

Manitoba Metis Federation Inc.
Consolidated Financial Statements
March 31, 2016

Independent Auditors' Report

To the Members of Manitoba Metis Federation Inc.:

We have audited the accompanying consolidated financial statements of Manitoba Metis Federation Inc., which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, changes in net assets (deficit) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Manitoba Metis Federation Inc. as at March 31, 2016 and the results of its operations, changes in net assets (deficit) and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Winnipeg, Manitoba

March 27, 2017

MNP LLP

Chartered Professional Accountants

Manitoba Metis Federation Inc. Consolidated Statement of Financial Position

As at March 31, 2016

	2016	<i>2015 (Restated)</i>
Assets		
Current		
Cash	7,517,809	1,429,908
Accounts receivable (Note 3)	2,472,593	2,785,334
Funds held in trust (Note 4)	338,583	253,283
Prepaid expenses and deposits	42,451	74,440
	10,371,436	4,542,965
Capital assets (Note 5)	4,546,715	3,054,968
Due from federal and provincial organizations (Note 6)	473,339	344,096
Loans to affiliated companies (Note 7)	198,231	169,517
Due from regional corporations (Note 8)	992,824	642,474
Due from Metis Economic Development Organization (Note 9)	3,401,076	1,974,872
	19,983,621	10,728,892

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The accompanying notes are an integral part of these consolidated financial statements

Manitoba Metis Federation Inc.
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015 <i>(Restated)</i>
Liabilities		
Current		
Accounts payable and accruals <i>(Note 10)</i>	10,226,350	2,893,454
Deferred contributions <i>(Note 11)</i>	3,231,398	2,814,299
Reserve fund <i>(Note 12)</i>	366,761	274,967
Current portion of long-term debt <i>(Note 13)</i>	68,500	65,700
Current portion of forgivable loan <i>(Note 15)</i>	180,000	180,000
	14,073,009	6,228,420
Long-term debt <i>(Note 13)</i>	954,344	1,022,430
Deferred capital contributions <i>(Note 14)</i>	1,568,784	1,772,954
Forgivable loans <i>(Note 15)</i>	2,085,580	865,481
	4,608,708	3,660,865
	18,681,717	9,889,285
Contingencies <i>(Note 16)</i>		
Guarantee <i>(Note 17)</i>		
Net Assets (Deficit)		
Invested in capital assets	712,352	236,533
Unrestricted net assets	589,552	603,074
	1,301,904	839,607
	19,983,621	10,728,892

Approved on behalf of the Board




The accompanying notes are an integral part of these consolidated financial statements

Manitoba Metis Federation Inc. Consolidated Statement of Operations

For the year ended March 31, 2016

	2016	2015 <i>(Restated)</i>
Revenue		
Human Resources and Skills Development Canada	12,308,775	12,308,774
Manitoba Hydro Summerberry Settlement	8,683,200	-
Indigenous and Northern Affairs Canada	5,258,456	1,921,375
Province of Manitoba	2,282,172	2,179,278
Manitoba Hydro	1,985,660	2,471,477
Department of Justice Canada	1,402,944	245,610
Rental income - external <i>(Note 18)</i>	799,762	759,155
Other income	579,419	409,760
Amortization of forgivable loans <i>(Note 15)</i>	253,851	180,000
Amortization of deferred capital contributions <i>(Note 14)</i>	204,170	260,435
Manitoba Housing and Renewal Corporation	173,353	-
Funding sponsorship - AGA	107,000	100,000
University of Manitoba	85,320	59,500
Fundraising	6,776	10,419
Public Health Agency of Canada	-	200,020
Reduction in funding	-	(363,927)
Partnership service agreement	-	1,250,000
Revenue deferred in prior year <i>(Note 11)</i>	2,814,299	1,170,762
Revenue deferred to subsequent year <i>(Note 11)</i>	(3,231,398)	(2,814,299)
	33,713,759	20,348,339

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Manitoba Metis Federation Inc.
Consolidated Statement of Operations

For the year ended March 31, 2016

	2016	2015 <i>(Restated)</i>
Total revenue <i>(Continued from previous page)</i>	33,713,759	20,348,339
Expenses		
Advertising and promotion	149,212	176,261
Amortization of capital assets	531,462	459,108
Bad debts	11,239	504,290
Bank charges and interest	158,483	223,683
Computer hardware	741	28,420
Consulting	276,453	173,477
Contribution to endowment fund	750,000	125,000
Miscellaneous	77,118	81,136
Honouraria	286,988	123,710
Interest on long-term debt	3,928	47,711
Management fees	12,387	23,421
Meetings	523,065	480,754
Office	428,661	397,500
Office equipment and project lease	284,445	122,406
Printing	30,082	41,273
Professional fees	2,910,229	1,235,434
Program expense	399,530	529,839
Project sponsorship expense	-	134,491
Property tax	17,046	25,385
Regional expenses	273,030	182,214
Rent <i>(Note 18)</i>	1,777,474	1,643,305
Repairs and maintenance	1,103,671	336,095
Salaries and benefits	8,795,398	8,196,767
Technical support	342,225	42,157
Telephone	277,088	259,033
Textbooks, materials and uniforms	293,625	296,843
Training and education	3,684,110	4,525,083
Travel	1,034,065	873,970
Utilities	59,198	77,871
Summerberry settlements	8,688,100	(41,406)
Vehicle	72,409	82,241
	33,251,462	21,407,472
Excess (deficiency) of revenue over expenses before other items	462,297	(1,059,133)
Other items		
Litigation settlement	-	4,233,221
Excess of revenue over expenses	462,297	3,174,088

The accompanying notes are an integral part of these consolidated financial statements

Manitoba Metis Federation Inc.
Consolidated Statement of Changes in Net Assets (Deficit)
For the year ended March 31, 2016

	<i>Invested in capital assets</i>	<i>Unrestricted net assets (deficit)</i>	2016	<i>2015</i> <i>(Restated)</i>
Net assets (deficit), beginning of year, as previously stated	236,533	505,424	741,957	(2,334,481)
Correction of an error (Note 23)	-	97,650	97,650	-
Net assets, beginning of year, as restated	236,533	603,074	839,607	(2,334,481)
Excess of revenue over expenses	-	462,297	462,297	3,174,088
Amortization of capital assets	(531,462)	531,462	-	-
Amortization of deferred capital contributions	204,170	(204,170)	-	-
Amortization of forgivable loan	253,851	(253,851)	-	-
Capital asset purchases	2,023,210	(2,023,210)	-	-
Acquisition of forgivable loan	(1,473,950)	1,473,950	-	-
Net assets, end of year	712,352	589,552	1,301,904	839,607

The accompanying notes are an integral part of these consolidated financial statements

Manitoba Metis Federation Inc.
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	<i>2015</i> <i>(Restated)</i>
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	462,297	3,174,088
Amortization of capital assets	531,462	459,108
Forgiveness of forgivable loans	(253,851)	(180,000)
Recognition of deferred capital contributions	(204,170)	(260,435)
	535,738	3,192,761
Changes in working capital accounts		
Accounts receivable	312,741	(1,716,802)
Prepaid expenses and deposits	31,989	(43,150)
Accounts payable and accruals	7,332,897	(749,547)
Deferred contributions	417,099	1,672,882
Forgivable loans	1,473,950	145,481
Due from federal and provincial organizations	(129,243)	(34,268)
Due from regional corporations	(350,350)	(75,189)
	9,624,821	2,392,168
Financing		
Repayment of long-term debt	(65,286)	(164,446)
Increase in reserve fund	91,794	525
Advances to Metis Economic Development Organization	(1,426,204)	(1,112,514)
Loans to affiliated companies	(28,714)	(67,230)
	(1,428,410)	(1,343,665)
Investing		
Increase in funds held in trust	(85,300)	(200,967)
Purchase of capital assets	(1,287,769)	-
Investment in construction in progress	(735,441)	(145,481)
	(2,108,510)	(346,448)
Increase in cash resources	6,087,901	702,055
Cash resources, beginning of year	1,429,908	727,853
Cash resources, end of year	7,517,809	1,429,908

The accompanying notes are an integral part of these consolidated financial statements

1. Incorporation and nature of the organization

Manitoba Metis Federation Inc. (the "Federation"). The Federation is a not-for-profit organization under the laws of the Province of Manitoba, and thus is exempt from income taxes. In order to maintain its status as a registered not-for-profit organization under the Income Tax Act, the Manitoba Metis Federation Inc. must meet certain requirements within the Act.

The objects of the Federation are to:

- To promote and instill pride in the history and culture of the Metis people;
- To educate members with respect to their legal, political, social and other rights;
- To promote the participation and representation of the Metis people in key political and economic bodies and organizations;
- To promote the political, legal, social and economic interests and rights of its members; and
- To provide responsible and accountable governance on behalf of the Manitoba Metis Community using the constitutional authorities delegated by its members.

These consolidated financial statements contain the assets, liabilities, revenue and expenses of Manitoba Metis Federation Inc. and Community Housing Managers of Manitoba Inc. All inter-entity balances have been eliminated on consolidation.

2. Significant accounting policies

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit-organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Capital assets are recorded at cost. The cost for contributed capital assets is considered to be fair value at the date of contribution.

Amortization is provided using the declining balance and straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	5%
Automotive	30%
Computer equipment	30%
Computer software	50%
Furniture and equipment	20%
Houses - AHI	10 years
Signs	20%

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Certain grants and contributions specify that unexpended amounts remaining at completion of the projects must be returned and accordingly are recorded as a reduction in funding and as a payable.

All other revenues are recognized when the services are provided when the services are provided and collection is reasonably assured.

Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and advances to related parties are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization and deferred contributions are based on the estimated useful lives of capital assets. Deferred contributions are based on management's analysis of the extent to which eligibility requirements have been met on the related revenue.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the year in which they become known.

Impairment of long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Federation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Impairment is measured as an amount by which the asset's carrying value exceeds its fair value. Any impairment is included in the consolidated statement of operations for the year in which the asset becomes impaired. Write-downs are not reversed.

Financial instruments

The Federation recognizes its financial instruments when the Federation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Federation may irrevocably elect to subsequently measure any financial instrument at fair value. The Federation has made such an election during the year. All financial instruments are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions that were used to purchase the Federation's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

Manitoba Metis Federation Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

3. Accounts receivable

	2016	2015 <i>(Restated)</i>
Funding receivables	2,004,539	2,646,656
Trade receivables	603,638	262,753
	2,608,177	2,909,409
Allowance for doubtful accounts	(135,584)	(124,075)
	2,472,593	2,785,334

4. Funds held in trust

	2016	2015
Conservation fund	328,409	243,089
Protector fund	10,174	10,194
	338,583	253,283

Manitoba Metis Federation Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2016 Net book value</i>
Land	125,282	-	125,282
Buildings	1,958,804	609,350	1,349,454
Automotive	183,040	148,793	34,247
Computer equipment	2,439,629	2,149,149	290,480
Computer software	331,088	283,179	47,909
Furniture and equipment	2,159,371	1,809,238	350,133
Parking lot	7,735	7,735	-
Houses - Aboriginal Housing Initiative	2,628,414	1,171,000	1,457,414
Signs	21,238	10,364	10,874
Construction in progress - Housing	880,922	-	880,922
	10,735,523	6,188,808	4,546,715

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2015 Net book value</i>
Land	125,282	-	125,282
Buildings	1,690,554	537,989	1,152,565
Automotive	144,379	142,400	1,979
Computer equipment	2,261,783	2,062,933	198,850
Computer software	279,584	261,022	18,562
Furniture and equipment	2,146,373	1,723,330	423,043
Parking lot	7,735	7,735	-
Houses - Aboriginal Housing Initiative	1,889,905	914,291	975,614
Signs	21,238	7,646	13,592
Construction in progress - Housing	145,481	-	145,481
	8,712,314	5,657,346	3,054,968

No amortization is taken on construction in progress until the project is in use.

6. Due from federal and provincial organizations

	<i>2016</i>	<i>2015</i>
Metis Nation Council Secretariat Inc.	669,019	544,096
Less: allowance for doubtful accounts	(200,000)	(200,000)
Metis Nation of Saskatchewan	4,320	-
	473,339	344,096

The Metis National Council Secretariat Inc. is comprised of board members who are the Presidents of the provincial Metis organizations of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

Manitoba Metis Federation Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Loans to affiliated companies

	2016	2015
Louis Riel Institute	98,552	80,512
Pemmican Publications Inc.	13,482	26,141
Louis Riel Capital Corporation	24,195	(1,611)
Louis Riel Heritage Institute Inc.	47,922	64,019
Metis Child and Family Services Authority	14,080	456
	198,231	169,517

These organizations are related as the Federation has the ability to appoint the directors.

The amounts owing from (to) the affiliated companies are non-interest bearing, unsecured and without stipulated terms of repayment.

8. Due from (to) regional corporations

	2016	2015
Interlake Metis Association	228,823	285,336
Manitoba Metis Federation Thompson Region Inc.	135,942	108,326
Northwest Metis Council Inc.	(308,211)	(389,949)
Manitoba Metis Federation Southwest Region Inc.	(46,033)	(147,905)
Southeast Regional Metis Corporation	187,489	142,909
Manitoba Metis Federation The Pas Region Inc.	743,704	659,899
Winnipeg Metis Association Inc.	51,110	(16,142)
	992,824	642,474

In order to achieve decentralization and local control, the Federation contracted with separately incorporated bodies representing the Regions throughout the Province of Manitoba. The amounts owing from (to) the regional corporations are non-interest bearing, unsecured and without stipulated terms of repayment.

9. Due from Metis Economic Development Organization (MEDO)

	2016	2015
Advances receivable	3,901,076	2,484,515
Allowance for doubtful accounts	(500,000)	(500,000)
	3,401,076	1,984,515

The amounts are unsecured, non-interest bearing and without specified terms of repayment. The Federation is related to MEDO as the Federation has the ability to appoint the directors.

Manitoba Metis Federation Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Accounts payable and accruals

	2016	2015 <i>(Restated)</i>
Other trade payables	4,893,376	2,893,454
Summerberry settlements	5,332,974	-
	10,226,350	2,893,454

11. Deferred contributions

	2016	2015 <i>(Restated)</i>
Canadian Environmental Assessment Agency	53,250	-
Enbridge Pipelines Inc.	111,250	-
Manitoba Hydro - Bi Pole III	100,346	148,689
Manitoba Hydro - Contribution	1,147,482	1,248,394
Manitoba Hydro - Keeyask	244,488	244,488
Manitoba Hydro - Officer	295,903	-
Manitoba Hydro - Protocol	68,727	68,727
Manitoba Hydro - Pointe Du Bois	19,986	19,986
Manitoba Hydro - Summerberry settlement	57,607	-
Metis N4 Construction Inc. - Partnership service agreements	760,301	867,089
Province of Manitoba	2,696	96,724
TransCanada - Energy East Pipeline project	12,708	-
University of Manitoba - health research	-	19,196
Other	108,638	87,601
Human Resources and Skills Development Canada	237,200	-
Bereavement fund	10,816	13,405
	3,231,398	2,814,299

12. Reserve fund

	2016	2015
Conservation Fund	328,409	243,089
Protector Fund	10,174	10,194
Aboriginal Housing Initiative	28,178	21,684
	366,761	274,967

The conservation fund and protector fund projects are restricted as these projects have restrictive guidelines to which the contributed funds can be used. A separate bank account is set up for these projects as disclosed in Note 4.

The Aboriginal Housing Initiative is a replacement reserve restricted for repairs and maintenance for the project. No separate bank account is set up for this reserve fund.

Manitoba Metis Federation Inc.
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

13. Long-term debt

	2016	2015
Noentis Credit Union mortgage payable in monthly installments of \$9,200 including interest at 4.25%, secured by a first charge on land and building in The Pas, Manitoba, with a renewal date of May 2018 and a maturity date of November 2027.	1,022,844	1,088,130
	1,022,844	1,088,130
Less: current portion of long term debt	68,500	65,700
	954,344	1,022,430

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed are estimated as follows:

2016	68,500
2017	71,500
2018	74,600
2019	71,800
2020	81,200
	367,600

14. Deferred capital contributions

Deferred capital contributions related to capital assets represent the unamortized portion of funding received for the purchase of capital assets as follows:

	2016	2015 <i>(Restated)</i>
Balance, beginning of year	1,772,954	2,033,389
Less: Amounts recognized as revenue during the year	(204,170)	(260,435)
Balance, end of year	1,568,784	1,772,954

15. Forgivable loans

The Federation entered into an agreement on October 31, 2006 with the Manitoba Housing and Renewal Corporation (under the Affordable Housing and Renewal Corporation (under the Affordable Housing Initiative) for a loan in the amount of \$1,800,000 to cover the cost of 10 housing units and bears no interest. The loan will be forgiven on a prorated monthly basis over a period of 10 years; 2015 - \$180,000 (2014 - \$180,000).

The Federation entered into an agreement on July 5, 2012 with the Manitoba Housing and Renewal Corporation (under the Affordable Housing Initiative) for a loan up to the amount of \$5,500,000 to cover the cost of housing units and bears no interest. The loan will be forgiven on a prorated monthly basis over a period of 10 years. As at March 31, 2016, 3 units were completed and in use and therefore the related loan has been amortized at the same rate as the amortization expense.

16. Contingencies

The Federation has one claim outstanding relating to a personnel issue with a previous employee, of which the outcome or potential liability cannot be reasonably determined, and therefore no accrual has been made.

Certain of the Federation's revenue is received from funding agencies which may consider certain expenses as ineligible. Adjustments, if any, for disallowed expenses will be recovered in the year of the determination of disallowed expenses.

17. Guarantees

The Federation has guaranteed a loan for Metis Economic Development Organization with a principal balance of \$6,787,894 (2015 - \$6,991,687). Payment under the guarantee, which will remain in place until the loan is fully repaid, is required if there is a default or arrears. There has been no liability recorded for this guarantee.

18. Related party transactions

During the year, the Federation leased property from the Metis Economic Development Organization for \$1,252,800 (2015 - \$1,252,800). The Federation collected rent income from the Metis Economic Development Organization for \$331,933 (2015 - \$331,933); Louis Riel Capital Corporation for \$41,936 (2015 - \$41,936); Louis Riel Institute \$79,353 (2015 - \$79,353); Metis Child and Family Services Authority for \$154,552 (2015 - \$154,552) and Pemmican Publications Inc. for \$12,857 (2015 - \$12,972). These organizations are related as the Federation has the ability to appoint the directors.

These transactions were recorded at the exchange amount, which is the amount established by and agreed to by the related parties.

19. Economic dependence

The Federation's primary funding sources are received from Indigenous and Northern Affairs Canada, Province of Manitoba, Manitoba Hydro and Human Resources and Skills Development Canada. The Federation's ability to continue operations is dependent upon maintaining the criteria within funding agreements. As at the date of these consolidated financial statements the Federation believes that it is in compliance with each of the funding agreements.

20. Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Federation are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, credit risk, currency risk, liquidity risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the values of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Federation is exposed to interest rate cash flow risk with respect to its long term debt which is based on the bank's prime rate.

20. Financial instruments *(Continued from previous page)*

Credit concentration

Financial instruments that potentially subject the Federation to concentrations of credit risk consist primarily of accounts receivable, due from Metis Economic Development Organization, due from National and Provincial organizations and due from Regional Corporations.

Credit exposure is mitigated in the following ways:

- Accounts receivable consists primarily of federal agreements with funding agencies.
- Collection of the amount Due from Metis Economic Development Organization (MEDO) is under the control of the Federation due to the ability to elect the Board of Directors of MEDO, and therefore guide the decision making process with respect to the decision to the repay amounts owing to the Federation.

21. Commitments

The Federation has entered into a master lease agreement for 150 Henry Avenue with estimated annual payments as follows:

2016	1,283,405
2017	1,283,405
2018	1,283,405
2019	1,283,405
2020	1,283,405

22. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

23. Correction of an error

During the year, the Federation determined that they had overstated a receivable from Manitoba Housing and Renewal Corporation in the amount of \$954,519 as at March 31, 2015. The result of this correction reduced accounts receivable and deferred revenue on the consolidated statement of financial position by \$954,519 and reduced revenue from Manitoba Housing and Renewal Corporation and deferred revenue to subsequent year on the consolidated statement of operations by \$954,519.

During the year, the Federation determined that they had overstated accounts payables and expenses by \$97,650 as at March 31, 2015. The result of this correction reduced accounts payable on the consolidated statement of financial position by \$97,650 and reduced expenses on the consolidated statement of operations by \$97,650.

24. Significantly influenced entity

Metis Child & Family Services Authority

The Metis Child & Family Services Authority (the "Authority") was incorporated on November 24, 2003 under the Province of Manitoba through The Child and Family Services Authority Act. The Authority was established as a non-profit organization with the responsibility for administering and providing for the delivery of a system of child and family services to Metis and Inuit people. In partnership with the Manitoba Metis Federation Inc. and the Province of Manitoba, the Authority is committed to establishing a jointly coordinated child and family services system that recognizes the distinct rights and authorities of Metis and Inuit people in Manitoba. The Authority is exempt from income taxes under the Income Tax Act.

The Federation appoints the board of directors of the Authority. The Federation collected rent from the Authority as disclosed in Note 18.

Manitoba Metis Federation Inc.
Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

25. Non-consolidated entities

The Federation must list those companies that the Federation has the ability to elect the board members. Per Section 4450 of the CPA Canada Standards Handbook, these entities which are not consolidated must disclose their respective financial information for the year.

All of the following entities have a year end date of March 31, 2016, except for Pemmican Publications Inc. and N4 Construction Inc. which have a year end date of December 31, 2015. Metis Economic Development Organization and N4 Construction Inc. are owned 100% by Metis Economic Development Trust ("Trust"). The Federation is the beneficiary of the Trust, therefore the financial results of both companies has been disclosed. Metis Economic Development Organization and N4 Construction Inc. follow accounting standards for private enterprise.

Statement of Financial Position

	Louis Riel Capital Corporation	Louis Riel Institute	Pemmican Publications Inc.	Metis Economic Development Organization	N4 Construction Inc.
Assets:					
Current Assets	1,476,982	186,063	152,103	738,723	2,026,083
Long Term Assets	6,101,982	3,791	-	1,572,054	-
Capital assets	6,174	10,448	1,743	10,814,411	1,403,110
	7,585,138	200,302	153,846	13,125,188	3,429,193
Liabilities:					
Current Liabilities	396,277	400,031	32,311	5,550,347	2,002,089
Long Term Liabilities	-	3,960	-	11,239,719	350,000
	396,277	403,991	32,311	16,790,066	2,352,089
Net Assets:					
Beginning of year	6,975,424	(78,413)	176,510	(3,377,983)	1,396,828
Excess (deficiency) of revenues over expenses	213,437	(125,276)	(54,975)	(286,895)	(319,724)
	7,188,861	(203,689)	121,535	(3,664,878)	1,077,104
Statement of Operations:					
Revenue	2,425,181	1,513,756	180,334	3,143,723	9,611,762
Expenses	2,242,744	1,639,032	235,309	3,428,445	10,137,986
Other income	31,000	-	-	(2,173)	206,500
	213,437	(125,276)	(54,975)	(286,895)	(319,724)
Statement of Cash Flows:					
Operating activities	(821,466)	(189,828)	(14,165)	(304,301)	783,193
Financing activities	-	22,557	-	142,813	-
Investing activities	(374,971)	150,631	-	126,252	(621,037)
Net increase (decrease) in Cash	(1,196,437)	(16,640)	(14,165)	(35,236)	162,156
Cash, beginning of year	1,721,482	63,990	36,513	52,078	226,528
Cash, end of year	525,045	47,350	22,348	16,842	388,684