
Métis Nation - Saskatchewan Secretariat Inc.

Financial Statements

March 31, 2018

Independent Auditor's Report

To the Members of
Métis Nation - Saskatchewan Secretariat Inc.

We have audited the accompanying financial statements of Métis Nation - Saskatchewan Secretariat Inc., which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Auditor's 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 the auditor's 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, the auditor considers internal control relevant to the organization'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 organization'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.

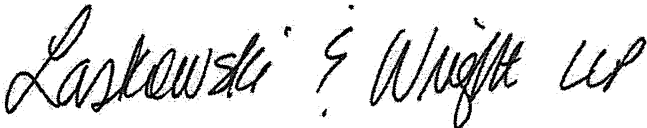
Independent Auditor's Report, continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Métis Nation - Saskatchewan Secretariat Inc. as at March 31, 2018, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented in the attached summary of revenue and expenses and schedules 1-6 are unaudited and are presented for the purpose of additional analysis. Such supplemental information has only been subjected to audit procedures applied in the audit of the financial statements, taken as a whole.



Chartered Professional Accountants

Warman, Saskatchewan
September 13, 2018

Métis Nation - Saskatchewan Secretariat Inc.

Statement of Financial Position

As at March 31

2018

2017

(Restated -
See Note 8)

Assets

Current

Cash	\$ 1,049,079	\$ 306,987
Accounts receivable	33,000	161,646
Prepaid expenses	31,500	9,000
GST receivable	54,427	39,237
	<u>1,168,006</u>	<u>516,870</u>

Property, plant and equipment (Note 3)

<u>335,766</u>	<u>348,205</u>
<u>\$ 1,503,772</u>	<u>\$ 865,075</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 708,700	\$ 557,392
Deferred revenue (Note 4)	100,000	100,000
	<u>808,700</u>	<u>657,392</u>

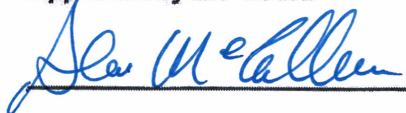
Contingent liabilities (Note 5)

Commitments (Note 6)

Net Assets

Operating fund	<u>695,072</u>	<u>207,683</u>
	<u>\$ 1,503,772</u>	<u>\$ 865,075</u>

Approved by the Board



Director



Director

See accompanying notes

Métis Nation - Saskatchewan Secretariat Inc.

Statement of Operations

For the year ended March 31

2018

2017
(Restated -
See Note 8)

Revenues

Federal funding (INAC)	\$ 4,560,207	\$ 1,615,007
Back to Batoche receipt	219,699	259,237
Other income	77,747	3,567
Fisheries and navigation funding	-	226,140
Urban Aboriginal Strategy	-	150,000
	<u>4,857,653</u>	<u>2,253,951</u>

Expenditures

Advertising and promotion	35,767	-
Amortization	12,439	13,095
Back to Batoche disbursements	245,132	224,004
Consulting and contract fees	1,196,958	1,065,861
Information management	61,405	-
Interest and bank charges	11,850	-
Office	410,797	662,138
Regional capacity	227,503	-
Rent	226,903	156,478
Travel	549,153	320,986
Wages and benefits	1,392,357	85,387
	<u>4,370,264</u>	<u>2,527,949</u>

Excess (deficiency) of revenues over expenditures before undernoted items

<u>487,389</u>	<u>(273,998)</u>
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Other income

Gain on sale of library	-	500,000
Gain on forgiveness of debt	-	25,000
	<u>-</u>	<u>525,000</u>

Excess of revenues over expenditures

<u>\$ 487,389</u>	<u>\$ 251,002</u>
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See accompanying notes

Métis Nation - Saskatchewan Secretariat Inc. Statement of Changes in Net Assets

For the year ended March 31, 2018

	2018	2017 (Restated - See Note 8)
Balance, beginning of year	\$ 207,683	\$ (43,318)
Excess of revenues over expenditures	<u>487,389</u>	<u>251,002</u>
Balance, end of year	<u>\$ 695,072</u>	<u>\$ 207,683</u>

See accompanying notes

Métis Nation - Saskatchewan Secretariat Inc.

Statement of Cash Flows

For the year ended March 31

2018

2017

(Restated -
See Note 8)

Operating activities		
Excess of revenues over expenditures	\$ 487,389	\$ 251,002
Adjustments for		
Amortization	12,439	13,095
Gain on forgiveness of debt	-	(25,000)
	<u>499,828</u>	<u>239,097</u>
Change in non-cash working capital items		
Accounts receivable	128,646	(161,646)
Prepaid expenses	(22,500)	(9,000)
GST receivable	(15,190)	(38,378)
Accounts payable and accrued liabilities	151,308	351,100
Deferred revenue	-	100,000
	<u>742,092</u>	<u>481,173</u>
Financing activities		
Repayment of debt	(200,000)	(294,174)
Proceeds from debt	200,000	-
	<u>-</u>	<u>(294,174)</u>
Increase in cash	742,092	186,999
Cash, beginning of year	306,987	119,988
Cash, end of year	<u>\$ 1,049,079</u>	<u>\$ 306,987</u>

See accompanying notes

Métis Nation - Saskatchewan Secretariat Inc.

Notes to the Financial Statements

March 31, 2018

1. Nature 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.

Metis Nation - Saskatchewan (MN-S) represents the province's Metis citizens. The Metis Nation Legislative Assembly is the governing authority of the MN-S and has the authority to enact legislation, regulation, rules and resolutions governing the affairs and conduct of the Métis in Saskatchewan.

2. Accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Cash

Cash consists of funds on deposit with financial institutions, some of which are interest bearing accounts.

(b) Property and plant

Property and plant are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the property and plant over their estimated useful lives. The annual amortization rate is as follows:

Building	5%
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(c) Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(d) Revenue recognition

The organization follows the deferral method of accounting for contributions which includes grants and donations.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest earned from cash is recognized as revenue when earned.

Deferred revenue represents restricted funding received related to expenditures in future years.

Amounts receivable related to program funding are subject to approval by funding agencies and may change.

Métis Nation - Saskatchewan Secretariat Inc.

Notes to the Financial Statements

March 31, 2018

2. Accounting policies, continued

(e) Financial instruments and risk management

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments, equity instruments that are quoted in an active market and pooled funds are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Métis Nation has not elected to carry any such financial instruments at fair value.

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. These costs 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 Métis Nation 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 Métis Nation 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.

The Metis Nation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments:

Credit risk

The Metis Nation's principal financial assets subject to credit risk are cash and accounts receivable. The carrying amounts of these financial assets on the statement of financial position represent the Metis Nation's maximum credit exposure as at March 31, 2018. The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by management of the Metis Nation based on previous experience and its assessment of the current economic environment.

The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies. The credit risk related to accounts receivable is minimized as these receivables are from government agencies.

Liquidity risk

The Metis Nation's objective is to have sufficient liquidity to meet its liabilities when due. The Metis Nation monitors its cash balances and cash flows generated from operations to meet its requirements. As of March 31, 2018, the most significant financial liabilities are accounts payable and accrued liabilities.

Fair values

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying value due to their short-term period to maturity.

Métis Nation - Saskatchewan Secretariat Inc.

Notes to the Financial Statements

March 31, 2018

2. Accounting policies, continued

(f) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are estimated useful life of property and plant, the collectibility of accounts receivable, the estimates of deferred revenue and contingent liabilities. Actual results could differ from these estimates.

3. Property and plant

	2018		2017 (Restated - See Note 8)	
	Cost	Accumulated amortization	Net	Net (Restated - See Note 8)
Land	\$ 99,405	\$ -	\$ 99,405	\$ 99,405
Building	379,774	143,413	236,361	248,800
	<u>\$ 479,179</u>	<u>\$ 143,413</u>	<u>\$ 335,766</u>	<u>\$ 348,205</u>

4. Deferred revenue

Deferred revenue represents unspent externally restricted contributions for the Economic Development Strategy funding. It relates to professional consulting fees, travel, and MN-S administrative expenses of future periods to facilitate in the research, planning, and designing of a draft Metis Economic Development Strategy for the Saskatchewan Metis.

5. Contingent liabilities

In 2017, The Metis Nation was served with a statement of claim for legal fees incurred between April 2011 – March 2016. The amount of the claim against The Metis Nation is \$198,830. The likelihood of payment for the full amount of the claim is remote, however, it is likely that an amount will be settled on. The amount that will be settled on is not determinable as it is subject to negotiations. No amount has been accrued in the financial statements for the year ended March 31, 2018.

Métis Nation - Saskatchewan Secretariat Inc.

Notes to the Financial Statements

March 31, 2018

6. Commitments

The Metis Nation is committed pursuant to a 1 year operating lease agreement for office space commencing on August 1, 2017.

2019

\$ 60,901

On March 16, 2018, The Metis Nation signed a contract in the amount of \$6,850 for music entertainment at the Metis Nation Legislative Assembly.

7. Related party transactions

Metis Nation had the following revenue and expense transactions with related parties during the year. All transactions were recorded at the exchange amount being amounts agreed upon between the related parties:

During the year, Metis Nation expensed \$18,298 (2017 - \$Nil) for salaries and vacation pay of employees of Metis Family & Community Justice Services Saskatchewan Inc. (MFCJS).

During the year, Gabriel Dumont Institute of Native Studies and Applied Research, Inc. provided a donation in the amount of \$25,000 (2017 - \$Nil) included in Back to Batoche Receipts and regional capacity funding included in Other revenue in the amount of \$18,500 (2017 - \$Nil).

During the year, SaskMetis Economic Development Corp. provided a donation in the amount of \$10,000 (2017 - \$10,000) included in Back to Batoche Receipts.

During the year, Metis Nation expensed \$25,862 (2017 - \$Nil) for consulting provided by Gabriel Dumont Institute and \$2,762 (2017 - \$Nil) for office expenses provided by Gabriel Dumont Institute. Included in accounts payable at year end is a payable in the amount of \$2,911 (2017 - \$37,500) to Gabriel Dumont Institute.

In the prior year, Clarence Campeau Development Fund provided a donation in the amount of \$35,000 included in Back to Batoche Receipts. No amount was donated in the current year.

In the prior year, Gabriel Dumont Institute of Native Studies and Applied Research, Inc. purchased the library and all fixtures, cabinets, storage and equipment associated with The Metis Nation Library Archival Collection for the purchase price of \$500,000.

In the prior year, The Metis Nation and Gabriel Dumont College (The "Contractor") entered into a service contract for The Contractor to professionally manage research aimed at providing the membership of The Metis Nation with a voice on the effectiveness of the Urban Aboriginal Strategy (UAS). The amount of the service contract between the two parties was for the full amount of the funding agreement of \$150,000. No amount is payable related to the service contract in the current year.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Métis Nation - Saskatchewan Secretariat Inc.

Notes to the Financial Statements

March 31, 2018

8. Prior period adjustment

The comparative figures have been restated to reflect consulting and contract fees applicable to the year ended March 31, 2017 which were not previously recorded. As a result, excess of revenue over expenditures and net assets as at March 31, 2017 have been decreased by \$228,000.

In addition, the company has increased previously reported accounts payable and accrued liabilities by \$228,000 as at March 31, 2017.

9. Economic dependence

Approximately 94% (2017 - 89%) of The Metis Nation's revenue was derived from The Government of Canada through their Indigenous and Northern Affairs Canada agency to be used to support economic development for the Metis Nation. A funding agreement was obtained during the year securing funding over the next five years for governance and capacity.

10. Subsequent events

Office space

During the June 2nd -June 3rd, 2018 meeting of the Provincial Metis Council, a motion was made to proceed to finalize the lease for an office space at 201-208 19th Street, Saskatoon with monthly lease costs of \$10,951/month plus occupancy costs approximated at \$4,237/month including GST.

Back to Batoche

Included in the financial statements of Metis Nation - Saskatchewan Secretariat Inc. are the receipts and disbursements related to the Back to Batoche festival. On April 10, 2018, the restoral of the Back to Batoche Festival Corporation occurred with a year end of October 31, 2018. There was no separate activity of the Back to Batoche Festival Corporation within the March 31, 2018 year end apart from the receipts and disbursements included in the financial statements of Metis Nation - Saskatchewan Secretariat Inc.

11. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

Metis Nation of Saskatchewan Secretariat Inc. Summary of Revenue and Expenses

For the Year Ended March 31, 2018
(Unaudited)

	Schedule #	Total Revenue	Total Expenses	2018 Excess (deficiency)	2017 Excess (deficiency)
Basic Organization Capacity	1	\$ 510,207	\$ 592,086	\$ (81,879)	(243,683)
MNS Election	2	693,914	664,904	29,010	(142,903)
Metis Nation Registry	3	931,950	849,077	82,873	-
Governance Capacity	4	2,428,836	1,972,333	456,503	-
Back To Batoche	5	219,699	279,425	(59,726)	35,233
Other	6	73,047	12,440	60,607	(9,526)
Information workshop on duty to consult	7	-	-	-	-
Metis National Health Capacity	8	-	-	-	-
Metis Nation Table on Climate Change	9	-	-	-	-
National resources canada	10	-	-	-	-
MNLA, Meetings and Election		-	-	-	86,883

Excess (deficiency) of revenues over expenditures	\$ 4,857,653	\$ 4,370,265	\$ 487,389	\$ (273,998)
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Metis Nation of Saskatchewan
Schedule 1 - Basic Organizational Capacity
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal Funding (INAC)	\$ 510,207	\$ 414,000
	510,207	414,000
Expenses		
Consulting and contract fees	77,962	-
Salaries and wages	17,418	85,387
Office and administrative	155,116	331,467
Rent	79,844	-
Utilities	3,116	-
Insurance (refund)	(370)	-
Information management and information technology	52,231	11,296
Professional fees	85,391	-
MFCJS	18,299	-
Interest on loan	11,220	-
Bank charges	630	-
Consulting and contract fees	91,229	229,533
Payroll	-	-
	592,086	657,683
Excess (deficiency) of revenues over expenditures	\$ (81,879)	\$ (243,683)

Metis Nation of Saskatchewan
Schedule 2 - Election
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal Funding (INAC)	\$ 689,214	\$ -
Candidate Nomination Deposits	4,700	-
	693,914	-
Expenses		
Consulting and contract fees	177,974	70,306
Salaries and wages	226,838	-
Rent	38,928	9,027
Office supplies and miscellaneous	14,056	57,070
Professional fees	40,848	-
Travel	7,111	1,928
Insurance	973	-
Advertising	30,416	4,572
Training	19,443	-
Consulting and contract fees	108,316	-
	664,904	142,903
Excess (deficiency) of revenues over expenditures	\$ 29,010	\$ (142,903)

Metis Nation of Saskatchewan
Schedule 3 - Registry
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal Funding (INAC)	\$ 931,950	\$ -
	<u>931,950</u>	<u>-</u>
Expenses		
Consulting and contract fees	56,346	-
Salaries and wages	314,092	-
Rent	108,130	-
Administrative, office supplies and miscellaneous	207,541	-
Travel	8,772	-
Advertising	5,351	-
Training	3,371	-
Consulting and contract fees	145,472	-
	<u>849,077</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 82,873</u>	<u>\$ -</u>

Metis Nation of Saskatchewan
Schedule 4 - Governance capacity
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal Funding (INAC)	\$ 2,428,836	\$ -
	<u>2,428,836</u>	<u>-</u>
Expenses		
Regional capacity	227,503	-
Political representation	442,729	-
Executive infrastructure	908,398	-
Community involvement	6,541	-
Communications	8,034	-
Consulting and contract fees	379,127	-
	<u>1,972,333</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 456,503</u>	<u>\$ -</u>

Metis Nation of Saskatchewan
Schedule 5 - Back to Batoche
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal funding	\$ -	\$ 50,000
Fees and admissions	77,749	74,028
Donations	140,550	135,209
Rebates	1,400	-
	<u>219,699</u>	<u>259,237</u>
Expenses		
Consulting fees	33,525	19,000
Operating	137,728	148,232
Meetings and travel	9,466	-
Insurance	18,528	13,878
Advertising	4,530	2,850
Property taxes	31,436	33,700
Utilities	9,919	6,344
MN-S Allocation of Funds	-	-
Consulting and contract fees	34,294	-
	<u>279,425</u>	<u>224,004</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (59,726)</u>	<u>\$ 35,233</u>

Metis Nation of Saskatchewan
Schedule 6 - Other
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
WCB premium recovery	\$ 15,620	\$ -
Interest	5,865	3,567
Other income	51,562	-
	<u>73,047</u>	<u>3,567</u>
Expenses		
Amortization	12,440	13,095
	<u>12,440</u>	<u>13,095</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 60,607</u>	<u>\$ (9,528)</u>

Metis Nation of Saskatchewan
Schedule 7 - Information workshop on duty to consult
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal funding	\$ -	\$ -
	-	-
Expenses		
	-	-
	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -

Metis Nation of Saskatchewan
Schedule 8 - Metis Nation health capacity
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal funding	\$ -	\$ -
	-	-
Expenses		
	-	-
	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -

Metis Nation of Saskatchewan
Schedule 9 - Metis Nation table on climate change
For the Year Ended March 31, 2018

	2018 (Unaudited)	2017 (Unaudited)
Revenue		
Federal funding	\$ -	\$ -
	-	-
Expenses		
	-	-
	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -

Metis Nation of Saskatchewan
Schedule 10 - National resources Canada
For the Year Ended March 31, 2018

	2018 <i>(Unaudited)</i>	2017 <i>(Unaudited)</i>
Revenue		
Federal funding	\$ -	\$ -
	-	-
	-	-
	-	-
Expenses		
Amortization	-	-
	-	-
	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -