Financial Statements of

GABRIEL DUMONT INSTITUTE PRESS INC.

Year ended December 31, 2018

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Gabriel Dumont Institute Press Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Saskatoon, Canada

March 15, 2019

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Financial Position

December 31, 2018, with comparative information for 2017

		2018		2017
Assets				
Current assets:				
Cash	$	22,246	$	57,204
Accounts receivable		15,420		15,786
	$	37,666	$	72,990
Liabilities and Net Assets (Deficiency)				
Current liabilities:				
Accounts payable	$	8,982	$	-
Accrued liabilities		9,700		9,500
Deferred revenue (note 3)		25,600		25,600
		44,282		35,100
Due to Gabriel Dumont Institute of Native Studies and Applied Research Inc. (note 4)		496,124		396,609
		540,406		431,709
Net assets (deficiency)		(502,740)		(358,719)
Nature of operations (note 1)				
Commitments (note 5)				
	$	37,666	$	72,990

See accompanying notes to financial statements.

On behalf of the Board:

_______________ Governor

Carl Cook Governor

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Operations and Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

		2018		2017
Revenues:				
Book sales (net of discounts)	$	146,033	$	159,516
Royalties income		3,458		14,805
Interest income		420		522
		149,911		174,843
Expenses:				
Salaries and benefits		133,985		117,052
Printing		58,341		21,397
Building		38,323		42,796
Material development		29,844		6,598
Office and general		13,202		7,921
Professional fees		9,880		12,777
Advertising		6,324		10,438
Travel		3,991		5,455
Interest and bank charges		42		169
		293,932		224,603
Deficiency of revenue over expenses		(144,021)		(49,760)
Net assets (deficiency), beginning of year		(358,719)		(308,959)
Net assets (deficiency), end of year	$	(502,740)	$	(358,719)

See accompanying notes to financial statements.

GABRIEL DUMONT INSTITUTE PRESS INC.

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

		2018		2017
Cash provided by (used in):				
Operations:				
Deficiency of revenue over expenses	$	(144,021)	$	(49,760)
Changes in non-cash operating working capital:				
Accounts receivable		366		(9,498)
Accounts payable		8,982		-
Accrued liabilities		200		3,500
		(134,473)		(55,758)
Financing:				
Advances from Gabriel Dumont Institute of Native Studies and Applied Research, Inc.		99,515		50,346
Decrease in cash		(34,958)		(5,412)
Cash, beginning of year		57,204		62,616
Cash, end of year	$	22,246	$	57,204

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, 2018, the Organization incurred a deficiency of revenue over expenses of $144,021 (2017 - $49,760) and has an accumulated deficit of $502,740 (2017 - $358,719). 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)).

GDI-NSAR is in the process of assessing the operations of the Organization, and, as a result of this process, expects to cease operations of the Organization as a separate entity upon completion of its existing contracts. GDI-NSAR anticipates these contracts will be substantially completed by March 31, 2019, at which time the Organization will be dissolved and its assets, liabilities and operations will be assumed by GDI-NSAR.

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.

(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.

2. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments, including cash, accounts receivable, accounts payable, 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. Accounts payable, 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.

(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:

	2018	2017
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, 2018 of $496,124 (2017 - $396,609) is non-interest bearing and GSI-NSAR has agreed to not request repayment in the next fiscal year.

Accounts receivable include $13,216 receivable from GDI-NSAR and accounts payable include $8,982 owing to GDI-NSAR.

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 as follows:

2019	$ 10,268
	$ 10,268

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.

(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 $502,740 (2017 - $358,719) of which $496,124 (2017 - $396,609) 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.

GDI-NSAR is in the process of assessing the operations of the Organization, and, as a result of this process, expects to cease operations of the Organization as a separate entity upon completion of its existing contracts. GDI-NSAR anticipates these contracts will be substantially completed by March 31, 2019, at which time the Organization will be dissolved and its assets, liabilities and operations will be assumed by GDI-NSAR.

(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 $9,759 (2017- $8,513).