

**Metis Employment and Training Program**  
**Financial Statements**  
*March 31, 2016*

## Independent Auditors' Report

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To the Members of Manitoba Metis Federation Inc.:

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

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and presentation of these financial statements in accordance with Aboriginal Skills and Employment Training Strategy Agreement between Her Majesty the Queen in Right of Canada and Manitoba Metis Federation Inc., 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.

### *Auditors' 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 the auditors' 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, the auditor considers 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 is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present, in all material respects, the financial position of Metis Employment and Training Program as at March 31, 2016 and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Aboriginal Skills and Employment Training Strategy Agreement between Her Majesty the Queen in Right of Canada and Manitoba Metis Federation Inc.

### *Basis of Accounting and Restriction on Use*

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Manitoba Metis Federation Inc. to comply with the reporting requirements of the funding agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Members of Manitoba Metis Federation Inc. and Her Majesty the Queen in Right of Canada and should not be used by parties other than the Members of Manitoba Metis Federation Inc. and Her Majesty the Queen in Right of Canada.

Winnipeg, Manitoba

September 24, 2016

*MNP LLP*

Chartered Professional Accountants

# Metis Employment and Training Program Statement of Financial Position

*For the year ended March 31, 2016*

	2016	2015
<b>Assets</b>		
<b>Current</b>		
Cash	356,919	14,898
Accounts receivable (Note 3)	25,897	40,901
Prepaid expenses and deposits	-	33,472
	382,816	89,271
Due from Manitoba Metis Federation Program Operations (Note 4)	242,707	541,152
Capital assets (Note 5)	340,309	443,675
	965,832	1,074,098
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	625,523	630,423
	625,523	630,423
Deferred capital contributions (Note 6)	340,309	443,675
	965,832	1,074,098
Contingency (Note 7)		
<b>Net assets</b>	-	-
	965,832	1,074,098

Approved on behalf of the Board




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

**Metis Employment and Training Program**  
**Statement of Operations and Changes in Net Assets**

*For the year ended March 31, 2016*

	<i>Consolidated Revenue</i>	<i>Employment Insurance</i>	<b>2016 Total</b>
<b>Revenue</b>			
Human Resources and Skills Development Canada	8,504,343	3,567,233	<b>12,071,576</b>
Contributions deferred in prior year	-	-	-
Contributions deferred to subsequent year	-	-	-
	<b>8,504,343</b>	<b>3,567,233</b>	<b>12,071,576</b>
<b>Expenses</b>			
Administration ( <i>Schedule 2</i> )	907,151	280,925	<b>1,188,076</b>
Core program services	1,614,457	654,846	<b>2,269,303</b>
Agreement holder programs	5,585,186	2,472,492	<b>8,057,678</b>
Partnership development	397,549	158,970	<b>556,519</b>
	<b>8,504,343</b>	<b>3,567,233</b>	<b>12,071,576</b>
<b>Surplus (deficit)</b>	-	-	-
<b>Net assets, beginning of year</b>	-	-	-
<b>Net assets, end of year</b>	-	-	-

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

**Metis Employment and Training Program**  
**Statement of Operations and Changes in Net Assets**

*For the year ended March 31, 2015*

	<i>Consolidated Revenue</i>	<i>Employment Insurance</i>	<b>2015 Total</b>
<b>Revenue</b>			
Human Resources and Skills Development Canada	8,663,075	3,645,699	<b>12,308,774</b>
Contributions deferred in prior year	25,425	517,904	<b>543,329</b>
Contributions deferred to subsequent year	-	-	-
	<b>8,688,500</b>	<b>4,163,603</b>	<b>12,852,103</b>
<b>Expenses</b>			
Administration ( <i>Schedule 2</i> )	1,011,541	440,456	<b>1,451,997</b>
Core program services	1,220,249	891,736	<b>2,111,985</b>
Agreement holder programs	6,095,247	2,673,719	<b>8,768,966</b>
Partnership development	361,463	157,692	<b>519,155</b>
	<b>8,688,500</b>	<b>4,163,603</b>	<b>12,852,103</b>
<b>Surplus (deficit)</b>	-	-	-
<b>Net assets, beginning of year</b>	-	-	-
<b>Net assets, end of year</b>	-	-	-

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

# Metis Employment and Training Program

## Statement of Cash Flows

For the year ended March 31, 2016

	2016	2015
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Surplus (deficit)	-	-
Amortization expense	103,366	141,362
Amortization of deferred capital contributions	(103,366)	(141,362)
	-	-
Changes in working capital accounts		
Accounts receivable	15,004	148,444
Prepaid expenses and deposits	33,472	(33,472)
Accounts payable and accruals	(4,900)	(284,382)
Deferred contributions	-	(543,329)
	43,576	(712,739)
<b>Investing</b>		
Repayment of advances to the Manitoba Metis Federation Program Operations	298,445	114,838
<b>Increase (decrease) in cash resources</b>	<b>342,021</b>	<b>(597,901)</b>
<b>Cash resources, beginning of year</b>	<b>14,898</b>	<b>612,799</b>
<b>Cash resources, end of year</b>	<b>356,919</b>	<b>14,898</b>

The accompanying notes are an integral part of these financial statements

# Metis Employment and Training Program Notes to the Financial Statements

For the year ended March 31, 2016

## 1. Incorporation and nature of the organization

Metis Employment and Training Program (the "Program") was established in 1997 as the Provincial Recruitment Initiative and is licensed under Manitoba's Employment Services Act as an employment agency. It is a department under the Manitoba Metis Federation Inc., which is a not-for-profit organization, 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 Program entered into a 5 year agreement with Human Resources and Skills Development of Canada (HRSDC) known as the Aboriginal Skills and Employment Training Strategy Agreement ("ASETS"). The ASETS program is the federal government's successor strategy to the Metis Human Resources Development Agreement (MHRDA) and is designed to help improve the employment opportunities of Aboriginal peoples and enable them to fully participate in the Canadian economy in a relationship based on mutual trust, respect and openness. The Program's purpose is to design and provide employment and skills training programs and services that serve the needs of the Metis community and Metis citizens. The Program aims to enable unemployed or underemployed Metis, Non-status and Inuit persons to better engage in the workforce.

## 2. Significant accounting policies

The financial statements have been prepared in accordance with the accounting and reporting requirements within the Aboriginal Skills and Employment Training Strategy Agreement ("ASETS") between Her Majesty the Queen in Right of Canada and Manitoba Metis Federation Inc. using the following significant accounting policies:

### **Cash**

Cash includes balance with bank. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

### **Revenue recognition**

The Program follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the qualifying 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.

### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at the following amortize the cost of assets over their estimated useful lives.

Automotive	30 %
Computer equipment	30 %
Computer software	50 %
Equipment	20 %
Storage sheds	5 %
Signs	20 %

### **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 Program 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 assets's carrying value exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

# Metis Employment and Training Program Notes to the Financial Statements

For the year ended March 31, 2016

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

### **Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Aboriginal Skills and Employment Training Strategy Agreement 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 financial statements, and the reported amounts of revenues and expenses during the reporting period.

The Program estimates the net book value of capital assets based upon the estimated useful lives of the capital assets. Accounts receivable and due from Manitoba Metis Federation Program Operations are stated after evaluation as to their collectability and appropriate allowance for doubtful accounts is provided where considered necessary. Deferred contributions related to capital assets are based on the estimated useful life of the related capital assets.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in operations in the periods in which they become known.

### **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 Program's capital asset. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.

### **Financial instruments**

The Program recognizes its financial instruments when the Program becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Program may irrevocably elect to subsequently measure any financial instrument at fair value. The Program has not 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 operations 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.

## 3. Accounts receivable

	2016	2015
Trade receivables	25,897	142,754
Allowance for doubtful accounts	-	(101,853)
	<u>25,897</u>	<u>40,901</u>

## 4. Due from Manitoba Metis Federation Program Operations

The amount due from Manitoba Metis Federation Program Operations is non-interest bearing, unsecured and without stipulated terms of repayment. Manitoba Metis Federation Program Operations is related to the Program as it is a department of the Manitoba Metis Federation Inc.



**Metis Employment and Training Program**  
**Notes to the 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>
Automotive	74,955	74,017	938
Computer equipment	1,140,520	1,051,613	88,907
Computer software	173,990	168,729	5,261
Equipment	1,017,059	792,094	224,965
Storage sheds	24,937	15,573	9,364
Signs	21,238	10,364	10,874
	<b>2,452,699</b>	<b>2,112,390</b>	<b>340,309</b>

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2015 Net book value</i>
Automotive	74,955	73,615	1,340
Computer equipment	1,140,520	1,013,510	127,010
Computer software	173,990	163,469	10,521
Equipment	1,017,059	735,852	281,207
Storage sheds	24,937	14,932	10,005
Signs	21,238	7,646	13,592
	<b>2,452,699</b>	<b>2,009,024</b>	<b>443,675</b>

**6. Deferred capital contributions**

	<i>2016</i>	<i>2015</i>
Balance, beginning of year	<b>443,675</b>	585,039
Deferred contributions recognized during the year	<b>(103,366)</b>	(141,364)
Balance, end of year	<b>340,309</b>	443,675

# Metis Employment and Training Program Notes to the Financial Statements

*For the year ended March 31, 2016*

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## **7. Contingency**

Human Resources and Skills Development of Canada may disallow certain expenses with respect to administration or programming. Adjustments, if any, for disallowed expenses will be recognized in operations in the year they are determined.

## **8. Economic dependence**

The Program's primary source of revenue is HRSDC. The grant funding can be cancelled if the Program does not observe certain established guidelines. The Program's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within the funding agreement. As at the date of these financial statements the Program believes that it is in compliance with these funding agreement.

## **9. Financial instruments**

The Program, as part of its operations, carries a number of financial instruments. It is management's opinion that the Program is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## **10. Comparative figures**

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

**Metis Employment and Training Program**  
**Schedule 1 - Schedule of Expenses**

*For the year ended March 31, 2016*

	<b>2016</b>	<b>2015</b>
<b>Expenses</b>		
Advertising and promotion	48,899	114,666
Amortization	103,366	141,362
Amortization of deferred capital contributions	(103,366)	(141,362)
Audit fees	34,375	95,423
Bank charges and interest	3,099	6,543
Computer hardware	36,579	15,846
Contribution to endowment fund	750,000	125,000
Consulting	4,690	-
Management fees	3,387	22,871
Meetings	203,974	271,696
Office	157,515	122,352
Office equipment and project lease	284,245	62,131
Printing	30,082	41,273
Professional fees	189,487	328,221
Program expense	236,411	414,394
Project sponsorship expense	-	134,491
Property tax	1,063	1,012
Rent	502,245	554,576
Repairs and maintenance	18,563	40,248
Salaries and benefits	4,865,394	5,033,527
Technical support	170,464	199,373
Telephone	91,534	116,718
Textbooks, materials, and uniforms	293,625	295,751
Training and education	3,626,288	4,486,868
Travel	444,488	271,004
Utilities	16,065	20,046
Vehicle	59,104	78,073
	<b>12,071,576</b>	<b>12,852,103</b>

**Metis Employment and Training Program**  
**Schedule 2 - Schedule of Administration Expenses**  
*For the year ended March 31, 2016*

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	2016	2015
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<b>Expenses</b>		
Advertising and promotion	16,902	3,565
Amortization	13,412	-
Audit fees	34,375	79,090
Bad debts	-	-
Bank charges, interest and penalties	3,099	5,788
Capacity expenses	-	155,923
Meetings	69,063	104,400
Office	43,847	44,637
Professional fees	51,396	193,212
Rent	40,320	32,256
Repairs and maintenance	10,860	-
Salaries and benefits	731,303	742,337
Technical support	35,100	31,200
Telephone	14,215	19,464
Training and education	34,039	(822)
Travel	90,145	40,947
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	<b>1,188,076</b>	<b>1,451,997</b>

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