

Financial Statements of

**GABRIEL DUMONT  
COLLEGE INC.**

Year ended March 31, 2016



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## **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, 2016, 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, 2016 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.

Chartered Professional Accountants

Saskatoon, Canada  
July 15, 2016

# GABRIEL DUMONT COLLEGE INC.

## Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,760,253	\$ 1,552,641
Investments and marketable securities	159,835	159,728
Accounts receivable	466,876	518,453
Prepaid expenses	417	-
	<u>2,387,381</u>	<u>2,230,822</u>
Equipment (note 3)	10,603	13,254
	<u>\$ 2,397,984</u>	<u>\$ 2,244,076</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 17,241	\$ 9,790
Net assets:		
Unrestricted	2,370,140	2,221,032
Invested in equipment	10,603	13,254
	<u>2,380,743</u>	<u>2,234,286</u>
	<u>\$ 2,397,984</u>	<u>\$ 2,244,076</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# GABRIEL DUMONT COLLEGE INC.

## Statement of Operations

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

	2016	2015
<b>Revenue:</b>		
Tuition and related fees (note 4)	\$ 816,635	\$ 632,675
Interest	13,923	26,244
	<u>830,558</u>	<u>658,919</u>
<b>Expenses:</b>		
Salaries and benefits	289,070	240,367
Scholarships, tuition and student fees (note 4)	245,785	245,424
Promotions	60,543	34,019
Consulting fees	54,363	28,136
Student recruitment	9,638	-
Audit and legal	8,425	4,885
Travel	7,518	7,322
Bank charges	4,637	1,171
Amortization	2,651	3,314
Office supplies and services	672	306
Equipment expense	500	-
Start up allowances	200	800
Student supplies	99	-
Repairs and maintenance	-	217
	<u>684,101</u>	<u>565,961</u>
<b>Excess of revenue over expenses</b>	<b>\$ 146,457</b>	<b>\$ 92,958</b>

See accompanying notes to financial statements.

# GABRIEL DUMONT COLLEGE INC.

## Statement of Changes in Net Assets

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

	Unrestricted	Invested in Equipment	Total
Net assets, April 1, 2015	\$ 2,126,962	\$ 14,366	\$ 2,141,328
Excess of revenue over expenses	92,958	-	92,958
Amortization	3,314	(3,314)	-
Purchase of equipment	(2,202)	2,202	-
<b>Net assets, March 31, 2015</b>	<b>\$ 2,221,032</b>	<b>\$ 13,254</b>	<b>\$ 2,234,286</b>
Excess of revenue over expenses	146,457	-	146,457
Amortization	2,651	(2,651)	-
Equipment purchase	-	-	-
<b>Net assets, March 31, 2016</b>	<b>\$ 2,370,140</b>	<b>\$ 10,603</b>	<b>\$ 2,380,743</b>

See accompanying notes to financial statements.

# GABRIEL DUMONT COLLEGE INC.

## Statement of Cash Flows

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

	2016	2015
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	\$ 146,457	\$ 92,958
Items not involving cash:		
Amortization	2,651	3,314
Reinvested interest income	(107)	(8,698)
Change in non-cash operating working capital:		
Accounts receivable	51,577	22,259
Prepaid expenses	(417)	-
Accounts payable	7,451	(10,983)
	207,612	98,850
Investing:		
Purchase of equipment	-	(2,202)
Increase in cash	207,612	96,648
Cash and cash equivalents, beginning of year	1,552,641	1,455,993
Cash and cash equivalents, end of year	\$ 1,760,253	\$ 1,552,641

See accompanying notes to financial statements.

# GABRIEL DUMONT COLLEGE INC.

Notes to Financial Statements

Year ended March 31, 2016

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## 1. Nature of operations:

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).

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.

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

# GABRIEL DUMONT COLLEGE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 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.



# GABRIEL DUMONT COLLEGE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

## 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, 2016	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 60,033	\$ 56,452	\$ 3,581
Other equipment	32,300	25,278	7,022
	\$ 92,333	\$ 81,730	\$ 10,603

March 31, 2015	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 60,033	\$ 55,556	\$ 4,477
Other equipment	32,300	23,523	8,777
	\$ 92,333	\$ 79,079	\$ 13,254

Computer equipment with a net carrying value of \$3,581 (2015 - \$4,477) 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.

# GABRIEL DUMONT COLLEGE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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#### 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.

	2016	2015
Tuition and related fees	\$ 271,329	\$ 239,581
Administrative Services	16,433	12,862
Programming/Services	509,481	73,289
	<u>\$ 797,243</u>	<u>\$ 325,732</u>

Accounts receivable includes \$254,079 (2015 - \$239,581) and accounts payable includes \$1,278 (2015 - \$663) from Gabriel Dumont Institute of Native Studies and Applied Research, Inc and Dumont Technical Institute Inc.

During the year, the College provided a loan in the amount of \$500,000 to Gabriel Dumont Institute Training and Employment. The loan was repaid within the fiscal year.

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.

# GABRIEL DUMONT COLLEGE INC.

Notes to Financial Statements (continued)

Year ended March 31, 2016

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## 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 and cash equivalents, 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 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.