Financial Statements of

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Year ended December 31, 2015

KPMG LLP
500 – 475 Second Avenue South
Saskatoon Saskatchewan S7K 1P4
Canada

Telephone (306) 934-6200
Fax (306) 934-6233
www.kpmg.ca

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, 2015 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.

Basis for Qualified Opinion

In common with many charitable organizations, The Gabriel Dumont Scholarship Foundation II derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the entity and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Gabriel Dumont Scholarship Foundation II as at December 31, 2015 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 Professional Accountants

May 26, 2016
Saskatoon, Canada

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Financial Position

December 31, 2015, with comparative information for 2014

		2015		2014
Assets				
Current assets:				
Cash and cash equivalents	$	27,295	$	752,332
Accounts receivable		10,000		6,000
		37,295		758,332
Investments (note 4)		2,557,425		1,848,224
	$	2,594,720	$	2,606,556
Liabilities and Net Assets				
Current liabilities:				
Accounts payable and accrued liabilities	$	7,503	$	7,402
Deferred revenue (note 5)		11,000		6,000
		18,503		13,402
Net assets:				
Restricted for endowment purposes (note 6)		2,344,105		2,344,105
Unrestricted		232,112		249,049
		2,576,217		2,593,154
	$	2,594,720	$	2,606,556

See accompanying notes to financial statements.

On behalf of the Board:

_________________________ Governor

_________________________ Governor

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Revenue and Expenses

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
Donations	$ 161,433	$ 268,657
Interest and investment income	52,405	50,846
	213,838	319,503
Expenses:		
Scholarships	222,950	386,400
Administrative and professional services	7,800	7,406
Bank charges	25	25
	230,775	393,831
Deficiency of revenue over expenses	$ (16,937)	$ (74,328)

See accompanying notes to financial statements.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Changes in Net Assets

Year ended December 31, 2015, with comparative information for 2014

	Unrestricted	Restricted Fiddler & Carriere Endowment	Restricted GDITE Endowment	Restricted GDS Endowment	2015	2014
Balance, beginning of year	$ 249,049	$ 4,105	$ 1,300,000	$ 1,040,000	$ 2,593,154	$ 2,667,482
Deficiency of revenue over expenses	(16,937)	-	-	-	(16,937)	(74,328)
Balance, end of year	$ 232,112	$ 4,105	$ 1,300,000	$ 1,040,000	$ 2,576,217	$ 2,593,154

See accompanying notes to financial statements.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Cash Flows

Year ended December 31, 2015 , with comparative information for 2014

	2015	2014
Cash flows from (used in):		
Operations:		
Deficiency of revenue over expenses	$ (16,937)	$ (74,328)
Item not involving cash:		
Adjustment for fair value (increase) decrease on investments and reinvested investment income	(17,086)	448
Change in non-cash operating working capital:		
Accounts receivable	(4,000)	(6,000)
Accounts payable and accrued liabilities	101	(4,021)
Deferred revenue	5,000	(84,719)
	(32,922)	(168,620)
Financing:		
Restricted for endowment purposes	-	4,105
Investing:		
Purchase of investments	(1,359,565)	(92,620)
Redemption of investments	525,000	933,800
Sale of investments	142,450	-
	(692,115)	841,180
Increase (decrease) in cash	(725,037)	676,665
Cash, beginning of year	752,332	75,667
Cash, end of year	$ 27,295	$ 752,332

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 Gabriel Dumont Institute of Native Studies and Applied Research, Inc. and the Trustees of the Foundation. The Trust Agreement was originally dated October 10, 1986 and was updated on March 1, 2000, May 10, 2002 and August 8, 2014. 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 peoples in the Province of Saskatchewan. It is registered with Canada Revenue Agency as a charitable organization and is therefore exempt from income tax.

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 Institute Training and Employment 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.

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 CPA Canada 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:

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

2. Significant accounting policies (continued):

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

Interest income from investments is recognized as revenue when earned.

(c) Scholarships:

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

(d) 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.

(e) Administrative services:

The Foundation may be 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 and invested revenue, not to exceed 10%.

(f) 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 cash equivalents 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

2. Significant accounting policies (continued):

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

The Foundation's principal financial assets are cash and cash equivalents 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 and cash equivalents 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 cash equivalents and investments are recorded at fair value.

4. Investments:

Under the terms of the Trust Agreement, the objective of the investment portfolio is to preserve the capital base of the Foundation while maximizing current income to meet scholarship demand. The Foundation has established asset allocation and quality guidelines with respect to

4. Investments (continued):

investments of the Foundation. Investments are to be allocated between cash and short-term investments (20% - 40%), fixed income securities (over one year) (60% - 80%) and equities (0% - 15%). The Quality guidelines provide for minimum investment ratings, maximum limits for any individual investment, and limitations on the type of equity investments that may be held by the Foundation. At December 31, 2015 the Foundation's investment allocation consisted of cash and short-term investments of 24% (2014 - 29%); fixed income (including mutual fund savings accounts) investments of 76% (2014 - 71%) and equities of 0% (2014 - 0%).

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 donations from the following sources:

	2015	2014
Cameco Corporation	$ 10,000	$ 6,000
Farm Credit Canada	1,000	-
	$ 11,000	$ 6,000

6. Net assets restricted for endowment purposes:

Under the terms of the Trust Agreement, the capital base of assets restricted for endowment purposes is not to fall below $2,340,000 consisting of the following endowments:

a) Gabriel Dumont Scholarship Program:

The Napoleon Lafontaine Economic Development Scholarship Program ('Gabriel Dumont Scholarship or GDS") was created in 1986 to encourage Saskatchewan Métis people to pursue full-time educational training in the fields of academic studies related to the development of the Métis peoples. This endowment amounts to $1,040,000.

6. Net assets restricted for endowment purposes (continued):

b) Gabriel Institute of Training & Employment Scholarship and Bursary Program:

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

In 2014, Gabriel Dumont Institute of Native Studies and Applied Research Inc. transferred $4,105 and the related administration responsibilities of the Fiddler & Carrier Endowment Fund to the Foundation. This endowment fund was originally created in 1980.