

**METIS NATION - SASKATCHEWAN
SECRETARIAT INC.**

FINANCIAL STATEMENTS

March 31, 2005

AUDITORS' REPORT

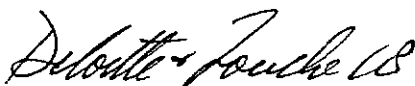
TO THE MEMBERS OF MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.

We have audited the combined balance sheet of Métis Nation – Saskatchewan Secretariat Inc. (“Métis Nation”) as at March 31, 2005 and the combined statement of revenue and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Métis Nation’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

In our opinion, except as noted in the preceding paragraph, these combined financial statements present fairly, in all material respects, the financial position of the Métis Nation as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

September 30, 2007

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF REVENUE AND EXPENSES
year ended March 31, 2005

	2005	2004
REVENUE		
Federal grants - current operations	\$ 469,806	\$ 966,118
Provincial grants - current operations	177,837	580,527
Program administration	44,528	157,998
Sundry	2,617	57,070
	<u>694,788</u>	<u>1,761,713</u>
EXPENSES - Schedule 1	<u>893,630</u>	<u>1,773,749</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (198,842)</u>	<u>\$ (12,036)</u>

See accompanying notes

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF CHANGES IN NET ASSETS
year ended March 31, 2005

	2005	2004
OPERATING FUND		
Balance, beginning of year	\$ (55,084)	\$ (46,070)
Deficiency of revenue over expenses	(198,842)	(12,036)
Transfer from capital fund for amortization	<u>2,418</u>	<u>3,022</u>
Balance, end of year	<u>\$ (251,508)</u>	<u>\$ (55,084)</u>
CAPITAL FUND		
Balance, beginning of year	\$ 210,733	\$ 213,755
Amortization expense	<u>(2,418)</u>	<u>(3,022)</u>
Balance, end of year	<u>\$ 208,315</u>	<u>\$ 210,733</u>

See accompanying notes

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED BALANCE SHEET
as at March 31, 2005

	2005	2004
CURRENT ASSETS		
Cash (Note 4)	\$ -	\$ 221,158
Accounts receivable (Note 5)	9,625	32,316
	9,625	253,474
CAPITAL ASSETS (Note 6)	109,075	111,492
	\$ 118,700	\$ 364,966
CURRENT LIABILITIES		
Bank indebtedness (Note 4)	\$ 17,998	\$ -
Accounts payable and accrued liabilities	88,895	34,752
Due to Provincial Metis Holdco Inc. (Note 9)	55,000	-
	161,893	34,752
DEFERRED CONTRIBUTIONS (Note 7)	-	174,565
	161,893	209,317
NET ASSETS (DEFICIENCY)		
Operating deficit	(251,508)	(55,084)
Capital fund	208,315	210,733
	(43,193)	155,649
	\$ 118,700	\$ 364,966

See accompanying notes

APPROVED BY THE BOARD

Robert Doucette Director
Robert Doucette Director

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF CASH FLOWS
year ended March 31, 2005

	2005	2004
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (198,842)	\$ (12,036)
Adjustment for		
Amortization	2,418	3,022
Changes in non-cash working capital		
Accounts receivable	22,691	109,580
Accounts payable and accrued liabilities	54,143	(198,609)
Due to Provincial Metis Holdco Inc.	55,000	-
Deferred contributions	<u>(174,565)</u>	<u>96,351</u>
NET DECREASE IN CASH	<u>(239,156)</u>	<u>(1,692)</u>
CASH POSITION, BEGINNING OF YEAR	<u>221,158</u>	<u>222,850</u>
(BANK INDEBTEDNESS) CASH POSITION, END OF YEAR	<u>\$ (17,998)</u>	<u>\$ 221,158</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
year ended March 31, 2005

1. DESCRIPTION OF OPERATIONS

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

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

2. FUTURE OPERATIONS

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

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

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

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
year ended March 31, 2005

3. SIGNIFICANT ACCOUNTING POLICIES

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

Fund Accounting

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

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

Use of Estimates

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

Revenue Recognition

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

Capital Assets

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

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
year ended March 31, 2005

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Contributions

Deferred contributions result from grant funding which was received prior to year-end even though the related costs will be incurred over the life of a program, including periods subsequent to the year-end. Deferred contributions will be brought into revenue in the next fiscal year as the related expenses are incurred.

4. BANK INDEBTEDNESS/CASH

Bank Indebtedness/Cash consists of cash in bank less outstanding cheques.

	2005	2004
Core Program	\$ 358	\$ 17,663
Tripartite Self Government Program	137	2,272
Intergovernmental and Aboriginal Affairs Programs	235	16,860
Special projects	(18,768)	-
Administration	40	184,363
	\$ (17,998)	\$ 221,158

5. ACCOUNTS RECEIVABLE

	2005	2004
GST Receivable	\$ 9,625	\$ 20,816
Other	11,500	11,500
Due from Related Parties (Note 9)	8,000	-
Allowance for Doubtful Accounts	(19,500)	-
	\$ 9,625	\$ 32,316

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
year ended March 31, 2005

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			2005	2004
Land	\$ 99,405	\$ -	\$ 99,405	\$ 99,405
Equipment	98,502	88,833	9,670	12,087
	<u>\$ 197,907</u>	<u>\$ 88,833</u>	<u>\$ 109,075</u>	<u>\$ 111,492</u>

7. DEFERRED CONTRIBUTIONS

	2005	2004
Saskatchewan Environment & Resource Management	\$ -	\$ 12,663
Industry & Resources Economic Development Program	-	60,486
CCDF Economic Development Program	-	72,187
Privy Council Office Election Funds	-	29,229
	<u>\$ -</u>	<u>\$ 174,565</u>

8. CONTINGENCIES AND COMMITMENTS

Operating Leases

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

The Métis Nation is also committed under terms of a lease for office equipment to \$6,964 over the next year.

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
year ended March 31, 2005

9. RELATED PARTY TRANSACTIONS

During the year the Métis Nation incurred rent expense of \$ 44,287 (2004 - \$46,753) to Provincial Métis Holdco Inc., an organization with which it is related through common board members. This rent constitutes fair market value for facilities provided.

During the year the Métis Nation received an advance from Provincial Métis Holdco Inc. in the amount of \$55,000 (2004 - \$nil). The advance is non-interest bearing and is payable at December 31, 2005.

During the year, the Métis Nation provided Back to Batoche Festival Inc. (Back to Batoche) with sponsorship and grant funding of \$17,687 (2004 - \$27,000). Back to Batoche is related to the Métis Nation through common board members.

During the year, the Métis Nation received \$38,171 (2004 - \$3,000) in grant funding from the Clarence Campeau Development Fund (CCDF) with which it is related through common board members. Further, pursuant to an agreement between the Government of Saskatchewan and the Métis Nation, CCDF provided the Métis Nation with flow-through funding of \$nil (2004 - \$100,000) for Back to Batoche. Funds were disbursed directly to suppliers as requested by the Métis Nation's Back to Batoche Committee.

During the year, the Métis Nation advanced their Treasurer, Ray Laliberte, \$8,000 to be repaid in monthly installments of \$500. To date, the entire amount remains outstanding. As a result, an allowance for doubtful accounts was set up for this full amount in the current year.

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

10. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's method of presentation.

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
SCHEDULE OF EXPENSES
year ended March 31, 2005

	2005	2004
Administration	\$ 180,053	\$ 194,769
Advertising	9,761	8,306
Audit and business services	-	5,000
Communications	19,500	-
Community consultation	-	19,998
Consulting	15,176	36,639
Cultural programs	17,689	30,100
Election costs	66,122	68,636
Land claims	13,458	1,308
Land and resources	20,695	42,609
Meetings	12,615	135,512
Prairie leader forum	-	11,603
Professional services	55,013	213,612
Registrar	400	-
Rent	18,574	25,605
Research	-	6,764
Salaries	337,526	610,210
Senate expenses	1,000	4,799
Special initiatives	-	29,669
Sponsorships	9,674	26,835
Sundry	3,236	5,634
Supplies and operations	286	7,284
Telephone	4,915	-
Travel	107,937	288,857
	<u>\$ 893,630</u>	<u>\$ 1,773,749</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
CORE PROGRAM
year ended March 31, 2005

	2005	2004
REVENUE		
Federal grants - current operations	\$ 270,325	\$ 517,227
EXPENSES		
Administration		
Amortization	2,418	3,022
Bank charges and interest	874	2,450
Office rent	9,808	11,607
Office supplies	1,607	5,378
Printing and postage	357	1,742
Telephone	7,851	14,576
	<u>22,915</u>	<u>38,775</u>
Professional Services		
Audit and business services	-	5,000
	<u>-</u>	<u>5,000</u>
Salaries		
Board Members	88,731	119,412
Executive	32,958	42,372
Other	98,986	135,639
	<u>220,675</u>	<u>297,423</u>
Travel		
Board Members	21,864	93,624
Executive	27,644	30,875
Other	3,532	5,092
	<u>53,040</u>	<u>129,591</u>
Board Meetings	12,615	10,178
Back to Batoche	8,781	25,000
Election expenses	-	10,000
	<u>-</u>	<u>10,000</u>
TOTAL EXPENSES	<u>318,026</u>	<u>515,967</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (47,701)</u>	<u>\$ 1,260</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
TRIPARTITE SELF GOVERNMENT PROGRAM
year ended March 31, 2005

	2005	2004
REVENUE		
Grants		
Federal	\$ 120,752	\$ 310,000
Provincial	-	310,000
	<u>120,752</u>	<u>620,000</u>
EXPENSES		
Administration		
Finance management	183	624
Office rent	17,306	17,411
Office supplies	682	14,381
Program administration	13,958	71,672
Telephone	2,224	4,325
	<u>34,353</u>	<u>108,413</u>
Professional Services		
Consulting	-	15,300
Health Initiatives	-	7,000
Justice	-	38,000
Electoral reform	8,266	114,933
	<u>8,266</u>	<u>175,233</u>
Salaries		
Committee stipend	-	9,734
Director	17,651	36,960
Executive stipend	40,271	81,639
Northern project	-	49,336
Other	968	11,349
Researchers	13,471	39,162
Women's program	-	9,707
	<u>72,361</u>	<u>237,887</u>
Travel		
Director	-	5,391
Executive	-	24,450
Northern project	-	17,000
Sundry	5,620	5,412
Researchers	-	6,658
Urban governance	-	12,322
Women's program	-	27,387
	<u>5,620</u>	<u>98,620</u>
TOTAL EXPENSES	<u>120,600</u>	<u>620,153</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 152</u>	<u>\$ (153)</u>

METIS NATION - SASKATCHEWAN SECRETARIAT INC.
INTERGOVERNMENTAL AND ABORIGINAL AFFAIRS PROGRAMS -
SECRETARIAT PROGRAMS
 year ended March 31, 2005

	2005	2004
REVENUE		
Grants - Provincial	\$ -	\$ 125,000
EXPENSES		
Bilateral Process		
Administration	-	18,200
Community consultation - Policy Development	-	19,998
Financial management	442	494
Management	6,000	18,000
Research	-	6,763
Travel	14,890	26,525
	<u>21,332</u>	<u>89,980</u>
Consulting	<u>15,176</u>	<u>36,639</u>
TOTAL EXPENSES	<u>36,508</u>	<u>126,619</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (36,508)</u>	<u>\$ (1,619)</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
ECONOMIC DEVELOPMENT PROGRAM
year ended March 31, 2005

	2005	2004
REVENUE		
Grants		
Saskatchewan Environment & Resource Management		
Land and resources	\$ 45,164	\$ 65,722
Clarence Campeau Development Fund ("CCDF")	38,171	2,813
Industry Resources	94,502	74,705
Metis National Council	49,500	-
	<u>227,337</u>	<u>143,240</u>
EXPENSES		
Saskatchewan Environment & Resource Management		
Administration	4,875	9,750
Contract	20,695	42,609
Pilot Project	-	1,700
Rent	1,242	4,968
Travel	513	6,695
	<u>27,325</u>	<u>65,722</u>
Clarence Campeau Development Fund		
Economic Development		
Administration	109,405	2,813
Industry Resources		
Economic Development		
Administration	-	11,250
Benefits	1,923	2,822
Rent	160	2,902
Salaries	29,785	40,595
Supplies and operations	286	7,284
Travel	4,188	9,852
	<u>36,342</u>	<u>74,705</u>
TOTAL EXPENSES	<u>173,072</u>	<u>143,240</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 54,265</u>	<u>\$ -</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
ADMINISTRATION
year ended March 31, 2005

Schedule 6

	2005	2004
REVENUE		
Grants - Federal		
Election Funds	\$ 29,229	\$ 43,604
Metis Nation Agenda - 2002/03	-	25,000
SSHRC Funds - PCO	-	10,000
MNS Legislative Assembly	-	2,000
Northern Trappers Project	-	3,100
Program administration	44,528	165,467
Sundry	2,617	107,075
	<u>76,374</u>	<u>356,246</u>
EXPENSES		
Advertising	9,761	8,306
Bad Debt Expense	19,500	-
Batoche	8,908	2,000
Election expenses	66,122	58,636
Equipment	5,227	2,542
General Assembly	-	48,040
Land Claims	13,458	1,308
Metis Nation Agenda - 2002/03	-	24,328
Metis Nation Legislative Assembly	-	52,966
Northern Trappers Project	-	3,100
Office supplies	3,278	3,027
Prairie Leaders Forum	-	11,603
Professional services	40,305	19,886
Registrar	400	-
Rent	17,172	17,735
Salaries	12,782	31,482
Senate expense	1,000	4,799
Special Projects	-	19,669
Sponsorships	9,674	26,835
SSHRC Expenditures	-	10,000
Sundry	3,236	5,633
Telephone	4,915	-
Travel	29,686	15,874
TOTAL EXPENSES	<u>245,425</u>	<u>367,769</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (169,050)</u>	<u>\$ (11,523)</u>