Financial Statements of

GABRIEL DUMONT INSTITUTE PRESS INC.

Year ended December 31, 2017

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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, 2017, the statements of operations and 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, 2017, 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 2, 2018

Saskatoon, Canada

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Financial Position

December 31, 2017, with comparative information for 2016

		2017		2016
Assets				
Current assets:				
Cash	$	57,204	$	62,616
Accounts receivable		15,786		6,288
	$	72,990	$	68,904
Liabilities and Net Assets (Deficiency)				
Current liabilities:				
Accrued liabilities	$	9,500	$	6,000
Deferred revenue (note 3)		25,600		25,600
		35,100		31,600
Due to Gabriel Dumont Institute of Native Studies and Applied Research Inc. (note 4)		396,609		346,263
		431,709		377,863
Net assets (deficiency)		(358,719)		(308,959)
Nature of operations (note 1)				
Commitments (note 5)				
	$	72,990	$	68,904

See accompanying notes to financial statements.

On behalf of the Board:

Vivian McNaughton Governor

Earl Cook Governor

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Operations and Net Assets

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenues:		
Book sales (net of discounts)	$ 159,516	$ 86,598
Royalties income	14,805	11,894
Interest income	522	70
Grant revenue	-	25,000
	174,843	123,562
Expenses:		
Salaries and benefits	117,052	155,139
Building	42,796	41,268
Printing	21,397	-
Professional fees	12,777	8,082
Advertising	10,438	5,930
Office and general	7,921	6,550
Material development	6,598	53,424
Travel	5,455	2,440
Interest and bank charges	169	199
	224,603	273,032
Deficiency of revenue over expenses	(49,760)	(149,470)
Net assets (deficiency), beginning of year	(308,959)	(159,489)
Net assets (deficiency), end of year	$ (358,719)	$ (308,959)

See accompanying notes to financial statements.

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

		2017		2016
Cash provided by (used in):				
Operations:				
Deficiency of revenue over expenses	$	(49,760)	$	(149,470)
Changes in non-cash operating working capital:				
Accounts receivable		(9,498)		(6,288)
Accrued liabilities		3,500		-
Deferred revenue		-		25,600
		(55,758)		(130,158)
Financing:				
Advances from Gabriel Dumont Institute of Native Studies and Applied Research, Inc.		50,346		192,774
Increase (decrease) in cash		(5,412)		62,616
Cash, beginning of year		62,616		-
Cash, end of year	$	57,204	$	62,616

See accompanying notes to financial statements.

1. Nature of operations:

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

These financial statements have been prepared assuming the Organization will continue as a going concern. For the year ended December 31, 2017, the Organization incurred a deficiency of revenue over expenses of $49,760 (2016 - $149,470) and has an accumulated deficit of $358,959 (2016 - $308,959). These factors raise significant doubt about the Organization's ability to continue as a going concern and the Organization is dependent upon GDI-NSAR to provide continued financial support (note 6(b)).

2. 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 and royalties 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.

2. Significant accounting policies (continued):

(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.

(c) Library costs:

The Organization's library collection includes materials related to the culture and history of Aboriginal peoples not readily available from other sources. These materials assist the Organization 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 Institute 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 Organization 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 Organization 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.

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

3. Deferred revenue:

Deferred revenue consists of grants from the following sources:

	2017	2016
Creative Industries Production Grant Program	$ 25,600	$ 25,600
	$ 25,600	$ 25,600

4. Related party transactions:

The balance owing to GDI-NSAR at December 31, 2017 of $396,609 (2016 - $346,263) is non-interest bearing and GSI-NSAR has agreed to not request repayment in the next fiscal year.

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

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

5. Commitments:

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

2018	$	28,742
2019		3,718
2020		3,718
2021		2,768
2022		1,818
	$	40,764

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

6. Financial risks and concentration of risk:

The Organization'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 Organization has exposure to the following risks arising from its use of financial instruments:

(a) Credit risk:

The Organization'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 Organization's maximum credit exposure at the year-end date.

The Organization'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 Organization 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.

6. Financial risks and concentration of risk: (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they become due. The Organization is in the start-up stage of operations and the ability of the Organization to continue as an organization is dependent upon its ability to secure long-term funding and generate book sales and other revenue. The Organization has a deficiency of liabilities over assets of $358,719 (2016 - $308,959) of which $396,609 (2016 - $346,263) is owing to GDI-NSAR. The Organization is economically dependent on GDI-NSAR. GDI-NSAR has agreed not to demand repayment of advances made to the Organization in the next fiscal year and has agreed to continue to provide the necessary financial support to maintain the Organization's operations.

(c) 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.

7. Pension Plan:

The Organization contributes to a pension plan for the employees based on a negotiated rate of contribution. The pension expense for the year was $8,513 (2016- $8,212).