

Financial Statements of

**GABRIEL DUMONT
INSTITUTE PRESS INC.**

Year ended December 31, 2016



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Gabriel Dumont Institute Press Inc.

We have audited the accompanying financial statements of Gabriel Dumont Institute Press Inc., which comprise the statement of financial position as at December 31, 2016, the statements of operations and 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 audit 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 Institute Press Inc. as at December 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.

KPMG LLP

Chartered Professional Accountants

March 3, 2017

Saskatoon, Canada

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	\$ 62,616	\$ -
Accounts receivable	6,288	-
	<u>\$ 68,904</u>	<u>\$ -</u>
Liabilities and Net Assets (Deficiency)		
Current liabilities:		
Accrued liabilities	\$ 6,000	\$ 6,000
Deferred revenue (note 2)	25,600	-
	<u>31,600</u>	<u>6,000</u>
Due to Gabriel Dumont Institute of Native Studies and Applied Research Inc. (note 2)	346,263	153,489
	<u>377,863</u>	<u>159,489</u>
Net assets (deficiency)		
Commitments (note 4)	(308,959)	(159,489)
	<u>\$ 68,904</u>	<u>\$ -</u>

See accompanying notes to financial statements.

On behalf of the Board:



Governor



Governor

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Operations and Changes in Net Assets

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

	2016	2015
Revenues:		
Book sales (net of discounts)	\$ 86,598	\$ 4,304
Grant revenue	25,000	-
Royalties income	11,894	-
Interest income	70	-
	123,562	4,304
Expenses:		
Salaries and benefits	155,139	62,654
Material development	53,424	7,531
Building	41,268	14,666
Professional fees	8,082	15,293
Advertising	5,930	1,634
Other equipment expenses	4,354	3,168
Travel	2,440	1,027
Office and general	1,913	589
Materials and supplies	283	-
Interest and bank charges	199	-
Printing	-	48,985
Royalties	-	8,246
	273,032	163,793
Deficiency of revenue over expenses	(149,470)	(159,489)
Net assets (deficiency), beginning of period	(159,489)	-
Net assets (deficiency), end of period	\$ (308,959)	\$ (159,489)

See accompanying notes to financial statements.

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Cash Flows

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

	2016	2015
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (149,470)	\$ (159,489)
Changes in non-cash operating working capital:		
Accounts receivable	(6,288)	-
Accrued liabilities	-	6,000
Deferred revenue	25,600	-
	(130,158)	(306,978)
Financing:		
Advances from Gabriel Dumont Institute of Native Studies and Applied Research, Inc.	192,774	153,489
Increase in cash	62,616	-
Cash, beginning of period	-	-
Cash, end of period	\$ 62,616	\$ -

See accompanying notes to financial statements.

GABRIEL DUMONT INSTITUTE PRESS INC.

Notes to Financial Statements

Year ended December 31, 2016

Nature of operations:

Gabriel Dumont Institute Press Inc. (the "Institute") is a not-for-profit organization that makes important links to the Métis Community in Western Canada. The Institute contracts Métis authors to publish literature regarding Métis culture and history. The publishing of this literature is the core activity undertaken by the Institute to establish links in the Métis community. The development of these links to the Métis community 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.

The Institute was incorporated under the Non-Profit Corporations Act of Saskatchewan on August 18, 2015 and is not subject to income tax under the Income Tax Act (Canada).

The Institute is associated with Gabriel Dumont Institute of Native Studies and Applied Research Inc., 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.

Gabriel Dumont Institute Press Inc. was previously a division of Gabriel Dumont Institute of Native Studies and Applied Research, Inc.

1. Significant accounting policies:

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

(a) Revenue recognition:

Book sales are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Grant revenue is recognized as earned based on the terms of the grant agreement. Grants received for special projects are recognized as revenue in the period the related expenses 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 collectibility of accounts receivable and estimates of deferred revenue. Actual results could differ from those estimates.

GABRIEL DUMONT INSTITUTE PRESS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(c) 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.

(d) Financial instruments:

Financial instruments, including cash, accounts receivable, accrued liabilities and due to Gabriel Dumont Institutes of Native Studies and Applied Research Inc. are recorded at fair value on initial recognition and are subsequently measured 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.

Accounts receivable are classified as loans and receivables and are recorded at amortized cost. Accrued liabilities and amounts due to Gabriel Dumont Institute of Native Studies and Applied Research Inc. are classified as other liabilities and measured at amortized cost.

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 its estimated recoverable amount. 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 impairment charge.

GABRIEL DUMONT INSTITUTE PRESS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2016

1. Significant accounting policies (continued):

(e) Cash:

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

(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. Costs are expensed in the year incurred.

(g) 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

2. Deferred revenue:

Deferred revenue consists of grants from the following sources:

	2016	2015
Creative Industries		
Production Grant Program	\$ 25,600	\$ -
	\$ 25,600	\$ -

GABRIEL DUMONT INSTITUTE PRESS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2016

3. Related party transactions:

The balance owing to GDI-NSAR at December 31, 2016 of \$346,263 (2015 - \$153,489) is non-interest bearing and GSI-NSAR has agreed to not request repayment in the next fiscal year.

Certain administrative functions of the Institute are managed by GDI-NSAR at no charge.

All transactions were recorded at the exchange amount being amounts agreed upon between the related parties.

4. Commitments:

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

2017	\$	35,343
2018		26,923
2019		1,900
2020		1,900
2021		950
	\$	67,016

The amounts have been allocated to the Institute by GDI-NSAR on the basis of estimated space occupied for facilities and estimated usage for equipment.

GABRIEL DUMONT INSTITUTE PRESS INC.

Notes to Financial Statements (continued)

Year ended December 31, 2016

5. Financial risks and concentration of risk:

The Institute's financial instruments include accounts receivable, accrued liabilities and amounts due to Gabriel Dumont Institute of Native Studies and Applied Research Inc. ("GDI-NSAR"). The Institute has exposure to the following risks arising from its use of financial instruments:

(a) Credit risk:

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

The Institute'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 Institute based on previous experience and its assessment of the current economic environment. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

(b) Liquidity risk:

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations as they become due. The Institute is in the start-up stage of operations and the ability of the Institute to continue as an organization is dependent upon its ability to secure long-term funding and generate book sales and other revenue. The Institute has a deficiency of liabilities over assets of \$308,959 (2015 - \$159,489) of which \$346,263 (2015 - \$153,489) is owing to GDI-NSAR. The Institute is continuing to establish its operations and in the current year, the Institute established a separate bank account, to facilitate operations. The Institute is economically dependent on GDI-NSAR. GDI-NSAR has agreed not to demand repayment of advances made to the Institute in the next fiscal year and has agreed to continue to provide the necessary financial support to maintain the Institute's operations.

Fair Values

Cash is recorded at fair value. The fair value of accounts receivable and accrued liabilities approximate their carrying value due to their short-term period maturity.

6. 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 \$8,212 (2015- \$3,826).