

Financial Statements of

**GABRIEL DUMONT  
INSTITUTE TRAINING  
AND EMPLOYMENT INC.**

Year ended March 31, 2016



**KPMG LLP**  
**Chartered Accountants**  
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## **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, 2016, the statements of operations and cash flows for the year then ended, and notes and schedules 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.

### *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 Western Diversification Project Article Agreement dated November 4, 2014, 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, 2016 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 Western Diversification Project Article Agreement dated November 4, 2014.

*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., Service Canada, and the Minister of Western Economic Diversification. 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., Service Canada, and the Minister of Western Economic Diversification and should not be used by parties other than Gabriel Dumont Institute Training and Employment Inc., Service Canada, and the Minister of Western Economic Diversification.

Chartered Professional Accountants

Saskatoon, Canada

July 15, 2016

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

## Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
Current assets:		
Cash	\$ 447,306	\$ -
Accounts receivable	779,172	260,706
	1,226,478	260,706
Furniture and equipment (note 2)	7,417	9,270
	\$ 1,233,895	\$ 269,976

## Liabilities

Current liabilities:		
Bank indebtedness (note 3)	\$ -	\$ 14,288
Accounts payable and accrued liabilities	599,549	232,160
Deferred revenue (note 5)	626,929	14,258
	1,226,478	260,706
Deferred contributions for furniture and equipment (note 6)	7,417	9,270
	\$ 1,233,895	\$ 269,976

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

## Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Service Canada-Aboriginal Skills and Employment Training Strategy Métis Funding ("ASETS") (schedule 1)	\$ 9,898,629	\$ 10,947,307
Western Diversification Program (WDP)	1,615,340	227,582
	<u>11,513,969</u>	<u>11,174,889</u>
Expenses (schedule 2):		
Service delivery (schedule 3)	7,880,021	7,994,369
Wages and benefits	2,700,265	2,536,275
GDI Scholarship Fund	300,000	-
Facilities rentals	198,168	188,712
Staff travel	95,124	93,972
Public relations	73,066	66,946
Telephone	63,786	71,658
Professional fees	47,313	59,124
Office	44,049	35,659
Office supplies	35,368	25,286
Selection committee and professional development	23,157	35,771
Computer software support	15,323	16,778
Insurance	10,433	12,095
Equipment rentals	10,373	17,545
Postage and courier	5,099	8,236
Repairs and maintenance	4,116	7,198
Contractual services and consulting	3,252	460
Interest and bank charges	3,203	2,487
Amortization	1,853	2,318
	<u>11,513,969</u>	<u>11,174,889</u>
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, 2016, with comparative information for 2015

	2016	2015
Cash flows from (used in):		
Operations:		
Items not involving cash:		
Amortization of furniture and equipment	\$ 1,853	\$ 2,318
Amortization of deferred contributions for furniture and equipment	(1,853)	(2,318)
Change in non-cash operating working capital:		
Accounts receivable	(518,466)	(47,618)
Accounts payable and accrued liabilities	367,389	(103,668)
Deferred revenue	612,671	(429,222)
Decrease in cash	461,594	(580,508)
Cash, beginning of year	(14,288)	566,220
Cash (bank indebtedness), end of year	\$ 447,306	\$ (14,288)

See accompanying notes to financial statements.

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements

Year ended March 31, 2016

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## **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 Western Diversification Project Article Agreement dated November 4, 2014 ("WDP Agreement" or "WDP").

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, 2017.

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., Gabriel Dumont Scholarship Foundation II, and Gabriel Dumont Institute Press Inc., 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 Canada 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.

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 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 three 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.



# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 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 \$160,262 (2015- \$145,933).

### (g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. 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.

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

## 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	2016 Net book value	2015 Net book value
Furniture and equipment:				
Head office	\$ 25,217	\$ 22,099	\$ 3,118	\$ 3,897
Saskatoon	1,646	1,442	204	254
Prince Albert	5,464	4,788	676	845
Nipawin	4,215	3,694	521	652
La Ronge	3,435	3,010	425	531
Yorkton	1,646	1,442	204	255
North Battleford	456	399	57	71
Meadow Lake	2,463	2,159	304	380
Ile a la Crosse	606	531	75	94
La Loche	4,306	3,773	533	666
	49,454	43,337	6,117	7,645
Computer equipment:				
Head office	10,506	9,206	1,300	1,625
	\$ 59,960	\$ 52,543	\$ 7,417	\$ 9,270

## 3. Bank indebtedness:

Bank indebtedness in the amount of \$nil (2015 - \$14,288) consists of cash on hand and on deposit with a financial institution of \$nil (2015 - \$43,566) less outstanding cheques of \$nil (2015 - \$57,854). The Institute has an available credit facility authorized to a maximum of \$500,000 which bears interest at bank prime plus 1% on outstanding amounts. As at March 31, 2016 no amount has been advanced on this facility.

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

## 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is an optional deferred salary leave plan (DSLPL) in the amount of \$64,567. The Institute's DSLPL is designed to assist employees in financing a leave of absence. Employees who opt into this plan are paid up to 66.67% of their normal gross pay while the remaining 33.33% is withheld from their salary and invested in a savings account with a chartered financial institution held by the Institute. The Institute guarantees payment of the deferred amount (including interest earned) upon the employee taking a leave of absence.

## 5. Deferred revenue:

Deferred revenue relates to expenses of future periods and represents unspent externally restricted contributions for specific programs.

	2016	2015
Service Canada ASETS Agreements	\$ 617,306	\$ 14,258
Interest earned on ASETS funding	9,623	-
	<u>\$ 626,929</u>	<u>\$ 14,258</u>

## 6. Deferred contributions for furniture and equipment:

Deferred contributions for furniture and equipment represents 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.

	2016	2015
Balance, beginning of year	\$ 9,270	\$ 11,588
Deferred contributions recognized	(1,853)	(2,318)
Balance, end of year	<u>\$ 7,417</u>	<u>\$ 9,270</u>

## 7. Commitments:

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

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 7. Commitments (continued):

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2017	\$	212,048
2018		23,867
2019		10,132
2020		10,132

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The operating leases are primarily based on monthly rentals.

## 8. Related party transactions:

During the year the Institute paid \$1,503,542 (2015 - \$1,337,746) and \$62 (2015 - \$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 \$84,684 and \$49,766, respectively, for these services for the year ended March 31, 2016 (2015 - \$84,000 and \$24,149). Accounts payable and accrued liabilities include \$13,173 (2015 - \$177,761) owing to Dumont Technical Institute, \$12,193 (2015 - \$3,513) owing to Gabriel Dumont Institute of Native Studies and Applied Research Inc. and \$300,000 (2015 - \$nil) owing to The Gabriel Dumont Scholarship Foundation II.

Accounts receivable includes \$64,925 (2015 - \$17,099) owed from Gabriel Dumont Institute of Native Studies and Applied Research and \$5,447 (2015 - \$nil) owed from Dumont Technical Institute Inc.

During the year, the Institute received a loan in the amount of \$500,000 from Gabriel Dumont College. The loan was repaid within the fiscal year.

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

## 9. Economic dependence:

86% (2015 - 98%) 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, 2017.

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 10. 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 exposed to interest rate risk arising from fluctuations in interest rates on the credit facility agreement. Interest rate risk associated with the credit facility agreement is limited as no amount has been drawn on the line of credit.

### 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.

**GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

Schedules of Service Canada ASETS Agreement Revenue

Year ended March 31, 2016, with comparative information for 2015

	Employment Insurance	Consolidated Revenue Fund	2016	2015
Service Canada contributions	\$ 3,340,352	\$ 7,159,472	\$ 10,499,824	\$ 10,497,824
Deferred revenue including interest - beginning of year	924	13,334	14,258	443,480
Deferred contributions for furniture and equipment - beginning of year	-	9,270	9,270	11,588
Deferred contributions for furniture and equipment - end of year	-	(7,417)	(7,417)	(9,270)
Interest earned	-	9,623	9,623	17,943
Deferred revenue including interest - end of year	(136,341)	(490,588)	(626,929)	(14,258)
<b>Revenue recognized</b>	<b>\$ 3,204,935</b>	<b>\$ 6,693,694</b>	<b>\$ 9,898,629</b>	<b>\$ 10,947,307</b>

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

## Schedule of Expenses

Year ended March 31, 2016, with comparative information for 2015

	Employment Insurance	Consolidated Revenue Fund	Western Diversification Program	Skills and Partnership Fund	2016	2015
<b>Program Administration Expenses</b>						
Wages and benefits	\$ -	\$ 763,183	\$ 168,145	\$ -	\$ 931,328	\$ 727,565
Professional fees	-	47,313	-	-	47,313	59,124
Public relations	-	58,344	-	-	58,344	51,596
Facilities rentals	-	29,041	-	-	29,041	26,753
Telephone	-	19,956	-	-	19,956	22,520
Staff travel	-	28,153	-	-	28,153	17,347
Computer software support	-	15,068	-	-	15,068	16,584
Insurance	-	10,433	-	-	10,433	12,095
Office	-	5,040	1,677	-	6,717	7,881
Postage and courier	-	4,571	-	-	4,571	5,381
Office supplies	-	13,787	-	-	13,787	3,633
Interest and bank charges	-	3,203	-	-	3,203	2,487
Amortization	-	1,853	-	-	1,853	2,318
Board travel and professional development	2,505	849	-	-	3,354	2,118
Contractual services and consulting	-	3,252	-	-	3,252	-
	2,505	1,004,046	169,822	-	1,176,373	957,402
<b>Program Assistance Expenses</b>						
Education and training costs	965,024	2,815,933	73,958	-	3,854,915	4,413,842
Student allowances	753,953	1,501,907	74,662	-	2,330,522	3,201,463
Wage subsidies	133,687	263,997	1,296,900	-	1,694,584	379,064
Wages and benefits	-	73,200	-	-	73,200	87,809
Telephone	43,830	-	-	-	43,830	48,818
Staff travel	44,757	-	-	-	44,757	31,329
Office supplies	14,777	-	-	-	14,777	11,390
Public relations	952	-	-	-	952	3,165
Postage and courier	528	-	-	-	528	950
Board travel/						
professional development/scholarships	-	300,000	-	-	300,000	-
	1,957,508	4,955,037	1,445,520	-	8,358,065	8,177,830

**GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

Schedule of Expenses (continued)

Year ended March 31, 2016, with comparative information for 2015

	Employment Insurance	Consolidated Revenue Fund	Western Diversification Program	Skills and Partnership Fund	2016	2015
Employment Assistance Services	1,244,922	450,815	-	-	1,695,737	1,720,901
Wages and benefits	-	169,127	-	-	169,127	161,959
Facilities rental	-	22,214	-	-	22,214	45,296
Staff travel	-	19,803	-	-	19,803	33,653
Board travel and professional development	-	37,332	-	-	37,332	27,778
Office	-	10,373	-	-	10,373	17,545
Equipment rentals	-	13,770	-	-	13,770	12,185
Public relations	-	6,804	-	-	6,804	10,263
Office supplies	-	4,116	-	-	4,116	7,198
Repairs and maintenance	-	-	-	-	-	1,905
Postage and courier	-	-	-	-	-	460
Contractual services and consulting	-	-	-	-	-	320
Telephone	-	-	-	-	-	194
Computer software support	-	255	-	-	255	194
	1,244,922	734,609	-	-	1,979,531	2,039,657
	\$ 3,204,935	\$ 6,693,692	\$ 1,615,342	\$ -	\$ 11,513,969	\$ 11,174,889



## GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Schedule of Service Delivery Expenses

Year ended March 31, 2016, with comparative information for 2015

	Saskatoon	Regina	Prince Albert	Nipawin	Yorkton	North Battleford	Meadow Lake	Ile a la Crosse	La Loche	Beauval	2016	2015
Tuition and program delivery	\$ 788,895	\$ 250,531	\$ 1,018,708	\$ 99,676	\$ 31,640	\$ 77,415	\$ 185,291	\$ 75,088	\$ 63,454	\$ 63,914	\$ 2,654,612	\$ 2,902,835
Income support	607,776	356,765	552,716	117,611	46,858	95,230	231,701	117,399	101,803	102,663	2,330,522	3,201,462
Wage subsidies	415,038	135,188	374,100	130,747	48,455	112,863	65,796	36,014	33,136	180,917	1,532,254	241,696
Books	89,672	65,644	106,156	19,506	2,499	16,712	46,778	11,647	18,082	27,368	404,064	518,452
Dependent care	60,797	32,453	69,254	11,457	6,624	10,576	29,062	27,997	16,212	13,115	277,547	376,945
Program delivery	-	276,739	-	-	-	-	-	-	-	-	276,739	304,413
Student travel	7,276	19,966	51,525	4,465	2,346	2,498	14,471	7,818	5,815	4,866	121,046	204,484
Supplies	36,370	2,127	48,526	20,626	7,431	7,612	7,422	13,347	17,209	1,660	162,330	137,366
Living away from home allowance	36,380	15,002	22,079	1,579	2,491	11,394	8,436	3,608	6,135	5,430	114,734	96,264
Special needs allowance	500	375	1,527	-	-	-	750	-	-	-	3,152	7,070
	375	-	2,646	-	-	-	-	-	-	-	3,021	3,382
	\$ 2,045,079	\$ 1,154,790	\$ 2,247,237	\$ 405,667	\$ 148,344	\$ 334,300	\$ 589,707	\$ 293,118	\$ 261,846	\$ 399,933	\$ 7,880,021	\$ 7,994,369