

**METIS NATION - SASKATCHEWAN
SECRETARIAT INC.**

FINANCIAL STATEMENTS

March 31, 2006

AUDITORS' REPORT

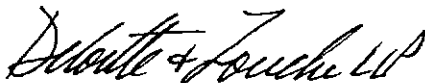
TO THE MEMBERS OF MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.

We have audited the combined balance sheet of Métis Nation – Saskatchewan Secretariat Inc. (“Métis Nation”) as at March 31, 2006 and the combined statement of revenue and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Métis Nation’s management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

During our testing of expenses we were unable to obtain the appropriate supporting documentation to conclude that expenses are properly authorized, supported and recorded in the combined financial statements. We were also unable to obtain sufficient evidence that all accounts payable have been recorded in the combined financial statements.

In our opinion, except as noted in the preceding paragraph, these combined financial statements present fairly, in all material respects, the financial position of the Métis Nation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

September 30, 2007

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF REVENUE AND EXPENSES
year ended March 31, 2006

	2006	2005
REVENUE		
Federal grants - Metis National Council	\$ 45,000	\$ 420,306
Provincial grants - current operations	-	227,337
Program administration	-	44,528
Sundry	-	2,617
	45,000	694,788
EXPENSES - Schedule 1	135,635	893,630
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (90,635)	\$ (198,842)

See accompanying notes

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF CHANGES IN NET ASSETS
year ended March 31, 2006

	2006	2005
OPERATING FUND		
Balance, beginning of year	\$ (251,508)	\$ (55,084)
Deficiency of revenue over expenses	(90,635)	(198,842)
Transfer from capital fund for amortization	<u>1,934</u>	<u>2,418</u>
Balance, end of year	<u>\$ (340,209)</u>	<u>\$ (251,508)</u>
CAPITAL FUND		
Balance, beginning of year	\$ 208,315	\$ 210,733
Amortization expense	<u>(1,934)</u>	<u>(2,418)</u>
Balance, end of year	<u>\$ 206,381</u>	<u>\$ 208,315</u>

See accompanying notes

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED BALANCE SHEET
as at March 31, 2006

	2006	2005
CURRENT ASSETS		
Accounts receivable (Note 5)	\$ <u>12,192</u>	\$ <u>9,625</u>
CAPITAL ASSETS (Note 6)		
	<u>107,142</u>	<u>109,075</u>
	<u>\$ 119,334</u>	<u>\$ 118,700</u>
CURRENT LIABILITIES		
Bank indebtedness (Note 4)	\$ 19,201	\$ 17,998
Accounts payable and accrued liabilities	178,961	88,895
Due to Provincial Metis Holdco Inc.	<u>55,000</u>	<u>55,000</u>
	<u>253,162</u>	<u>161,893</u>
NET ASSETS (DEFICIENCY)		
Operating deficit	(340,209)	(251,508)
Capital fund	<u>206,381</u>	<u>208,315</u>
	<u>(133,828)</u>	<u>(43,193)</u>
	<u>\$ 119,334</u>	<u>\$ 118,700</u>

See accompanying notes

APPROVED BY THE BOARD

D. Robert Duncanson Director
Robert [Signature] Director

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF CASH FLOWS
year ended March 31, 2006

	2006	2005
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (90,635)	\$ (198,842)
Adjustment for		
Amortization	1,934	2,418
Changes in non-cash working capital		
Accounts receivable	(2,568)	22,690
Accounts payable and accrued liabilities	90,066	54,144
Due to Provincial Metis Holdco Inc.	-	55,000
Deferred contributions	-	(174,565)
NET DECREASE IN CASH	(1,203)	(239,156)
(BANK INDEBTEDNESS) CASH POSITION, BEGINNING OF YEAR	(17,998)	221,158
BANK INDEBTEDNESS, END OF YEAR	\$ (19,201)	\$ (17,998)

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO COMBINED THE FINANCIAL STATEMENTS
year ended March 31, 2006

1. DESCRIPTION OF OPERATIONS

Métis Nation – Saskatchewan Secretariat Inc. (the “Métis Nation”) is incorporated under the Métis Act of Saskatchewan. The Métis Nation’s purpose is to undertake activities that strive to recognize the political, legal and constitutional rights of the Métis people in Saskatchewan.

During the 2005 fiscal year, the Métis Nation – Saskatchewan held an election to elect a new Provincial Métis Council. The election was viewed by the Governments of Saskatchewan and Canada to be corrupt and as such the election results did not reflect the will of the Métis Citizens of Saskatchewan. As a result, all funding to the Métis Nation – Saskatchewan was suspended by the Government of Saskatchewan and in turn the Government of Canada.

2. FUTURE OPERATIONS

These financial statements have been prepared on a going concern basis, which presumes that the Métis Nation will continue in operation for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Métis Nation’s continuation as a going concern is dependent upon its ability to attain profitable operations and obtain sufficient cash from external funding to meet its liabilities and commitments as they become payable. The outcome of these matters cannot be determined at this time.

These financial statements do not include any adjustments in the carrying values of assets and liabilities, the reported deficiency of revenue over expenditures and the statement of financial position classifications that would be necessary if the going concern assumptions were not appropriate, should the Métis Nation not be able to continue its normal course of business.

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO COMBINED THE FINANCIAL STATEMENTS
year ended March 31, 2006

3. SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Fund Accounting

The balance sheet and the statements of revenue and expenses of changes in net assets, and of cash flows are all prepared on a combined basis. Revenue and expenses related to program delivery and administration activities are reported in the following funds:

- Core Program
- Tripartite Self Government Program
- Intergovernmental and Aboriginal Affairs Programs
- Secretariat Programs
- Economic Development Program
- Administration

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Revenue Recognition

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

Capital Assets

Capital assets are recorded at cost. Amortization is computed based upon the estimated useful lives and salvage values of the assets; namely, 20% per year on equipment on the declining-balance basis. In the year of acquisition, one-half of this rate is used. No amortization is taken in year of disposal.

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO COMBINED THE FINANCIAL STATEMENTS
year ended March 31, 2006

4. BANK INDEBTEDNESS

Bank indebtedness is comprised of cheques issued in excess of funds on deposit.

	<u>2006</u>	<u>2005</u>
Core Program	\$ 720	\$ 358
Tripartite Self Government Program	29	137
Intergovernmental and Aboriginal Affairs Programs	127	235
Special projects	(20,117)	(18,768)
Administration	40	40
	<u>\$ (19,201)</u>	<u>\$ (17,998)</u>

5. ACCOUNTS RECEIVABLE

	<u>2006</u>	<u>2005</u>
GST Receivable	\$ 12,045	\$ 9,625
Other	11,647	11,500
Due from Related Party	8,000	8,000
Allowance for Doubtful Accounts	(19,500)	(19,500)
	<u>\$ 12,192</u>	<u>\$ 9,625</u>

6. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2006</u>	<u>2005</u>
Land	\$ 99,405	\$ -	\$ 99,405	\$ 99,405
Equipment	98,502	90,765	7,737	9,670
	<u>\$ 197,907</u>	<u>\$ 90,765</u>	<u>\$ 107,142</u>	<u>\$ 109,075</u>

7. CONTINGENCIES AND COMMITMENTS

Operating Leases

The Métis Nation's commitments include a lease which expires March 31, 2007 with Provincial Métis Holdco Inc., an organization with which the Métis Nation is related through common board members. Under the terms of the lease the Métis Nation is obligated to make the minimum lease payments amounting to \$53,556 in each of the next three fiscal years.

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO COMBINED THE FINANCIAL STATEMENTS
year ended March 31, 2006

8. RELATED PARTY TRANSACTIONS

During the year the Métis Nation incurred rent expense of \$ 46,710 (2005 - \$44,287) to Provincial Métis Holdco Inc., an organization with which it is related through common board members. This rent constitutes fair market value for services received.

During the year, the Métis Nation provided Back to Batoche Festival Inc. (Back to Batoche) with sponsorship and grant funding of \$276 (2005 - \$17,680). Back to Batoche is related to the Métis Nation through common board members.

During the year, the Métis Nation received \$nil (2005 - \$87,671) in grant funding from the Clarence Campeau Development Fund (CCDF) with which it is related through common board members.

In the prior year, the Metis Nation advanced the Treasurer, Ray Laliberte, \$8,000 to be repaid in monthly installments of \$500. This amount remains outstanding in 2006. Further, an allowance for doubtful account was set up in the prior year for this amount.

Transactions with related parties are in the normal course of business and are measured at the exchange amount of consideration established and agreed to by the related parties.

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
SCHEDULE OF EXPENSES
year ended March 31, 2006

	2006	2005
Administration	\$ 14,734	\$ 180,053
Advertising	310	9,761
Bad debt expense	-	19,500
Consulting	-	15,176
Cultural programs	10,270	17,689
Election costs	-	66,122
Land claims	70	13,458
Land and resources	20,418	20,695
Meetings	-	12,615
Professional services	14,464	55,013
Registrar	-	400
Rent	46,710	18,574
Research	9,662	-
Salaries	-	337,526
Senate expenses	-	1,000
Sponsorships	-	9,674
Sundry	2,048	3,236
Supplies and operations	-	286
Telephone	-	4,915
Travel	16,949	107,937
	<u>\$ 135,635</u>	<u>\$ 893,630</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
CORE PROGRAM
 year ended March 31, 2006

	2006	2005
REVENUE		
Federal grants - current operations	\$ -	\$ 270,325
EXPENSES		
Administration		
Amortization	1,934	2,418
Bank charges and interest	80	874
Office rent	-	9,808
Office supplies	857	1,607
Printing and postage	-	357
Telephone	3,455	7,851
	<u>6,326</u>	<u>22,915</u>
Salaries		
Board Members	-	88,731
Executive	-	32,958
Other	-	98,986
	<u>-</u>	<u>220,675</u>
Travel		
Board Members	-	21,864
Executive	-	27,644
Other	16,537	3,532
	<u>16,537</u>	<u>53,040</u>
Board Meetings	-	12,615
Back to Batoche	-	8,781
	<u>22,863</u>	<u>318,026</u>
TOTAL EXPENSES	<u>22,863</u>	<u>318,026</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (22,863)</u>	<u>\$ (47,701)</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
TRIPARTITE SELF GOVERNMENT PROGRAM
year ended March 31, 2006

	2006	2005
REVENUE		
Grants		
Federal	\$ -	\$ 120,752
EXPENSES		
Administration		
Finance management	108	183
Office rent	-	17,306
Office supplies	-	682
Program administration	-	13,958
Telephone	8,300	2,224
	<u>8,408</u>	<u>34,353</u>
Professional Services		
Electoral reform	-	8,266
Salaries		
Director	-	17,651
Executive stipend	-	40,271
Other	-	968
Researchers	-	13,471
	<u>-</u>	<u>72,361</u>
Travel		
Sundry	-	5,620
	<u>-</u>	<u>5,620</u>
TOTAL EXPENSES	<u>8,408</u>	<u>120,600</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (8,408)</u>	<u>\$ 152</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
INTERGOVERNMENTAL AND ABORIGINAL AFFAIRS PROGRAMS -
SECRETARIAT PROGRAMS
year ended March 31, 2006

	2006	2005
REVENUE		
Grants - Provincial	\$ -	\$ -
EXPENSES		
Bilateral Process		
Financial management	108	442
Management	-	6,000
Research	9,662	-
Travel	-	14,890
	<u>9,770</u>	<u>21,332</u>
Consulting	-	15,176
TOTAL EXPENSES	<u>9,770</u>	<u>36,508</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (9,770)</u>	<u>\$ (36,508)</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
ECONOMIC DEVELOPMENT PROGRAM
year ended March 31, 2006

	2006	2005
REVENUE		
Grants		
Saskatchewan Environment & Resource Management		
Land and resources	\$ -	\$ 45,164
Metis National Council	45,000	-
Clarence Campeau Development Fund ("CCDF")	-	87,671
Industry Resources	-	94,502
	<u>45,000</u>	<u>227,337</u>
EXPENSES		
Saskatchewan Environment & Resource Management		
Administration	-	4,875
Contract	20,418	20,695
Rent	-	1,242
Travel	-	513
	<u>20,418</u>	<u>27,325</u>
Clarence Campeau Development Fund		
Economic Development Administration	-	109,405
Industry Resources		
Economic Development		
Benefits	-	1,923
Rent	-	160
Salaries	-	29,785
Supplies and operations	-	286
Travel	-	4,188
	<u>-</u>	<u>36,342</u>
TOTAL EXPENSES	<u>20,418</u>	<u>173,072</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 24,582</u>	<u>\$ 54,265</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
ADMINISTRATION
 year ended March 31, 2006

	2006	2005
REVENUE		
Grants - Federal		
Election Funds	\$ -	\$ 29,229
Program administration	-	44,528
Sundry	-	2,617
	<u>-</u>	<u>76,374</u>
EXPENSES		
Advertising	310	9,761
Bad debt expense	-	19,500
Batoche	10,270	8,908
Election expenses	-	66,122
Equipment	-	5,227
Land Claims	70	13,458
Office supplies	-	3,278
Professional services	14,356	40,305
Registrar	-	400
Rent	46,710	17,172
Salaries	-	12,782
Senate expense	-	1,000
Sponsorships	-	9,674
Sundry	2,048	3,236
Telephone	-	4,915
Travel	412	29,686
TOTAL EXPENSES	<u>74,176</u>	<u>245,424</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (74,176)</u>	<u>\$ (169,050)</u>