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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2017**

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## **INDEPENDENT AUDITOR'S REPORT**

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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, 2017 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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



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**INDEPENDENT AUDITOR'S REPORT**

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**Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 11 in the financial statements which indicates that as at March 31, 2017 the Council's current liabilities exceeded its current assets by \$684,375 (2016 - \$540,587) and the Council had an accumulated deficit of \$2,733,444 (2016 - \$2,793,799). 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 20, 2017

**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**

**STATEMENTS OF FINANCIAL POSITION**

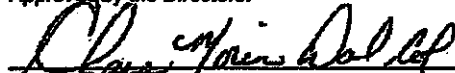
**AS AT MARCH 31**

**2017**

**2016**

	Employment and Training <u>ASETS</u>	Other Programs	<u>Total</u>	<u>Total</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ -	\$ 816,069	\$ 816,069	\$ 1,002
Restricted funds (Note 3)	-	940,000	940,000	-
Accounts receivable	461,773	524,127	985,900	1,809,234
Prepaid expenses	1,992	154,615	156,607	47,611
Due from other programs	<u>-</u>	<u>579,632</u>	<u>579,632</u>	<u>1,541,371</u>
	463,765	3,014,443	3,478,208	3,399,218
LONG TERM INVESTMENTS (Note 4)	-	54	54	54
CAPITAL ASSETS (Note 5)	<u>786</u>	<u>10,175</u>	<u>10,961</u>	<u>29,943</u>
	<u>\$ 464,551</u>	<u>\$ 3,024,672</u>	<u>\$ 3,489,223</u>	<u>\$ 3,429,215</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Bank indebtedness (Note 6)	\$ 588,570	\$ -	\$ 588,570	\$ 1,100,658
Accounts payable	153,437	645,264	798,701	780,436
Due to other programs	291,410	288,222	579,632	1,541,371
Deferred revenue (Note 7)	363,757	651,923	1,015,680	277,340
Due to Métis Capital Corporation (Note 3)	-	940,000	940,000	-
Current portion of long-term debt (Note 8)	<u>60,000</u>	<u>180,000</u>	<u>240,000</u>	<u>240,000</u>
	1,457,174	2,705,409	4,162,583	3,939,805
LONG-TERM DEBT (Note 8)	<u>148,079</u>	<u>1,912,005</u>	<u>2,060,084</u>	<u>2,283,209</u>
	<u>1,605,253</u>	<u>4,617,414</u>	<u>6,222,667</u>	<u>6,223,014</u>
<b>COMMITMENTS (Note 9)</b>				
<b>ECONOMIC DEPENDENCE AND CONTINUING OPERATIONS (Note 11)</b>				
<b>NET ASSETS (DEFICIT)</b>				
INVESTED IN CAPITAL ASSETS	786	10,175	10,961	29,943
UNRESTRICTED	<u>(1,141,488)</u>	<u>(1,602,917)</u>	<u>(2,744,405)</u>	<u>(2,823,742)</u>
	<u>(1,140,702)</u>	<u>(1,592,742)</u>	<u>(2,733,444)</u>	<u>(2,793,799)</u>
	<u>\$ 464,551</u>	<u>\$ 3,024,672</u>	<u>\$ 3,489,223</u>	<u>\$ 3,429,215</u>

Approved by the Directors:

  
Clara Monn Dal Col, President

  
Daniel Pitman, Treasurer

**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**

**STATEMENT OF FINANCIAL POSITION - OTHER PROGRAMS**

**AS AT MARCH 31**

**2017      2016**

	Projects	Gaming	AGM	Admin	Total	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 793,694	\$ 1,202	\$ -	\$ 21,173	\$ 816,069	\$ 1,002
Restricted funds	940,000	-	-	-	940,000	-
Accounts receivable	471,997	-	-	52,130	524,127	564,404
Prepaid expenses	140,404	-	-	14,211	154,615	25,877
Due from other programs	546,339	-	33,293	-	579,632	1,541,371
	<u>2,892,434</u>	<u>1,202</u>	<u>33,293</u>	<u>87,514</u>	<u>3,014,443</u>	<u>2,132,654</u>
<b>LONG TERM INVESTMENTS</b>	-	-	-	54	54	54
<b>CAPITAL ASSETS</b>	<u>6,223</u>	<u>-</u>	<u>-</u>	<u>3,952</u>	<u>10,175</u>	<u>26,793</u>
	<u>\$2,898,657</u>	<u>\$ 1,202</u>	<u>\$ 33,293</u>	<u>\$ 91,520</u>	<u>\$ 3,024,672</u>	<u>\$ 2,159,501</u>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Bank indebtedness	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,963
Accounts payable	510,063	-	609	134,592	645,264	475,805
Due to other programs	266,644	1,202	-	20,376	288,222	363,827
Due to Métis Capital Corporation	940,000	-	-	-	940,000	-
Deferred revenue	651,923	-	-	-	651,923	277,340
Current portion of long term-debt	-	-	-	180,000	180,000	180,000
	<u>2,368,630</u>	<u>1,202</u>	<u>609</u>	<u>334,968</u>	<u>2,705,409</u>	<u>1,860,935</u>
<b>LONG-TERM DEBT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,912,005</u>	<u>1,912,005</u>	<u>2,075,130</u>
	<u>2,368,630</u>	<u>1,202</u>	<u>609</u>	<u>2,246,973</u>	<u>4,617,414</u>	<u>3,936,065</u>
<b>NET ASSETS (DEFICIT)</b>						
<b>INVESTED IN CAPITAL ASSETS</b>						
	6,223	-	-	3,952	10,175	26,794
<b>UNRESTRICTED</b>	<u>523,804</u>	<u>-</u>	<u>32,684</u>	<u>(2,159,405)</u>	<u>(1,602,917)</u>	<u>(1,803,358)</u>
	<u>530,027</u>	<u>-</u>	<u>32,684</u>	<u>(2,155,453)</u>	<u>(1,592,742)</u>	<u>(1,776,564)</u>
	<u>\$2,898,657</u>	<u>\$ 1,202</u>	<u>\$ 33,293</u>	<u>\$ 91,520</u>	<u>\$ 3,024,672</u>	<u>\$ 2,159,501</u>

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA****STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)****FOR THE YEAR ENDED MARCH 31****2017****2016**

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<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	\$ 3,145	\$(1,020,376)	\$(1,017,231)	\$(1,014,181)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	(123,471)	(123,471)	(3,050)
AMORTIZATION OF CAPITAL ASSETS	<u>(2,359)</u>	<u>2,359</u>	<u>-</u>	<u>-</u>
NET ASSETS (DEFICIT) AT END OF YEAR	\$ 786	\$(1,141,488)	\$(1,140,702)	\$(1,017,231)
<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	\$ 26,798	\$(1,803,366)	\$(1,776,568)	\$(2,263,486)
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	-	183,826	183,826	486,918
AMORTIZATION OF CAPITAL ASSETS	<u>(16,623)</u>	<u>16,623</u>	<u>-</u>	<u>-</u>
NET ASSETS (DEFICIT) AT END OF YEAR	<u>10,175</u>	<u>(1,602,917)</u>	<u>(1,592,742)</u>	<u>(1,776,568)</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ 10,961</u>	<u>\$(2,744,405)</u>	<u>\$(2,733,444)</u>	<u>\$(2,793,799)</u>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

2017

2016

	Revenue	Expenses	Excess (Deficiency)	Revenue	Expenses	Excess (Deficiency)
<b>EMPLOYMENT AND TRAINING</b>						
ASETS (Schedule 2 and 3)	\$ 6,558,280	\$ 6,681,751	\$ (123,471)	\$ 5,873,721	\$ 5,876,771	\$ (3,050)
<b>DEFICIENCY OF REVENUE OVER</b>						
<b>EXPENSES FROM EMPLOYMENT</b>						
<b>AND TRAINING</b>	6,558,280	6,681,751	(123,471)	5,873,721	5,876,771	(3,050)
<b>OTHER PROGRAMS</b>						
Membership Systems, Governance & Accountability (Schedule 4)	1,300,000	1,300,000	-	749,281	749,281	-
Membership Systems, Governance & Accountability (Schedule 5)	755,019	755,019	-	-	-	-
BOC Funding (Schedule 6)	421,475	421,475	-	342,000	342,000	-
Métis Socio-Economic & Land Use Research in BC (Schedule 7)	242,390	242,390	-	63,208	63,208	-
Métis Education Learner Series (Schedule 8)	93,438	93,438	-	-	-	-
MARR Capacity (Schedule 9)	385,000	385,000	-	385,000	385,000	-
MARR Youth Engagement (Schedule 10)	36,000	36,000	-	36,000	36,000	-
ORAAP (MARR) (Schedule 11)	84,752	84,752	-	145,388	145,388	-
UAS Community Partnership Building (Schedule 12)	111,596	111,596	-	-	-	-
UAS GAP (Schedule 13)	104,336	104,336	-	-	-	-
UAS Research Youth (Schedule 14)	149,407	149,407	-	-	-	-
Urban Partnership (MNBC) (Schedule 15)	85,000	85,000	-	-	-	-
Urban Partnership (Rocky Mountain Metis Association) (Schedule 16)	85,000	85,000	-	-	-	-
Urban Partnership (Elk Valley) (Schedule 17)	85,000	85,000	-	-	-	-
Urban Partnership (Fraser Valley Metis Association) (Schedule 18)	85,000	85,000	-	-	-	-
Ministry of Health (Schedule 19)	219,098	219,098	-	176,882	176,882	-
Ministry of Children and Family Development (Schedule 20)	109,807	109,807	-	100,800	100,800	-
<b>Subtotal</b>	<b>4,352,318</b>	<b>4,352,318</b>	<b>-</b>	<b>1,998,559</b>	<b>1,998,559</b>	<b>-</b>

MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

2016

2017

	Revenue	Expenses	Excess (Deficiency)	Revenue	Expenses	Excess (Deficiency)
Balance forward	4,352,318	4,352,318	-	1,998,559	1,998,559	-
First Nation Health Authority						
- CPAC Project (Schedule 21)	68,077	68,077	-	31,148	31,148	-
Community Action Initiative (Schedule 22)	53,125	53,125	-	67,536	67,536	-
Provincial Health Services Authority (Schedule 23)	7,859	7,859	-	-	-	-
Bursary Program (PHSA) (Schedule 24)	50,000	50,000	-	-	-	-
Vancouver Coastal Health (Health Through Culture) (Schedule 25)	30,244	30,244	-	28,317	28,317	-
Interior Health Authority (Schedule 26)	9,000	9,000	-	-	-	-
Northern Health Authority (Schedule 27)	9,649	9,649	-	-	-	-
New Horizons for Seniors Program (Schedule 28)	25,772	25,772	-	-	-	-
Fraser Health Authority (Schedule 29)	7,242	7,242	-	-	-	-
Canadian Partnership Against Cancer (Schedule 30)	6,361	6,361	-	-	-	-
Seniors Forum (Boehringer Ingelheim) (Schedule 31)	2,569	2,569	-	-	-	-
Canadian Wildlife Services (Schedule 32)	95,000	95,000	-	65,000	65,000	-
National Energy Board (Schedule 33)	18,016	18,016	-	-	-	-
Review of Navigation Protection Act - Transport Canada (Schedule 34)	2,303	2,303	-	-	-	-
Review of Changes to Fisheries Act - Fisheries & Oceans (Schedule 35)	2,303	2,303	-	-	-	-
MNBC GIS/GPS Procurement Initiative (Schedule 36)	4,121	4,121	-	-	-	-
Transcanada Pipeline (MOU) (Schedule 37)	50,001	3,045	46,956	85,905	24,131	61,774
Enbridge (Northern Gateway Pipeline) (Schedule 38)	984	984	-	130,000	4,979	125,021
LNG Projects (Schedule 39)	1,384	1,384	-	17,129	729	16,400
Aurora LNG Digby Island Project (Schedule 40)	357	357	-	-	-	-
Robert Banks (Schedule 41)	6,641	6,641	-	49,218	17,865	31,353
<b>Subtotal</b>	<b>4,803,326</b>	<b>4,756,370</b>	<b>46,956</b>	<b>2,472,812</b>	<b>2,238,264</b>	<b>234,548</b>



MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

2017

2016

	Revenue	Expenses	Excess (Deficiency)	Revenue	Expenses	Excess (Deficiency)
Balance forward	4,803,326	4,756,370	46,956	2,472,812	2,238,264	234,548
Review of Environmental Processes (Schedule 42)	52,279	52,279	-	-	-	-
Murray River Coal Mine - CEAA (Schedule 43)	4,358	4,358	-	-	-	-
AJAX Copper Mine (Schedule 44)	16,472	16,472	-	-	-	-
Burnco Aggregate (Schedule 45)	873	873	-	-	-	-
Aurico Metals (Schedule 46)	1,641	1,641	-	2,500	2,500	-
Youth Aging Out of Care (Schedule 47)	12,519	12,159	360	-	-	-
Summer Student Program (Schedule 48)	9,853	10,072	(219)	-	-	-
Project Based Training (Schedule 49)	248,293	248,293	-	364,735	364,735	-
School District Professional Development (Schedule 50)	500	500	-	-	-	-
Annual General Meeting (Schedule 51)	9,005	9,005	-	-	-	-
Culture Program (Schedule 52)	13,345	13,289	56	14,441	14,441	-
Administration (Schedule 53)	532,186	273,638	258,548	601,660	325,224	276,436
Urban Aboriginal Strategy (BCAAFC)	-	-	-	278,000	278,000	-
Enhancing Operational Capacity - Powley	-	-	-	-	-	-
Compliant Citizenship	-	-	-	516,695	516,695	-
Economic Development	-	-	-	-	-	-
- Capital Corp.	-	-	-	64,577	64,577	-
Basic Security Guard Training Program	-	-	-	15,000	9,489	5,511
Trans Mountain Expansion	-	-	-	11,960	11,960	-
Brucejack Gold Mine - CEAA	-	-	-	4,751	4,751	-
Spectra Energy	-	-	-	99,472	19,987	79,485
Economic Development	-	-	-	200,100	200,100	-
Blackwater Gold Mine	-	-	-	7,742	7,742	-
Towerbirch Research	-	-	-	72,500	21,838	50,662
Helping Métis Women to Heal	-	-	-	18,500	18,500	-
Urban Partnerships Initiatives (AANDC)	-	-	-	140,215	140,215	-
Subtotal	5,704,650	5,398,949	305,701	4,885,660	4,239,018	646,642

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

**2017** **2016**

	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Excess (Deficiency)</u>
Balance forward	5,704,650	5,398,949	305,701	4,885,660	4,239,018	646,642
Internally allocated administration (Note 10)	<u>(531,715)</u>	<u>(531,715)</u>	<u>-</u>	<u>(399,417)</u>	<u>(399,417)</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS BEFORE OTHER ITEMS</b>	<u>5,172,935</u>	<u>4,867,234</u>	<u>305,701</u>	<u>4,486,243</u>	<u>3,839,601</u>	<u>646,642</u>

**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31**

**2016**

**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	5,172,935	4,867,234	305,701	4,486,243	3,839,601	646,642
OTHER ITEM						
Interest expense from loan refinancing	-	121,875	(121,875)	-	159,724	(159,724)
EXCESS OF REVENUE OVER EXPENSES FROM OTHER PROGRAMS AND OTHER ITEMS	<u>5,172,935</u>	<u>4,989,109</u>	<u>183,826</u>	<u>4,486,243</u>	<u>3,999,325</u>	<u>486,918</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 11,731,215</u>	<u>\$ 11,670,860</u>	<u>\$ 60,355</u>	<u>\$ 10,359,964</u>	<u>\$ 9,876,096</u>	<u>\$ 483,868</u>

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31****2017****2016**

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**CASH PROVIDED BY (USED FOR):****OPERATING ACTIVITIES**

Excess of revenue over expenses for the year	\$ 60,355	\$ 483,868
Items not involving cash:		
Amortization	18,982	21,430
Interest expense from loan financing	121,875	159,724
Bad debts	23,251	46,176
Gain on disposal of capital assets	<u>163</u>	<u>-</u>
	224,626	711,198

**Changes in non-cash working capital balances:**

Accounts receivable	799,914	(1,400,979)
Prepaid expenses	(108,997)	(21,090)
Accounts payable	18,272	(13,461)
Deferred revenue	<u>738,340</u>	<u>28,942</u>
	<u>1,672,155</u>	<u>(695,390)</u>

**FINANCING ACTIVITIES**

Repayment of loan payable	(345,000)	(454,999)
Advances from related party	<u>940,000</u>	<u>-</u>
	<u>595,000</u>	<u>(454,999)</u>

**INVESTING ACTIVITIES**

Long-term investments	-	(52)
Purchase of capital assets	<u>-</u>	<u>(5,707)</u>
	<u>-</u>	<u>(5,759)</u>

**CHANGE IN CASH AND EQUIVALENTS (DEFICIENCY)  
DURING THE YEAR**

2,267,155 (1,156,148)

**CASH AND CASH EQUIVALENTS (DEFICIENCY)  
AT BEGINNING OF YEAR**(1,099,656) 56,492**CASH AND CASH EQUIVALENTS (DEFICIENCY)  
AT END OF YEAR**\$ 1,167,499 \$ (1,099,656)**CASH AND CASH EQUIVALENTS (DEFICIENCY)  
REPRESENTED BY:**

Cash	\$ 816,069	\$ 1,002
Bank indebtedness	(588,570)	(1,100,658)
Restricted funds	<u>940,000</u>	<u>-</u>
	<u>\$ 1,167,499</u>	<u>\$ (1,099,656)</u>

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

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**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.

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

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**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.

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

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**3. RESTRICTED FUNDS**

As at year end, the Council has received funds in the amount \$940,000 on behalf of Métis Nation BC Capital Corporation. These funds will be transferred to Métis Nation BC Capital Corporation in fiscal 2018. Métis Nation BC Capital Corporation was incorporated on March 22, 2017 and will be owned and controlled 100% by the Council.

**4. LONG-TERM INVESTMENTS**

The Council holds interests in a general partner corporation and a limited partnership:

	2017	2016
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	<u>1</u>	<u>1</u>
	<u>\$ 54</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.

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

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2017**

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**5. CAPITAL ASSETS**

<b>EMPLOYMENT AND TRAINING - ASETS</b>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2017 Net Book Value</b>	<b>2016 Net Book Value</b>
Furniture and equipment	49,403	48,967	436	1,746
Computers and software	<u>67,277</u>	<u>66,927</u>	<u>350</u>	<u>1,399</u>
	<u>116,680</u>	<u>115,894</u>	<u>786</u>	<u>3,145</u>
<b>OTHER PROGRAMS</b>				
Furniture and equipment	189,947	181,917	8,030	17,573
Computers and software	399,302	397,157	2,145	8,573
Automobile	<u>-</u>	<u>-</u>	<u>-</u>	<u>652</u>
	<u>589,249</u>	<u>579,074</u>	<u>10,175</u>	<u>26,798</u>
	<u>\$ 705,929</u>	<u>\$ 694,968</u>	<u>\$ 10,961</u>	<u>\$ 29,943</u>

**6. BANK INDEBTEDNESS**

Bank indebtedness is comprised of the following:	2017	2016
Bank overdraft with interest at prime plus 3% per annum	<u>\$ 588,570</u>	<u>\$ 1,100,658</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, 2017, the total amount drawn on this credit facility is \$Nil (2016 - \$400,000). Additionally, the bank indebtedness includes \$588,570 (2016 - \$979,662) in cheques issued in excess of cash on hand.



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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2017**

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**7. DEFERRED REVENUE**

	2017	2016
<b>ASETS</b>	<b>\$ 363,757</b>	<b>\$ -</b>
Projects	267,277	37,024
Youth	28,830	69,726
Health	166,844	165,592
Tripartite Self-Government Negotiation	<u>188,972</u>	<u>4,998</u>
	<b><u>\$ 1,015,680</u></b>	<b><u>\$ 277,340</u></b>

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

Balance, beginning of year	\$ 277,340	\$ 248,397
Additions during the year	896,076	270,824
Recognized into revenue during the year	<u>(157,736)</u>	<u>(241,881)</u>
	<b><u>\$ 1,015,680</u></b>	<b><u>\$ 277,340</u></b>

**8. LONG-TERM DEBT**

	2017	2016
<b><u>EMPLOYMENT AND TRAINING - ASETS</u></b>		
Due to Service Canada (CRA)	208,079	268,079
Less: Current portion of long-term debt	<u>60,000</u>	<u>60,000</u>
	<b><u>\$ 148,079</u></b>	<b><u>\$ 208,079</u></b>

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 four years are as follows:

2018	\$ 60,000
2019	60,000
2020	60,000
2021	28,079

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2017**

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**8. LONG-TERM DEBT (Continued)**

	2017	2016
<b><u>OTHER PROGRAMS</u></b>		
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	\$ 3,110,000	\$ 3,395,000
Less: Interest free portion of the RBC long term debt	1,017,995	1,139,870
Less: Current portion of long-term debt	<u>180,000</u>	<u>180,000</u>
	<u>\$ 1,912,005</u>	<u>\$ 2,075,130</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 \$121,875 (2016 - \$159,725).

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

2018	\$ 180,000
2019	440,000
2020	180,000
2021	180,000
2022	440,000

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2017**

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**9. COMMITMENTS**

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

2018	\$	333,456
2019		201,044
2020		117,583
2021		16,275
2022		398
	\$	<u>668,756</u>

**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 2017 Employment and Training operating expenses were allocated between CRF and EI at 72% and 28% (2016 - 70% and 30%), respectively.

**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, 2017 the Council has a working capital deficiency of \$684,375 (2016 - \$540,587) and an accumulated deficit of \$2,733,444 (2016 - \$2,793,799). The Council is economically dependent on the continued funding from grantors and on continued support from its bank.

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**MÉTIS PROVINCIAL COUNCIL OF BRITISH COLUMBIA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

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**12. REMUNERATION TO DIRECTORS, EMPLOYEES AND CONTRACTORS**

	2017
Employees (nine individuals)	1,129,470
<b>MNBC Directors' Remuneration April 1, 2016 to September 23, 2016</b>	
President	10,384
Vice President	1,422
Provincial Women's Chairperson	3,670
Provincial Youth Chairperson	865
Director - Region One	5,926
Director - Region Two	1,669
Director - Region Three	2,504
Director - Region Four	1,038
Director - Region Five	2,805
Director - Region Six	1,586
Director - Region Seven	1,157
<b>MNBC Directors' Remuneration September 24, 2016 to March 31, 2017</b>	
President	46,525
Vice President	11,436
Provincial Women's Chairperson	8,766
Provincial Youth Chairperson	5,453
Director - Region One	7,805
Director - Region Two	2,896
Director - Region Three	9,818
Director - Region Four	5,792
Director - Region Five	5,351
Director - Region Six	9,638
Director - Region Seven	7,564

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.

The MNBC General Election was held on September 10, 2016, and the new Board of Directors took office on September 24, 2016.