	11,578	-	-	-	-
Canadian Wildlife Services (Schedule 34)	96,000	96,000	-	95,000	95,000	-
National Energy Board (Schedule 35)	10,311	10,311	-	18,016	18,016	-
Review of Navigation Protection Act - Transport Canada (Schedule 36)	8,436	8,436	-	2,303	2,303	-
Review of Changes to Fisheries Act - Fisheries & Oceans (Schedule 37)	9,152	9,152	-	2,303	2,303	-
WoodFibre LNG Project (Schedule 38)	1,046	1,046	-	1,384	1,384	-
Roberts Bank Terminal (Schedule 39)	4,101	4,101	-	6,641	6,641	-
Review of Environmental Processes (Schedule 40)	32,206	32,206	-	52,279	52,279	-
AJAX Copper Mine (Schedule 41)	4,788	4,788	-	16,472	16,472	-
Burnco Aggregate (Schedule 42)	7,673	7,673	-	873	873	-
Subtotal	<u>4,365,331</u>	<u>4,365,331</u>	<u>-</u>	<u>3,188,994</u>	<u>3,188,994</u>	<u>-</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

2018

2017

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>
Balance forward	4,365,331	4,365,331	-	3,188,994	3,188,994	-
Red Mountain Underground Project (Schedule 43)	8,874	8,874	-	-	-	-
Kinder Morgan Canada (Schedule 44)	200,000	806	199,194	50,001	3,045	46,956
MNBC GIS/GPS Procurement Initiative (Schedule 45)	36,379	-	36,379	4,121	4,121	-
Port Metro Vancouver (Schedule 46)	18,000	982	17,018	-	-	-
Enbridge (Northern Gateway Pipeline) (Schedule 47)	78,322	-	78,322	984	984	-
Sukunka Coal Mine Project (Schedule 48)	10,126	-	10,126	-	-	-
Aurico Metals (Schedule 49)	23,160	-	23,160	1,641	1,641	-
Aurora LNG Digby Island Project (Schedule 50)	12,943	-	12,943	357	357	-
Youth Aging Out of Care (Schedule 51)	47,841	47,841	-	12,519	12,159	360
Project Based Training (Schedule 52)	337,092	337,092	-	248,293	248,293	-
UA Piping (Schedule 53)	21,000	21,000	-	-	-	-
School District Professional Development (Schedule 54)	1,200	1,494	(294)	500	500	-
Annual General Meeting (Schedule 55)	21,815	21,815	-	9,005	9,005	-
Culture Program (Schedule 56)	48,837	48,837	-	13,345	13,289	56
Administration (Schedule 57)	<u>545,224</u>	<u>472,286</u>	<u>72,938</u>	<u>532,186</u>	<u>273,638</u>	<u>258,548</u>
Subtotal	<u>5,776,144</u>	<u>5,326,358</u>	<u>449,786</u>	<u>4,061,946</u>	<u>3,756,026</u>	<u>305,920</u>

**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31**

2018

2017

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>
Balance forward	5,776,144	5,326,358	449,786	4,061,946	3,756,026	305,920
Métis Socio-Economic & Land						
Use Research in BC	-	-	-	242,390	242,390	-
UAS Research Youth	-	-	-	149,407	149,407	-
Urban Partnership (MNBC)	-	-	-	85,000	85,000	-
Urban Partnership (Rocky Mountain Metis Association)	-	-	-	85,000	85,000	-
Urban Partnership (Elk Valley)	-	-	-	85,000	85,000	-
Urban Partnership (Fraser Valley Metis Association)	-	-	-	85,000	85,000	-
Membership Systems, Governance & Accountability	-	-	-	755,019	755,019	-
UAS GAP	-	-	-	104,336	104,336	-
Interior Health Authority	-	-	-	9,000	9,000	-
New Horizons for Seniors Program	-	-	-	25,772	25,772	-
Seniors Forum (Boehringer Ingelheim)	-	-	-	2,569	2,569	-
Murray River Coal Mine - CEAA	-	-	-	4,358	4,358	-
Summer Student Program	-	-	-	9,853	10,072	(219)
Internally allocated administration (Note 9)	<u>(490,955)</u>	<u>(490,955)</u>	<u>-</u>	<u>(531,715)</u>	<u>(531,715)</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS BEFORE OTHER ITEMS	<u>5,285,189</u>	<u>4,835,403</u>	<u>449,786</u>	<u>5,172,935</u>	<u>4,867,234</u>	<u>305,701</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31****2018****2017**

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>
EXCESS OF REVENUE OVER EXPENSES FROM OTHER PROGRAMS BEFORE OTHER ITEMS	5,285,189	4,835,403	449,786	5,172,935	4,867,234	305,701
OTHER ITEM Interest expense from loan refinancing	-	123,997	(123,997)	-	121,875	(121,875)
EXCESS OF REVENUE OVER EXPENSES FROM OTHER PROGRAMS AND OTHER ITEMS	<u>5,285,189</u>	<u>4,959,400</u>	<u>325,789</u>	<u>5,172,935</u>	<u>4,989,109</u>	<u>183,826</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 12,445,716</u>	<u>\$ 12,120,714</u>	<u>\$ 325,002</u>	<u>\$ 11,731,215</u>	<u>\$ 11,670,860</u>	<u>\$ 60,355</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31****2018****2017**

CASH PROVIDED BY (USED FOR):

OPERATING ACTIVITIES

Excess of revenue over expenses for the year \$ 325,002 \$ 60,355

Items not involving cash:

Amortization 7,595 18,982

Interest expense from loan financing 123,997 121,875

Bad debts 59,423 23,251

Gain on disposal of capital assets - 163

516,017 224,626

Changes in non-cash working capital balances:

Accounts receivable 513,539 799,914

Prepaid expenses 58,917 (108,997)

Accounts payable (51,718) 18,272

Deferred revenue 726,111 738,340

1,762,866 1,672,155

FINANCING ACTIVITIES

Repayment of loan payable (240,000) (345,000)

Advances (to) from related party (925,146) 940,000

(1,165,146) 595,000

INVESTING ACTIVITIES

Long-term investments (1) -

CHANGE IN CASH AND EQUIVALENTS

DURING THE YEAR 597,719 2,267,155

CASH AND CASH EQUIVALENTS (DEFICIENCY)

AT BEGINNING OF YEAR 1,167,499 (1,099,656)

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,765,218 \$ 1,167,499

CASH AND CASH EQUIVALENTS

REPRESENTED BY:

Cash \$ 1,793,535 \$ 816,069

Bank indebtedness (28,317) (588,570)

Restricted funds - 940,000

\$ 1,765,218 \$ 1,167,499

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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) 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 and 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 a straight line basis over the following periods:

Furniture and equipment	10 years
Computer hardware	5 years
Computer software	3 years

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, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial instruments

i) Measurement

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

The Council initially measures its financial instruments at fair value except for certain non-arm's length transactions. 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, impairment of long lived assets, 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 6 (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, 2018**

3. ACCOUNTS RECEIVABLE

	2018	2017
Accounts receivable	\$ 325,070	\$ 945,390
GST Receivable	\$ 43,075	\$ 4,937
Employee receivable	<u>\$ 44,794</u>	<u>\$ 35,573</u>
	<u>\$ 412,939</u>	<u>\$ 985,900</u>

4. LONG-TERM INVESTMENTS

The Council holds interests in a general partner corporation, a limited partnership and a wholly owned subsidiary:

	2018	2017
NCSG Ventures Ltd.	\$ 1	\$ 1
Métis Nation BC/NCSG Crane & Heavy Haul Limited Partnership	\$ 1	\$ 1
Williams Scotsman Joint Venture	\$ 51	\$ 51
Belvedere Joint Venture	\$ 1	\$ 1
Métis Nation BC Capital Corporation	<u>\$ 1</u>	<u>\$ -</u>
	<u>\$ 55</u>	<u>\$ 54</u>

The Council holds 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 a 51% interest in the limited partnership. The remaining 49% interest is held by an unrelated party.

The Council holds 51% interest in the Williams Scotsman Joint Venture and the remaining 49% interest is held by an unrelated party.

The Council holds 51% interest in the Belvedere Joint Venture and the remaining 49% interest is held by an unrelated party.

The Council holds 100% interest in the Métis Nation BC Capital Corporation.

No income has been earned by the Council from the above investments for the current fiscal year.

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**

5. CAPITAL ASSETS

			2018	2017
<u>EMPLOYMENT AND TRAINING - ASSETS</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and equipment	49,403	49,403	-	436
Computers and software	<u>67,277</u>	<u>67,277</u>	<u>-</u>	<u>350</u>
	<u>116,680</u>	<u>116,680</u>	<u>-</u>	<u>786</u>
 <u>OTHER PROGRAMS</u>				
Furniture and equipment	189,947	186,582	3,365	8,030
Computers and software	<u>399,302</u>	<u>399,302</u>	<u>-</u>	<u>2,145</u>
	<u>589,249</u>	<u>585,884</u>	<u>3,365</u>	<u>10,175</u>
	<u>\$ 705,929</u>	<u>\$ 702,564</u>	<u>\$ 3,365</u>	<u>\$ 10,961</u>

6. BANK INDEBTEDNESS

Bank indebtedness is comprised of the following:	2018	2017
Bank overdraft with interest at prime plus 3% per annum	<u>\$ 28,317</u>	<u>\$ 588,570</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, 2018, the total amount drawn on this credit facility is \$Nil (2017 - \$Nil). Additionally, the bank indebtedness includes \$28,317 (2017 - \$588,570) 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, 2018**

7. ACCOUNTS PAYABLE

	2018	2017
Accounts payable	\$ 628,747	\$ 684,155
GST payable	\$ 10,750	\$ 16,373
Payroll remittances payable	\$ 35,445	\$ 37,290
Vacation payable	\$ <u>72,041</u>	\$ <u>60,883</u>
	\$ <u>746,983</u>	\$ <u>798,701</u>

8. DEFERRED REVENUE

	2018	2017
ASETS	\$ 294,256	\$ 363,757
Projects	93,025	267,277
Youth	575,419	28,830
Health	260,661	166,844
Tripartite Self-Government Negotiation	<u>518,430</u>	<u>188,972</u>
	\$ <u>1,741,791</u>	\$ <u>1,015,680</u>

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

Balance, beginning of year	\$ 1,015,680	\$ 277,339
Additions during the year	1,087,673	896,076
Recognized into revenue during the year	<u>(361,562)</u>	<u>(157,735)</u>
	\$ <u>1,741,791</u>	\$ <u>1,015,680</u>

9. LONG-TERM DEBT

	2018	2017
<u>EMPLOYMENT AND TRAINING - ASETS</u>		
Due to Service Canada (CRA)	148,079	208,079
Less: Current portion of long-term debt	<u>60,000</u>	<u>60,000</u>
	\$ <u>88,079</u>	\$ <u>148,079</u>

Under the terms of the agreement with Service Canada (CRA), the debt is to be repaid on an interest-free basis with payments of \$5,000 per month.

Repayments for the Service Canada (CRA) debt over the next three years are as follows:

2019	\$ 60,000
2020	60,000
2021	28,079

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

9. LONG-TERM DEBT (Continued)

	2018	2017
<u>OTHER PROGRAMS</u>		
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	\$ 2,930,000	\$ 3,110,000
Less: Interest free portion of the RBC long term debt	893,998	1,017,995
Less: Current portion of long-term debt	<u>440,000</u>	<u>180,000</u>
	<u>\$ 1,596,002</u>	<u>\$ 1,912,005</u>

Under the terms of the agreement, the Royal Bank of Canada loan balance is to be repaid on an interest-free basis. Management determined that the fair market value of a similar loan would bear interest at a rate of 6% per annum. As a result, the gain amortized and expensed into the statement of operations is \$123,997 (2017 - \$121,875).

Principal repayments for the Royal Bank of Canada loan over the next five years are as follows:

2019	\$ 440,000
2020	180,000
2021	180,000
2022	440,000
2023	180,000

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**

10. COMMITMENTS

The Council leases various equipment and office space under agreements expiring June 2022. Minimum lease commitments during the next four fiscal years are as follows:

2019	\$	262,263
2020		203,021
2021		178,693
2022		398
	\$	<u>644,375</u>

11. 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 2018 Employment and Training operating expenses were allocated between CRF and EI at 72% and 28% (2017 - 72% and 28%), respectively.

12. 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, 2018 the Council has a working capital deficiency of \$727,781 (2017 - \$684,375) and an accumulated deficit of \$2,408,442 (2017 - \$2,733,444). The Council is economically dependent on the continued funding from grantors and on continued support from its bank.

13. CONTINGENCIES

In fiscal 2018 there was a claim initiated against the Council by an employee. As the litigation process is currently in the preliminary stages the likelihood of a settlement and the potential settlement amount cannot yet be determined. As a result, no amounts for this claim have been recorded in the financial statements.

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2018**

14. REMUNERATION TO DIRECTORS, EMPLOYEES AND CONTRACTORS

	2018	2017
Employees (ten individuals)	1,101,745	1,129,470
MNBC Directors' Remuneration		
President	101,659	56,909
Vice President	21,476	12,858
Provincial Women's Chairperson	11,257	12,436
Provincial Youth Chairperson	13,747	6,318
Director - Region One	8,476	13,731
Director - Region Two	11,734	4,565
Director - Region Three	16,464	12,322
Director - Region Four	6,273	6,830
Director - Region Five	10,561	8,156
Director - Region Six	6,500	11,224
Director - Region Seven	6,500	8,721

In accordance with the British Columbia Societies Act, a publicly funded society is to disclose remuneration paid by the Council in excess of \$75,000 to employees and contractors, which have been noted above. Additionally, publicly funded societies must now disclose any remuneration paid to directors, which have been noted above.