

Financial Statements of

**MÉTIS NATION - SASKATCHEWAN
SECRETARIAT INC**

Year ended March 31, 2008



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AUDITORS' REPORT TO THE MEMBERS

We have audited the combined statement of financial position of the Métis Nation - Saskatchewan Secretariat Inc as at March 31, 2008 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 Organization'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.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for March 31, 2007 were audited by another firm of chartered accountants. In their audit report dated September 30, 2007, the predecessor auditors expressed a reservation of opinion on the combined financial statements for the year then ended, since they were unable to satisfy themselves concerning the sufficiency of appropriate supporting documentation to conclude that expenses were properly authorized, supported and recorded in the combined financial statements and to obtain sufficient evidence that all accounts payable were recorded in the combined financial statements.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
August 28, 2008

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

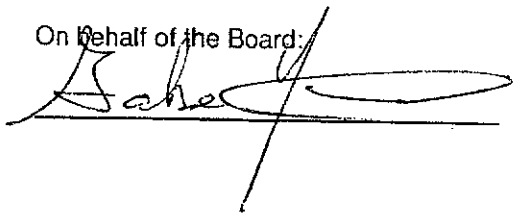
Statement of Financial Position

March 31, 2008, with comparative figures for 2007

	2008	2007
Assets		
Current assets:		
Accounts receivable (note 3)	\$ 367,843	\$ 13,947
Capital assets (note 4)	106,604	105,594
	<u>\$ 474,447</u>	<u>\$ 119,541</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 353,107	\$ 232,790
Bank indebtedness (note 5)	126,888	18,549
Due to Provincial Métis Holdco Inc., a related entity	55,000	55,000
	<u>534,995</u>	<u>306,339</u>
Deferred revenue (note 6)	76,354	-
Net assets:		
Operating fund	(342,746)	(391,632)
Capital fund	205,844	204,834
	<u>(136,902)</u>	<u>(186,798)</u>
Future operations (note 1)		
	<u>\$ 474,447</u>	<u>\$ 119,541</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Combined Statement of Revenue and Expenses

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Federal grants	\$ 586,047	\$ -
Provincial grants	478,646	-
Other	192,730	2,979
	<u>1,257,423</u>	<u>2,979</u>
Expenses - Schedule 1	1,207,527	55,949
Excess (deficiency) of revenue over expenses	<u>\$ 49,896</u>	<u>\$ (52,970)</u>

See accompanying notes to financial statements.

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Combined Statement of Changes in Net Assets

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Operating Fund		
Balance, beginning of year	\$ (391,632)	\$ (340,209)
Excess (deficiency) of revenue over expenses	49,896	(52,970)
Transfer from capital fund for amortization	1,488	1,547
Transfer to capital fund for purchase of equipment	(2,498)	-
Balance, end of year	\$ (342,746)	\$ (391,632)

Capital Fund

Balance, beginning of year	\$ 204,834	\$ 206,381
Transfer to operating fund for amortization	(1,488)	(1,547)
Transfer from operating fund for purchase of equipment	2,498	-
Balance, end of year	\$ 205,844	\$ 204,834

See accompanying notes to financial statements.

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Statement of Cash Flows

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Cash flows from (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 49,896	\$ (52,970)
Items not involving cash:		
Amortization	1,488	1,547
Change in non-cash operating working capital:		
Accounts receivable	(353,896)	(1,754)
Accounts payable and accrued liabilities	120,317	53,829
Deferred revenue	76,354	-
	(105,841)	652
Investing:		
Purchase of equipment	(2,498)	-
Increase (decrease) in cash position	(108,339)	652
Bank indebtedness, beginning of year	(18,549)	(19,201)
Bank indebtedness, end of year	\$ (126,888)	\$ (18,549)

See accompanying notes to financial statements.

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Notes to Financial Statements

Year ended March 31, 2008

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 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.

During the 2008 fiscal year, funding to the Métis Nations by the Government of Saskatchewan and the Government of Canada was restored.

1. 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. 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.

2. Significant accounting policies:

(a) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Notes to Financial Statements (continued)

Year ended March 31, 2008

2. Significant accounting policies (continued):

(b) Cash:

Cash consists of balances with financial institutions which have an initial term to maturity of three months or less.

(c) Capital Assets:

Capital assets are stated at cost. Amortization is computed based upon the estimated useful lives and salvage values of the assets. In the year of acquisition, one-half of the rate is used. No amortization is taken in the year of disposal.

Amortization is provided using the following method and annual rates.

Asset	Method	Rate
Equipment	Declining Balance	20%

(d) 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.

(e) Deferred revenue:

Deferred revenue relates to funds received which relate to the next fiscal year.

(f) 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:

- Administration
- Youth Roundtable Program
- Duty to Consult Program
- Powley Program
- Governance Program
- Core Program

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Notes to Financial Statements (continued)

Year ended March 31, 2008

2. Significant accounting policies (continued):

- Tripartite Self-Government Program
- Intergovernmental and Aboriginal Affairs Programs

(g) Financial instruments:

Effective April 1, 2008, the Métis Nation adopted the Canadian Institute of Chartered Accountants' Handbook Section 3855 - Financial Instruments - Recognition and Measurement. Pursuant to the requirement of this Section, the Métis Nation has designated all of its cash and investments that may arise and bank indebtedness as "held for trading" and records them at fair value. Accounts receivable are classified as "loans and receivables" and measured at amortized cost. Account payable and accrued liabilities and due to Provincial Métis Holdco Inc. are classified as "other financial liabilities" and measured at amortized cost. The initial adoption of this accounting policy did not have a material impact on the financial statements of the Métis Nation.

3. Accounts receivable:

	2008		2007	
GST receivable	\$	14,485	\$	13,800
Program funding and other		364,858		11,647
Due from related party		8,000		8,000
Allowance for doubtful accounts		(19,500)		(19,500)
	\$	367,843	\$	13,947

4. Capital Assets:

	2008		2007	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 99,405	\$ -	\$ 99,405	\$ 99,405
Equipment	101,000	93,801	7,199	6,189
	\$ 200,405	\$ 93,801	\$ 106,604	\$ 105,594

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Notes to Financial Statements (continued)

Year ended March 31, 2008

5. Bank indebtedness:

Bank indebtedness is comprised of cheques issued in excess of funds on deposit. The Métis Nation has available a \$20,000 line of credit secured by a Guaranteed Investment Certificate held by Provincial Métis Holdco Inc., a related party.

6. Deferred revenue:

Deferred revenue consists of \$76,354 received from the Province of Saskatchewan related to the Duty to Consult Program.

7. Related party transactions:

During the year the Métis Nation incurred rent expense of \$25,720 (2007 - \$46,967) 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. Amounts due to Provincial Métis Holdco in the amount of \$60,525 and included in accounts payable and accrued liabilities, are non-interest bearing, unsecured and have no fixed terms of repayment.

During the 2005 fiscal year, the Métis Nation advanced their former Treasurer \$8,000 to be repaid in monthly installments of \$500. To date, this entire amount remains outstanding. As a result, an allowance has been set up for the full amount of the advance.

8. Financial instruments:

Bank indebtedness is recorded at fair value. The fair value of the Métis Nation's other financial assets and liabilities including accounts receivable, and accounts payable and accrued liabilities approximate carrying amounts due to the short-term period to maturity of the items. It is not possible to determine the fair value of amounts due to Provincial Métis Holdco Inc. due to the non-arms length nature of the relationship between the related parties.

9. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Schedule of Expenses

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Salaries	\$ 691,253	\$ -
Consulting	107,732	-
Travel	105,661	-
Meetings	69,146	-
Legal fees	57,276	-
Audit fees	45,902	-
Technical support	26,830	-
Office rent	25,720	46,967
Professional services	22,543	4,747
Curling	16,000	-
Office supplies	10,586	-
Telephone	8,024	-
Photocopier Leasing	5,436	-
Advertising	5,225	-
Storage	2,872	-
Bank charges and interest	2,767	-
Sundry	1,845	1,448
Amortization	1,488	-
Printing and postage	1,221	-
Administration	-	2,787
	\$ 1,207,527	\$ 55,949

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Administration

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Federal funding	\$ 450,617	\$ -
Provincial funding	405,000	-
Other	96,438	2,979
	<u>952,055</u>	<u>2,979</u>
Expenses:		
Administration		
Office rent	24,920	46,967
Technical support	22,870	-
Curling	16,000	-
Office supplies	10,586	-
Telephone	7,900	-
Meetings	5,582	-
Photocopier Leasing	5,436	-
Advertising	5,225	-
Storage	2,872	-
Bank charges and interest	2,767	-
Sundry	1,537	1,448
Amortization	1,488	-
Printing and postage	1,221	-
	<u>108,404</u>	<u>48,415</u>
Professional services		
Audit and business services	45,902	4,700
Consulting services	20,624	-
Legal services	16,871	-
	<u>83,397</u>	<u>-</u>
Salaries and contracted services		
Area directors	339,583	-
Executive	219,726	-
Other	124,444	-
	<u>683,753</u>	<u>-</u>
Travel		
Executive	37,626	-
Board members	16,200	-
Other	625	-
	<u>54,451</u>	<u>-</u>
Total expenses	930,005	53,115
Administration expenses allocated to programs	(38,982)	-
Net expenses	<u>891,023</u>	<u>53,115</u>
Excess of revenue over expenses	\$ 61,032	\$ (50,136)

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Youth Roundtable Program

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Funding - Canadian Heritage	\$ 49,742	\$ -
Expenses:		
Meetings	22,542	-
Travel	19,170	-
Salaries	7,500	-
Consulting	1,500	-
Office rent	800	-
General project costs	308	-
Telephone	124	-
	51,944	-
Deficiency of revenue over expenses	\$ (2,202)	\$ -

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Duty to Consult Program

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Provincial funding	\$ 73,646	\$ -
Expenses:		
Legal services	40,405	-
Travel	13,103	-
Allocated administration costs	11,250	-
Consulting	7,938	-
Meetings	950	-
	73,646	-
Excess of revenue over expenses	\$ -	\$ -

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Powley Program

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Federal funding	\$ 85,387	\$ -
Expenses:		
Consulting services	74,670	-
Allocated administration costs	11,135	-
Technical support	3,960	-
Travel	3,955	-
Meetings	600	-
	94,320	-
Deficiency of revenue over expenses	\$ (8,933)	\$ -

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Governance Program

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Federal funding	\$ 50,043	\$ -
Other funding	47,500	-
	97,543	-
Expenses:		
Meetings	22,535	-
PMC meetings	16,937	-
Allocated administration costs	16,597	-
Travel	14,981	-
Governance review	11,660	-
Professional fees	10,883	-
Consulting	3,000	-
Revenue processing fee	950	-
	97,543	-
Excess of revenue over expenses	\$ -	\$ -

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Core Program

Year ended March 31, 2008, with comparative figures for 2007

	2008		2007	
Expenses				
Amortization	\$	-	\$	1,547
Bank charges and interest		-		(64)
Office supplies		-		(659)
Telephone		-		1,934
		-		2,758
Deficiency of revenue over expenses	\$	-	\$	(2,758)

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Tripartite Self Government Program

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Expenses:		
Finance management	\$ -	\$ 29
	-	29
Deficiency of revenue over expenses	\$ -	\$ (29)

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC

Intergovernmental and Aboriginal Affairs Programs - Secretariat Programs

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Expenses:		
Financial management	\$ -	\$ 47
		47
Deficiency of revenue over expenses	\$ -	\$ (47)