

**METIS NATION - SASKATCHEWAN
SECRETARIAT INC.**

FINANCIAL STATEMENTS

March 31, 2007

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, 2007 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, 2007 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, 2007

	2007	2006
REVENUE		
Federal grants - current operations	\$ -	\$ 45,000
Miscellaneous	2,979	-
	<u>2,979</u>	<u>45,000</u>
EXPENSES - Schedule 1	<u>55,949</u>	<u>135,635</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u><u>\$ (52,970)</u></u>	<u><u>\$ (90,635)</u></u>

See accompanying notes

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF CHANGES IN NET ASSETS
year ended March 31, 2007

	2007	2006
OPERATING FUND		
Balance, beginning of year	\$ (340,209)	\$ (251,508)
Deficiency of revenue over expenses	(52,970)	(90,635)
Transfer from capital fund for amortization	1,547	1,934
Balance, end of year	<u>\$ (391,632)</u>	<u>\$ (340,209)</u>
CAPITAL FUND		
Balance, beginning of year	\$ 206,381	\$ 208,315
Amortization expense	(1,547)	(1,934)
Balance, end of year	<u>\$ 204,834</u>	<u>\$ 206,381</u>

See accompanying notes

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED BALANCE SHEET
as at March 31, 2007

	2007	2006
CURRENT ASSETS		
Accounts receivable (Note 5)	\$ <u>13,947</u>	\$ <u>12,192</u>
CAPITAL ASSETS (Note 6)	<u>105,594</u>	<u>107,142</u>
	<u><u>\$ 119,541</u></u>	<u><u>\$ 119,334</u></u>
CURRENT LIABILITIES		
Bank indebtedness (Note 4)	\$ 18,549	\$ 19,201
Accounts payable and accrued liabilities	232,790	178,961
Due to Provincial Metis Holdco Inc.	<u>55,000</u>	<u>55,000</u>
	<u>306,339</u>	<u>253,162</u>
NET DEFICIENCY		
Operating deficit	(391,632)	(340,209)
Capital fund	<u>204,834</u>	<u>206,381</u>
	<u>(186,798)</u>	<u>(133,828)</u>
	<u><u>\$ 119,541</u></u>	<u><u>\$ 119,334</u></u>

See accompanying notes

APPROVED BY THE BOARD

Robert Concitt..... Director
Alba..... Director

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
COMBINED STATEMENT OF CASH FLOWS
year ended March 31, 2007

	2007	2006
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (52,970)	\$ (90,635)
Adjustment for		
Amortization	1,547	1,934
Changes in non-cash working capital		
Accounts receivable	(1,754)	(2,568)
Accounts payable and accrued liabilities	53,829	90,066
NET INCREASE (DECREASE) IN CASH	<u>652</u>	<u>(1,203)</u>
BANK INDEBTEDNESS, BEGINNING OF YEAR	<u>(19,201)</u>	<u>(17,998)</u>
BANK INDEBTEDNESS, END OF YEAR	<u>\$ (18,549)</u>	<u>\$ (19,201)</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
year ended March 31, 2007

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 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, 2007

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, 2007

4. BANK INDEBTEDNESS

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

	2007	2006
Core Program	\$ -	\$ 720
Tripartite Self Government Program	-	29
Intergovernmental and Aboriginal Affairs Programs	-	127
Special projects	(18,589)	(20,117)
Administration	40	40
	\$ (18,549)	\$ (19,201)

5. ACCOUNTS RECEIVABLE

	2007	2006
GST Receivable	\$ 13,800	\$ 12,045
Other	11,647	11,647
Due from Related Party	8,000	8,000
Allowance for Doubtful Accounts	(19,500)	(19,500)
	\$ 13,947	\$ 12,192

6. CAPITAL ASSETS

			Net Book Value	
	Cost	Accumulated Amortization	2007	2006
Land	\$ 99,405	\$ -	\$ 99,405	\$ 99,405
Equipment	98,502	92,313	6,189	7,737
	\$ 197,907	\$ 92,313	\$ 105,594	\$ 107,142

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
year ended March 31, 2007

7. RELATED PARTY TRANSACTIONS

During the year the Métis Nation incurred rent expense of \$ 46,967 (2006 - \$46,710) to Provincial Métis Holdco Inc., an organization with which it is related through common board members. This rent constitutes fair market value for services received.

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

During the year, the Métis Nation received payments totaling \$750 from Provincial Métis Holdco Inc. to cover the overdraft interest on their bank account. This amount was included in miscellaneous income in the current year.

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
SCHEDULE OF EXPENSES
year ended March 31, 2007

	2007	2006
Administration	\$ 2,787	\$ 14,734
Advertising	-	310
Cultural programs	-	10,270
Land claims	-	70
Land and resources	-	20,418
Professional services	4,747	14,464
Rent	46,967	46,710
Research	-	9,662
Sundry	1,448	2,048
Travel	-	16,949
	<u>\$ 55,949</u>	<u>\$ 135,635</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
CORE PROGRAM
year ended March 31, 2007

	2007	2006
REVENUE		
Federal grants - current operations	\$ -	\$ -
EXPENSES		
Administration		
Amortization	1,547	1,934
Bank charges and interest	(64)	80
Office supplies	(659)	857
Telephone	1,934	3,455
	<u>2,758</u>	<u>6,326</u>
Travel		
Other	-	16,537
TOTAL EXPENSES	<u>2,758</u>	<u>22,863</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (2,758)</u>	<u>(22,863)</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
TRIPARTITE SELF GOVERNMENT PROGRAM
year ended March 31, 2007

	2007	2006
REVENUE		
Grants	\$ -	\$ -
EXPENSES		
Administration		
Finance management	29	108
Telephone	-	8,300
TOTAL EXPENSES	<u>29</u>	<u>8,408</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (29)</u>	<u>\$ (8,408)</u>

**MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
INTERGOVERNMENTAL AND ABORIGINAL AFFAIRS PROGRAMS -
SECRETARIAT PROGRAMS
year ended March 31, 2007**

	2007	2006
REVENUE	\$ -	\$ -
EXPENSES		
Bilateral Process		
Financial management	47	108
Research	-	9,662
TOTAL EXPENSES	<u>47</u>	<u>9,770</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (47)</u>	<u>\$ (9,770)</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
ECONOMIC DEVELOPMENT PROGRAM
year ended March 31, 2007

	2007	2006
REVENUE		
Grants		
Metis National Council		
HealthSteering Committee	\$ -	\$ 45,000
EXPENSES		
Saskatchewan Environment & Resource Management		
Contract	-	20,418
EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ 24,582</u>

MÉTIS NATION – SASKATCHEWAN SECRETARIAT INC.
ADMINISTRATION
year ended March 31, 2007

	2007	2006
REVENUE	\$ <u>2,979</u>	\$ <u>-</u>
EXPENSES		
Advertising	-	310
Batoche	-	10,270
Land Claims	-	71
Professional services	4,700	14,356
Rent	46,967	46,710
Sundry	1,448	2,048
Travel	-	412
TOTAL EXPENSES	<u>53,115</u>	<u>74,177</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (50,136)</u>	<u>\$ (74,177)</u>