Financial Statements of

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Year ended March 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Directors

We have audited the accompanying financial statements of Gabriel Dumont Institute of Native Studies and Applied Research, Inc. which comprise the statement of financial position as at March 31, 2014, 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 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 an 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, these financial statements present fairly, in all material respects, the financial position of Gabriel Dumont Institute of Native Studies and Applied Research, Inc. as at March 31, 2014 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.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
July 19, 2014

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash	$ 1,822,705	$ 2,608,401
Short-term investments (note 6)	170,416	172,437
Accounts receivable	365,383	672,212
Prepaid expenses	64,612	42,733
	2,423,116	3,495,783
Property and equipment (note 4)	2,340,613	2,229,297
	$ 4,763,729	$ 5,725,080
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 774,466	$ 1,626,545
Deferred contributions (note 5)	69,171	76,465
	843,637	1,703,010
Net assets (deficiency):		
Administration and core services	900,428	1,285,824
Invested in property and equipment	2,340,613	2,229,297
Publishing	(384,986)	(384,986)
S.U.N.T.E.P.	983,277	807,070
Other specific contract projects	80,760	80,760
Restricted for endowment purposes (note 6)	-	4,105
	3,920,092	4,022,070
	$ 4,763,729	$ 5,725,080

See accompanying notes to financial statements.

Original signed by Geordy McCaffrey

Original signed by Glenn Lafleur

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	Administration & Core Services	Publishing	S.U.N.T.E.P	Total 2014	Total 2013
Revenue:					
Government of Saskatchewan					
- Saskatchewan Learning	$ 2,337,100	$ -	$ 3,644,900	$ 5,982,000	$ 5,948,689
Other (schedule 1)	851,918	260,888	558,933	1,671,739	1,203,341
Government of Canada					
- Office of The Federal Interlocutor (schedules 4, 4A, 4B, 4C, 4D)	-	494,547	-	494,547	625,045
- The Department of Canadian Heritage	-	-	-	-	2,985
	3,189,018	755,435	4,203,833	8,148,286	7,780,060
Expenses					
Salaries and benefits (schedule 3)	1,496,603	483,487	1,793,272	3,773,362	3,533,720
Instructional costs	-	22,629	1,755,315	1,777,944	1,553,579
Operating costs (schedule 2)	1,098,714	290,588	327,599	1,716,901	1,519,808
Public relations (schedule 3)	61,074	313,935	87,328	462,337	575,490
Curriculum development	12,546	186,675	4,213	203,434	168,586
Travel and sustenance (schedule 3)	154,032	23,494	39,322	216,848	152,548
Kapachee	54,686	-	-	54,686	54,686
Library costs	4,677	784	21,865	27,326	27,417
Works of art	2,349	1,995	2,172	6,516	12,064
Scholarships	-	-	6,805	6,805	1,450
	2,884,681	1,323,587	4,037,891	8,246,159	7,599,348
Administrative allocation	(568,152)	568,152	-	-	-
Net revenue (expense)	$ (263,815)	$ -	$ 165,942	$ (97,873)	$ 180,712

See accompanying notes to financial statements.

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Statement of Changes in Net Assets

Year ended March 31, 2014, with comparative information for 2013

	Administration and Core Services	Publishing	S.U.N.T.E.P.	Other Specific Contract Projects	Invested in Property Plant and Equipment	Endowment	2014	2013
Net assets (deficiency), beginning of year	$ 1,285,824	$ (384,986)	$ 807,070	$ 80,760	$ 2,229,297	$ 4,105	$ 4,022,070	$ 3,841,358
Net revenue (expense)	(263,815)	-	165,942	-	-	-	(97,873)	180,712
Transfer to Gabriel Dumont Scholarship Foundation II (note 6)	-	-	-	-	-	(4,105)	(4,105)	-
Amortization	139,398	-	19,504	-	(158,902)	-	-	-
Purchase of property and equipment	(260,979)	-	(9,239)	-	270,218	-	-	-
Net assets (deficiency), end of year	$ 900,428	$ (384,986)	$ 983,277	$ 80,760	$ 2,340,613	$ -	$ 3,920,092	$ 4,022,070

See accompanying notes to financial statements.

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash flows from (used in):		
Operations:		
Net revenue (expense)	$ (97,873)	$ 180,712
Item not involving cash:		
Amortization	158,902	161,527
Reinvested investment income (note 6)	(2,084)	(5,868)
Change in non-cash operating working capital		
Accounts receivable	306,829	80,321
Prepaid expenses	(21,879)	2,048
Accounts payable and accrued liabilities	(852,079)	563,015
Deferred contributions	(7,294)	(25,984)
	(515,478)	955,771
Investing:		
Purchase of property, plant & equipment	(270,218)	(1,195,260)
Increase (decrease) in cash	(785,696)	(239,489)
Cash, beginning of year	2,608,401	2,847,890
Cash, end of year	$ 1,822,705	$ 2,608,401

See accompanying notes to financial statements.

Gabriel Dumont Institute of Native Studies and Applied Research, Inc. ("GDI" or "the Institute") and it's affiliates are Not-for-Profit Organizations incorporated under the Non-Profit Corporations Act of Saskatchewan and are not subject to income tax under the Income Tax Act (Canada).

1. Nature of operations:

The Institute is a not-for-profit organization that provides Métis people in Saskatchewan the opportunity to obtain training and education. This opportunity is provided through the Institute as well as its affiliates, Gabriel Dumont College Inc., Dumont Technical Institute Inc., Gabriel Dumont Scholarship Foundation II and Gabriel Dumont Institute Training and Employment Inc.

The Institute is associated with Gabriel Dumont College, Inc., Dumont Technical Institute Inc., Gabriel Dumont Scholarship Foundation II, and Gabriel Dumont Institute Training and Employment Inc., as the Board of Directors of the Institute are the same directors and the only directors of the associated and related entities. These financial statements do not include the operations of these associated and related entities and further information about these entities is disclosed in note 7.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit entities in Part III of the CPA Handbook and reflect the following policies:

(a) Fund accounting:

Revenue and expenses related to program delivery and administrative activities are reported in the following funds:

Administration and Core Services

The finance and operations department which is located in Saskatoon is responsible for carrying out the organization's financial planning, administering personnel services and providing administrative support services to the entire organization.

Core service departments include curriculum development, research, library and information services. The research and curriculum staff are located in Saskatoon and library staff work in both the Regina and Prince Albert Resource Centres. The curriculum department is an important vehicle for the fulfillment of the Institute's mandate, which is the promotion and renewal of Métis culture. The research department is responsible for identifying new projects, developing proposals and identifying funding sources for the successful completion of projects. The library has a unique collection which focuses on Métis history and culture and on issues of concern in Métis and First Nations

2. Significant accounting policies (continued):

communities. It serves the research needs of the Institute and has locations in Regina, Saskatoon and Prince Albert.

Publishing

The Publishing fund has allowed the Institute to make important links with Métis communities and organization in Western Canada. The funds allocated have assisted the Institute in creating Métis cultural development in the following areas: public education and cultural preservation, awareness, resource/material development, community consultations, Métis cultural programming and the collection of Métis artifacts. The goals accomplished with the contract between the Federal Interlocutor for Métis and Non-Status Indians Division, Privy Council Office and the Institute will lead to a series of long-term Métis-specific resources and cultural programs that will serve the Métis people and the Canadian public into the future.

S.U.N.T.E.P.

The Saskatchewan Urban Native Teacher Education Program ("S.U.N.T.E.P") is a four-year fully accredited Bachelor of Education program, offered by the Institute in cooperation with the Ministry of Advanced Education, Employment and Immigration of the province of Saskatchewan, the University of Regina and the University of Saskatchewan. The program is offered in three urban centres - Prince Albert, Saskatoon and Regina. The program combines training and a sound academic education with extensive classroom experience and a thorough knowledge of issues facing students in our society.

Other Specific Contract Projects

The Institute has implemented a wide variety of additional education and training offerings throughout Saskatchewan. Many of these programs have been delivered in cooperation with the University of Saskatchewan and the Ministry of Advanced Education, Employment and Immigration of the province of Saskatchewan.

Endowment Contributions

Endowment contributions are restricted to the provision of scholarships.

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Institute follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions include grant and contract revenue. Deferred revenue represents funding received related to expenditures and program delivery in future years.

Endowment contributions are reported in the Endowment Fund.

Tuition fees are recognized as revenue when the courses are held.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Institute has elected to carry their short-term investments 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, 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 Institute 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 Institute 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. Significant accounting policies (continued):

(d) Property, plant and equipment:

Property, plant and equipment are initially recorded at cost. Donated assets are recorded at their estimated fair market value plus other costs incurred at the date of acquisition. Normal maintenance and repair expenditures are expensed as incurred.

Amortization is recorded in the accounts utilizing the following methods and rates:

Asset	Method	Rate
Building	Declining	5 %
Computer equipment	Declining	20%
Other equipment	Declining	20%
Leasehold Improvements	Straight-line	10%

Amortization is charged for the full year in the year of acquisition. No amortization is taken in the year of disposal. It is expected that these procedures will charge operations with the total cost of the assets over the useful lives of the assets. Gains or losses on the disposal of individual assets are recognized in income in the year of disposal.

(e) Library costs:

The Institute's library collection includes materials related to the culture and history of Aboriginal peoples not readily available from other sources. These materials assist the Institute in its own cultural and historical research and curriculum activities. The acquisition costs of the library collection are expensed. The library collection is not carried at cost and amortized because they are: held for public exhibition, education and research; protected, cared for and preserved; and any proceeds from sales are used to maintain the existing collection and to acquire other items for the collection.

(f) Employee benefits:

The Institute provides a defined contribution pension plan, life insurance, long and short-term disability coverage, dental, vision, and health care benefits to employees. Cost are expensed in the year incurred.

2. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the estimated useful life of property and equipment, the collectibility of accounts receivable and the estimate of deferred contributions. Actual results could differ from these estimates.

(h) Allocation of shared expenses:

The Institute and affiliates sometimes incur shared costs that are related to all Gabriel Dumont affiliates. The Institute allocates certain of its general support expenses by identifying the appropriate basis of allocating each expense between the affiliates.

(i) Cash and cash equivalents:

Cash and cash equivalents include bank balances and balances with financial institutions which are highly liquid and have an initial term to maturity of three months or less.

3. Financial instruments and risk management:

The Institute, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and market risk (interest rate risk and other price risk).

Credit risk

The Institute's principal financial assets subject to credit risk are cash, short-term investments and accounts receivable. The carrying amounts of these financial assets on the statement of financial position represent the Institute's maximum credit exposure at the year-end date.

The Institute's credit risk on its short-term investments is primarily attributable due to the volatility of the markets. The Credit risk related to accounts receivable is minimized as these receivables are normally from government agencies. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

Interest rate risk

The interest bearing investments have a limited exposure to interest rate risk due to their short-term period to maturity.

Market risk

The Institute is not exposed to significant price risk.

Fair values

Cash and short-term investments are recorded at fair value. For certain of the Institute's financial instruments including accounts receivable and accounts payable and accrued liabilities, the carrying amounts approximate fair value due to the immediate or short-term maturity of these items.

4. Property, plant and equipment:

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Administrative:				
Land	$ 225,281	$ -	$ 225,281	$ 225,281
Building	2,815,362	1,055,171	1,760,191	1,637,157
Computer equipment	332,833	172,720	160,113	184,750
Equipment	1,225,142	1,148,058	77,084	60,394
	4,598,618	2,375,949	2,222,669	2,107,582
Core services:				
Equipment	310,881	297,747	13,134	16,417
Works of art/artifacts	6,245	2,309	3,936	4,144
Leasehold improvements	70,885	22,178	48,707	47,835
	388,011	322,234	65,777	68,396
S.U.N.T.E.P.				
Equipment	336,641	284,541	52,100	53,235
Other				
Equipment	16,780	16,713	67	84
	$ 5,340,050	$ 2,999,437	$ 2,340,613	$ 2,229,297

5. Deferred contributions:

The Institute has deferred contributions for the following projects:

Funding Agent	Project	2014	2013
Various	Métis Veteran's War Memorial	$ 69,171	$ 76,465
		$ 69,171	$ 76,465

6. Endowments:

	2014	2013
Arts Carriere Memorial Fund	$ -	$ 2,769
Les Fiddler Memorial Fund	-	1,336
	$ -	$ 4,105

During the year Gabriel Dumont Institute of Native Studies and Applied Research, Inc. transferred the above Endowments totaling $4,105 to Gabriel Dumont Scholarship Foundation II, a related entity. The funds associated with these endowments were previously included in short-term investments.

7. Associated and related entities:

The following organizations are associated with the Institute as the Board of Directors are the same directors and the only directors of the Gabriel Dumont College, Inc., Dumont Technical Institute, Inc., Gabriel Dumont Scholarship Foundation II, and the Gabriel Dumont Training & Employment Inc. Amounts shown are for the most recent fiscal year end of each entity.

	Gabriel Dumont College Inc. March 31, 2014	Dumont Technical Institute Inc. June 30, 2013	Gabriel Dumont Scholarship Foundation II December 31, 2013	Gabriel Dumont Institute Training & Employment Inc. March 31, 2014
Total assets	$ 2,162,101	$ 5,576,917	$ 2,765,519	$ 790,896
Total liabilities	20,773	1,477,363	102,142	779,308
Net assets				
- internally restricted	2,141,328	3,728,841	323,377	-
- externally restricted	-	370,713	2,340,000	11,588
	$ 2,162,101	$ 5,576,917	$ 2,765,519	790,896
Results of operations:				
Total revenue	666,612	7,708,010	153,261	12,775,131
Total expenses	461,804	7,846,853	235,045	12,775,131
Net revenue (expense)	$ 204,808	$ (138,843)	$ (81,784)	-
Cash flows:				
Cash provided by operations	$ 200,652	$ (75,436)	$ (51,046)	(925,973)
Cash provided by (used in) financing and investing activities	-	(772,789)	23,090	-
Increase (decease) in cash balances	$ 200,652	$ (848,225)	$ (27,956)	(925,973)
Cash balances, end of year	$ 1,455,993	$ 619,491	$ 75,667	566,220

8. Pension plan:

The Institute contributes to a pension plan for the employees based on a negotiated rate of contribution. The pension expense for the year was $213,955 (2013 - $188,210).

9. Related party transactions:

The Institute had the following transactions with associated and related parties (note 1) during the year. All transactions were recorded at the exchange amount being amounts agreed upon between the related parties.

	2014	2013
Entities under common control		
Fees for service (administrative services, at negotiated value)	$ 444,224	$ 355,143
Sales and royalties	14,173	8,789
Fees for service (office and equipment rent)	206,354	111,694
Building (rent)	(78,662)	(72,131)
Staff salaries and wages (wage enhancement)	(241,949)	(241,949)
Programming services	(250,760)	(237,098)
	$ 93,380	$ (75,552)

Inter-fund administrative support/facility recovery expenses are charged based on estimated use of services.

Amounts included in accounts receivable and accounts payable are as follows:

	Accounts receivable	
	2014	2013
Dumont Technical Institute	$ 291,549	$ 270,640
Gabriel Dumont Institute Training and Employment Inc.	177	5,455
Gabriel Dumont College Inc.	850	4,327
	$ 292,576	$ 280,422

9. Related party transactions (continued):

	Accounts payable 2014	Accounts payable 2013
Dumont Technical Institute	$ 468	$ 391,711
Gabriel Dumont Institute Training and Employment Inc.	-	387
Gabriel Dumont College Inc.	250,760	236,448
Gabriel Dumont Scholarship Foundation II	4,105	600
	$ 255,333	$ 629,146

10. Commitments:

The Institute is committed pursuant to various operating leases and contractual obligations for services in each of the next five years as follows:

2015	$ 432,439
2016	285,805
2017	201,430
2018	208,880
2019	87,093
	$ 1,215,647

11. Economic dependence:

Approximately 79% (2013 - 85%) of the Institute's revenue was derived from the Provincial and Federal Governments of Canada. Funding is provided by annual grants under contracts expiring on various dates.

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Schedule of Other Revenue

Year ended March 31, 2014, with comparative information for 2013

	Administration and Core Services	Publishing	S.U.N.T.E.P.	2014	2013
Fees for services	$ 699,953	$ 42,519	$ -	$ 742,472	$ 581,145
Tuition income	-	-	310,269	310,269	270,339
Teaching income	-	-	248,664	248,664	50,996
Sales and royalties	-	201,331	-	201,331	166,395
Veterans monument donations	117,259	-	-	117,259	575
Interest	27,850	-	-	27,850	36,662
Miscellaneous	5,356	14,038	-	19,394	37,729
Minister of Advanced Education, Employment and Immigration	1,500	3,000	-	4,500	10,500
Prince Albert Grand Council	-	-	-	-	49,000
	$ 851,918	$ 260,888	$ 558,933	$ 1,671,739	$ 1,203,341

Schedule 2

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Schedule of Operating Costs

Year ended March 31, 2014, with comparative information for 2013

	Administration & Core Services	Publishing	S.U.N.T.E.P.	2014	2013
Building	$ 324,689	$ 128,131	$ 155,746	$ 608,566	$ 624,001
Consulting and legal service	428,586	6,957	11,938	447,481	261,498
Amortization	139,398	-	19,504	158,902	161,527
Other equipment expenses	50,177	26,269	64,994	141,440	157,165
Computer services	52,881	1,456	10,139	64,476	79,075
Telephone	56,789	1,943	2,384	61,116	53,096
Office supplies	12,763	22,019	17,270	52,052	44,215
Cultural partnership	-	40,837	-	40,837	30,729
Insurance	26,644	6,337	4,637	37,618	32,513
Museum	-	36,881	-	36,881	36,112
Bad debts (recovery)	-	4,218	32,563	36,781	(120)
Duplicating and materials development	4,915	4,020	5,971	14,906	16,663
Postage and courier	1,345	6,253	2,432	10,030	21,894
Bank charges	512	5,267	21	5,800	4,999
Miscellaneous (recovery)	15	-	-	15	(3,649)
Payroll interest & penalties	-	-	-	-	90
	$ 1,098,714	$ 290,588	$ 327,599	$ 1,716,901	$ 1,519,808

Schedule 3

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Schedule of Public Relations, Salary and Benefits and Travel and Sustenance Expenses

Year ended March 31, 2014, with comparative information for 2013

	Administration & Core Services	Publishing	S.U.N.T.E.P.	2014	2013
Salaries and benefits:					
Staff salaries and wages	$ 1,300,723	$ 416,960	$ 1,543,695	$ 3,261,378	3,080,440
Staff benefits	195,880	66,527	249,577	511,984	453,280
	$ 1,496,603	$ 483,487	$ 1,793,272	$ 3,773,362	$ 3,533,720
Public Relations:					
Promotion, publicity and graduation	$ 61,074	$ 313,935	$ 63,283	$ 438,292	$ 544,777
Recruitment	-	-	22,653	22,653	29,251
Orientation	-	-	1,392	1,392	1,462
	$ 61,074	$ 313,935	$ 87,328	$ 462,337	$ 575,490
Travel and sustenance:					
Staff and students	$ 74,445	$ 23,494	$ 39,072	$ 137,011	113,768
Board	79,587	-	250	79,837	38,780
	$ 154,032	$ 23,494	$ 39,322	$ 216,848	$ 152,548

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Government of Canada - Office of the Federal Interlocutor Schedule - MCCI contract

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
Revenue			
Office of the Federal Interlocutor	$ 253,700	$ 253,700	$ 253,700
	253,700	253,700	253,700
Expenses:			
Resource / materials development	115,000	115,735	117,823
Cultural partnerships	33,700	40,837	30,729
Michif Preservation	40,000	39,477	39,146
Museum	35,000	36,881	36,112
Administrative services	30,000	20,770	29,890
	253,700	253,700	253,700
	$ -	$ -	$ -

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Government of Canada - Office of the Federal Interlocutor Schedule - MCCI amendment #1

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
Revenue			
Office of the Federal Interlocutor	$ 170,000	$ 170,000	$ 69,000
	170,000	170,000	69,000
Expenses:			
Resource / materials development	75,000	76,260	60,024
Cultural partnerships	69,500	70,576	-
Administrative services	25,500	23,164	8,976
	170,000	170,000	69,000
	$ -	$ -	$ -

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Government of Canada - Office of the Federal Interlocutor Schedule - MCCI amendment #2

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
Revenue:			
Office of the Federal Interlocutor	$ 99,440	$ 70,847	$ 53,815
	99,440	70,847	53,815
Expenses:			
Direct course costs	38,000	22,629	-
Material development	19,800	17,059	-
Salary and benefits	20,945	15,995	-
Administration	8,920	9,100	7,500
Honoraria	2,500	2,500	-
Professional fees	3,700	1,300	-
Travel	1,575	1,090	-
Graduation	2,600	676	-
Promotions	1,400	498	-
Board Governance	-	-	46,315
	99,440	70,847	53,815
	$ -	$ -	$ -

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Government of Canada - Office of the Federal Interlocutor Schedule - MCCI amendment #3

Year ended March 31, 2014, with comparative information for 2013

	Budget	2014	2013
Revenue:			
Office of the Federal Interlocutor	$ -	$ -	$ 100,000
	-	-	100,000
Expense:			
Cultural augmentation	-	-	39,762
Role model & leadership	-	-	26,578
Archival prep & display	-	-	22,103
Administrative services	-	-	11,557
	-	-	100,000
	$ -	$ -	$ -

GABRIEL DUMONT INSTITUTE OF NATIVE STUDIES AND APPLIED RESEARCH, INC.

Government of Canada - Office of the Federal Interlocutor Schedule - MCCI amendment #3

Year ended March 31, 2014, with comparative information for 2013
(Unaudited)

	Budget	2014	2013
Revenue:			
Office of the Federal Interlocutor	$ -	$ -	$ 148,530
	-	-	148,530
Expenses:			
Resource / materials development	-	-	91,670
Operating costs	-	-	7,279
Wages and benefits	-	-	23,525
Public relations	-	-	8,795
Administrative services	-	-	17,261
	-	-	148,530
	$ -	$ -	$ -

Financial Statements of

GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Year ended March 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Directors

We have audited the accompanying financial statements of Gabriel Dumont Institute Training and Employment Inc. which comprise the statements of financial position as at March 31, 2014, the statements of operations and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information. These financial statements have been prepared by management in accordance with financial reporting provisions of the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010, and the Skills and Partnership Fund Article Agreement dated March 21, 2011.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010, and the Skills and Partnership Fund Article Agreement dated March 21, 2011, 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 an 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, these financial statements present fairly, in all material respects, the financial position of Gabriel Dumont Institute Training and Employment Inc. as at March 31, 2014 and the results of its operations and its cash flows for the year then ended, in accordance with financial reporting provisions of the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010, and of the Skills and Partnership Fund Article Agreement dated March 21, 2011.

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared for Gabriel Dumont Institute Training and Employment Inc. and Service Canada. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Gabriel Dumont Institute Training and Employment Inc. and Service Canada and should not be used by parties other than Gabriel Dumont Institute Training and Employment Inc. and Service Canada.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
July 19, 2014

GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Statement of Financial Position

March 31, 2014, with comparative information for 2013

		2014		2013
Assets				
Current assets:				
Cash	$	566,220	$	1,492,193
Accounts receivable		213,088		176,199
		779,308		1,668,392
Furniture and equipment (note 2)		11,588		14,486
	$	790,896	$	1,682,878
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$	335,828	$	194,140
Deferred revenue (note 3)		443,480		1,474,252
		779,308		1,668,392
Deferred contributions for furniture and equipment (note 4)		11,588		14,486
	$	790,896	$	1,682,878

See accompanying notes to financial statements.

Original signed by Geordy McCaffrey

Original signed by Glenn Lafleur

GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Service Canada-Aboriginal Skills and Employment Training Strategy Métis Funding ("ASETS") (schedule 1)	$ 11,542,786	$ 10,444,163
Skills and Partnership Fund Agreement ("SPF")	1,232,345	1,074,674
	12,775,131	11,518,837
Expenses (schedule 2):		
Service delivery (schedule 3)	9,236,106	8,022,740
Wages and benefits	2,799,829	2,832,441
Facilities rentals	187,889	168,234
Staff travel	134,084	126,286
Telephone	72,174	69,922
Public relations	68,963	63,580
Professional fees	59,269	64,994
Board travel & professional development	55,985	50,678
Office	37,844	30,854
Office supplies	30,082	24,847
Contractual services and consulting	27,775	4,500
Equipment rentals	18,465	12,948
Computer software support	17,203	16,646
Insurance	8,741	7,632
Repairs and maintenance	6,277	9,111
Postage and courier	6,141	5,993
Interest and bank charges	5,406	3,809
Amortization	2,898	3,622
	12,775,131	11,518,837
Excess of revenue over expenses	$ -	$ -

See accompanying notes to financial statements.

GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash flows from (used in):		
Operations:		
Items not involving cash:		
Amortization of furniture and equipment	$ 2,898	$ 3,622
Amortization of deferred contributions for furniture and equipment	(2,898)	(3,622)
Change in non-cash operating working capital:		
Accounts receivable	(36,889)	(51,709)
Accounts payable and accrued liabilities	141,688	70,420
Deferred revenue	(1,030,772)	(233,254)
Decrease in cash	(925,973)	(214,543)
Cash, beginning of year	1,492,193	1,706,736
Cash, end of year	$ 566,220	$ 1,492,193

See accompanying notes to financial statements.

Operations:

Gabriel Dumont Institute Training and Employment Inc. (“the Institute”) is a not-for-profit organization that provides Métis people in Saskatchewan the opportunity to obtain training and education. This opportunity is provided through the Institute and funded through the Métis Human Resources Development Agreement signed with Human Resources and Social Development and the Employment Insurance Commission ("Service Canada") (the "AHRDA Agreement") and its successor agreements the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010 ("ASETS Agreement" or "ASETS") and the Skills and Partnership Fund Article Agreement dated March 21, 2011 ("SPF Agreement" or "SPF").

The Institute and its affiliates are incorporated under the Non-Profit Corporations Act of Saskatchewan and as such are not subject to income tax under the Income Tax Act (Canada). The Institute commenced operations in November of 2006. The ASETS Agreement with Service Canada has been renewed to March 31, 2015.

The Institute is jointly controlled with Gabriel Dumont Institute of Native Studies and Applied Research and its related entities: Gabriel Dumont College Inc., Dumont Technical Institute Inc., and Gabriel Dumont Scholarship Foundation II, as the Board of Directors of Gabriel Dumont Institute of Native Studies and Applied Research, Inc. are the same directors and the only directors of the controlled entities. These financial statements do not include the operations of these other entities.

1. Significant accounting policies:

The Institute has adopted Canadian Accounting Standards for Not-For-Profit Organizations in accordance with Part III of the CPA Handbook.

However, the financial statements have been prepared for the purposes of reporting to the Institute's primary funding agency, Service Canada. As a result, these financial statements have been prepared in accordance with Not-For-Profit Standards with the exception of the use of the modified cash basis for programs as outlined in note 1(a).

(a) Modified cash basis for programs:

Program claims submitted within sixty days of the financial statement date are accrued as program expenses and included in funding claims from Service Canada. Program expenses not submitted within the sixty day deadline are not recognized in the period when the activity occurred that caused the expense. This differs from Canadian Accounting Standards for Not-For-Profit organizations as the expenses are to be recognized in the period incurred.

1. Significant accounting policies (continued):

(b) Revenue recognition:

The Institute follows the deferral method of accounting for contributions. 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 on restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributions restricted for the purchase of furniture and equipment are deferred and recognized into revenue at a rate corresponding with the amortization rate for the related furniture and equipment.

The value of contributed services and related expenses is not recognized in these financial statements.

(c) Cash and cash equivalents:

Cash and cash equivalents include bank indebtedness and balances with financial institutions which are highly liquid and have an initial term to maturity of thee months or less.

(d) Furniture and equipment:

Furniture and equipment are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Amortization is provided using the following method and annual rates:

Asset	Method	Rate
Computer equipment	Declining balance	20%
Furniture and equipment	Declining balance	20%

Amortization is recorded in the month the assets are put into use such that the total costs of the assets will be charged to operations over the useful life of the assets.

1. Significant accounting policies (continued):

(e) 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 year. Significant items subject to such estimates and assumptions include the collectibility of accounts receivable and the estimates of deferred revenue. Actual results could differ from these estimates.

(f) Employee benefits:

The Institute provides a defined contribution pension plan, life insurance, long-term disability coverage, dental, vision, and health care benefits to employees. Costs are expensed in the year incurred. Pension expense was $169,514 ($164,319 for the year ended March 31, 2013).

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Institute 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, 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 Institute 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 Institute 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.

1. Significant accounting policies (continued):

(h) Allocation of expenses:

The Institute allocates all of its expenses to individual programs. The costs of each program include the costs of personnel, premises and other expense that are directly related to providing the program services.

2. Furniture and equipment:

	Cost	Accumulated Amortization	2014 Net book value	2013 Net book value
Furniture and equipment:				
Head office	$ 25,217	$ 20,344	$ 4,873	$ 6,091
Saskatoon	1,646	1,328	318	398
Prince Albert	5,464	4,408	1,056	1,321
Nipawin	4,215	3,400	815	1,018
La Ronge	3,435	2,771	664	830
Yorkton	1,646	1,328	318	398
North Battleford	456	368	88	110
Meadow Lake	2,463	1,987	476	595
Ile a la Crosse	606	489	117	147
La Loche	4,306	3,474	832	1,040
	49,454	39,897	9,557	11,948
Computer equipment:				
Head office	10,506	8,475	2,031	2,538
	$ 59,960	$ 48,372	$ 11,588	$ 14,486

3. Deferred contributions:

Deferred contributions related to expenses of future periods and represent unspent externally restricted contribution for specific programs.

3. Deferred contributions (continued):

		2014		2013
Service Canada ASETS Agreements	$	424,023	$	1,439,375
Interest earned on ASETS funding		19,457		25,713
Skills and Partnership Fund		-		6,978
Interest earned on SPF funding		-		2,186
	$	443,480	$	1,474,252

4. Deferred contributions for furniture and equipment:

Deferred contributions for furniture and equipment represent the unamortized amount for the purchase of capital assets. The amortization of deferred contributions for furniture and equipment is recorded as revenue in the statement of operations.

		2014		2013
Balance, beginning of year	$	14,486	$	18,108
Deferred contribution recognized		(2,898)		(3,622)
Balance, end of year	$	11,588	$	14,486

5. Commitments:

The Institute has specific commitments pursuant to operating leases for the rental of office space and equipment, as follows:

2015	$	208,667

The operating leases are primarily based on monthly rentals.

6. Related party transactions:

During the year the Institute paid $1,529,873 (2013 - $1,388,997) and $8,727 (2013 - nil) for service delivery and salaries to Dumont Technical Institute Inc. and Gabriel Dumont Institute of Native Studies and Applied Research Inc., respectively.

The Institute has entered into a lease with each of Dumont Technical Institute Inc. and Gabriel Dumont Institute of Native Studies and Applied Research Inc. for the rental of office space. The Institute paid $72,970 and $22,942, respectively, for these services for the year ended March 31, 2014 (2013 - $70,870 and $15,337). Accounts payable and accrued liabilities include $37,218 (2013 - $28,215) owing to Dumont Technical Institute and $177 (2013 - $1,995) owing to Gabriel Dumont Institute of Native Studies and Applied Research Inc.

Certain administrative functions of the organization are managed by Gabriel Dumont Institute of Native Studies and Applied Research Inc. at no charge.

7. Economic dependence:

100% (2012 - 100%) of the Institute's revenue was derived from Service Canada. The contract with Service Canada has been extended under the ASETS Agreement to March 31, 2015.

8. Financial instruments and risk management:

The Institute, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and market risk (interest rate risk and other price risks).

Credit risk

The Institute's principal financial assets are cash, funding receivable from Service Canada and GST receivable which are all subject to credit risk. The carrying amounts of these financial assets on the statement of financial position represents the Institute's maximum credit exposure at the statement of financial position date.

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

Market risk

The Institute is not exposed to significant interest rate or other price risk.

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.

9. Comparative figures:

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

GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Schedules of Service Canada ASETS Agreement Revenue

Year ended March 31, 2014, with comparative information for 2013

	Employment Insurance	Consolidated Revenue Fund	2014	2013
Service Canada contributions	$ 3,339,852	$ 7,158,971	$ 10,498,823	$ 10,498,823
Deferred revenue including interest - beginning of year	295,733	1,169,355	1,465,088	1,381,093
Deferred contributions for furniture and equipment - beginning of year	-	14,486	14,486	18,108
Deferred contributions for furniture and equipment - end of year	-	(11,588)	(11,588)	(14,486)
Interest earned on deferred revenue	-	19,457	19,457	25,713
Deferred revenue including interest - end of year	(212)	(443,268)	(443,480)	(1,465,088)
Revenue recognized	$ 3,635,373	$ 7,907,413	$ 11,542,786	$ 10,444,163

Schedule 2

GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Schedule of Expenses

Year ended March 31, 2014, with comparative information for 2013

	Employment Insurance	Consolidated Revenue Fund	Skills & Partnership Fund	2014	2013
Program Administration Expenses					
Wages and benefits	$ -	$ 1,390,507	$ 211,060	$ 1,601,567	$ 1,652,246
Facilities rentals	-	187,889	-	187,889	168,234
Staff travel	-	87,890	11,156	99,046	100,710
Public relations	-	57,336	8,149	65,485	60,421
Professional fees	-	59,269	-	59,269	64,994
Board travel & professional development	-	55,985	-	55,985	50,678
Office	-	37,844	-	37,844	30,854
Contractual services and consulting	-	100	27,675	27,775	4,500
Telephone	-	19,622	1,118	20,740	21,087
Equipment rentals	-	18,465	-	18,465	12,948
Computer software support	-	17,185	18	17,203	16,646
Office supplies	-	14,728	60	14,788	12,126
Insurance	-	8,741	-	8,741	7,632
Repairs and maintenance	-	6,277	-	6,277	9,111
Interest and bank charges	-	5,406	-	5,406	3,809
Postage and courier	-	4,455	10	4,465	4,362
Amortization	-	2,897	-	2,897	3,622
	-	1,974,596	259,246	2,233,842	2,223,980
Program Assistance Expenses					
Education and training costs	1,071,822	3,349,351	90,849	4,512,022	4,282,756
Student allowances	1,045,111	1,982,983	22,900	3,050,994	2,773,829
Wage subsidies	213,258	600,483	859,350	1,673,091	966,155
Wages and benefits	1,198,262	-	-	1,198,262	1,180,195
Telephone	51,434	-	-	51,434	48,835
Staff travel	35,038	-	-	35,038	25,576
Office supplies	15,294	-	-	15,294	12,721
Public relations	3,478	-	-	3,478	3,159
Postage and courier	1,676	-	-	1,676	1,631
	3,635,373	5,932,817	973,099	10,541,289	9,294,857
	$ 3,635,373	$ 7,907,413	$ 1,232,345	$ 12,775,131	$ 11,518,837

GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Schedule of Service Delivery Expenses

Year ended March 31, 2014, with comparative information for 2013

	Saskatoon	Regina	Prince Albert	Nipawin	La Ronge	Yorkton	North Battleford	Meadow Lake	Ile a la Crosse	La Loche	Beauval	2014	2013
Tuition and program delivery	$ 1,100,775	$ 206,041	$ 1,075,860	$ 83,637	$ 29,107	$ 26,235	$ 126,696	$ 155,950	$ 85,208	$ 103,830	$ 92,047	$ 3,085,386	$ 3,243,824
Income support	917,371	335,021	767,953	129,062	52,100	45,123	184,710	259,370	143,782	111,852	104,650	3,050,994	2,773,829
Wage subsidies	527,903	102,301	290,306	83,182	63,947	44,016	104,034	114,055	179,610	6,200	15,130	1,530,684	851,000
Books	179,432	59,134	151,486	16,401	6,034	6,326	25,519	29,262	23,913	16,339	17,847	531,693	463,699
Dependent care	105,776	61,578	72,783	6,819	3,550	5,829	10,409	21,945	37,493	9,938	13,210	349,330	302,409
Program delivery	-	249,065	-	-	-	-	-	-	-	-	-	249,065	-
Student travel	30,842	13,118	51,416	2,843	5,549	10,625	12,245	16,278	14,430	4,897	3,979	166,222	163,907
Student work experience	18,222	8,410	60,611	12,042	8,253	-	4,884	8,888	7,507	9,432	4,158	142,407	115,155
Supplies	53,986	12,974	18,915	2,388	930	1,400	5,684	4,325	5,722	4,725	3,953	115,002	87,230
Living away from home allowance	-	-	8,098	-	-	-	-	3,900	-	250	25	12,273	9,763
Special needs allowance	-	580	1,200	-	-	-	200	-	1,070	-	-	3,050	11,924
	$ 2,934,307	$ 1,048,222	$ 2,498,628	$ 336,374	$ 169,470	$ 139,554	$ 474,381	$ 613,973	$ 498,735	$ 267,463	$ 254,999	$ 9,236,106	$ 8,022,740

Financial Statements of

GABRIEL DUMONT COLLEGE INC.

Year ended March 31, 2014

INDEPENDENT AUDITORS' REPORT

To the Directors

We have audited the accompanying financial statements of Gabriel Dumont College Inc., which comprise the statements of financial position as at March 31, 2014 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 in our audits 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 Gabriel Dumont College Inc., as at March 31, 2014 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
July 19, 2014

GABRIEL DUMONT COLLEGE INC.

Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash	$ 1,455,993	$ 1,255,341
Investments and marketable securities	151,030	149,184
Accounts receivable	540,712	532,387
	2,147,735	1,936,912
Equipment (note 3)	14,366	17,957
	$ 2,162,101	$ 1,954,869
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 20,773	$ 18,349
Net assets:		
Unrestricted	2,126,962	1,918,563
Invested in equipment	14,366	17,957
	2,141,328	1,936,520
	$ 2,162,101	$ 1,954,869

See accompanying notes to financial statements.

Original signed by Geordy McCaffrey

Original signed by Glenn Lafleur

GABRIEL DUMONT COLLEGE INC.

Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Tuition and related fees	$ 648,120	$ 531,976
Interest	18,492	19,110
	666,612	551,086
Expenses:		
Salaries and benefits	251,397	238,300
Scholarships, tuition and student fees	156,008	51,958
Promotions	32,083	26,710
Audit and legal	7,163	5,554
Consulting fees	7,264	13,514
Amortization	3,591	4,489
Bank charges	1,344	810
Travel	873	831
Start up allowances	600	600
Telephone	475	-
Student supplies	366	-
Office supplies	318	-
Computer services	197	-
Miscellaneous	125	997
	461,804	343,763
Excess of revenue over expenses	$ 204,808	$ 207,323

See accompanying notes to financial statements.

GABRIEL DUMONT COLLEGE INC.

Statement of Changes in Net Assets

Year ended March 31, 2014, with comparative information for 2013

	Unrestricted	Invested in Equipment	Total
Net assets, April 1, 2013	$ 1,706,751	$ 22,446	$ 1,729,197
Excess of revenue over expenses	207,323	-	207,323
Amortization	4,489	(4,489)	-
Net assets, March 31, 2013	$ 1,918,563	$ 17,957	$ 1,936,520
Excess of revenue over expenses	204,808	-	204,808
Amortization	3,591	(3,591)	-
Net assets, March 31, 2014	$ 2,126,962	$ 14,366	$ 2,141,328

See accompanying notes to financial statements.

GABRIEL DUMONT COLLEGE INC.

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	$ 204,808	$ 207,323
Items not involving cash:		
Amortization	3,591	4,489
Reinvested interest income	(1,846)	(5,200)
Change in non-cash operating working capital:		
Accounts receivable	(8,325)	128,710
Accounts payable	2,424	6,810
	200,652	342,132
Increase in cash	200,652	342,132
Cash, beginning of year	1,255,341	913,209
Cash, end of year	$ 1,455,993	$ 1,255,341

See accompanying notes to financial statements.

Gabriel Dumont College Inc. ("GDC" or "the College") is a Not-for-Profit Organization incorporated under the Non Profit Corporations Act of Saskatchewan and is not subject to income tax under the Income Tax Act (Canada).

1. Nature of operations:

The College has an affiliation with the University of Saskatchewan. It provides a means of post secondary education for Métis people. Non Métis university students may enroll provided there is space available after Métis students have enrolled to a maximum total capacity of 40 people.

Gabriel Dumont Institute of Native Studies and Applied Research, Inc. controls Gabriel Dumont College Inc., Dumont Technical Institute Inc., Gabriel Dumont Institute Training & Employment Inc., and the Gabriel Dumont Scholarship Foundation II. The Board of Directors of Gabriel Dumont Institute of Native Studies and Applied Research, Inc. are the directors of all the controlled entities.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Handbook and reflect the following policies:

(a) Revenue recognition:

Tuition and related fees are recognized when courses are provided and collection of the related receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Amounts received for future services are deferred until the service is provided.

Funds received for programs which have been externally restricted and where the related costs will be incurred in future periods are recorded as deferred revenue on the statement of financial position and will be recorded as revenue on the statement of operations in the period when the related costs are incurred.

(b) Use of estimates:

The preparation of the 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 amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful life of equipment and the collectibility of accounts receivable. Actual results could differ from those estimates.

2. Significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents include bank indebtedness and balances with financial institutions which are highly liquid and have an initial term to maturity of three months or less.

(d) Equipment:

Equipment is recorded at cost. Repairs and maintenance costs are charged to expense. When equipment no longer contributes to the College's ability to provide services its carrying amount is written down to its residual value. Equipment is amortized over its estimated useful lives using the following methods and annual rates:

Asset	Method	Rate
Computer equipment	Declining	20 %
Other equipment	Declining	20 %

Amortization is recorded in the month the assets are put into use such that the total cost of the assets will be charged to operations over the useful life of the assets.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The College has elected to carry their investments and marketable securities at fair value. Fair value fluctuations in these assets including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in interest revenue.

2. Significant accounting policies (continued):

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 College 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 College 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.

3. Equipment:

March 31, 2014	Cost	Accumulated amortization	Net book value
Computer equipment	$ 60,033	$ 54,436	$ 5,597
Other equipment	30,098	21,329	8,769
	$ 90,131	$ 75,765	$ 14,366

March 31, 2013	Cost	Accumulated amortization	Net book value
Computer equipment	$ 60,033	$ 53,037	$ 6,996
Other equipment	30,098	19,137	10,961
	$ 90,131	$ 72,174	$ 17,957

Computer equipment with a net carrying value of $5,596 (2013 - $6,996) represents Gabriel Dumont College's one third interest in a computer system that is shared with Gabriel Dumont Institute of Native Studies and Applied Research, Inc. and Dumont Technical Institute Inc.

4. Related party transactions:

The College had the following transactions with related parties during the year. All transactions were recorded at the exchange amount being amounts agreed upon between the related parties.

	2014	2013
Tuition and related fees	$ 250,760	$ 236,448
	$ 250,760	$ 236,448

Accounts receivable includes $250,760 (2013 - $241,846) and accounts payable includes $850 (2013 - $5,557) from Gabriel Dumont Institute of Native Studies and Applied Research, Inc and Dumont Technical Institute Inc.

Certain administrative functions of the College are managed by Gabriel Dumont Institute of Native Studies and Applied Research, Inc. at no charge.

5. Capital management:

The College defines its capital to be its unrestricted net assets. The College monitors its financial performance against budgets. Excess of revenue over expenses are accumulated as unrestricted net assets. In the event revenue declines, the College will budget for reduced operational expenditures. While an annual deficit could arise no such deficit would be allowed to exceed the amount of unrestricted net assets.

6. Financial instruments and risk management:

The College, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and market risk (interest rate risk and other price risk).

Credit risk

The College's principal financial assets are cash, investments and marketable securities and accounts receivable which are subject to credit risk. The carrying amounts of these financial assets on the statement of financial position represent the College's maximum credit exposure at the year-end date.

The College's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated by management of the College based on previous experience and its assessment of the current economic environment. The College also has credit risk related to its investments and marketable securities due to the volatility of the markets. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national

6. Financial instruments and risk management (continued):

credit-rating agencies.

Interest rate risk

The interest-bearing investments and marketable securities have a limited exposure to interest rate risk due to their short-term maturity.

Fair values

Cash and investments and marketable securities are recorded at fair value. The fair value of accounts receivable and accounts payable approximate their carrying value due to their short-term period to maturity.

Financial Statements of

DUMONT TECHNICAL INSTITUTE INC.

Year ended June 30, 2014

INDEPENDENT AUDITORS' REPORT

To the Directors

We have audited the accompanying financial statements of Dumont Technical Institute Inc. which comprise the statement of financial position as at June 30, 2014, and 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 an 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, these financial statements present fairly, in all material respects, the financial position of Dumont Technical Institute Inc. as at June 30, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting policies for not-for-profit organizations.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
October 10, 2014

DUMONT TECHNICAL INSTITUTE INC.

Statement of Financial Position

June 30, 2014, with comparative information for 2013

	2014	2013
Assets		
Current assets:		
Cash	$ 1,001,500	$ 619,491
Accounts receivable	264,099	402,579
Prepaid expenses	106,828	49,956
	1,372,427	1,072,026
Investments (note 4)	1,329,123	1,280,321
Property and equipment (note 5)	3,179,590	3,224,570
	$ 5,881,140	$ 5,576,917
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 575,071	$ 734,609
Deferred revenue (note 6)	758,219	327,912
Current portion of long-term debt (note 7)	46,930	44,958
	1,380,220	1,107,479
Long-term debt (note 7)	322,954	369,884
Net assets		
Invested in property and equipment	2,809,706	2,809,728
Core	1,099,584	919,113
Programming	268,676	370,713
	4,177,966	4,099,554
Commitments (note 8)		
	$ 5,881,140	$ 5,576,917

See accompanying notes to financial statements.

Original signed by Geordy McCaffrey

Original signed by Glenn Lafleur

DUMONT TECHNICAL INSTITUTE INC.

Statement of Operations

Year ended June 30, 2014, with comparative information for 2013

	Core	BE Programs	Other Programs	2014	2013
Revenue:					
Government of Saskatchewan grants	$ 1,964,974	$ 2,429,998	$ 738,061	$ 5,133,033	$ 4,873,698
Tuition and fees	-	-	1,830,760	1,830,760	2,112,797
Miscellaneous income	458,497	-	45,763	504,260	442,323
Wage enhancement	241,949	-		241,949	241,949
Investment income	64,993	-	-	64,993	37,243
	2,730,413	2,429,998	2,614,584	7,774,995	7,708,010
Expenses:					
Salaries	1,192,273	1,267,428	1,062,774	3,522,475	3,289,841
Purchased courses	39,015	217,722	659,280	916,017	865,361
Facilities	226,137	296,326	273,906	796,369	818,857
Staff benefits	215,295	203,296	155,040	573,631	544,282
Administrative services	260,200	60,514	127,837	448,551	408,147
Instructional costs	24,616	167,067	256,749	448,432	614,676
Amortization	218,632	-	-	218,632	233,663
Staff travel	62,789	50,628	44,845	158,262	195,105
Equipment and education supplies	64,389	72,425	8,006	144,820	249,445
Office supplies	64,855	23,500	15,210	103,565	152,473
Public relations	55,202	11,219	11,914	78,335	250,440
Telephone and fax	18,776	24,003	30,823	73,602	71,828
Professional services	36,640	12,500	17,800	66,940	57,979
Insurance	27,131	4,185	28,795	60,111	29,513
Professional development	12,997	7,071	8,149	28,217	21,599
Software support	10,418	12,106	2,355	24,879	8,719
Interest and bank	20,599	8	7	20,614	34,925
Bad debts	-	-	13,131	13,131	-
	2,549,964	2,429,998	2,716,621	7,696,583	7,846,853
Excess (deficiency) of revenue over expenses	$ 180,449	$ -	$ (102,037)	$ 78,412	$ (138,843)

See accompanying notes to financial statements.

DUMONT TECHNICAL INSTITUTE INC.

Statement of Changes in Net Assets

Year ended June 30, 2014, with comparative information for 2013

	Invested in property and equipment	Core	Programming Funds BE Programs	Programming Funds Other Programs	2014	2013
Balance, beginning of year	$ 2,809,728	$ 919,113	$ -	$ 370,713	$ 4,099,554	$ 4,238,397
Excess (deficiency) of revenue over expenses	-	180,449	-	(102,037)	78,412	(138,843)
Purchase of property and equipment	173,652	(173,652)	-	-	-	-
Amortization	(218,632)	218,632	-	-	-	-
Repayment of long-term debt	44,958	(44,958)	-	-	-	-
Balance, end of year	$ 2,809,706	$ 1,099,584	$ -	$ 268,676	$4,177,996	$ 4,099,554

See accompanying notes to financial statements.

DUMONT TECHNICAL INSTITUTE INC.

Statement of Cash Flows

Year ended June 30, 2014, with comparative information for and 2013

	2014	2013
Cash flows from (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	$ 78,412	$ (138,843)
Items not involving cash:		
Amortization	218,632	233,663
Investment increase to fair value	(48,802)	(8,022)
Change in non-cash operating working capital:		
Accounts receivable	138,480	(203,135)
Prepaid expenses	(56,872)	(7,334)
Accounts payable and accrued liabilities	(159,538)	228,136
Deferred revenue	430,307	(179,901)
	600,619	(75,436)
Financing:		
Repayment of long-term debt	(44,958)	(41,325)
Investing:		
Purchase of property and equipment	(173,652)	(731,464)
Increase (decrease) in cash	382,009	(848,225)
Cash, beginning of year	619,491	1,467,716
Cash, end of year	$ 1,001,500	$ 619,491
Supplemental cash flow disclosure:		
Interest paid on long-term debt	$ 17,080	$ 20,592

See accompanying notes to financial statements.

Dumont Technical Institute Inc. ("the Institute") is incorporated under the Non-Profit Corporations Act of Saskatchewan and as such is not subject to income tax under the Income Tax Act (Canada).

1. Nature of organization:

The Institute is an organization that provides Métis people in Saskatchewan the opportunity to obtain training and education through the Institute as well as its affiliates, Gabriel Dumont College Inc., Gabriel Dumont Institute of Native Studies and Applied Research Inc., Gabriel Dumont Scholarship Foundation II and Gabriel Dumont Institute Training and Employment Inc.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit entities in Part III of the CPA Handbook and reflect the following policies:

(a) Fund accounting:

The majority of the skills training programs offered are accredited through Saskatchewan Institute of Applied Science and Technology (SIAST).

Revenue and expenses related to program delivery and administrative activities are reported in the following funds:

Core services

The Core operations are responsible for program coordination, resource management, strategic planning, provision of counselling services and the day-to-day functions of the Institute.

Basic Education Programs

The Basic Education Programming (BE) includes a wide range of programs aimed at increasing the education and literacy levels of course participants. Programs offered under the BE include adult secondary education, life skills and employment enhancement.

Other Programs

Other programs include a wide range of technical programming with the aim of equipping students with the necessary knowledge and skills to enter the labour market.

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Institute follow the deferral method of accounting for contributions. 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. Contract revenue is recognized as service is provided under the terms of the contract. Deferred revenue represents funding received related to expenditures and program delivery in future years.

Tuition and fees are recognized as revenue when the courses are held.

(c) Investments:

Investments consist of money market mutual funds and fixed income bond pooled funds with a Canadian chartered bank and are carried at market value. These investments are considered long-term in nature as they are held for long-term investment purposes.

In determining fair values, adjustments have not been made for transaction costs as they are not considered significant. The unrealized gain or loss on investments, being the difference between book value and fair value, is included in investment income in the statement of operations.

2. Significant accounting policies (continued):

(d) Property and equipment:

Property and equipment is initially recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided using the following methods and rates:

Asset	Method	Rate
Computer equipment	Declining balance	30%
Furniture and equipment	Declining balance	20%
Building	Declining balance	5%

Amortization is charged for the full year in the year of acquisition. No amortization is taken in the year of disposal. It is expected that this policy will charge operations with the total cost of the assets over the useful life of the assets. Gains or losses on the disposal of individual assets are recognized in income in the year of disposal.

(e) Employee benefits:

The Institute provides a defined contribution pension plan, life insurance, long and short term disability coverage, dental, vision, and health care benefits to employees. Costs are expensed in the year incurred.

(f) Cash:

Cash includes bank balances and balances with financial institutions which are highly liquid and have an initial term to maturity of three months or less.

(g) Use of estimates:

The preparation of the 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 amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the estimated useful life of property and equipment, the collectibility of accounts receivable and the estimates of deferred revenue. Actual results could differ from those estimates.

3. Financial instruments and risk management:

The Institute, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and market risk (interest rate risk and other price risks).

Credit risk

The Institute's principal financial assets subject to credit risk are cash, investments and accounts receivable. The carrying amounts of these financial assets on the statement of financial position represent the Institute's maximum credit exposure at the year-end date.

The Institute's credit risk on its investments is primarily attributable to the volatility of the markets. The credit risk related to accounts receivable is minimized as these receivables are normally from related parties and government agencies. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

Interest rate risk

The interest bearing investments have limited exposure to interest rate risk due to their short-term period to maturity.

Market risk

The Institute is exposed to interest rate and other price risk on its investments.

Fair values

Cash and investments are recorded at fair value. For certain of the Institute's financial instruments including accounts receivable and accounts payable and accrued liabilities, the carrying amounts approximate fair value due to the immediate or short-term maturity of these items.

Due to the non-arms length relationship between the parties, it is not possible to approximate the fair value of amounts due to affiliates, that may arise.

4. Investments:

	Cost	2014 Market Value	2013 Market Value
Imperial Short Term Bond Pool	$ 654,914	$ 661,170	$ 644,456
Imperial Canadian Bond Pool	506,653	542,118	510,200
Imperial Money Market Pool	70,759	70,789	72,956
Imperial International Bond Pool	47,449	55,046	52,709
	$ 1,279,775	$ 1,329,123	$ 1,280,321

5. Property and equipment:

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	$ 542,389	$ -	$ 542,389	$ 532,574
Furniture and equipment	962,843	661,109	301,734	326,753
Building	2,939,972	657,145	2,282,827	2,292,125
Computer equipment	261,924	209,284	52,640	73,118
	$ 4,707,128	$ 1,527,538	$ 3,179,590	$ 3,224,570

6. Deferred revenue:

Deferred revenue is comprised of the following:

	2014	2013
Advanced Education Employment and Immigration - BE programs	$ 514,044	$ 182,864
Workplace essential skills - BE Programs	122,079	72,191
Advanced Education Employment and Immigration - Skills training	46,368	49,593
Gabriel Dumont Institute Training & Employment Inc.	46,402	18,938
Other	29,326	4,326
	$ 758,219	$ 327,912

7. Long-term debt:

		2014		2013
Clarence Campeau Development Fund term loan due March 2021, repayable in monthly instalments of $5,160 including interest at a rate of 2% over the Scotia McLeod five-year bankers acceptance rate (currently 4.68%) against which the building has been pledged as collateral.	$	369,884	$	414,842
Current portion		46,930		44,958
	$	322,954	$	369,884

Estimated principal repayments of long-term debt for each of the next five years and thereafter are as follows:

2015	$	46,930
2016		48,988
2017		51,137
2018		53,380
2019		55,721
Thereafter		113,728
	$	369,884

8. Commitments:

The Institute is committed pursuant to various operating leases for premises and office equipment in each of the next four years as follows:

2015	$	228,964
2016		36,070
2017		19,202
2018		7,027
	$	291,263

The majority of operating leases are renewable on an annual basis.

9. Related Party Transactions:

Dumont Technical Institute Inc. conducts business with several related party organizations through the Gabriel Dumont Institute. The Gabriel Dumont Institute is the educational affiliate of the Métis Nation - Saskatchewan. Related party transactions are recorded at the exchange amount being amounts agreed upon between the related parties.

	2014	2013
Account receivable:		
Gabriel Dumont Institute Training & Employment Inc.	$ 479	$ 173,872
Gabriel Dumont Institute of Native Studies and Applied Research, Inc.	4,334	-
Accounts payable and accrued liabilities:		
Gabriel Dumont Institute of Native Studies and Applied Research, Inc.	90,269	380,458
Gabriel Dumont Institute Training & Employment Inc.	-	3,300
Deferred revenue:		
Gabriel Dumont Institute Training & Employment Inc.	46,402	18,938
Administrative services expense:		
Gabriel Dumont Institute of Native Studies and Applied Research, Inc.	413,534	408,147
Facilities expense:		
Gabriel Dumont Institute of Native Studies and Applied Research, Inc. - Rent	188,491	124,962
Public relations expense:		
Gabriel Dumont Institute of Native Studies and Applied Research Inc.	8,031	8,462
Professional development expense:		
Gabriel Dumont College	4,250	4,250
Revenue - rent (included in miscellaneous income):		
Gabriel Dumont Institute Native Studies and Applied Research Inc.	79,378	71,406
Gabriel Dumont Institute Training & Employment Inc.	73,881	72,256
Revenue - tuition and fees:		
Gabriel Dumont Institute Training & Employment Inc.	1,443,613	1,770,996

10. Economic dependence:

Approximately 66% (2013 - 63%) of the Institute's revenue was derived from the Government of Saskatchewan. Funding is provided by annual grants under contracts expiring on various dates.

11. Pension plan:

The Institute contributed to a pension plan for the employees based on a negotiated rate of contribution. The pension expense for the year was $205,801 (2013 - $189,635).

Financial Statements of

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Year ended December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Members

We have audited the accompanying financial statements of The Gabriel Dumont Scholarship Foundation II ("the Foundation"), which comprise the statement of financial position as at December 31, 2013 and the statements of revenue and expenses, 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.

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 an audit to obtain reasonable assurance about whether the consolidated 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 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 The Gabriel Dumont Scholarship Foundation II 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.

KPMG LLP

Chartered Accountants

Saskatoon, Canada
March 26, 2014

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Financial Position

December 31, 2013, with comparative information for 2012

		2013		2012
Assets				
Cash	$	75,667	$	103,623
Investments (note 4)		2,689,852		2,708,043
	$	2,765,519	$	2,811,666
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities	$	11,423	$	12,783
Deferred revenue (note 5)		90,719		53,722
		102,142		66,505
Net assets:				
Restricted for endowment purposes (note 6)		2,340,000		2,340,000
Unrestricted		323,377		405,161
		2,663,377		2,745,161
	$	2,765,519	$	2,811,666

See accompanying notes to financial statements.

Original signed by Geordy McCaffrey

Original signed by Glenn Lafleur

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Revenue and Expenses

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

	2013	2012
Revenue:		
Donations	$ 106,476	$ 82,716
Interest and investment income	46,785	61,578
	153,261	144,294
Expenses:		
Scholarships	223,400	175,400
Administrative and professional services	11,595	14,721
Bank charges	50	14
	235,045	190,135
Deficiency of revenue over expenses	$ (81,784)	$ (45,841)

See accompanying notes to financial statements.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Changes in Net Assets

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

	Unrestricted	Restricted GDITE Endowment	Restricted GDS Endowment	2013	2012
Balance, beginning of year	$ 405,161	$ 1,300,000	$ 1,040,000	$ 2,745,161	$ 2,791,002
Deficiency of revenue over expenses	(81,784)	-	-	(81,784)	(45,841)
Balance, end of year	$ 323,377	$ 1,300,000	$ 1,040,000	$ 2,663,377	$ 2,745,161

See accompanying notes to financial statements.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Cash Flows

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

	2013	2012
Cash flows from (used in):		
Operations:		
Deficiency of revenue over expenses	$ (81,784)	$ (45,841)
Item not involving cash:		
Adjustment for fair value (increase) decrease on investments	(4,899)	24,064
Change in non-cash operating working capital:		
Accounts receivable	-	10,000
Accounts payable and accrued liabilities	(1,360)	(1,785)
Deferred revenue	36,997	18,722
	(51,046)	5,160
Investing:		
Purchase of investments	(2,250,086)	(1,099,999)
Redemption of investments	1,179,616	1,072,350
Sale of investments	1,093,560	-
	23,090	(27,649)
Decrease in cash	(27,956)	(22,489)
Cash, beginning of year	103,623	126,112
Cash, end of year	$ 75,667	$ 103,623

See accompanying notes to financial statements.

1. Nature of operations:

The Gabriel Dumont Scholarship Foundation II (the "Foundation") was established by a Trust Agreement between The Gabriel Dumont Institute of Native Studies and Applied Research, Inc. and the Trustees. This Agreement specifies the restrictions under which the trust may be operated.

On April 1, 2000, the Foundation was incorporated and assets were transferred from the Gabriel Dumont Scholarship ("GDS") Foundation, in accordance with the Trust Agreement.

The purpose of the Foundation is to devote itself to charitable activities of which the primary purpose is the advancement of education of Métis and Non-Status Indians in the Province of Saskatchewan. It is registered with Canada Revenue Agency as a charitable organization and is therefore exempt from income tax.

Gabriel Dumont Institute of Native Studies and Applied Research, Inc. controls Gabriel Dumont College, Inc., Gabriel Dumont Institute Training and Employment Inc., Dumont Technical Institute Inc., and the Gabriel Dumont Scholarship Foundation II, as the Board of Directors of Gabriel Dumont Institute of Native Studies and Applied Research, Inc. are the same directors and the only directors of the controlled entities.

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CICA Handbook.

(a) 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 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.

(b) Revenue recognition:

Interest income from investments is recognized as revenue when earned. Income from donations is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenue represents funding received in advance to be used for scholarships which have not yet been awarded.

2. Significant accounting policies (continued):

(c) Scholarships:

Scholarships are recorded as payable when the scholarships have been granted and the recipient has met all the requirements and obligations.

(d) Administrative services:

The Foundation is charged for administrative services provided by The Gabriel Dumont Institute of Native Studies and Applied Research, Inc. These charges are based on a percentage of interest revenue, not to exceed 10%.

(e) Financial instruments:

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below:

- Cash and investments are classified as financial assets and are 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 related to held for trading financial assets are expensed as incurred.

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 Foundation 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 Foundation 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.

3. Financial instruments and risk management:

The Foundation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and market risk (interest rate risk and other price risk).

Credit risk

The Foundation's principal financial assets are cash and investments which are subject to credit risk. The carrying amounts of these financial assets on the statement of financial position represent the Foundation's maximum credit exposure at the statement of financial position date.

The Foundation's credit risk is primarily attributable to its investments due to the volatility of the markets. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

Interest rate risk

The interest-bearing investments and marketable securities have a limited exposure to interest rate risk due to their short-term period to maturity.

Market risk

The Foundation is not exposed to significant interest rate or other price risk.

Fair values

Cash and investments are recorded at fair value.

4. Investments:

Under the terms of the Trust Agreement, GDS Endowment funds can only be invested in investments which are guaranteed by government either through loan guarantees, issuance of bonds or depositor insurance. This criteria allows that, essentially funds can only be invested in guaranteed investment certificates, treasury bills or government bonds.

GDITE Endowment funds have no restrictions in the type of investments permitted.

All investment income from Endowment funds is unrestricted and may be used by the Foundation for scholarships and administration of the Foundation.

5. Deferred revenue:

Deferred revenue consists of the following:

		2013		2012
Saskatchewan Innovation and Opportunity Scholarship	$	70,719	$	53,722
Saskatoon Health Region		10,000		-
AREVA Resources Canada Inc.		10,000		-
	$	90,719	$	53,722

6. Net assets restricted for endowment purposes:

In accordance with the terms of the original Trust Agreement, the principal amount originally endowed of $600,000 must remain untouched. Furthermore, the Trust Agreement stipulates that attempts should be made to maintain the real value, in 1985 dollars, of the $600,000 principal amount. The consumer price index has been used to measure incremental growth in the endowment. At December 31, 2013, the endowment did not meet this objective. The amount in the endowment account at December 31, 2013 is $1,040,000 (2012 - $1,040,000).

The Gabriel Dumont Institute of Training & Employment Scholarship and Bursary Program ("GDITE") was created through the support of Service Canada and Gabriel Dumont Institute Training & Employment Inc. In March 2008, an endowment of $1,300,000 was established though a one time contribution form the Métis Aboriginal Human Resources Development Agreement to support Métis individuals who are improving their employment and educational realities.

7. Related party transactions:

The Foundation had the following transactions with The Gabriel Dumont Institute of Native Studies and Applied Research, Inc.:

		2013		2012
Administrative services	$	4,623	$	6,083

Accounts payable and accrued liabilities include $4,623 (2012 - $6,083) owing to Gabriel Dumont Institute of Native Studies and Applied Research, Inc.