

Financial Statements of

**DUMONT TECHNICAL
INSTITUTE INC.**

And Independent Auditors' Report thereon
Year ended June 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Governors of Dumont Technical Institute

Opinion

We have audited the financial statements of Dumont Technical Institute (the Entity), which comprise:

- the statement of financial position as at June 30, 2022
- the statement of operations for the year then ended
- the statement of 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 June 30, 2022, 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 and Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the text, there is a long, horizontal, slightly wavy line that extends to the right, serving as a flourish or underline.

Chartered Professional Accountants

September 29, 2022

Saskatoon, Canada

DUMONT TECHNICAL INSTITUTE INC.

DRAFT Statement of Financial Position

June 30, 2022, with comparative information for 2021

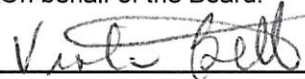
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,188,404	\$ 2,229,751
Accounts receivable	341,426	303,310
Prepaid expenses	211,799	231,435
	2,741,629	2,764,496
Investments (note 4)	1,015,040	1,002,544
Property and equipment (note 5)	7,512,511	7,799,740
	\$ 11,269,180	\$ 11,566,780

Liabilities and Net Assets

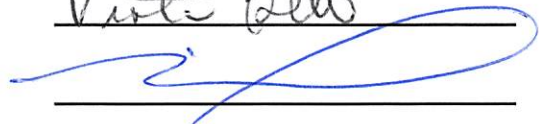
Current liabilities:		
Accounts payable and accrued liabilities	\$ 489,040	\$ 523,528
Deferred revenue (note 6)	1,500,138	1,596,794
Current portion of long-term debt (note 7)	125,987	140,351
	2,115,165	2,260,673
Long-term debt (note 7)	1,325,225	1,451,017
Deferred capital contributions (note 8)	2,516,996	2,649,469
Net assets		
Invested in property and equipment	3,544,303	3,558,903
Core	1,456,706	1,336,191
Programming	310,785	310,527
	5,311,794	5,205,621
Commitments (notes 8 and 9)		
	\$ 11,269,180	\$ 11,566,780

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

DUMONT TECHNICAL INSTITUTE INC.

Statement of Operations

Year ended June 30, 2022, with comparative information for 2021

	Core	BE Programs	Other Programs	2022	2021
Revenue:					
Government of					
Saskatchewan grants	\$ 2,175,217	\$ 1,937,344	\$ 1,799,711	\$ 5,912,272	\$ 5,148,039
Tuition and fees	-	241,625	2,016,620	2,258,245	2,352,635
Facility rental and other income	691,028	-	-	691,028	728,773
Amortization of deferred capital contributions	132,473	-	-	132,473	139,446
Investment income	25,781	-	-	25,781	93,447
	3,024,499	2,178,969	3,816,331	9,019,799	8,462,340
Expenses:					
Salaries	1,137,850	1,212,435	1,431,571	3,781,856	3,630,170
Purchased courses	163,172	192,273	1,105,462	1,460,907	1,228,666
Facilities	273,189	287,081	313,995	874,265	880,804
Staff benefits	219,869	202,574	232,342	654,785	650,841
Amortization	444,688	-	-	444,688	453,862
Instructional costs	23,658	66,888	321,030	411,576	364,909
Software support	188,247	66,741	27,913	282,901	176,155
Administrative services	-	26,609	180,620	207,229	183,808
Staff travel	36,760	51,940	62,872	151,572	81,309
Insurance	82,092	435	53,135	135,662	95,015
Office supplies	53,244	33,054	29,806	116,104	84,090
Telephone and fax	76,371	13,018	13,079	102,468	97,464
Equipment and education supplies	10,316	20,624	1,945	32,885	73,388
Public relations	84,003	4,897	4,250	93,150	68,683
Professional development	32,169	400	18,811	51,380	25,219
Professional services	34,385	-	19,500	53,885	43,937
Interest and bank charges	56,456	-	-	56,456	55,828
Bad debts	1,857	-	-	1,857	254
	2,918,326	2,178,969	3,816,331	8,913,626	8,194,402
Excess of					
revenue over expenses	\$ 106,173	\$ -	\$ -	\$ 106,173	\$ 267,938

See accompanying notes to financial statements.

DUMONT TECHNICAL INSTITUTE INC.

Statement of Changes in Net Assets

Year ended June 30, 2022, with comparative information for 2021

	Invested in property and equipment	Core	Programming Funds		2022	2021
			BE Programs	Other Programs		
Balance, beginning of year	\$ 3,558,903	\$ 1,335,933	\$ 193,638	\$ 117,147	\$ 5,205,621	\$ 4,937,683
Excess of revenue over expenses	-	106,173	-	-	106,173	267,938
Purchase of property and equipment	157,459	(157,459)	-	-	-	-
Amortization	(444,688)	444,688	-	-	-	-
Amortization of deferred capital contributions	132,473	(132,473)	-	-	-	-
Repayment of long-term debt	140,156	(140,156)	-	-	-	-
Balance, end of year	\$ 3,544,303	\$ 1,456,706	\$ 193,638	\$ 117,147	\$ 5,311,794	\$ 5,205,621

See accompanying notes to financial statements.

DUMONT TECHNICAL INSTITUTE INC.

Statement of Cash Flows

Year ended June 30, 2022, with comparative information for and 2021

	2022	2021
Cash flows from (used in):		
Operations:		
Excess of revenue over expenses	\$ 106,173	\$ 267,938
Items not involving cash:		
Amortization	444,688	453,862
Investment increase to fair value	3,567	(63,301)
Amortization of deferred capital contributions	(132,473)	(139,446)
Change in non-cash operating working capital:		
Accounts receivable	(38,116)	394,217
Prepaid expenses	19,636	(98,499)
Accounts payable and accrued liabilities	(34,488)	51,576
Deferred revenue	(96,656)	292,623
	272,331	1,158,970
Financing:		
Repayment of long-term debt	(140,156)	(131,271)
Investing:		
Purchase of property and equipment	(157,459)	(91,977)
Proceeds on disposal of investments	271,645	176,234
Purchase of investments	(287,708)	(198,789)
	(173,522)	(114,532)
Increase (decrease) in cash	(41,347)	913,167
Cash and cash equivalents, beginning of year	2,229,751	1,316,584
Cash and cash equivalents, end of year	\$ 2,188,404	\$ 2,229,751

See accompanying notes to financial statements.

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements

Year ended June 30, 2022

1. Nature of organization:

Dumont Technical Institute Inc. ("the Institute", "DTI") is an organization that provides Métis people in Saskatchewan the opportunity to obtain training and education through the Institute as well as its affiliates, Gabriel Dumont College Inc., Gabriel Dumont Institute of Native Studies and Applied Research Inc., Gabriel Dumont Scholarship Foundation II, and Gabriel Dumont Institute Training and Employment Inc.

The Institute is incorporated under the Non-Profit Corporations Act of Saskatchewan and as such is not subject to income tax under the Income Tax Act (Canada).

The Institute is jointly controlled with Gabriel Dumont Institute of Native Studies and Applied Research and its related entities: Gabriel Dumont College Inc., Gabriel Dumont Institute Training and Employment Inc., and Gabriel Dumont Scholarship Foundation II, as the Board of Governors of Dumont Technical Institute Inc. are the same Governors and the only Governors 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 in accordance with Canadian Accounting Standards for Not-For-Profit entities in Part III of the CPA Canada Handbook and reflect the following policies:

(a) Fund accounting:

The majority of the skills training programs offered are accredited through Saskatchewan Polytechnic.

Revenue and expenses related to program delivery and administrative activities are reported in the following funds:

i. Core services

The Core operations are responsible for program coordination, resource management, strategic planning, provision of counselling services and the day-to-day functions of the Institute.

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

2. Significant accounting policies (continued):

ii. Basic Education Programs

The Basic Education Programming ("BE") includes a wide range of programs aimed at increasing the education and literacy levels of course participants. Programs offered under BE include adult secondary education, life skills and employment enhancement.

iii. Other Programs

Other programs include a wide range of technical programming with the aim of equipping students with the necessary knowledge and skills to enter the labour market.

(b) Revenue recognition:

The Institute follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contract revenue is recognized as service is provided under the terms of the contract. Deferred revenue represents funding received related to expenditures and program delivery in future years.

Contributions restricted for the purchase of capital assets are deferred and recognized into revenue at a rate corresponding with the amortization rate for the capital asset.

Tuition and fees are recognized as revenue when the courses are held.

(c) Cash and cash equivalents:

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

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

2. Significant accounting policies (continued):

(d) Property and equipment:

Property and equipment are stated at cost less accumulated amortization. Normal maintenance and repair expenditures are expensed as incurred.

Amortization is provided using the following methods and rates:

Asset	Method	Rate
Building	Declining balance	5%
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30%

Assets under construction or development are not subject to amortization until the project is substantially complete and available for use. Amortization is charged for the full year in the year of acquisition. No amortization is taken in the year of disposal. It is expected that this policy will charge operations with the total cost of the assets over the useful life of the assets. Gains or losses on the disposal of individual assets are recognized in income in the year of disposal. Contributions for assets purchased are deferred and amortized on the same basis as the assets to which they relate.

The carrying amount of an item of property and equipment is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(e) Employee benefits:

The Institute provides a defined contribution pension plan, life insurance, long term disability coverage, dental, vision, and health care benefits to employees. Costs are expensed in the year incurred.

(f) Use of estimates:

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organization 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 property and equipment, the collectibility of accounts receivable and estimates of deferred revenue. Actual results could differ from those estimates.

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

2. Significant accounting policies (continued):

(g) Allocation of income and expenses:

The Institute recognizes facility rental income in the Core service fund and allocates facility expense to the Basic Education programs and Other program funds. The amount of income recognized and expense allocated is based on a market rent analysis done by a third party.

The rental income and expense allocated are as follows:

	2022	2021
Facility rental income	\$ 276,238	\$ 275,837
Allocated as follows:		
Basic Education programs	162,151	161,750
Other programs	114,087	114,087
	\$ 276,238	\$ 275,837

3. Financial instruments and risk management:

Financial assets and liabilities (cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, long-term debt and deferred revenue) are recorded at fair value on initial recognition. Investments 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 Institute has elected to carry investments at fair value. Changes in fair value are recognized in net revenue in the period incurred.

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 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 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 Institute 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.

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

3. Financial instruments and risk management (continued):

The Institute, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments.

a) Credit risk

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

The Institute's credit risk on its investments is primarily attributable to the volatility of the markets. The credit risk related to accounts receivable is minimized as these receivables are normally from related parties and government agencies. The credit risk on cash and cash equivalents is limited because the counter parties are chartered banks with high credit ratings assigned by national credit-rating agencies. There has been no change to the risk exposure from 2021.

b) Interest rate risk

The interest bearing investments have limited exposure to interest rate risk due to their short-term period to maturity. The Institute also has exposure to interest rate risk on its debentures and long-term debt arising from interest at variable rates as well as prevailing interest rates at the time of renewal or refinancing of the debt as it becomes due. There has been no change to the risk exposure from 2021.

c) Fair values

Investments are recorded at fair value. For certain of the Institute's financial instruments including accounts receivable and accounts payable and accrued liabilities, the carrying amounts approximate fair value due to the immediate or short-term maturity of these items.

Due to the non-arms length relationship between the parties, it is not possible to approximate the fair value of amounts due to affiliates, that may arise. There has been no change to the risk exposure from 2021.

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

4. Investments:

	2022		2021	
	Cost	Market value	Cost	Market value
Debentures	\$ 264,115	\$ 259,515	\$ 263,615	\$ 268,716
Guaranteed investments certificate	453,500	453,500	370,500	370,500
Common shares	183,641	231,594	196,792	256,310
Cash and cash equivalents	30,580	30,671	25,357	24,656
Provincial bonds	41,474	39,760	81,170	82,362
	\$ 973,310	\$ 1,015,040	\$ 937,434	\$ 1,002,544

The Provincial Bonds have interest rates of 2.60% to 3.10% (2021- 1.55% to 3.10%) and mature between 2023 and 2024 (2022 to 2024)

The debentures are all at fixed rates and have a weighted average interest rate of 2.59% (2021 - 2.66%) and a weighted average term to maturity of 1.51 years (2021 - 2.63 years).

The guaranteed investment certificates have a weighted average interest rate of 2.65% (2021- 2.31%) and a weighted average term to maturity of 3.58 years (2021 - 2.83 years).

5. Property and equipment:

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 981,863	\$ -	\$ 981,863	\$ 981,863
Buildings	8,585,851	2,489,222	6,096,629	6,417,504
Furniture and equipment	1,523,423	1,175,126	348,297	310,742
Computer equipment	504,278	418,556	85,722	89,631
	\$ 11,595,415	\$ 4,082,904	\$ 7,512,511	\$ 7,799,740

In the year ended June 30, 2022, Dumont Technical Institute has assessed for full and partial impairment on capital assets and determined that there are none.

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

6. Deferred revenue:

Deferred revenue is comprised of the following:

	2022	2021
Ministry of Immigration and Career Training - Skills Training	\$ 703,660	\$ 1,116,371
Gabriel Dumont Institute Training & Employment Inc.	236,005	231,855
Ministry of Immigration and Career Training - Basic Education programs	509,473	197,568
Other	51,000	51,000
	\$ 1,500,138	\$ 1,596,794

7. Long-term debt:

	2022	2021
CIBC mortgage due July 1, 2027, repayable in monthly installments of \$7,908, secured by mortgage on building with net book value of \$4,718,041, including interest at a rate of 0.75% over the CIBC prime rate (Currently 4.7%)	\$ 843,088	\$ 908,760
Clarence Campeau Development Fund mortgage due September 1, 2029, repayable in monthly installments of \$5,298, secured by 2nd mortgage on building with net book value of \$4,718,041, including interest at a rate of 1% over the Bank of Nova Scotia Prime rate (4.95% for the first five years).	385,924	430,108
Clarence Campeau Development Fund no-interest loan due October 1, 2029, repayable in monthly installments of \$2,525.	222,200	252,500
	1,451,212	1,591,368
Current portion	125,987	140,351
	\$ 1,325,225	\$ 1,451,017

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

7. Long-term debt (continued):

Estimated principal repayments of long-term debt for each of the five years and thereafter are as follows:

2022	\$	125,987
2023		131,096
2024		136,478
2025		142,148
2026		152,866
Thereafter		762,637
	\$	1,451,212

8. Deferred capital contributions:

	Contribution Received	Amortization	Balance 2022	Balance 2021
La Loche Building	1,480,000	334,804	1,145,196	1,205,469
917 22nd Street West Building	1,600,000	228,200	1,371,800	1,444,000
	\$ 3,080,000	\$ 563,004	\$ 2,516,996	\$ 2,649,469

The Institute entered into an agreement (the "Agreement") with the Minister of Advanced Education of the Government of Saskatchewan (the "Minister") for the La Loche Program Centre Addition Project. Construction of the La Loche Program Centre was completed in 2018 and \$2,036,017 of construction costs have been incurred and capitalized to property and equipment. The deferred capital contribution funding of \$1,480,000 is being amortized into income on the same rate (5% declining balance) as the La Loche Centre capital costs.

Construction of the 917 22nd Street West Building was completed in 2019 and during the year \$3,195,077 of construction costs have been incurred and capitalized to property and equipment. Deferred capital contributions for the 917 22nd Street West Building consists of funds received or receivable for costs incurred. The deferred capital contribution funding of \$1,600,000 is being amortized into income on the same rate (5% declining balance) as the 917 22nd Street West Building capital costs.

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

9. Commitments:

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

2022	\$	241,949
2023		167,126
2024		2,696
2025		2,696
2026		2,696
	\$	417,163

The majority of operating leases are renewable on an annual basis.

10. Related party transactions:

Dumont Technical Institute Inc. conducts business with several related party organizations through the Gabriel Dumont Institute (note 1). The Gabriel Dumont Institute is the educational associated of the Métis Nation - Saskatchewan. Related party transactions are recorded at the exchange amount being amounts agreed upon between the related parties.

	2022	2021
Tuition and fees	\$ 2,035,342	\$ 1,918,275
Rent (included in facility rental and other income)	358,584	358,584
Tuitions	(8,000)	(12,000)
Public relations expense	(12,487)	(25,539)
Administrative services expense	(178,137)	(180,185)
Facilities expense	(204,994)	(204,994)
	\$ 1,990,308	\$ 1,854,141

Inter-fund administrative support/facility recovery expenses are charged based on estimated use of services.

Amounts included in accounts receivable and accounts payable and accrued liabilities are as follows:

Accounts receivable	2022	2021
Gabriel Dumont Institute Training & Employment Inc.	\$ 277,201	\$ 235,541
Gabriel Dumont Institute of Native Studies and Applied Research, Inc.	1,318	3,743
	\$ 278,519	\$ 239,284

DUMONT TECHNICAL INSTITUTE INC.

Notes to Financial Statements (continued)

Year ended June 30, 2022

10. Related party transactions (continued):

Accounts payable and accrued liabilities	2022	2021
Gabriel Dumont Institute of Native Studies and Applied Research, Inc.	\$ 59,584	\$ 44,716
Gabriel Dumont Institute Training & Employment Inc.	580	10,719
	\$ 60,164	\$ 55,435

11. Economic dependence:

Approximately 67% (2021 - 62%) of the Institute's revenue was derived from the Government of Saskatchewan. Funding is provided by annual grants under contracts expiring on various dates.

12. Pension plan:

The Institute contributed to a pension plan for the employees based on a negotiated rate of contribution. The pension expense for the year was \$227,473 (2021 - \$232,641).

13. Comparative figures:

Certain comparative figures have also been reclassified to conform with the financial statement presentation adopted in the current year.