

18

# Section

# A

Financial Statements of

**PROVINCIAL MÉTIS HOLDCO  
INC.**

Years ended December 31, 2012 and 2011



KPMG LLP  
Chartered Accountants  
500 - 475 Second Avenue South  
Saskatoon Saskatchewan S7K 1P4  
Canada

Telephone (306) 934-6200  
Fax (306) 934-6233  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To the Members of Provincial Métis Holdco Inc.

We have audited the accompanying financial statements of Provincial Métis Holdco Inc., which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the statements of operations, changes in net assets and cash flows for the years then ended, and 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.

### *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 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 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 Provincial Métis Holdco Inc. as at December 31, 2012, December 31, 2011, and January 1, 2011 and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants

June 4, 2012  
Saskatoon, Canada

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



# PROVINCIAL MÉTIS HOLDCO INC.

Statement of Financial Position

December 31, 2012, December 31, 2011 and January 1, 2011

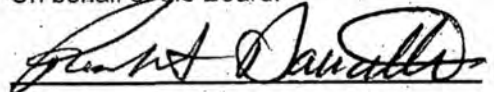
	December 31, 2012	December 31, 2011	January 1, 2011
<b>Assets</b>			
Current assets:			
Cash	\$ 377,836	\$ 526,642	\$ 363,547
Guaranteed investment certificate (note 2)	22,135	22,135	22,135
Accounts receivable	16,431	8,791	9,971
Prepaid expenses	29,049	29,049	40,968
Due from Métis Nation - Saskatchewan Secretariat Inc.	150,000	-	150,000
	595,451	586,617	586,621
Leasehold improvements (note 3)	50,843	84,739	107,336
	\$ 646,294	\$ 671,356	\$ 693,957

## Liabilities and Net Assets

Current liabilities:			
Accounts payable and accrued liabilities	\$ 9,835	\$ 14,934	\$ 13,301
Due to Métis Nation - Saskatchewan Secretariat Inc.	-	124	-
Due to SaskMétis Economic Development Corporation (note 4)	8,441	53,991	95,227
	18,276	69,049	108,528
Net assets:			
Unrestricted	628,018	602,307	585,429
Commitments (note 5)			
	\$ 646,294	\$ 671,356	\$ 693,957

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

# PROVINCIAL MÉTIS HOLDCO INC.

## Statement of Operations

Years ended December 31, 2012 and 2011

	2012	2011
Rental income (related organizations)	\$ 252,904	\$ 255,001
Expenses:		
Office rent	144,606	145,681
Amortization of leasehold improvements	33,896	22,597
Common area (electrical)	16,164	18,411
Professional fees	11,888	15,007
Janitorial	9,660	13,421
Common area (gas)	3,313	3,531
Interest on long-term debt	3,151	7,483
Grounds and parking lot maintenance	1,876	2,148
Repairs and maintenance	1,358	7,418
Common area (water and sewer)	1,079	1,514
Bank charges	202	912
	227,193	238,123
Excess of revenue over expenses	\$ 25,711	\$ 16,878

See accompanying notes to financial statements.

# PROVINCIAL MÉTIS HOLDCO INC.

## Statement of Changes in Net Assets

Years ended December 31, 2012 and 2011

	2012	2011
Balance, beginning of year	\$ 602,307	\$ 585,429
Excess of revenue over expenses	25,711	16,878
Balance, end of year	\$ 628,018	\$ 602,307

See accompanying notes to financial statements.



# PROVINCIAL MÉTIS HOLDCO INC.

## Statement of Cash Flows

Years ended December 31, 2012 and 2011

	2012	2011
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	\$ 25,711	\$ 16,878
Item not involving cash:		
Amortization of leasehold improvements	33,896	22,597
Change in non-cash operating working capital:		
Accounts receivable	(7,640)	1,180
Prepaid expenses	-	11,919
Accounts payable and accrued liabilities	(5,099)	1,634
	46,868	54,208
Financing:		
Decrease (increase) in due from (to) Métis Nation - Saskatchewan Secretariat Inc.	(150,124)	150,124
Principal payments on debt	(45,550)	(41,237)
	(195,674)	108,887
Increase (decrease) in cash position	(148,806)	163,095
Cash position, beginning of year	526,642	363,547
Cash position, end of year	\$ 377,836	\$ 526,642
Cash position is comprised of the following:		
Cash in bank account	\$ 12,885	\$ 16,066
Cash in trust account (note 6)	364,951	510,576
	\$ 377,836	\$ 526,642
Supplemental cash flow disclosure:		
Interest paid	\$ 3,151	\$ 7,483

See accompanying notes to financial statements.

# PROVINCIAL MÉTIS HOLDCO INC.

## Notes to Financial Statements

Years ended December 31, 2012 and 2011

---

### General:

The Company was incorporated July 15, 1992 under the Non-Profit Corporations Act of Saskatchewan, with one class of membership consisting of two charter members, The Métis Nation - Saskatchewan Secretariat Inc. and Provincial Métis Housing Corporation. The purpose of the Company is to promote the economic and social welfare of persons of Métis origin and to provide support for recognized benevolent and charitable enterprises, federations, agencies and societies engaged in assisting the development, both economic and social of Métis citizens.

The Company currently leases an office building in Saskatoon, Saskatchewan which it rents to other organizations. The Company's mandate is served by renting office space to organizations providing services to Métis citizens and by providing financial support to such organizations.

Due to the nature of its activities, the Company is not taxable for income tax purposes under section 149 of the Income Tax Act.

On January 1, 2011, the Company adopted Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CICA Handbook (Not-For-Profit Standards). These are the first financial statements prepared in accordance with Not-For-Profit Standards.

In accordance with the transitional provisions in Not-For-Profit Standards, the Company has adopted the changes retrospectively. The transition date is January 1, 2011 and all comparative information provided has been presented by applying Not-For-Profit Standards. There were no adjustments arising on transition and no exemptions were elected.

### 1. Significant accounting policies:

#### (a) Use of estimates:

The preparation of financial statements 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.

# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

## 1. Significant accounting policies (continued):

### (b) Capital assets and amortization:

Capital assets are carried at cost if purchased, or fair value at the date of acquisition if received by gift. Proceeds of disposals, less carrying values of these assets are reported in the statement of revenue and expenses as gains or losses on disposal. Amortization is provided for using the following method and rates:

Asset	Method	Rate
Leasehold improvements	Straight-line	48 months (lease term)

### (c) Revenue recognition:

The Company recognizes revenue as it accrues in accordance with the terms of its rental agreements, provided reasonable assurance exists regarding measurement and collectibility.

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and subsequently recorded at fair value or amortized cost as follows:

Cash and investments - fair value

Accounts receivable and accounts payable - amortized cost

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.



# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

---

## 1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Company determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Company expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## 2. Guaranteed investment certificate:

The guaranteed investment certificate bears interest at a variable rate (currently 1.1%) and matures November 29, 2013. It is pledged as security for the line of credit of Métis Nation - Saskatchewan Secretariat Inc. at the Royal Bank of Canada.

# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

## 3. Leasehold improvements:

December 31, 2012	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 129,933	\$ 79,090	\$ 50,843

December 31, 2011	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 129,933	\$ 45,194	\$ 84,739

January 1, 2011	Cost	Accumulated amortization	Net book value
Leasehold improvements	\$ 129,933	\$ 22,597	\$ 107,336

During the current year, the Company revised its estimate for calculating amortization on leasehold improvements. This revision resulted in reducing the amortization period from 69 months to 48 months to correspond with the remaining negotiated lease term. The result was an increase in amortization in the current year of \$11,299 as compared to the previous estimate.



# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

## 4. Due to SaskMétis Economic Development Corporation:

	December 31, 2012	December 31, 2011	January 1, 2011
Sask Métis Economic Development Corporation demand loan payable in monthly instalments of \$4,075 including interest at 10%, secured by demand promissory note, cash in trust accounts, general security agreement on all property and assignment of insurance, due 2013	\$ 8,441	\$ 53,991	\$ 95,227

Estimated principal repayments on the demand loan based on scheduled repayments are as follows:

2013	\$ 8,441
------	----------

## 5. Commitments:

The Company leases office space pursuant to the terms of an operating lease expiring September 30, 2013. The estimated future minimum lease payments including occupancy costs are as follows:

2013	\$ 104,042
------	------------

# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

## 6. Related party transactions:

All rents received during the year from organizations related by common membership occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. A summary of these rents are as follows:

	2012	2011
Métis Nation - Saskatchewan Secretariat Inc.	\$ 180,833	\$ 156,766
Sask Métis Economic Development Corporation	32,089	42,786
Provincial Métis Housing Corporation	22,932	22,522
Métis Addictions Council of Saskatchewan Inc.	12,500	30,000
Other	4,550	2,927
	<u>\$ 252,904</u>	<u>\$ 255,001</u>

During the year a demand promissory note in the amount of \$150,000 was issued to Métis Nation - Saskatchewan Secretariat Inc. This promissory note is to be repaid in annual payments of \$50,000 up to July 31, 2015.

A reconciliation of the cash in trust account is as follows:

	2012
Balance, January 1, 2011	\$ 357,969
Interest earned	2,607
Repayment of advances by Métis Nation - Saskatchewan Secretariat Inc. (i)	150,000
Balance, December 31, 2011	<u>510,576</u>
Interest earned	4,375
Advances to Métis Nation - Saskatchewan Secretariat Inc. (ii)	(150,000)
Balance, December 31, 2012	<u>\$ 364,951</u>

(i) The advance was originally made in 2010 for purposes of assisting with the annual Back to Batoche festival. This advance was repaid in 2011.

(ii) The advance was made in 2012 for the purposes of assisting with provincial elections for the Métis Nation - Saskatchewan Secretariat. This advance is secured by a demand promissory note to be repaid to the Company in annual payments of \$50,000 over the next three years. The advance was conditional on the Office of the Federal Interlocutor confirming a \$200,000 contribution to the election.



# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

---

## 7. Financial instruments:

The Company has exposure to the following risks from its use of financial instruments:

### a) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements and ensuring it has sufficient funds to fulfill its obligations.

### b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Company is exposed to credit risk with respect to cash, investments and accounts receivable. The Company assesses credit risk on a continuous basis on accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Credit risk on cash and investments are considered minimal as the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

### c) Interest rate risk:

The Company is exposed to interest rate risk on its guaranteed investment certificate. This risk is considered minimal due to the short-term period to maturity of the investment.

# Section

# B

Financial Statements of

**PROVINCIAL MÉTIS HOLDCO  
INC.**

Year ended December 31, 2013



KPMG LLP  
Chartered Accountants  
500 – 475 Second Avenue South  
Saskatoon Saskatchewan S7K 1P4  
Canada

Telephone (306) 934-6200  
Fax (306) 934-6233  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

To the Members of Provincial Métis Holdco Inc.

We have audited the accompanying financial statements of Provincial Métis Holdco Inc., which comprise the statement of financial position as at December 31, 2013, the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

### *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 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 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 Provincial Métis Holdco Inc. as at December 31, 2013 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.

Chartered Accountants

April 17, 2014  
Saskatoon, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

# PROVINCIAL MÉTIS HOLDCO INC.

## Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
<b>Assets</b>		
Current assets:		
Cash	\$ 312,074	\$ 377,836
Guaranteed investment certificate (note 2)	22,135	22,135
Accounts receivable	1,648	16,431
Prepaid expenses	25,056	29,049
Due from Métis Nation - Saskatchewan Secretariat Inc. (note 3)	282,052	150,000
	642,965	595,451
Leasehold improvements (note 4)	17,062	50,843
	\$ 660,027	\$ 646,294

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 10,521	\$ 9,835
Due to SaskMétis Economic Development Corporation (note 5)	-	8,441
	10,521	18,276
Net assets:		
Unrestricted	649,506	628,018
Commitments (note 6)		
	\$ 660,027	\$ 646,294

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# PROVINCIAL MÉTIS HOLDCO INC.

## Statement of Operations

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Revenue:		
Rental revenue (note 3)	\$ 267,631	\$ 248,354
Interest and other income	3,504	4,550
	271,135	252,904
Expenses:		
Office rent	156,926	144,606
Amortization of leasehold improvements	52,395	33,896
Common area (electrical)	16,299	16,164
Professional fees	11,806	11,888
Repairs and maintenance	5,379	1,358
Common area (gas)	2,533	3,313
Grounds and parking lot maintenance	2,442	1,876
Common area (water and sewer)	1,467	1,079
Bank charges	268	202
Interest on long-term debt	75	3,151
Office and general	57	-
Janitorial	-	9,660
	249,647	227,193
Excess of revenue over expenses	\$ 21,488	\$ 25,711

See accompanying notes to financial statements.



# PROVINCIAL MÉTIS HOLDCO INC.

## Statement of Changes in Net Assets

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Balance, beginning of year	\$ 628,018	\$ 602,307
Excess of revenue over expenses	21,488	25,711
Balance, end of year	\$ 649,506	\$ 628,018

See accompanying notes to financial statements.

# PROVINCIAL MÉTIS HOLDCO INC.

## Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	\$ 21,488	\$ 25,711
Item not involving cash:		
Amortization of leasehold improvements	52,395	33,896
Change in non-cash operating working capital:		
Accounts receivable	14,783	(7,640)
Prepaid expenses	3,993	-
Accounts payable and accrued liabilities	686	(5,099)
	93,345	46,868
Financing:		
Advances to Métis Nation - Saskatchewan Secretariat Inc.	(132,052)	(150,124)
Principal payments on due to SaskMétis Economic Development Corporation	(8,441)	(45,550)
	(140,493)	(195,674)
Investing:		
Purchase of leasehold improvements	(18,614)	-
Decrease in cash position	(65,762)	(148,806)
Cash position, beginning of year	377,836	526,642
Cash position, end of year	\$ 312,074	\$ 377,836
Cash position is comprised of the following:		
Cash in bank account	\$ 193,862	\$ 12,885
Cash in trust account (note 3)	118,212	364,951
	\$ 312,074	\$ 377,836
Supplemental cash flow disclosure:		
Interest paid	\$ 75	\$ 3,151

See accompanying notes to financial statements.

# PROVINCIAL MÉTIS HOLDCO INC.

## Notes to Financial Statements

Year ended December 31, 2013

### General:

Provincial Métis Holdco Inc. (the "Company") was incorporated July 15, 1992 under the Non-Profit Corporations Act of Saskatchewan, with one class of membership consisting of two charter members, The Métis Nation - Saskatchewan Secretariat Inc. and Provincial Métis Housing Corporation. The purpose of the Company is to promote the economic and social welfare of persons of Métis origin and to provide support for recognized benevolent and charitable enterprises, federations, agencies and societies engaged in assisting the development, both economic and social of Métis citizens.

The Company currently leases an office building in Saskatoon, Saskatchewan which it rents to other organizations. The Company's mandate is served by renting office space to organizations providing services to Métis citizens and by providing financial support to such organizations.

Due to the nature of its activities, the Company is not taxable for income tax purposes under section 149 of the Income Tax Act.

### 1. Significant accounting policies:

#### (a) Use of estimates:

The preparation of financial statements 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. Significant items subject to estimation and assumptions include the timing and collectibility of amounts due from Métis Nation - Saskatchewan Secretariat Inc., a related party. Actual results could differ from these estimates.

#### (b) Capital assets and amortization:

Capital assets are carried at cost if purchased, or fair value at the date of acquisition if received by gift. Proceeds of disposals, less carrying values of these assets are reported in the statement of revenue and expenses as gains or losses on disposal. Amortization is provided for using the following method and rates:

Asset	Method	Rate
Leasehold improvements	Straight-line	36 months (lease term)

# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2013

---

## 1. Significant accounting policies (continued):

### (c) Revenue recognition:

The Company recognizes revenue as it accrues in accordance with the terms of its rental agreements, provided reasonable assurance exists regarding measurement and collectibility.

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and subsequently recorded at fair value or amortized cost as follows:

Cash and guaranteed investment certificate are classified as financial assets and measured at fair value. Fair value fluctuations in these assets which may include interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in revenue.

Accounts receivable are classified as loans and receivables and measured at amortized cost.

Accounts payable and accrued liabilities are classified as other liabilities and measured at amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Company determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Company expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.



# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 2. Guaranteed investment certificate:

The guaranteed investment certificate bears interest at a variable rate (currently 1.05%) and matures November 29, 2014. It is pledged as security for the line of credit of Métis Nation - Saskatchewan Secretariat Inc. at the Royal Bank of Canada.

## 3. Related party transactions:

All rents received during the year from organizations related by common membership occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. A summary of these rents are as follows:

	2013	2012
Métis Nation - Saskatchewan Secretariat Inc.	\$ 247,469	\$ 180,833
Provincial Métis Housing Corporation	18,119	22,932
Round Prairie Ventures Inc.	2,042	-
Sask Métis Economic Development Corporation	-	32,089
Métis Addictions Council of Saskatchewan Inc.	-	12,500
	<u>\$ 267,630</u>	<u>\$ 248,354</u>

During 2012 a demand promissory note in the amount of \$150,000 was issued to Métis Nation - Saskatchewan Secretariat Inc. ("MNS"). This promissory note is to be repaid in annual payments of \$50,000 to July 31, 2015.

A reconciliation of the cash in trust account is as follows:

# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 3. Related party transactions (continued):

	2013	2012
Balance, beginning of year	\$ 364,951	\$ 510,576
Transfer to Provincial Métis Holdco Inc. cash account	(250,000)	-
Advances to Métis Nation - Saskatchewan Secretariat Inc.	-	(150,000)
Interest earned	3,261	4,375
Balance, end of year	\$ 118,212	\$ 364,951

A reconciliation of the due from Métis Nation - Saskatchewan Secretariat Inc. is as follows:

	2013	2012
Balance, beginning of year (i)	\$ 150,000	\$ (124)
Advances to Métis Nation - Saskatchewan Secretariat Inc. (ii)	160,385	150,124
Repayments from Métis Nation - Saskatchewan Secretariat Inc. (iii)	(28,333)	-
Balance, end of year	\$ 282,052	\$ 150,000

# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 3. Related party transactions (continued):

- (i) The balance consists of an advance in the amount of \$150,000 that was made in 2012 for the purposes of assisting with provincial elections for the Métis Nation - Saskatchewan Secretariat. This advance is secured by a demand promissory note to be repaid to the entity in annual payments of \$50,000. The expected date of full repayment is July 31, 2015.
- (ii) Advances to Métis Nation - Saskatchewan Secretariat during the year consisted of: (a) legal expenses of \$45,187 paid on behalf of MN-S; (b) Métis Nation Legislative Assembly (MNLA) expenses of \$28,333 paid on behalf of MN-S and; (c) Powley C programme expenses of \$86,865 paid on behalf of MN-S.
- (iii) Current year repayment consists of repayment of the \$28,333 advance relating to MNLA expenses.

Subsequent to December 31, 2013, the Company paid additional expenses of the Métis Nation - Saskatchewan Secretariat Inc. of approximately \$83,000. The Company has been paying certain expenses of the MN-S due to an ongoing dispute between members of MN-S with respect to governance matters. The Company expects to be repaid by MN-S for amounts advanced to and expenses paid on behalf of MN-S. However there is uncertainty with respect to the ultimate timing and collectibility of these amounts. The Company also rents space to MN-S and the ongoing dispute at MN-S may have an impact of the ability of MN-S to continue to pay rent to the Company.

## 4. Leasehold improvements:

		Cost	Accumulated amortization	2013	2012
Leasehold improvements	\$	18,613	\$ (1,551)	\$ 17,062	\$ 50,843
	\$	18,613	\$ (1,551)	\$ 17,062	\$ 50,843

During the current year, the Company relocated to new office premises. The remaining net book value of leasehold improvements relating to the previous office premises in the amount of \$50,843 has been fully amortized to expense in the current year. Leasehold improvement additions relating to the new office premises has been capitalized in the current year and will be amortized over the negotiated lease term.

# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 5. Due to SaskMétis Economic Development Corporation:

	2013	2012
Sask Métis Economic Development Corporation demand loan payable in monthly instalments of \$4,075 including interest at 10%, secured by demand promissory note, cash in trust accounts, general security agreement on all property and assignment of insurance, due 2013	\$ -	\$ 8,441

## 6. Commitments:

The Company leases office space pursuant to the terms of an operating lease expiring September 30, 2016. The estimated future minimum lease payments including occupancy costs are as follows:

2014	\$ 108,185
2015	108,185
2016	81,139
	<u>\$ 297,509</u>

## 7. Financial instruments:

The Company has exposure to the following risks from its use of financial instruments:

### a) Liquidity risk:

Liquidity risk is the risk that the Company will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Company manages its liquidity risk by monitoring its operating requirements and ensuring it has sufficient funds to fulfill its obligations.



# PROVINCIAL MÉTIS HOLDCO INC.

Notes to Financial Statements (continued)

Year ended December 31, 2013

---

## 7. Financial instruments (continued):

### b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Company is exposed to credit risk with respect to cash, investments accounts receivable and amounts due from Métis Nation - Saskatchewan Secretariat Inc. The Company assesses credit risk on a continuous basis on accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Credit risk on cash and investments are considered minimal as the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies. Credit risk on amounts due from Métis Nation - Saskatchewan Secretariat Inc. arises from an ongoing dispute between members of MN-S with respect to governance matters and depends on the ability of the members to resolve their differences.

### c) Interest rate risk:

The Company is exposed to interest rate risk on its guaranteed investment certificate. This risk is considered minimal due to the short-term period to maturity of the investment.

19

# Section

# A



ting through complexity

AUDIT

**Métis Nation-  
Saskatchewan  
Secretariat Inc.**

**Audit Findings Report**

For the years ended March 31, 2014

KPMG LLP, Chartered Accountants

# Contents

Executive summary .....	2
Significant audit, accounting and reporting matters .....	3
Significant qualitative aspects of accounting policies and practices .....	8
Performance observations.....	9
Misstatements .....	10
Appendices .....	11

# Executive summary

## Overview

The purpose<sup>1</sup> of this Audit Findings Report is to assist you in your review of the results of our audits of the financial statements of Métis Nation-Saskatchewan Secretariat Inc. as at and for the years ended March 31, 2014 and 2013. The Audit Findings Report should not be used for any other purpose or by anyone other than management and the Provincial Métis Council.

## Status

We have completed the audit of the financial statements and the financial statements along with our related auditors' reports have been filed with the funding agencies.

---

<sup>1</sup> This Audit Findings Report should not be used for any other purpose or by anyone other than the Provincial Métis Council. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

## Significant audit, accounting and reporting matters

Included in this report are significant matters we have highlighted for discussion at the upcoming meeting. We look forward to discussing these matters and our findings with you.

### Topics to Discuss

Below are topics identified from the audit that we have highlighted for discussion at the upcoming Provincial Métis Council meeting. We look forward to discussing our findings with you.

#### **Métis Nation Operations**

- For the year ended March 31, 2014, the Métis Nation had a deficiency of revenue over expenses of \$160,000 compared to 2013 deficiency of \$136,000. This represents an overall increase of \$24,000 in the deficiency compared to prior year.
- Contributing to the overall deficiency of \$160,000 at March 31, 2014 were the following:
  - decrease in federal funding revenue of approximately \$68,000; significant changes from the prior year include decreases in funding for Electoral Preparedness of \$200,000, Tripartite Self Government Program of \$283,000 and MNS Transition of \$110,000 offset by increases in federal funding for Cultural Connections for Aboriginal Youth of \$125,000, Post Powley Component C (Deloitte Report) of \$242,000 and Genealogical and Historical of \$112,000;
  - decrease in provincial funding revenue of approximately \$518,000; significant changes include decreases in funding for Bilateral Program of \$100,000, Tripartite Self Government Program of \$283,000, Green Light Program of \$53,000 and Health Suicide Prevention of \$148,000 offset by increases in provincial funding for Legislative Review of \$95,000;
  - Other sources of revenue outside of federal and provincial funding were \$23,000 (compared to \$33,000 in 2013);
  - Overall expenses have decreased by \$571,000 commensurate with decreased federal and provincial funding levels;
  - Contributing to the overall deficiency of approximately \$160,000 were legal and professional fees of \$129,000 and Métis Nation Legislative expenses of \$40,000; these amounts were unable to be allocated to program activities covered by federal and provincial funding and largely are what contributed to the March 31, 2014 loss of \$160,000.

- For the year ended March 31, 2013, the Métis Nation had a deficiency of revenue over expenses of \$136,000 compared to 2012 deficiency of \$10,000. This represents an overall increase of \$126,000 in the deficiency compared to the prior year.
- Contributing to the overall deficiency of \$136,000 at March 31, 2013 were the following:
  - increase in federal funding revenue of approximately \$501,000; significant changes from the prior year include increases in funding for Electoral Preparedness of \$138,000, MNS Transition of \$110,000, Post Powley Component A of \$85,000, Post Powley Component C of \$127,000 and Genealogical and Historical of \$194,000; offset by decreases in federal funding for Registry Engagement Work plan of \$98,000 and Arbitration Appeals of \$28,000;
  - decrease in provincial funding revenue of approximately \$56,000; significant changes include increases in funding for Green Light Program of \$111,000, Education Task Force of \$117,000, Health Suicide Prevention of \$148,000 and Legislative Review of \$11,000, offset by decreases in provincial funding for Harvesting Negotiations of \$269,000, Child Welfare Review of \$49,000, Health Director Initiative of \$38,000 and Environment of \$95,000;
  - Other sources of revenue outside of federal and provincial funding were \$33,000 (compared to \$8,000 in 2012)
  - Overall expenses have increased by \$595,000 commensurate with increased federal funding levels;
  - Contributing to the overall deficiency of approximately \$136,000 were additional unfunded election expenses of \$145,000; these amounts were unable to be allocated to program activities covered by federal and provincial funding and largely are what contributed to the March 31, 2013 loss of \$136,000.



#### **Overall financial statements presentation (going concern risk)**

- These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations applicable for a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations.
- The Métis Nation has experienced a deficiency of revenue over expenses of \$160,000 (2013-\$136,000), has a negative working capital position of \$487,000 (2013 -\$ 279,000) and a negative operating fund deficit of \$537,000 (2013 - \$ 379,000).
- Provincial Métis Holdco Inc. ("PMHC") (a related organization) has paid certain expenses of Métis Nation due to an ongoing dispute between members of the Métis Nation with respect to governance matters. These amounts have been expensed in the financial statements with a corresponding payable to PMHC.
- The above factors raise significant doubt about the Métis Nation's ability to continue as a going concern. The ability of the Métis Nation to continue as a going concern and realize its assets and discharge its liabilities in the normal course of operations is dependent upon its ability to generate cash flow and surplus from operations, the continued support from its funders and the resolution of the governance matters described above. The outcome of these matters cannot be determined at this time.
- These financial statements do not reflect any adjustments in the carrying values of assets and liabilities, the reported deficiency or revenue over expenses and the statement of financial position classifications that would be necessary if the going concern assumptions were not appropriate.

#### **KPMG comments regarding effect on the audit**

- The Métis Nations overall financial position has deteriorated in the past fiscal year and the working capital deficiency has deteriorated by \$208,000 and the operating deficit has deteriorated by \$158,000.
- Additional financing in the amount of \$132,000 has been provided by Provincial Métis Holdco Inc.
- Significant legal expenses in the amount of \$129,000 have been incurred largely as a result of the governance issues described above.
- The Métis Nation has nominal third party sources of revenue other than Federal and Provincial agencies which may be unable or unwilling to provide future funding due to funding cutbacks and concern over the political instability of the Métis Nation.
- In situations where doubt exists about an entity's ability to continue without significant changes in its operation, generally accepted accounting principles require us to disclose this circumstance to the readers of the financial statements.

#### **Accounts Receivable**

- The Métis Nation has outstanding \$351,000 (2013-\$660,000) of accounts receivable, the majority of which are from federal funding agencies. Shortly after the March 31, 2013 fiscal year end, a meeting was held with federal funders and all arrears outstanding from prior years were received. Of the March 31, 2014 accounts receivable of \$313,000 were from funding agencies of which \$13,000 related to the prior year and the remainder related to the current fiscal year.
- GST returns are being filed on a regular basis.

#### **KPMG comments regarding effect on the audit**

- KPMG confirmed the majority of revenues and accounts receivable with funding agencies.
- KPMG also calculated the appropriate amounts of deferred revenue by looking at the funding amounts received and related expenditures incurred.
- These amounts are disclosed in the notes to the financial statements.

#### **Due to Provincial Métis Holdco Inc.**

- Amounts due to Provincial Métis Holdco Inc. ("PMHC") total \$282,052 (2013 \$150,000) and include \$150,000 provided as financing for a past Métis Nation election and \$132,052 of expenses related to Powley Component C program expenses (Deloitte Report). As these expenses were disputed by members of the Provincial Métis Council the amounts were paid by PMHC.

#### **KPMG comments regarding effect on the audit**

- The inter party balances are also recorded on the PMHC financial statements.
- These amounts are disclosed in the notes to the financial statements.

#### **Accounts Payable and Accrued Liabilities**

- Accounts payable are recorded as incurred and when the Métis nation has a constructive obligation to incur expenditures pursuant to the terms of funding agreements.
- Amounts accrued pursuant to these constructive obligations are \$331,243 at March 31, 2014 and \$746,510 at March 31, 2013

#### **KPMG comments regarding effect on the audit**

- KPMG examined accounts payable listings for accounts payable and agreed a sample of amounts to invoices.
- For amounts accrued KPMG reviewed the project budgets and the nature of amounts accrued based on outstanding tasks.
- These amounts are disclosed in the notes to the financial statements.

**Provincial Métis Holdco Inc. ("PMHC") years ended December 31, 2013 and 2012**

- For the year ended December 31, 2013 PMHC had an excess of revenue over expenses of \$21,000 compared to \$26,000 for the year ended December 31, 2012.
- Contributing to this excess at December 31, 2013 and 2012 were the following:
  - Rental revenue of \$268,000 in 2013 compared to \$248,000 in 2012 (MNS rental revenue of \$247,000 in 2013 and \$181,000 in 2012 are included in this total).
  - Rental expense of \$157,000 in 2013 compared to \$145,000 in 2012.
  - With the move to a new office location in late 2013, \$19,000 in leasehold improvements was incurred. The leasehold improvements remaining unamortized balance in the previous location was fully amortized in 2013. The remaining amortization expense increased from \$34,000 in 2012 to \$52,000 in 2013. The new lease expires in September 2016.
- The loan from Sask Métis Development Corporation was paid off in 2013.
- Amounts due from Métis Nation of \$282,000 agree to amounts recorded in the Métis Nation financial statements.
- Cash balances include amounts of deposit at the Royal Bank of Canada and amounts held in trust with a law firm.

## Significant qualitative aspects of accounting policies and practices

Our professional standards require that we communicate our views regarding the matters below, which represent judgments about significant qualitative aspects of accounting policies and practices. Judgments about quality cannot be measured solely against standards or objective criteria. These judgments are inherently those of the individual making the assessment: the engagement partner. However, although judgments about quality are those of the engagement partner, the views discussed below are not contrary to positions KPMG has taken.

<b>Significant accounting policies</b>	Significant accounting policies or practices are disclosed in Note 2 to the financial statements. There were no new significant accounting policies or practices were selected and applied during the year:
<b>Significant accounting estimates</b>	<ul style="list-style-type: none"> <li>• Management's identification of accounting estimates:               <ul style="list-style-type: none"> <li>○ Ability to continue as a going concern</li> <li>○ Estimates of accrued liabilities under funding agreements</li> <li>○ Collectibility of accounts receivable pursuant to funding agreements</li> <li>○ Estimated useful lives of capital assets</li> </ul> </li> <li>• Indicators of possible management bias</li> <li>• Disclosure of estimation uncertainty in the financial statements</li> </ul>
<b>Critical disclosures and financial statement presentation</b>	<ul style="list-style-type: none"> <li>• The financial statements include disclosures and presentation requirements under the relevant financial reporting framework.</li> <li>• Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter included in the Appendices.</li> </ul>



## Performance observations

As part of our audit process we communicate opportunities for improvements in financial or operational processes or controls should we become aware of them during our audit. During the course of our audits we are aware of certain matters and have discussed them with management and provided our recommendations.

The following is a synopsis of these performance improvement opportunities and our recommendations:

### Sources of funding

- The Métis Nation is reliant on federal and provincial government sources of funding and has very limited revenue from other sources. These types of funding are subject to uncertainty as to the availability and level of funds accessible. The Métis Nation has to submit work plans in order to access these funding sources and amounts received are subject to holdbacks and final approval by government departments.
- Métis Nations has, as previously described, incurred significant operating and working capital deficiency. Developing non-governmental sources of revenue or obtaining government funding to cover administrative or non-program activities may be crucial to the long-term financial volatility of the Métis Nation.

### Governance matters

- The Métis Nation's ability to operate effectively and efficiently and its ability to continue as a going concern has been limited by the inability of the organization to obtain consensus and accommodation amongst management, members of the Provincial Métis Council and the Métis Nation Legislative Assembly. This conflict has also resulted in unfavorable media reporting and may have damaged the ability of the Métis Nations to secure ongoing sources of funding. These disagreements have resulted in legal challenges and oversight by the Courts. The Métis Nation has also incurred significant legal and other expenses in relation to these matters.
- The ability of the Métis Nation to continue as a going concern is dependent upon successful resolution of these issues.

# Misstatements

## Identification of misstatements

Misstatements identified during the audit have been categorized as follows:

- corrected misstatements
- uncorrected misstatements

These corrected audit misstatements are included in the representation letter included in the Appendices. We did not identify any material misstatements that remain uncorrected.



## Appendices

**Auditors' reports and financial statements**

**Independence letters**

**Management representation letters**

**KPMG's Audit Quality Framework**

# Auditors' report and financial statements

Previously distributed by management

## Independence letters

See attached



KPMG LLP  
500-475 2nd Avenue South  
Saskatoon Saskatchewan S7K 1P4  
Canada

Telephone (306) 934-6200  
Fax (306) 934-6233  
Internet [www.kpmg.ca](http://www.kpmg.ca)

Mr. Robert Doucette  
Métis Nation - Saskatchewan Secretariat Inc.  
231 Robin Crescent  
Saskatoon, SK S7L 6M8

October 16, 2014

Dear Mr. Doucette:

Professional standards specify that we communicate to you in writing all relationships between the Entity (and its related entities) and our firm, that may reasonably be thought to bear on our independence.

In determining which relationships to report, we consider relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulation, covering such matters as:

- a) provision of services in addition to the audit engagement
- b) other relationships such as:
  - holding a financial interest, either directly or indirectly, in a client
  - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
  - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
  - economic dependence on a client

## PROVISION OF SERVICES

The following summarizes the professional services rendered by us to the Entity (and its related entities) from April 1, 2013 up to the date of our auditors' report:



Type of service
<ul style="list-style-type: none"><li>◦ Audit of financial statements.</li><li>◦ Consultation on accounting issues</li></ul>
<b>All other</b>
<ul style="list-style-type: none"><li>◦ Preparation of financial statements and related schedules and notes.</li><li>◦ Assistance with reconciliation of accounts and completion of accounting records.</li></ul>

Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards regarding to the threats to independence listed above:

- We instituted policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions
- We obtained pre-approval of non-audit services and during this pre-approval process we discussed the nature of the engagement and other independence issues related to the services
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services and we have not made any management decisions or assumed responsibility for such decisions

#### OTHER RELATIONSHIPS

Relationships	Safeguards
<ul style="list-style-type: none"><li>• Long association of senior personnel with an assurance client</li></ul>	<ul style="list-style-type: none"><li>• Discuss with those charged with governance</li></ul>

#### CONFIRMATION OF INDEPENDENCE

We confirm that we are independent with respect to the Entity (and its related entities) within the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from April 1, 2013 up to the date of our auditors' report.

#### OTHER MATTERS

This letter is confidential and intended solely for use by those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purposes.





Métis Nation - Saskatchewan Secretariat Inc.  
October 16, 2014

KPMG shall have no responsibility for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Accountants

Gordon M. Stewart, FCA  
*Audit and Business Advisory Services*



**KPMG LLP**  
**Chartered Accountants**  
500-475 2nd Avenue South  
Saskatoon Saskatchewan S7K 1P4  
Canada

Telephone (306) 934-6200  
Fax (306) 934-6233  
Internet [www.kpmg.ca](http://www.kpmg.ca)

Mr. Robert Doucette  
Métis Nation - Saskatchewan Secretariat Inc.  
406 Jessop Avenue  
Saskatoon, SK S7N 2S5

August 1, 2013

Dear Mr. Doucette:

Professional standards specify that we communicate to you in writing all relationships between the Entity (and its related entities) and our firm, that may reasonably be thought to bear on our independence.

In determining which relationships to report, we are required to consider relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulation, covering such matters as:

- a) provision of services in addition to the audit engagement
- b) other relationships such as:
  - holding a financial interest, either directly or indirectly, in a client
  - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
  - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
  - economic dependence on a client

#### **PROVISION OF SERVICES**

The following summarizes the professional services rendered by us to the Entity (and its related entities) from April 01, 2012 up to the date of our auditors' report:



Description of Professional Service
<b>Audit</b> <ul style="list-style-type: none"><li>Audit of financial statements.</li></ul>
<b>All other</b> <ul style="list-style-type: none"><li>Preparation of financial statements and related schedules and notes.</li><li>Assistance with reconciliation of accounts and completion of accounting records.</li></ul>

Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards regarding to the threats to independence listed above:

- We instituted policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions
- We obtained pre-approval of non-audit services and during this pre-approval process we discussed the nature of the engagement and other independence issues related to the services
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services and we have not made any management decisions or assumed responsibility for such decisions

#### OTHER RELATIONSHIPS

Relationships	Safeguards
<ul style="list-style-type: none"><li>Long association of senior personnel with an assurance client</li></ul>	<ul style="list-style-type: none"><li>Discuss with those charged with governance</li></ul>

#### CONFIRMATION OF INDEPENDENCE

We confirm that we are independent with respect to the Entity (and its related entities) within the relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulation from April 01, 2012 up to the date of our auditors' report.

#### OTHER MATTERS

This letter is confidential and intended solely for use by those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purposes.



Métis Nation - Saskatchewan Secretariat Inc.  
August 1, 2013

KPMG shall have no responsibility for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

*KPMG LLP*

Chartered Accountants

Gordon M. Stewart, FCA  
*Audit and Business Advisory Services*  
(306) 934-6203



KPMG LLP  
500-475 2nd Avenue South  
Saskatoon Saskatchewan S7K 1P4  
Canada

Telephone (306) 934-6200  
Fax (306) 934-6233  
Internet [www.kpmg.ca](http://www.kpmg.ca)

Mr. Robert Doucette  
Provincial Métis Holdco Inc.  
231 Robin Crescent  
Saskatoon, SK S7L 6M8

April 17, 2014

Dear Mr. Doucette:

Professional standards specify that we communicate to you in writing all relationships between the Entity (and its related entities) and our firm, that may reasonably be thought to bear on our independence.

In determining which relationships to report, we consider relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulation, covering such matters as:

- a) provision of services in addition to the audit engagement
- b) other relationships such as:
  - holding a financial interest, either directly or indirectly, in a client
  - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
  - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
  - economic dependence on a client

## PROVISION OF SERVICES

The following summarizes the professional services rendered by us to the Entity (and its related entities) from January 1, 2013 up to the date of our auditors' report:





Type of service
<b>Audit</b> <ul style="list-style-type: none"><li>• Audit of the Entity's financial statements.</li></ul>
<b>Non audit</b> <ul style="list-style-type: none"><li>• Preparation of financial statements and related notes.</li></ul>

Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards regarding to the threats to independence listed above:

- We instituted policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions
- We obtained pre-approval of non-audit services and during this pre-approval process we discussed the nature of the engagement and other independence issues related to the services
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services and we have not made any management decisions or assumed responsibility for such decisions

#### **OTHER RELATIONSHIPS**

We are not aware of any other relationships between our firm and the Entity (and its related entities) that may reasonably be thought to bear on our independence from January 1, 2013 up to the date of our auditors' report.

#### **CONFIRMATION OF INDEPENDENCE**

We confirm that we are independent with respect to the Entity (and its related entities) within the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from January 1, 2013 up to the date of our auditors' report.

#### **OTHER MATTERS**

This letter is confidential and intended solely for use by those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purposes.



Provincial Métis Holdco Inc.  
April 17, 2014

KPMG shall have no responsibility for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line.

Chartered Accountants

Gordon M. Stewart, FCA  
*Audit and Business Advisory Services*



**KPMG LLP**  
**Chartered Accountants**  
500-475 2nd Avenue South  
Saskatoon Saskatchewan S7K 1P4  
Canada

Telephone (306) 934-6200  
Fax (306) 934-6233  
Internet [www.kpmg.ca](http://www.kpmg.ca)

Mr. Robert Doucette  
Provincial Métis Holdco Inc.  
406 Jessop Avenue  
Saskatoon, SK S7N 2S5

June 4, 2013

Dear Mr. Doucette:

Professional standards specify that we communicate to you in writing all relationships between the Entity (and its related entities) and our firm, that may reasonably be thought to bear on our independence.

In determining which relationships to report, we are required to consider relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulation, covering such matters as:

- a) provision of services in addition to the audit engagement
- b) other relationships such as:
  - holding a financial interest, either directly or indirectly, in a client
  - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
  - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
  - economic dependence on a client

#### PROVISION OF SERVICES

The following summarizes the professional services rendered by us to the Entity (and its related entities) from January 01, 2012 up to the date of our auditors' report:

Description of Professional Service
<b>Audit</b> <ul style="list-style-type: none"><li>• Audit of the Entity's financial statements.</li></ul>



Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards regarding to the threats to independence listed above:

- We instituted policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions
- We obtained pre-approval of non-audit services and during this pre-approval process we discussed the nature of the engagement and other independence issues related to the services
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services and we have not made any management decisions or assumed responsibility for such decisions

#### **OTHER RELATIONSHIPS**

We are not aware of any other relationships between our firm and the Entity (and its related entities) that may reasonably be thought to bear on our independence from January 01, 2012 up to the date of our auditors' report.

#### **CONFIRMATION OF INDEPENDENCE**

We confirm that we are independent with respect to the Entity (and its related entities) within the relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulation from January 01, 2012 up to the date of our auditors' report.

#### **OTHER MATTERS**

This letter is confidential and intended solely for use by those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purposes.

KPMG shall have no responsibility for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

Chartered Accountants

Gordon M. Stewart, FCA  
*Audit and Business Advisory Services*  
(306) 934-6203



## Management representation letters

See attached



MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC.  
231 ROBIN CRESCENT  
SASKATOON, SK S7L 6M8

KPMG LLP  
500-475 2nd Avenue South  
Saskatoon, Saskatchewan S7K 1P4  
Canada

October 16, 2014

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Métis Nation - Saskatchewan Secretariat Inc. ("the Entity") as at and for the period ended March 31, 2014.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**GENERAL:**

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated June 10, 2014, for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework
  - b) providing you with all relevant information, such as all financial records and related data and complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements, and access to such relevant information
  - c) such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
  - d) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

**FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:**

- 3) We have disclosed to you:
- a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
  - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the Entity and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the Entity's financial statements, communicated by employees, former employees, regulators, or others
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements

**SUBSEQUENT EVENTS:**

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

**RELATED PARTIES:**

- 5) We have disclosed to you the identity of the Entity's related parties and all the related party relationships and transactions / balances of which we are aware and all related party relationships and transactions / balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

**ESTIMATES:**

- 6) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:**

- 7) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

**GOING CONCERN:**

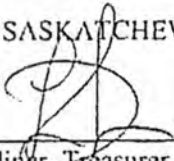
- 8) We have provided you with all relevant information regarding all of the key risk factors, assumptions and uncertainties of which we are aware that are relevant to the Entity's ability to continue as a going concern.
- 9) Material uncertainties that [may] cast [significant/substantial] doubt on the Entity's ability to continue as a going concern are fully disclosed in the financial statements.

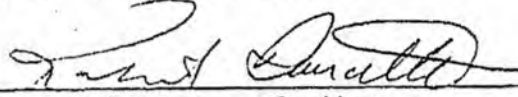
**MISSTATEMENTS:**

- 10) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 11) We approve the corrected misstatements identified by you during the audit described in Attachment II.

Yours very truly,

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC.

  
By: Mr. Louis Gardiner, Treasurer

  
By: Mr. Robert Doucette, President

## Attachment I – Definitions

### MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

### FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

### RELATED PARTIES

In accordance with Canadian generally accepted accounting principles *related party* is defined as:

- Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management and immediate family members.

In accordance with Canadian generally accepted accounting principles a *related party transaction* is defined as:

- A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.



Matis Nation - Saskatchewan Secretariat Inc.

Period End: March 31, 2014

Using Journal Entries

Period: 4/1/2013 To 3/31/2014

G3

Prepared by SR	Prepared by HL	Prepared by CM	Prepared by GO 8/5/2014
Reviewed by 25 10 1 2014	Reviewed by	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
2	3/31/2014	Deferred Grants for Capital Assets	00-2075-0000	120.3.11			6,748.75		
2	3/31/2014	Genealogical-Equipment -	35-1300-0000	120.3.11		6,748.75			
2	3/31/2014	Genealogical & Historical -	35-4000-0000	120.3.11		6,748.75			
2	3/31/2014	Genealogical & Historical - Equipment	35-5420-0000	120.3.11			6,748.75		
To capitalize equipment purchases for the genealogical programme during 2013/14									
3	3/31/2014	Accumulated Depreciation	00-1310-0000	120.3.11			680.10		
3	3/31/2014	Amortization Expense	00-5505-0000	120.3.11		759.47			
3	3/31/2014	Powley- Accumulated Depreciation	01-1310-0000	120.3.11			23,609.81		
3	3/31/2014	Amortization	01-5505-0000	120.3.11		23,609.81			
3	3/31/2014	DTC-Accumulated Depreciation	11-1310-0000	120.3.11			127.59		
3	3/31/2014	Amortization expense	11-5505-0000	120.3.11		127.59			
3	3/31/2014	Youth Council-Accumulated Depreciation	13-1310-0000	120.3.11			79.37		
3	3/31/2014	Health - Acc. Depreciation	15-1310-0000	120.3.11			557.93		
3	3/31/2014	Health Director Initiative - Amortization	15-5505-0000	120.3.11		557.93			
3	3/31/2014	Genealogical-Acc. Depreciation	35-1310-0000	120.3.11			35,465.29		
3	3/31/2014	Genealogical - Amortization	35-5505-0000	120.3.11		35,465.29			
To record amortization expense per capital asset working paper									
4	3/31/2014	Deferred Grants for Capital Assets	00-2075-0000	120.3.11		59,001.20			
4	3/31/2014	Federal Government - OFI	01-4000-0000	120.3.11			13,744.88		
4	3/31/2014	Federal Government - OFI	01-4000-0000	120.3.11			9,791.03		
4	3/31/2014	Funds - Federal	02-4000-0000	120.3.11					
4	3/31/2014	Genealogical & Historical -	35-4000-0000	120.3.11			35,465.29		
To amortize deferred grants for capital assets for the current year (discuss with Rahul)									
	3/31/2014	Deferred Revenue	00-2070-0000	190.1.101		33,070.56			
	3/31/2014	Deferred Revenue	00-2070-0000	190.1.101		2,448.75			
	3/31/2014	Green Light Program - Saskatoon Health Region	12-4065-0000	190.1.101			2,448.75		
5	3/31/2014	Funding - Ministry of Education	14-4037-0000	190.1.101			33,070.56		
To recognize deferred revenue as revenue for Sask education and green light program									
6	3/31/2014	Deferred Revenue	00-2070-0000	190.1.101			51,301.78		
6	3/31/2014	Environment Canada Funding	06-4005-0000	190.1.101		3,558.28			
6	3/31/2014	Harvesting- Ministry of Environment	16-4038-0000	190.1.101		1,034.68			
6	3/31/2014	Provincial Funding - Ministry of Social Service	30-4031-0000	190.1.101		12,040.59			
6	3/31/2014	Provincial Funding - Health	36-4035-0000	190.1.101					
6	3/31/2014	Funding Federal	42-4000-0000	190.1.101		1,745.81			
6	3/31/2014	Trans Canada Energy	43-4041-0000	190.1.101		8,851.76			
6	3/31/2014	Provincial Funding - Saskatchewan	44-4032-0000	190.1.101		22,047.60			
6	3/31/2014	Funding - Federal	46-4000-0000	190.1.101		1,692.85			
To record deferred revenue for programs that can not be recognized as at March 31, 2014 for the 2013-14 year									
7	3/31/2014	General Legal Expense Account	5400-0000	210.5.1		45,187.24			
7	3/31/2014	Account Payable	00-2060-0000	210.5.1		85,664.63			
7	3/31/2014	Due to HOLDCO	00-2080-0000	210.5.1			132,051.67		
To record related party transactions due to PHMO not recorded as at March 31, 2014									
8	3/31/2014	Account Payable	00-2060-0000	210.5.1			28,333.03		
8	3/31/2014	ANLA Sept 2013 Expenses	00-5570-0000	210.5.1		28,333.03			
Correction To record repayment of MNLX expenses as expenses instead of reduction in AP									
9	3/31/2014	General Legal Expense Account	5400-0000	210.3.2		73,170.10			
9	3/31/2014	Account Payable	00-2060-0000	210.3.2			73,170.10		
To record additional legal expenses									
	3/31/2014	Accounts Receivable	00-1200-0000	190.1.101		3,501.67			
	3/31/2014	Deferred Revenue	00-2070-0000	190.1.101		30,333.33			
	3/31/2014	Provincial Funding - FHMIR	19-4030-0000	190.1.101			33,835.00		
To record MERMAR adjustments									



Métis Nation - Saskatchewan Secretariat Inc.  
 Year End: March 31, 2014  
 Adjusting Journal Entries  
 Date: 4/1/2013 To 3/31/2014

G3-1

Prepared by SR	Prepared by HL	Prepared by CM	Prepared by GD 8/5/2014
Reviewed by JN 10/1/2014	Reviewed by	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
11	3/31/2014	Scotia Bank-Secretariat	00-1010-0000	220	3 1 105	86,864.63			
11	3/31/2014	Account Payable	00-2060-0000	220	3 1 105		86,864.63		
		To reverse old cheque and correct understated AP							
14	3/31/2014	Accounts Receivable	00-1700-0000				1,992.86		
14	3/31/2014	Deferred Revenue	00-2070-0000			1,992.86			
		To reclassify offset deferred revenue and accounts receivable for Powkey Consultation - Muskegwekwan Potash Mining Project for financial statement presentation purposes							
15	3/31/2014	Accrued Liabilities - 2013-14	00-2069-0000				1,745.81		
15	3/31/2014	Deferred Revenue	00-2070-0000			1,745.81			
15	3/31/2014	Funding Federal	42-4000-0000				1,745.81		
15	3/31/2014	Administration Fee	42-5165-0000			1,745.81			
		To accrue for Cultural Connections for Aboriginal Youth committed prior to the end of the fiscal year							
16	3/31/2014	Administration - Computers	00-1302-0000	120	3 1 1	16,939.23			
16	3/31/2014	Accumulated Depreciation	00-1310-0000	120	3 1 1		10,069.52		
16	3/31/2014	Accumulated Depreciation	00-1310-0000	120	3 1 1				
16	3/31/2014	Tripartite - Computers	02-1302-0000	120	3 1 1		14,814.40		
16	3/31/2014	Tripartite - Acc. Depreciation	02-1310-0000	120	3 1 1	10,069.52			
16	3/31/2014	Bilateral - Computers	16-1302-0000	120	3 1 1		2,124.83		
		To reclassify computer equipment from discontinued programs to administration							
						606,558.16	606,558.16		
		Net Income (Loss)	(159,723.77)						

Métis Nation - Saskatchewan Secretariat Inc.

nd: March 31, 2014

sification entries

1013-04-01 To 2014-03-31

G4

Prepared by SR	Prepared by HL	Prepared by CM	Prepared by GD 2014-08-05
Reviewed by G5 2014-10-01	Reviewed by	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
12	2014-03-31	Suicide Prevention - Coordinator	27-5071-0000	190.1.101		1,526.54			
12	2014-03-31	Suicide Prevention - Travel	27-5360-0000	190.1.101		4,660.25			
12	2014-03-31	Suicide Prevention - Professional Fees	27-5410-0000	190.1.101		1,771.97			
12	2014-03-31	Suicide Prevention - Administration	27-5495-0000	190.1.101		215.66			
12	2014-03-31	Suicide Prevention - Communication/Dissemination	27-5532-0000	190.1.101		7,382.04			
12	2014-03-31	Health Department - Director Salary	39-5045-0000	190.1.101			1,526.54		
12	2014-03-31	Health Department - Travel Expense	39-5360-0000	190.1.101			4,660.25		
12	2014-03-31	Professional Fees	39-5410-0000	190.1.101			1,771.97		
12	2014-03-31	Video	39-5432-0000	190.1.101			5,427.50		
12	2014-03-31	Printing and Photocopying	39-5485-0000	190.1.101			1,954.54		
12	2014-03-31	Health Department - Administration Fee	39-5495-0000	190.1.101			215.66		
To reclassify suicide prevention expenses from Health Director Programme									
13	2014-03-31	Deferred Revenue	00-2070-0000	190.1.101		35,076.38			
13	2014-03-31	Provincial Funding - Ministry of Health	27-4035-0000	190.1.101			9,333.12		
13	2014-03-31	Provincial Funding - Ministry of Health	27-4035-0000	190.1.101			5,623.70		
13	2014-03-31	Provincial Funding - Health	39-4035-0000	190.1.101		9,333.12			
13	2014-03-31	Provincial Funding - Health	39-4035-0000	190.1.101			32,465.68		
To reclassify Ministry of Health funding relating to suicide prevention programme expenses (also see 190.0.4)									
						62,968.96	62,968.96		
Net Income (Loss)			(150,723.77)						

Métis Nation - Saskatchewan Secretariat Inc.  
 Year End: March 31, 2014  
 Engagement properties  
 Date: 2013-04-01 To 2014-03-31

G5

Prepared by SR	Prepared by HL	Prepared by CM	Prepared by GS 2014-00-05
Reviewed by GS 2014-10-01	Reviewed by	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	2014-03-31	Prepaid Expenses	00-6000-0000	120.	3. 12	11,160.51			
1	2014-03-31	IT Requirements/Equipment	33-5420-0000	120.	3. 12		1,004.45		
1	2014-03-31	Advanced Data Systems	33-5431-0000	120.	3. 12		10,156.06		
To record prepaid expense for expenses relating to period March 1, 2014 to Feb 28, 2015									
						11,160.51	11,160.51		

Net Income (Loss) (148,563.26)



# RETURN TO KPMG

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC.  
406 JESSOP AVENUE  
SASKATOON, SK S7N 2S5

KPMG LLP  
Chartered Accountants  
500-475 2nd Avenue South  
Saskatoon, Saskatchewan S7K 1P4  
Canada



August 01, 2013

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audits were for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Métis Nation - Saskatchewan Secretariat Inc. ("the Entity"), which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 01, 2011, the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information. These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

## GENERAL:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated May 7, 2013, for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework
  - b) providing you with all relevant information, such as all financial records and related data and complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements, and access to such relevant information
  - c) such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

- d) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

**FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:**

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
  - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the Entity and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the Entity's financial statements, communicated by employees, former employees, regulators, or others
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements

**SUBSEQUENT EVENTS:**

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

**RELATED PARTIES:**

- 5) We have disclosed to you the identity of the Entity's related parties and all the related party relationships and transactions of which we are aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

**ESTIMATES:**

- 6) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.



**NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:**

- 7) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

**MISSTATEMENTS:**

- 8) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 9) We approve the corrected misstatements identified by you during the audit described in Attachment II.

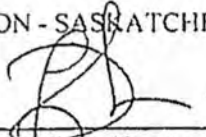
**OTHER:**

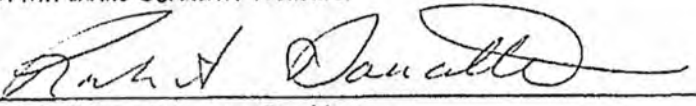
10) **GOING CONCERN:**

The financial statements disclose all of the matters of which we are aware that are relevant to the Entity's ability to continue as a going concern, including significant conditions and events. We confirm that we have disclosed to you our plans for future action relevant to the Entity's ability to continue as a going concern.

Yours very truly,

MÉTIS NATION - SASKATCHEWAN SECRETARIAT INC.

  
By: Mr. Louis Gardiner, Treasurer

  
By: Mr. Robert Doucette, President

## Attachment I – Definitions

### MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

### FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

### RELATED PARTIES

In accordance with Canadian generally accepted accounting principles *related party* is defined as:

- Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management and immediate family members.

In accordance with Canadian generally accepted accounting principles a *related party transaction* is defined as:

- A related party transaction is a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

\*\*\*is Nation - Saskatchewan Secretariat Inc.

End: March 31, 2013

osting Journal Entries

---: 4/1/2012 To 3/31/2013

G3

Prepared by SR CH 6/24/2013	Prepared by HL	Prepared by CM	Prepared by
Reviewed by 1D 7/18/2013	Reviewed by	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
2	3/31/2013	GST Receivable	00-1210-0000	120 3 14				
2	3/31/2013	Administration- Computers	00-1302-0000	120 3 14				
2	3/31/2013	Tripartite - Computers	02-1302-0000	120 3 14		4,249.66		
2	3/31/2013	Website Maintenance	02-5401-0000	120 3 14			4,249.66	
2	3/31/2013	Bilateral-Computers	18-1302-0000	120 3 14		2,124.83		
2	3/31/2013	Bilateral - Server	18-5402-0000	120 3 14			2,124.83	
2	3/31/2013	Powley A/Registry-Computers	33-1302-0000	120 3 14		19,582.05		
2	3/31/2013	Tech Support	33-5510-0000	120 3 14			19,582.05	
2	3/31/2013	Genealogical-Computer	35-1302-0000	120 3 14		13,207.55		
2	3/31/2013	Genealogical & Historical- Website	35-5401-0000	120 3 14			9,377.36	
2	3/31/2013	Genealogical & Historical - Server	35-5402-0000	120 3 14			3,830.19	
To capitalize the new computers bought for the MNS staff								
3	3/31/2013	Genealogical-Computer	35-1302-0000	120 3 15		12,225.20		
3	3/31/2013	Genealogical & Historical - Equipment	35-5420-0000	120 3 15			9,468.69	
3	3/31/2013	Furniture-Equipment	35-5425-0000	120 3 15			2,756.51	
To reverse the equipment and furniture that was expensed and capitalize the microfilm scanner under computers								
5	3/31/2013	GST Receivable	00-1210-0000			24.05		
5	3/31/2013	Account Payable	00-2060-0000				1,009.84	
5	3/31/2013	Administration	02-5495-0000			214.27		
5	3/31/2013	Administration	02-5495-0000			214.27		
5	3/31/2013	Administration	14-5495-0000			278.62		
5	3/31/2013	Administration	16-5495-0000			278.63		
Proposed by client								
6	3/31/2013	Accumulated Depreciation	00-1310-0000	120 3 11			1,006.36	
6	3/31/2013	Deferred Grants for Capital Assets	00-2075-0000	120 3 11		38,548.55		
6	3/31/2013	Amortization Expense	00-5505-0000	120 3 11		1,006.36		
6	3/31/2013	Amortization Expense	00-5505-0000	120 3 11		158.75		
6	3/31/2013	Powley- Accumulated Depreciation	01-1310-0000	120 3 11			20,374.37	
6	3/31/2013	Federal Government - OFI	01-4000-0000	120 3 11			20,226.56	
6	3/31/2013	Amortization	01-5505-0000	120 3 11		20,374.37		
6	3/31/2013	Tripartite- Acc. Depreciation	02-1310-0000	120 3 11			495.22	
6	3/31/2013	Amortization	02-5505-0000	120 3 11		495.22		
6	3/31/2013	DTC-Accumulated Depreciation	11-1310-0000	120 3 11			255.19	
6	3/31/2013	Amortization expense	11-5505-0000	120 3 11		255.19		
6	3/31/2013	Youth Council-Accumulated Depreciation	13-1310-0000	120 3 11			158.75	
6	3/31/2013	Health - Acc. Depreciation	15-1310-0000	120 3 11			822.74	
6	3/31/2013	Health Director Initiative - Amortization	15-5505-0004	120 3 11		822.74		
6	3/31/2013	Genealogical-Acc. Depreciation	35-1310-0000	120 3 11			18,321.99	
6	3/31/2013	Genealogical & Historical -	35-4000-0000	120 3 11			18,321.99	
6	3/31/2013	Genealogical - Amortization	35-5505-0000	120 3 11		18,321.99		
To record amortization expense per capital asset working paper								
7	3/31/2013	Deferred Grants for Capital Assets	00-2075-0000	120 3 11			49,264.46	
7	3/31/2013	Funds - Federal	02-4000-0000	120 3 11		2,124.83		
7	3/31/2013	Provincial Funding - FNMR	02-4030-0000	120 3 11		2,124.83		
7	3/31/2013	Funds - Federal	33-4000-0000	120 3 11		19,582.05		
7	3/31/2013	Genealogical & Historical -	35-4000-0000	120 3 11		25,432.75		
To record grants for capital assets purchased for the Genealogical program								
8	3/31/2013	Accounts Receivable	00-1200-0000	190 3.1.102			92,956.90	
8	3/31/2013	Allowance for doubtful account	00-1201-0000	190 3.1.102		11,500.00		
8	3/31/2013	Account Payable	00-2060-0000	190 3.1.102		92,956.90		
8	3/31/2013	Recovery of holdbacks receivable	K00-5000-0000	190 3.1.102			11,500.00	
To eliminate the INAC receivable and corresponding payable since those amounts have been not settled subsequent to year end KPMG noted that INAC and MNS reconciled the amounts owing as part of the net settlement and excluded this amount from their								



Métis Nation - Saskatchewan Secretariat Inc.  
Year End: March 31, 2013  
Adjusting Journal Entries  
Date: 4/1/2012 To 3/31/2013

G3-1

Prepared by SR CH 6/24/2013	Prepared by HL	Prepared by CM	Prepared by
Reviewed by TD 7/16/2013	Reviewed by	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
		payment.						
9	3/31/2013	Accrued Liabilities - 2012/13	00-2067-0000	210.3.4.2			4,718.27	
9	3/31/2013	Audit Service	00-5390-0000	210.3.4.2		4,718.27		
		Accrue audit fee to be consistent with engagement letter.						
10	3/31/2013	Accounts Receivable	00-1200-0000	190.3.1.100				
10	3/31/2013	Accounts Receivable	00-1200-0000	190.3.1.100				
10	3/31/2013	Accounts Receivable	00-1200-0000	190.3.1.100				
10	3/31/2013	Deferred Revenue	00-2070-0000	190.3.1.100			38,079.38	
10	3/31/2013	Deferred Revenue	00-2070-0000	190.3.1.100			33,070.96	
10	3/31/2013	Deferred Revenue	00-2070-0000	190.3.1.100			30,303.33	
10	3/31/2013	Deferred Revenue	00-2070-0000	190.3.1.100			18,766.70	
10	3/31/2013	Deferred Revenue	00-2070-0000	190.3.1.100			2,448.75	
10	3/31/2013	Deferred Revenue	00-2070-0000	190.3.1.100			13,551.63	
10	3/31/2013	Funds - Federal	02-4000-0000	190.3.1.100				
10	3/31/2013	Provincial Funding - FNMR	02-4030-0000	190.3.1.100				
10	3/31/2013	Environment Canada Funding	06-4005-0000	190.3.1.100		13,551.63		
10	3/31/2013	Green Light Program - Saskatoon Health Region	12-4065-0000	190.3.1.100		2,448.75		
10	3/31/2013	Funding - Ministry of Education	14-4037-0000	190.3.1.100		33,070.96		
10	3/31/2013	Provincial Funding - FNMR	19-4030-0000	190.3.1.100		30,303.33		
10	3/31/2013	Provincial Funding - Health	26-4035-0000	190.3.1.100		38,079.38		
10	3/31/2013	-Funding Federal-	29-4000-0000	190.3.1.100				
10	3/31/2013	Provincial Funding - Ministry of Social Service	30-4031-0000	190.3.1.100		18,766.70		
10	3/31/2013	Funds - Federal	33-4000-0000	190.3.1.100				
		To record deferred revenue for unspent funding.						
13	3/31/2013	Funding Repayments	00-5700-0000	410.3.1.5			5,000.00	
13	3/31/2013	Loan Receivable BTB Land Mgt Inc.	04-1220-0000	410.3.1.5		5,000.00		
		To reverse amount payable to Back to Batoche as a result of funding clawbacks related to Back to Batoche activities.						
						432,042.68	432,042.68	
		Net Income (Loss)	(135,734.51)					

# RETURN TO KPMG

PROVINCIAL MÉTIS HOLDCO INC.  
231 ROBIN CRESCENT  
SASKATOON, SK S7L 6M8

KPMG LLP  
500-475 2nd Avenue South  
Saskatoon, Saskatchewan S7K 1P4  
Canada



April 17, 2014

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Provincial Métis Holdco Inc. ("the Entity") as at and for the period ended December 31, 2013.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in Attachment I to this letter.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

## GENERAL:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated , for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework
  - b) providing you with all relevant information, such as all financial records and related data and complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements, and access to such relevant information
  - c) such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error
  - d) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements



**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

**FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:**

- 3) We have disclosed to you:
- a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
  - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the Entity and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the Entity's financial statements, communicated by employees, former employees, regulators, or others
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements

**SUBSEQUENT EVENTS:**

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

**RELATED PARTIES:**

- 5) We have disclosed to you the identity of the Entity's related parties and all the related party relationships and transactions of which we are aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

**ESTIMATES:**

- 6) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:**

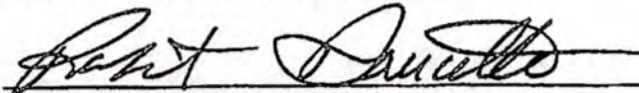
- 7) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

**MISSTATEMENTS:**

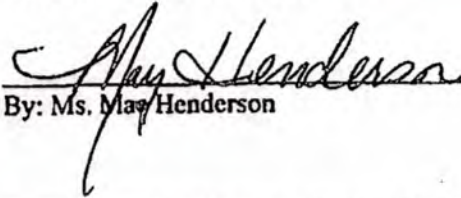
- 8) We approve the corrected misstatements identified by you during the audit described in Attachment II.

Yours very truly,

PROVINCIAL MÉTIS HOLDCO INC.



By: Mr. Robert Doucette, Chairman



By: Ms. Mary Henderson

By: Mr. Louis Gardiner, Treasurer

## Attachment I – Definitions

### MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

### FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

### RELATED PARTIES

In accordance with Canadian generally accepted accounting principles *related party* is defined as:

- when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management and immediate family members.

In accordance with Canadian generally accepted accounting principles a *related party transaction* is defined as:

- a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.



## Attachment II

## Provincial Métis Holdco Inc.

Year End: December 31, 2013

Closing Journal Entries

2013-01-01 To 2013-12-31

G3

Prepared by RM 2014-04-14	Prepared by	Prepared by	Reviewed by
Reviewed by TO 2014-04-11	Reviewed by GS 2014-06-22	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	2013-12-31	Assets-Leasehold Improvements-	1250	3.2.3		18,613.50			
1	2013-12-31	Assets-Leasehold Improvements-	1250	3.2.3			129,933.18		
1	2013-12-31	Accumulated Depreciation	1310	3.2.3			1,551.13		
1	2013-12-31	Accumulated Depreciation	1310	3.2.3		79,089.78			
1	2013-12-31	Building Repairs and Maintenance	5000	3.2.3			1,583.50		
1	2013-12-31	Electrical	5060	3.2.3			17,050.00		
1	2013-12-31	Amortization expense	5415	3.2.3		50,843.42			
1	2013-12-31	Amortization expense	5415	3.2.3		1,551.13			
To fully amortize and derecognize the previous leasehold improvements in the old office building and to record the amortization expense associated with new leasehold improvements incurred in the current year.									
2	2013-12-31	Prepaid Expenses	1600	3.2.1			14,580.30		
2	2013-12-31	Office Rent	5460	3.2.1		14,580.30			
To recognize office expense that was incorrectly included in prepaid expenses at year end.									
3	2013-12-31	Accrued Interest Payable	2070	3.2.2		38.90			
3	2013-12-31	Liability-SMEDCO Loan Payable-	2093	3.2.2		8,441.27			
3	2013-12-31	Loan Payment	5100	3.2.2			8,553.00		
3	2013-12-31	Interest Payment - SMEDCO	5200	3.2.2		74.83			
To record the repayment of the SMEDCO loan.									
4	2013-12-31	Due from Metis Nation Secretariat	1220	2.4.4		45,187.24			
	2013-12-31	Legal Service	5400	2.4.4			45,187.24		
To account for legal expenses paid on behalf of MN-S and reflect them as an increase in the due from Metis Nation - Saskatchewan Secretariat account.									
5	2013-12-31	Accounts Payable	2060	2.4.4			10,300.00		
5	2013-12-31	Audit Services	5390	2.4.4		10,300.00			
To accrue for the fiscal 2013 audit fee									
6	2013-12-31	Trust Account	1016	220.2.2		3,260.91			
6	2013-12-31	Other Income	4060	220.2.2			3,260.91		
To reconcile the cash held in the trust account to the T5 Slip received									
						231,979.26	231,979.26		
Net Income (Loss)			21,488.09						

PROVINCIAL MÉTIS HOLDCO INC.  
406 JESSOP AVENUE  
SASKATOON, SK S7N 2S5

RETURN TO KPMG

KPMG LLP  
Chartered Accountants  
500-475 2nd Avenue South  
Saskatoon, Saskatchewan S7K 1P4  
Canada



June 4, 2013

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audits were for the purpose of expressing an opinion on the financial statements (hereinafter referred to as "financial statements") of Provincial Métis Holdco Inc. ("the Entity"), which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 01, 2011, the statements of operations, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information. These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**GENERAL:**

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated March 18, 2013, for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework
  - b) providing you with all relevant information, such as all financial records and related data and complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements, and access to such relevant information
  - c) such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error



- d) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which management is aware.

**FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:**

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud
  - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the Entity and involves: management, employees who have significant roles in internal control, or others, where the fraud could have a material effect on the financial statements
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the Entity's financial statements, communicated by employees, former employees, regulators, or others
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements

**SUBSEQUENT EVENTS:**

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

**RELATED PARTIES:**

- 5) We have disclosed to you the identity of the Entity's related parties and all the related party relationships and transactions of which we are aware and all related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

**ESTIMATES:**

- 6) Measurement methods and significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:**

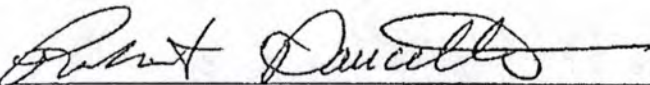
- 7) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002). We also confirm that the financial statements of the Entity will not be included in the consolidated financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

**MISSTATEMENTS:**

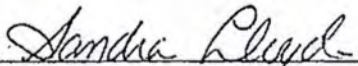
- 8) We approve the corrected misstatements identified by you during the audit described in Attachment II.

Yours very truly,

PROVINCIAL MÉTIS HOLDCO INC.



By: Mr. Robert Doucette, Chairman



By: Ms. Sandra Lloyd, Accountant

## Attachment I – Definitions

### MATERIALITY

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both.

### FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

### RELATED PARTIES

In accordance with Canadian generally accepted accounting principles *related party* is defined as:

- when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management and immediate family members.

In accordance with Canadian generally accepted accounting principles a *related party transaction* is defined as:

- a transfer of economic resources or obligations between related parties, or the provision of services by one party to a related party, regardless of whether any consideration is exchanged. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.



## Attachment II

Provincial Métis Holdco Inc.  
 Year End: December 31, 2012  
 Adjusting Journal Entries  
 Date: 2012-01-01 To 2012-12-31

G3

Prepared by	Prepared by	Prepared by	Reviewed by
Reviewed by GS 2013-05-01	Reviewed by	Post signoff	Post signoff

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence
1	2012-12-31	Accounts Payable	2060	210.400			9,800.00	
1	2012-12-31	Audit Services	5390	210.400		9,800.00		
		To record 2012 audit fee accrual						
2	2012-12-31	Accumulated Depreciation	1310	120.100			33,895.61	
2	2012-12-31	Amortization expense	5415	120.100		33,895.61		
		To record amortization over leasehold improvements						
						43,695.61	43,695.61	
		Net Income (Loss)	25,710.76					

# KPMG's Audit Quality Framework

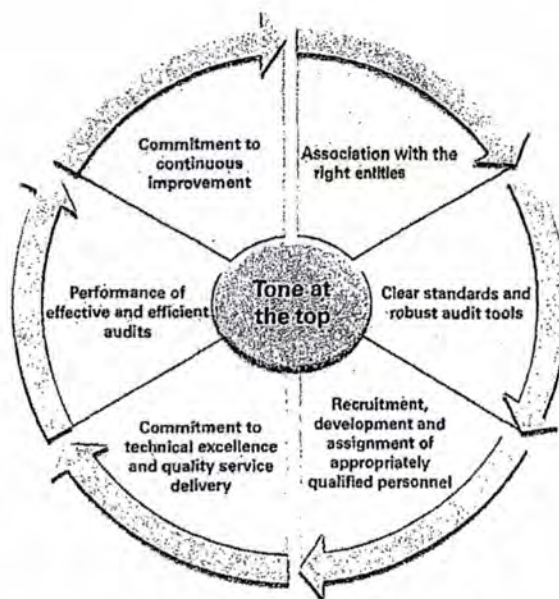
Audit quality, and the respective roles of the auditor and audit committee, is fundamental to the integrity of financial reporting in our capital markets.

This is why audit quality is at the core of everything we do at KPMG. And we believe that it is not just about reaching the right opinion, but how we reach that opinion.

To help ensure that every partner and employee concentrates on the fundamental skills and behaviours required to deliver an appropriate and independent opinion, we have developed our global Audit Quality Framework.

The framework comprises seven key drivers of audit quality.

## The seven key drivers of audit quality



Driver	What it does	What it means to you
<b>Tone at the top</b>	<b>Audit quality is part of our culture and our values and therefore non-negotiable</b>  Allows the right behaviours to permeate across our entire organization and each of our engagements	<b>Assures you that:</b> <ul style="list-style-type: none"> <li>Our culture supports our promise to you of excellent service and a high quality audit—consistently</li> <li>You're receiving an independent, transparent, audit opinion</li> <li>You're receiving an efficient and high quality audit that will help you maintain investor confidence in your financial statements</li> </ul>
<b>Association with the right entities</b>	<b>Ethics above all</b>  Eliminates any potential independence and conflict-of-interest issues	<b>Provides you with:</b> <ul style="list-style-type: none"> <li>An engagement team handpicked for your business needs – a team with relevant professional and industry experience</li> <li>An audit engagement team whose qualifications evolve as your business grows and changes</li> <li>An audit opinion that</li> </ul>
<b>Clear standards and robust audit tools</b>	<b>A solid rule book</b>  Rigorous internal policies and guidance that help ensure our work meets applicable professional standards, regulatory requirements, and KPMG's standards of quality	
<b>Recruitment, development and assignment of appropriately qualified personnel</b>	<b>People who add value</b>  Helps us attract and retain the best people and reinforces the importance of developing their talents  Assigns Partners' portfolios based on their specific skill sets	



Driver	What it does	What it means to you
<b>Commitment to technical excellence and quality service delivery</b>	<b>The right tools for the right job</b> Promotes technical excellence and quality service delivery through training and accreditation, developing business understanding and industry knowledge, investment in technical support, development of specialist networks, and effective consultation processes	continues to meet your needs as a participant in the capital markets <b>Assists you with:</b> <ul style="list-style-type: none"> <li>Assessing the effectiveness and efficiency of the audit</li> <li>Performing your governance role with confidence</li> </ul>
<b>Performance of effective and efficient audits</b>	<b>We understand that how an audit is conducted is as important as the final result.</b> A code of conduct, audit delivery tools, and internal policies and procedures that help ensure the work performed by engagement personnel meets applicable professional standards, regulatory requirements, and our standards of quality	
<b>Commitment to continuous improvement</b>	<b>Comprehensive and effective monitoring</b> We regularly solicit feedback from the audit committees of the entities we audit. Our robust internal quality review program ensures the work of each partner is reviewed every three years. Additionally, our procedures and a sample of our audits of listed entities are reviewed by the Canadian Public Accountability Board (CPAB), the independent regulator of the accountancy profession in Canada. The Public Company Accounting Oversight Board (PCAOB) in the US also conducts an annual inspection of a sample of our audits of SEC registrants. Finally, a sample of other audits and reviews is undertaken annually by the various provincial institutes in Canada. We consider the recommendations that come from these reviews and implement actions to strengthen our policies and procedures, as appropriate.	



## **The regulatory landscape is changing**

Uncertain economic forecasts and a changing regulatory environment define today's world; reliable financial information and high quality audits have never been more essential.

We believe that high quality audits contribute directly to market confidence and we share your objectives of credible and transparent financial reporting.

Our Audit Quality Framework is particularly relevant to Audit Committees, and we see our role in being transparent to you as a key mechanism to support you in the execution of your responsibilities.

## **Our commitment to quality**

The independence, judgment and professional skepticism of your auditors add value to your financial statements, and we believe it is important to be transparent about the processes we follow to develop a KPMG auditors' report. We want you to have absolute confidence in us and in the quality of your audit.

Our own professional standards dictate technical requirements for reaching and communicating an audit opinion. And we live and abide by these requirements. We invest heavily in our quality, and the Audit Quality Framework helps ensure these investments are the right ones—that they help us continuously drive and maximize our quality improvements. But we feel it is also important that we communicate to you how we view and implement audit quality. The seven key drivers outlined here, combined with the commitment of each individual in KPMG, are meant to do just that.

KPMG member firms across the world use this audit quality framework to describe, focus on and enhance audit quality for the benefit of the entities we audit and in support of the efficacy of our capital markets.

It is our hope that sharing our vision of what audit quality means is a significant step in building confidence in the value of our audits.

**Audit quality is fundamental to the way we work.**

**[www.kpmg.ca](http://www.kpmg.ca)**

KPMG LLP, an Audit, Tax and Advisory firm ([kpmg.ca](http://kpmg.ca)) and a Canadian limited liability partnership established under the laws of Ontario, is the Canadian member firm of KPMG International Cooperative ("KPMG International"). KPMG member firms around the world have 145,000 professionals, in 152 countries.

The independent member firms of the KPMG network are affiliated with KPMG International, a Swiss entity. Each KPMG firm is a legally distinct and separate entity, and describes itself as such.

© 2014 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International.

# Section

# B



**From:** "Evan Shoforost" <evan.shoforost@ca.ey.com>  
**Subject:** FW: MN-S Audit report 201  
**Sent date:** 07/08/2016 01:56:40 PM  
**To:** "Michael Campbell" <michael.campbell@ca.ey.com>, "matay@sasktel.net" <matay@sasktel.net>  
**Attachments:** 2 attachments - **Download all attachments [ 10 MB ]**  
SKM\_C554e16070813280\_1.pdf [ 10 MB ], Lisa Boyce.vcf [ 463 B ]

**Evan Shoforost CPA, CA | Tax Partner, Private Business Services\***



Ernst & Young LLP

1200 410-22<sup>nd</sup> Street East, Saskatoon, Sask, S7K 5T6  
Phone: +1 306 649 8242  
EY/Comm: 1637463 | [Evan.Shoforost@ca.ey.com](mailto:Evan.Shoforost@ca.ey.com)  
[ey.com/ca](http://ey.com/ca)  
Assistant: Naila Zaman | Phone: +1 306 649 8234 | [naila.zaman@ca.ey.com](mailto:naila.zaman@ca.ey.com)

Thank you for considering the environmental impact of printing e-mails.

\* Services provided through Evan Shoforost CPA, C.A., P.C. Ltd..

---

**From:** Lisa Boyce [mailto:Lisa.Boyce@aadnc-aandc.gc.ca]  
**Sent:** Friday, July 08, 2016 1:09 PM  
**To:** Richard Quintal; Evan Shoforost  
**Cc:** Katelin Peltier  
**Subject:** MN-S Audit report 201

Good afternoon ~ I trust all is well?

Attached you will find INACs report incorporating the consultant audit findings Dated March 2012

After meeting with the A&E consultant this morning it was noted that this report was shared with the recipient and copied to the program at the time of the audit.

Should you have questions please do not hesitate to ask ...

joy the day ~ there is not another like it!!

Lisa Boyce

Policy & Program Officer, Politique & agent de programme

Métis & Non status Indian Relations Directorate ~ Relations avec les Métis et les Indiens Non-Inscrits

Direction générale des relations externes et avec les Autochtones / Aboriginal and External Relations Branch

Politiques et orientation stratégique / Policy and Strategic Direction

Affaires autochtones et Développement du Nord Canada / Aboriginal Affairs and Northern Development Canada

10, rue Wellington, Pièce 1940 D 84 Wellington Street, Room 1940 D 84

Courriel / E-Mail : [lisa.boyce@aadnc-aandc.gc.ca](mailto:lisa.boyce@aadnc-aandc.gc.ca)

Téléphone / Phone : 819-934-1739

Happiness is not something readymade. It comes from your own actions. –Dalai Lama

CONFIDENTIAL and/or PRIVILEGED. If received in error please notify the sender and permanently delete. CONFIDENTIEL et/ou PRIVILÉGIÉ. Si ce courriel est reçu par erreur, veuillez nous en aviser et en effacer toute trace. EY, 222 Bay St, PO Box 251, Toronto, ON M5K 1J7. [www.ey.com/ca](http://www.ey.com/ca) To unsubscribe from commercial electronic messages / Pour vous désabonner des messages électroniques commerciaux : [Unsubscribe@ca.ey.com](mailto:Unsubscribe@ca.ey.com)

Any tax advice in this e-mail should be considered in the context of the tax services we are providing to you. Preliminary tax advice should not be relied upon and may be insufficient for US penalty protection. Tout conseil de fiscalité contenu dans le présent courriel doit être pris dans le contexte des services de fiscalité que nous vous offrons. Aucune décision ou position ne doit être prise à la lumière de conseils de fiscalité préliminaires, lesquels pourraient ne pas permettre d'éviter des pénalités aux États-Unis.



Affaires indiennes  
et du Nord Canada

Indian and Northern  
Affairs Canada

# Audit of the Métis Nation - Saskatchewan

March 2012

Canada





## Outline

- Background
- Audit objectives
- Audit scope
- Audit findings/conclusions/recommendations
- Management Action Plan





## Background

- In December 2011 the Department of Aboriginal Affairs and Northern Development Canada (AANDC) contracted the independent audit firm, Hallux Consulting , to conduct an audit of the Métis Nation-Saskatchewan (MN-S).
- The audit was conducted in response to a number of issues raised by members of the Provincial Métis Council (PMC) of the MN-S.
- The results of this audit were presented to the Office of the Federal Interlocutor, members of the MN-S Executive and PMC in February 2012.



# Audit Objectives

Objectives of the audit work were to:

1. Examine the holiday pay that may have been paid to MN-S executive members and severance paid to a departing member of the executive
2. Examine eligibility of travel costs incurred by members of the Executive
3. Examine the sale of a building previously owned by *Métis Holdco Inc.* and identify how the funds generated by the sale were distributed
4. Examine monthly funds collected by Métis Holdco and where these funds are directed
5. Examine the funding received by MN-S from the Nuclear Waste Management Organization (NWMO); determine the purpose of this funding and the activities implemented with this funding
6. Examine how all the materials, equipment and knowledge gained from the 2007 election have been transferred or disposed of. This would include also the voters list and the unspent funds for the election.







## Scope of Audit Work

The scope of the audit included:

- Transactions back to 2007 when the MN-S last held elections and the current executive took office
- Executive salary and benefits from 2007-2008 to 2011-12
- Executive travel between April 1, 2011 and December 31, 2011
- Transactions associated with funds generated from sale of a commercial property in 2009 and the revenues and costs associated with sale of a commercial property since 2009
- Revenues and costs associated with the Nuclear Waste Management Organization (MWMO) contract in 2009
- Transfer of assets from 2007 election to MN-S in 2009





## Audit Findings

### 1. Executive Compensation

- MN-S' human resources manual does not have a section on vacation entitlements
- Under Saskatchewan Labour Standards employees are entitled to three weeks vacation each anniversary year. This increases to four weeks after 10 years of service. If paid out, employee is entitled to 3/52<sup>nd</sup> or 4/52<sup>nd</sup> of the total wages received
- All members of the executive received vacation pay in April 2008 based on 1.25 days/month for the period June 27, 2007 (date of election) to March 31, 2008
- Payment was based on quoted pay rather than wages actually paid
- Payment to the Executive was 34% higher than required under the Saskatchewan Labour Standards







# Audit Findings

## 1. Executive Compensation (cont'd)

- Former Treasurer received vacation pay for 26.66 days after he resigned in February 2010
  - 28.75 days accumulated between April 1, 2008 and February 28, 2010 at a rate of 1.25 days/month
  - There initially was an overpayment. It was paid back by the former Treasurer in late Nov 2010
  - Former Treasurer received a contract June 25 -Sept. 24, 2010 for which he was paid \$14K
    - Statement of work was not well defined
    - Payments of \$6,363.66 also made for the period Sept 25-Oct 31, 2010 for which there was no contract





# Audit Findings

## 1. Executive Compensation (cont'd)

- Executive received the same benefits as the MN-S staff including:
  - Extended medical benefits paid for by the MN-S
  - Up to a \$100 month contribution to a registered savings plan (RSP) was matched by the MN-S
- Additional RSP contribution of six percent of annual base pay was made on behalf of Executive by the MN-S in late March 2011







## Audit Conclusions

### 1. Executive Compensation (cont'd)

- Payment for unused vacation in 2008 was higher than mandated by Saskatchewan Labour Standards
- Payment for banked vacation assumed that the members of the Executive never took any vacation
- Executive established their own benefits beyond those available to MN-S staff which is contrary to normal governance practice





Affaires indiennes  
et du Nord Canada

Indian and Northern  
Affairs Canada

## Recommendation

### 1. Executive Compensation

- Provincial Métis Council (PMC) should be formally tasked with establishing and adjusting pay and benefits for the Executive

Canada





# Audit Findings

## 2. Executive Travel

- Most cost effective means of travel is rarely used (extensive use of personal vehicles rather than car rentals)
- Corporate credit cards provided to members of the executive provided collision insurance coverage when rental is charged to the card
- Car rental assumed a standard vehicle rented from a non-airport location in Saskatoon with no discount
- Reasons for travel were not consistently documented.
- Names of those present were never provided for meals charged to the corporate credit card







# Audit Findings

## 2. Executive Travel (cont'd)

### Additional issues identified:

- Several travel claims did not accurately reflect the travel undertaken resulting in over charging of distance actually travelled
- Personal expenses on corporate credit card were claimed for which there was no evidence that the MN-S was reimbursed
- Double claims (gas purchases on credit card at the same time an allowance for mileage was received; meals on credit card at the same time an allowance for meals was received; advances for taxis and taxis expenditures on credit card)
- MN-S indicated some of double claims were reimbursed but did not provide the requested documentation to support this
- MN-S indicated that advances for taxis were reconciled. Supporting documentation that would demonstrate this was not provided
- No response was provided by the MN-S when asked what steps are taken to recover the cost of meals when the credit card holder is also receiving per diems in the same period







# Audit Findings

## 2. Executive Travel (cont'd)

Additional issues identified:

- Charges on credit card (e.g. hotels) but no corresponding travel claim
  - In each case, an Executive member said travel was required in response to a telephone request
- Business undertaken on the same trip for both the MN-S and an affiliate
  - No evidence that there was an appropriate allocation of costs between the two organizations and that allowances were not double claimed
- MN-S definition of incidental costs as provided Feb 1, 2012 appeared to exclude some items included in federal government definition
  - Personal telephone calls from hotel room
  - Headsets purchased on an airplane
- \$400 payment to each member of the Executive were made in July 2011 for consultations. Explanation provided during the audit was that it was to cover the cost of a hotel room for an Elder from Alberta attending "Back to Batoche" event. No documentation was provided to support this







# Audit Findings

## 2. Executive Travel (cont'd)

- \$71K in 2011-12 expenses was inappropriately charged to a consultations accrual account
  - Accrual should have reflected goods and services received up to March 31, 2011
  - Many of the problematic expenses identified in this audit were coded to this account
- OFI has agreed to take follow-up action to determine if \$71K in 2011-12 expenditures coded to an accrual account was included in 2010-11 claimed expenditures and if so, initiate recovery.





# Conclusions

## 2. Executive Travel

- Executive travel claims were problematic:
  - The means of travel was based on convenience rather than what was cost effective
  - There was a lack of matching of credit cards expenditures with travel claims making it easy to double claim
  - The level of documentation provided to support reasons for travel was less than what staff need to submit
  - There were overpayments arising from claimed distance being more than what was actually travelled
  - There were overpayments arising from the rental of a vehicle and claiming per kilometre reimbursement rather than reimbursement of costs incurred
  - There was the potential for double claiming with travelling for both the MN-S and an affiliate at the same time





## Recommendations

### 2. Executive Travel

- All travel claims should show all costs associated with the travel
  - All costs for which an invoice was paid directly (e.g., hotel room or car rental)
  - All costs paid for on the corporate credit card (e.g., air fare, car rentals, hotels, meals)
  - All allowances and per diems
- Same level of detail should be required for credit card expenditures as would be required on a travel claim
- Reimbursement should be obtained for all over payments on travel claims, personal costs and expenses on corporate credit cards for which per diems/allowances were paid







# Recommendations

## 2. Executive Travel (cont'd)

- A procedure should be in place to allocate travel costs between the MN-S and its Affiliates when travel is undertaken at the same time on behalf of more than one organization
- MN-S Executive should consider proactive public disclosure of their credit card and travel expenses







## Audit Findings

### 3. Funds Associated with Sale of Commercial Property

- Proceeds of sale (\$1,190,829) of commercial property at 219 Robin Crescent, Saskatoon were used by the Provincial Métis Holdco Inc. in 2009 to pay off three mortgages to MN-S affiliates:
  - Clarence Campeau Development Fund (\$275,515)
  - Provincial Métis Housing Corporation (\$112,742)
  - SaskMétis Economic Development Corp (\$244,101)
- Remaining proceeds from sale were left in the trust account of the lawyer who handled the transaction
- Funds were withdrawn on three occasions from the sale for use as a deposit for the potential purchase of a building. The funds have since been returned to the trust account





## Audit Findings

### 3. Funds Associated with Sale of Commercial Property (cont'd)

- Funds were withdrawn to meet needs of Métis Holdco Inc. to pay rent at 406 Jessop, Saskatoon. These funds (total \$50K) have not been repaid
- Funds were withdrawn to meet the MN-S cash flow requirements
  - \$100K loan May 2010 which was paid back by October 2010
  - \$150K loan December 2010 to meet the "Back to Batoche" Committee's shortfall. These funds were paid back by October 2011
- The balance as of December 31, 2011 was \$510,575.76 (interest for December 2011 had yet to be credited)
- The 2009 sale of the property at 219 Robin Crescent enabled recognition of appreciated value. From this sale, Métis Holdco Inc. moved from an accumulated deficit to an accumulated surplus. Funds from the sale can be traced. Approximately \$511K of proceeds were in a trust account as of Dec. 31, 2011.





# Audit Findings

## 4. Use of Funds Collected in Rent

- Provincial Métis Holdco's primary assets as of December 31, 2011 were: the funds in the trust account from the sale of a commercial property; its lease of a commercial property to the MN-S and some of its affiliates and; the net value of the leasehold improvements at its commercial property
- Monthly rent collected by Métis Holdco Inc. from its subtenants included:
  - Métis Addiction Council of Saskatchewan Inc. (MACSI)
  - Métis Nation – Saskatchewan Secretariat
  - Provincial Métis Housing Corporation (PMHC)
  - SaskMétis Economic Development Corp (SMEDCO)







# Audit Findings

## 4. Use of Funds Collected in Rent

- Funds from rent were used to pay:
  - Rent on the building and Métis Holdco Inc.'s share of the joint operating costs to the landlord
  - Loan from SMEDCO that was used to cover the costs of the leasehold improvements (10% interest rate)
  - Métis Holdco Inc. has essentially broken even on the rental of the building since it moved subtenants into the commercial property at 406 Jessop in the fall of 2009
  - \$27,079 was written off in rent from the MN-S in 2010 because of the MN-S' fiscal problems

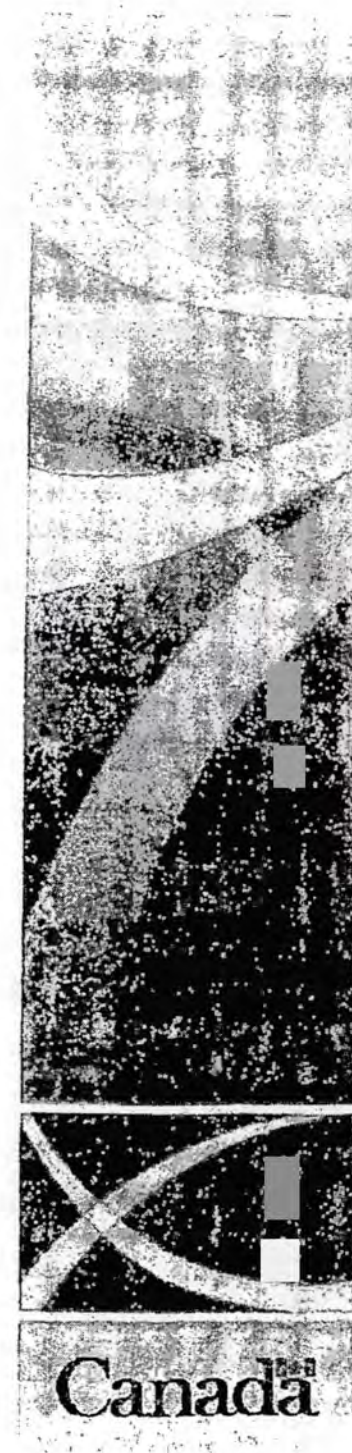




## Conclusions

### 4. Use of Funds Collected in Rent

- Other than write-offs of MN-S rent owing, funds from rental income on the commercial property at 406 Jessop have been spent as expected







## Audit Findings:

### 5. Contract with the Nuclear Waste Management Organization (NWMO)

- NWMO awarded MN-S a contract for \$253K in 2009 to design and conduct five regional dialogues with members of the MN-S. Input was to be provided to the NWMO on the proposed process for selecting a site for Adaptive Phased Management
- MN-S was provided with an accountable advance. Supporting receipts were to be submitted for all claimed costs and MN-S had to submit a copy of their general ledger and supporting documentation for every cost claimed







## Conclusions

### 5. Contract with the Nuclear Waste Management Organization

- Claimed expenses on NWMO contract were vetted and deemed acceptable by NWMO

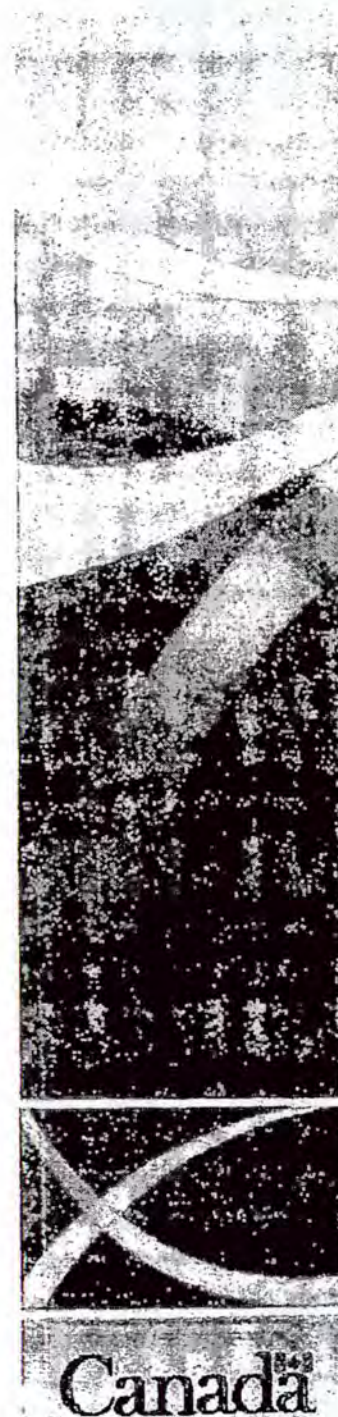




## Audit Findings:

### 6. Materials, Equipment and Funds from 2007 Election

- Materials (including voters' list and unspent funds) were turned over to MN-S June 26, 2009
  - \$25,774.22 deposited in the MN-S general bank account and recorded as "Election – Other Income". Legal fees were deducted before remaining funds were turned over to the MN-S
  - MN-S position prior to audit was that funds were in trust with Province of Saskatchewan
- Computer equipment was turned over to the MN-S later by the Province and, at the time of the audit, stored in an unheated storage locker in Saskatoon that is controlled by the MN-S. The Chief Electoral Officer (CEO) appointed by the MN-S is planning to use this equipment for the 2012 election.
- MN-S did not put aside \$75/K/yr that 2007 CEO recommended for 2012 election



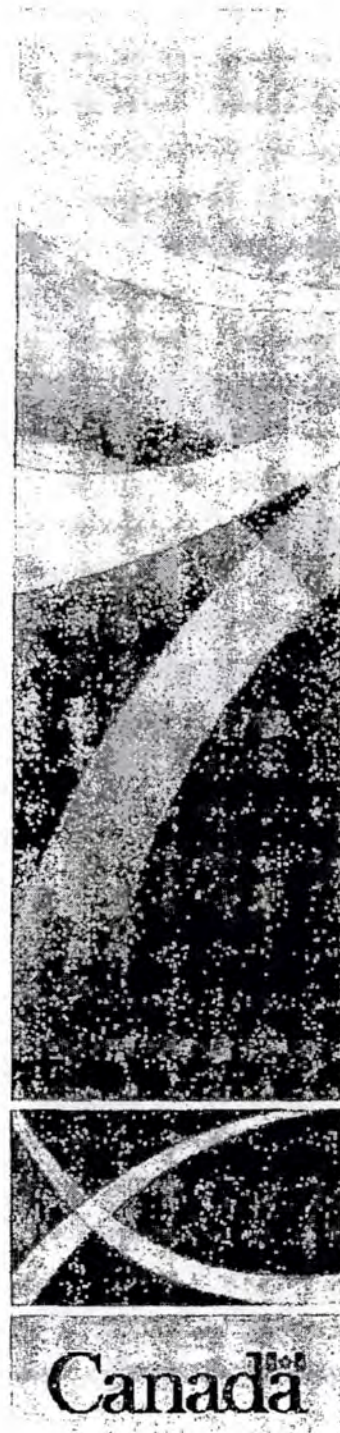




## Conclusion

### 6. Materials, Equipment and Funds from 2007 Election

- MN-S will have less funds available than planned to cover the cost of the 2012 election
  - \$26K thought to be in trust with Province was deposited in MN-S bank account in June 2009
  - Computer equipment does not have an indefinite lifespan. Equipment in storage from 2007 election may not meet requirements for 2012 election
  - MN-S has not put aside \$75K/year as recommended by the 2007 Chief Electoral Officer







## Management Response

Recommendation	Management Response/Action	Responsible Organization	Planned Implementation Date
1. Provincial Métis Council (PMC) should be formally tasked with establishing and adjusting pay and benefits for the Executive.	<p>The current administration will undertake to make the following recommendation to the future PMC, directly after the election:</p> <p>"The Provincial Métis Council, as it forms the Board of the Métis Nation-Saskatchewan Secretariat, will undertake annual review of Executive wages, benefits and adjustments, and make changes as necessary, within the limitations of the current contribution agreement and in line with the MNS constitution."</p> <p>The PMC can then make the recommendation to the MNLA.</p>	MN-S	Late spring 2012





## Management Response

Recommendation	Management Response/Action	Responsible Organization	Planned Implementation Date
2. All travel claims should show all costs associated with the travel	The MNS is currently in the process of formalizing a new travel policy that outlines requirement for executive travel. The requirements address each of the concerns in this recommendation. This policy is in draft form and will be finalized in April.	MN-S	April 2012





## Management Response

Recommendation	Management Response/Action	Responsible Organization	Planned Implementation Date
3. Same level of detail should be required for credit card expenditures as would be required on a travel claim.	The MNS has implemented and is practicing a new Credit Card Policy which includes detailed reconciliations. The Credit Card policy was implemented early this year. The recommendation to the new PMC will be to make sure no corporate cards are issued without a policy in place that everyone agrees to follow.	MN-S	February 2012





## Management Response

Recommendation	Management Response/Action	Responsible Organization	Planned Implementation Date
4. Reimbursement should be obtained for all over payments on travel claims, person costs and expenses on credit card for which per diems/allowances were paid.	The Travel Policy being developed and the Credit Card Policy address the reconciliation process, monthly review and timely, detailed repayment of overpayments. Although the Travel policy is still in draft form, these recommendations have been implemented and are being followed currently. Past overpayments have been paid back in full.	MN-S	February 2012





## Management Response

Recommendation	Management Response/Action	Responsible Organization	Planned Implementation Date
5. A procedure should be in place to allocate travel costs between the MN-S and its Affiliates when travel is undertaken at the same time on behalf of more than one organization.	The current executive will undertake to make this recommendation to the affiliates and the new Administration post-election. This recommendation can then be taken to the MNLA to be added to governing documents.	MN-S	Fall 2012







## Management Response

Recommendation	Management Response/Action	Responsible Organization	Planned Implementation Date
6. MN-S Executive should consider proactive public disclosure of their credit card and travel expense.	This recommendation can be taken to the MNLA for addition to the governing documents.	MN-S	Fall 2012