

Financial Statements of

**GABRIEL DUMONT  
INSTITUTE TRAINING  
AND EMPLOYMENT INC.**

Year ended March 31, 2018



KPMG LLP  
500-475 2nd Avenue South  
Saskatoon Saskatchewan S7K 1P4  
Canada  
Tel (306) 934-6200  
Fax (306) 934-6233

## INDEPENDENT AUDITORS' REPORT

To the Directors

We have audited the accompanying financial statements of Gabriel Dumont Institute Training and Employment Inc. which comprise the statement of financial position as at March 31, 2018, the statements of operations and cash flows for the year then ended, and notes and schedules, comprising a summary of significant accounting policies and other explanatory information. These financial statements have been prepared by management in accordance with financial reporting provisions of the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010 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 an 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 is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Gabriel Dumont Institute Training and Employment Inc. as at March 31, 2018 and the results of its operations and its cash flows for the year then ended, in accordance with financial reporting provisions of the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010.

*Basis of Accounting and Restriction on Use*

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared for Gabriel Dumont Institute Training and Employment Inc., Service Canada, and the Minister of Western Economic Diversification. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Gabriel Dumont Institute Training and Employment Inc., Service Canada and the Minister of Western Economic Diversification and should not be used by parties other than Gabriel Dumont Institute Training and Employment Inc., Service Canada and the Minister of Western Economic Diversification.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line.

Chartered Professional Accountants

July 20, 2018  
Saskatoon, Canada

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

## Statement of Financial Position

March 31, 2018, with comparative information for 2017


	2018	2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,538,818	\$ -
Accounts receivable	127,470	551,138
	1,666,288	551,138
Furniture, equipment, and vehicle (note 2)	32,448	41,550
	\$ 1,698,736	\$ 592,688

## Liabilities

Current liabilities:		
Bank indebtedness	\$ -	\$ 406,956
Accounts payable and accrued liabilities (note 3)	666,710	144,147
Deferred revenue (note 4)	999,578	35
	1,666,288	551,138
Deferred contributions for furniture, equipment, and vehicle (note 5)	32,448	41,550
	\$ 1,698,736	\$ 592,688

See accompanying notes to financial statements.

On behalf of the Board:

	Director
	Director

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

## Statement of Operations

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

	2018	2017
<b>Revenue:</b>		
Service Canada-Aboriginal Skills and Employment Training Strategy Métis Funding ("ASETS") (schedule 1)	\$ 11,597,975	\$ 11,926,285
Skills and Partnership Fund Agreement - (SPF)	797,450	-
Western Diversification Program ("WDP")	110,368	1,175,000
Western Diversification Program ("WDP") - Entrepreneurship	90,312	-
	<b>12,596,105</b>	<b>13,101,285</b>
<b>Expenses (schedule 2):</b>		
Service delivery (schedule 3)	8,624,234	9,879,239
Wages and benefits	2,812,903	2,615,536
GDI Scholarship Fund	300,000	-
Facilities rentals	188,123	198,573
Staff travel	133,792	87,756
Public relations	125,722	97,305
Computer software support	94,209	15,505
Office	90,213	9,869
Telephone	63,777	57,361
Professional fees	42,815	43,964
Office supplies	38,639	23,735
Selection committee and professional development	35,797	38,802
Insurance	16,763	10,525
Equipment rentals	11,668	11,482
Amortization	9,102	5,441
Interest and bank charges	3,709	3,078
Postage and courier	3,011	1,218
Repairs and maintenance	1,338	1,367
Contractual services and consulting	290	529
	<b>12,596,105</b>	<b>13,101,285</b>
<b>Excess of revenue over expenses</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements.

# **GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

## **Statement of Cash Flows**

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

	2018	2017
Cash flows from (used in):		
Operations:		
Items not involving cash:		
Amortization of furniture, equipment and vehicles	\$ 9,102	\$ 5,441
Amortization of deferred contributions for furniture, equipment and vehicles	(9,102)	(5,441)
Change in non-cash operating working capital:		
Accounts receivable	423,668	228,034
Accounts payable and accrued liabilities	522,563	(455,402)
Deferred revenue	999,543	(626,894)
	1,945,774	(854,262)
Investing:		
Purchase of furniture, equipment, and vehicle	-	(39,574)
Financing:		
Deferred contributions for furniture, equipment, and vehicle	-	39,574
Increase (decrease) in cash and cash equivalents	1,945,774	(854,262)
Cash and cash equivalents (bank indebtedness), beginning of year	(406,956)	447,306
Cash and cash equivalents (bank indebtedness), end of year	\$ 1,538,818	\$ (406,956)

See accompanying notes to financial statements.

# **GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

## **Notes to Financial Statements**

**Year ended March 31, 2018**

---

### **Operations:**

Gabriel Dumont Institute Training and Employment Inc. ("the Institute") is a not-for-profit organization that provides Métis people in Saskatchewan the opportunity to obtain training and education. This opportunity is provided through the Institute and funded through the Métis Human Resources Development Agreement signed with Human Resources and Social Development and the Employment Insurance Commission ("Service Canada") (the "AHRDA Agreement") and its successor agreements the Aboriginal Skills and Employment Training Strategy Métis Funding Agreement dated August 25, 2010 ("ASETS Agreement" or "ASETS"), the Western Diversification Project Article Agreement dated November 4, 2014 ("WDP Agreement" or "WDP") and the WDP Entrepreneurship Agreement dated September 14, 2017 with the Minister of Western Economic Diversification.

The Institute and its affiliates are incorporated under the Non-Profit Corporations Act of Saskatchewan and as such are not subject to income tax under the Income Tax Act (Canada). The Institute commenced operations in November of 2006. The ASETS Agreement with Service Canada has been renewed to March 31, 2019. The WDP Entrepreneurship Agreement with the Minister of Western Economic Diversification has been renewed to March 31, 2020.

The Institute is jointly controlled with Gabriel Dumont Institute of Native Studies and Applied Research, Inc., and its related entities: Gabriel Dumont College Inc., Dumont Technical Institute Inc., Gabriel Dumont Scholarship Foundation II, and Gabriel Dumont Institute Press Inc., as the Board of Directors of Gabriel Dumont Institute of Native Studies and Applied Research, Inc. are the same directors and the only directors of the controlled entities. These financial statements do not include the operations of these other entities.

### **1. Significant accounting policies:**

The Institute has adopted Canadian Accounting Standards for Not-For-Profit Organizations in accordance with Part III of the CPA Canada Handbook.

However, the financial statements have been prepared for the purposes of reporting to the Institute's primary funding agency, Service Canada. As a result, these financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations, with the exception of the use of the modified cash basis for programs as outlined in note 1(a), and reflect the following accounting policies:



# **GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

Notes to Financial Statements (continued)

Year ended March 31, 2018

---

## **1. Significant accounting policies (continued):**

### **(a) Modified cash basis for programs:**

Program claims submitted within sixty days of the financial statement date are accrued as program expenses and included in funding claims from Service Canada. Program expenses not submitted within the sixty day deadline are not recognized in the period when the activity occurred that caused the expense. This differs from Canadian Accounting Standards for Not-For-Profit organizations as the expenses are to be recognized in the period incurred.

### **(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. Interest earned on restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributions restricted for the purchase of furniture, equipment and vehicle are deferred and recognized into revenue at a rate corresponding with the amortization rate for the related furniture, equipment and vehicle.

The value of contributed services and related expenses is not recognized in these financial statements.

### **(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.

The Institute has an available credit facility authorized to a maximum of \$500,000 which bears interest at bank prime plus 1% on outstanding amounts.

### **(d) Furniture, equipment, and vehicle:**

Furniture, equipment, and vehicle are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. Amortization is provided using the following methods and annual rates:



# **GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

Notes to Financial Statements (continued)

Year ended March 31, 2018

## **1. Significant accounting policies (continued):**

Asset	Method	Rate
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	20%
Vehicle	Straight-line	20%

Amortization is recorded in the month the assets are put into use such that the total costs of the assets will be charged to operations over the useful life of the assets.

### **(e) Use of estimates:**

The preparation of 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 amount of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the collectibility of accounts receivable, useful life of furniture, equipment and vehicle and the estimates of deferred revenue. Actual results could differ from these estimates.

### **(f) 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. Pension expense was \$171,977 (2017- \$153,282).

### **(g) Financial instruments:**

Financial assets and liabilities (cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable and accrued liabilities) are recorded at fair value on initial recognition. All financial instruments are subsequently recorded 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.

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.

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2018

## 1. Significant accounting policies (continued):

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.

### (h) Allocation of expenses:

The Institute allocates all of its expenses to individual programs. The costs of each program include the costs of personnel, premises and other expense that are directly related to providing the program services.

## 2. Furniture, equipment, and vehicles:

		Cost	Accumulated Amortization	2018 Net book value	2017 Net book value
Furniture and equipment	\$	49,454	\$ 45,540	\$ 3,914	\$ 4,893
Computer equipment		10,506	9,674	832	1,040
Vehicle		39,575	11,873	27,702	35,617
	\$	99,535	\$ 67,087	\$ 32,448	\$ 41,550

## 3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is an optional deferred salary leave plan ("DSLPP") in the amount of \$nil (2017 - \$97,448). The Institute's DSLPP is designed to assist employees in financing a leave of absence. Employees who opt into this plan are paid up to 66.67% of their normal gross pay while the remaining 33.33% is withheld from their salary and invested in a savings account with a chartered financial institution held by Gabriel Dumont Institute of Native Studies and Applied Research, Inc. on behalf of the Institute. The Institute guarantees payment of the deferred amount (including interest earned) upon the employee taking a leave of absence.

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2018

## 4. Deferred revenue:

Deferred revenue relates to expenses of future periods and represents unspent externally restricted contributions for specific programs.

	2018	2017
Service Canada ASETS Agreements	\$ 767,345	\$ 35
Skills and Partnership Fund	232,233	-
	\$ 999,578	\$ 35

## 5. Deferred contributions for furniture, equipment and vehicle:

Deferred contributions for furniture, equipment and vehicle represents the unamortized amount related to the purchase of these capital assets. The amortization of deferred contributions for furniture, equipment and vehicle is recorded as revenue in the statement of operations.

	2018	2017
Balance, beginning of year	\$ 41,550	\$ 7,417
Service Canada revenue used to purchase vehicle	-	39,574
Deferred contributions recognized	(9,102)	(5,441)
Balance, end of year	\$ 32,448	\$ 41,550

# GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.

Notes to Financial Statements (continued)

Year ended March 31, 2018

## 6. Commitments:

The Institute has specific commitments pursuant to operating leases for the rental of office space and equipment, as follows:

---

2019	\$	209,397
2020		14,085

---

The operating leases are primarily based on monthly rentals.

## 7. Related party transactions:

During the year the Institute paid \$1,685,458 (2017 - \$1,651,085), \$705 (2017 - \$88), and \$32,634 (2017 - \$42,525) for service delivery and salaries to Dumont Technical Institute Inc., Gabriel Dumont Institute of Native Studies and Applied Research, Inc. and Gabriel Dumont College Inc., respectively.

The Institute has entered into a lease with each of Dumont Technical Institute Inc. and Gabriel Dumont Institute of Native Studies and Applied Research Inc. for the rental of office space. The Institute paid \$66,702 and \$48,000, respectively, for these services for the year ended March 31, 2018 (2017 - \$84,684 and \$48,000). Accounts payable and accrued liabilities include \$173,314 (2017 - \$Nil) owing to Dumont Technical Institute, \$110 (2017 - \$Nil) owing to Gabriel Dumont Institute of Native Studies and Applied Research, Inc. and \$300,000 (2017 - \$Nil) owing to The Gabriel Dumont Scholarship Foundation II.

Accounts receivable includes \$75 (2017 - \$283,406) owed from Gabriel Dumont Institute of Native Studies and Applied Research, Inc., \$9,049 (2017 - \$15,125) owed from Dumont Technical Institute Inc. and \$4,916 (2017 - \$Nil) owed from Gabriel Dumont College Inc.

Certain administrative functions of the organization are managed by Gabriel Dumont Institute of Native Studies and Applied Research, Inc. at no charge.

## 8. Economic dependence:

98% (2017 - 91%) of the Institute's revenue was derived from Service Canada. The contract with Service Canada has been extended under the ASETS Agreement to March 31, 2019.

# **GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

Notes to Financial Statements (continued)

Year ended March 31, 2018

---

## **9. Financial instruments and risk management:**

The Institute, 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 risks).

### **Credit risk**

The Institute's principal financial assets are cash and cash equivalents, funding receivable from Service Canada and GST receivable which are all subject to credit risk. The carrying amounts of these financial assets on the statement of financial position represents the Institute's maximum credit exposure at the statement of financial position date.

The Institute's credit risk is primarily attributable to its accounts receivable. Credit risk related to accounts receivable is minimized as these receivables are from government organizations. The credit risk on cash and cash equivalents is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

### **Market risk**

The Institute is exposed to interest rate risk arising from fluctuations in interest rates on its credit facility agreement. Interest rate risk associated with the credit facility agreement is limited as no amount has been drawn on the line of credit.

**GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

## Schedules of Service Canada ASETS Agreement Revenue

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

	Employment Insurance	Consolidated Revenue Fund	2018	2017
Service Canada contributions	\$ 3,739,852	\$ 8,580,771	\$ 12,320,623	\$ 11,322,429
Deferred revenue including interest - beginning of year	10	25	35	626,929
Deferred contributions for furniture, equipment and vehicle - beginning of year	-	41,550	41,550	7,417
Deferred contributions for furniture, equipment and vehicle - end of year	-	(32,448)	(32,448)	(41,550)
Interest earned	-	22,660	22,660	12,094
Other revenue	(10)	12,910	12,900	(999)
Deferred revenue including interest - end of year	(35)	(767,310)	(767,345)	(35)
Revenue recognized	\$ 3,739,817	\$ 7,858,158	\$ 11,597,975	\$ 11,926,285

**GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

## Schedule of Expenses

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

	Employment Insurance	Consolidated Revenue Fund	Western Diversification Program	Skills and Partnership Fund	2018	2017
<b>Program Administration Expenses</b>						
Wages and benefits	\$ -	\$ 815,142	\$ 49,808	\$ 137,242	\$ 1,002,192	\$ 830,794
Public relations	-	95,805	-	13,406	109,211	80,487
Computer software support	-	94,209	-	-	94,209	15,385
Office	-	64,816	4,065	-	68,881	4,148
Professional fees	-	42,815	-	-	42,815	43,964
Staff travel	-	30,754	-	2,148	32,902	23,812
Facilities rentals	-	29,041	-	-	29,041	29,041
Telephone	-	20,608	-	272	20,880	22,878
Insurance	-	16,763	-	-	16,763	10,525
Selection committee and professional development	-	11,661	-	-	11,661	4,956
Office supplies	-	10,962	-	-	10,962	6,342
Amortization	-	9,102	-	-	9,102	5,441
Interest and bank charges	-	3,709	-	-	3,709	3,078
Contractual services and consulting	-	190	-	-	190	529
Postage and courier	-	146	-	-	146	297
	-	1,245,723	53,873	153,068	1,452,664	1,081,677
<b>Program Assistance Expenses</b>						
Education and training costs	1,186,678	3,376,765	42,627	73,800	4,679,870	4,989,777
Student allowances	850,802	1,581,135	250	6,035	2,438,222	2,678,813
Wage subsidies	354,142	484,375	103,930	563,694	1,506,141	2,210,648
GDI Scholarship Fund	-	300,000	-	-	300,000	-
Staff travel	59,665	-	-	-	59,665	47,473
Telephone	42,898	-	-	-	42,898	34,484
Office supplies	17,521	-	-	-	17,521	10,286
Public relations	1,045	-	-	-	1,045	1,519
Postage and courier	765	-	-	-	765	921
	2,513,516	5,742,275	146,807	643,529	9,046,127	9,973,921



## Schedule 2

**GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

Schedule of Expenses (continued)

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

	Employment Insurance	Consolidated Revenue Fund	Western Diversification Program	Skills and Partnership Fund	2018	2017
<b>Employment Assistance Services</b>						
Wages and benefits	1,226,301	584,410	-	-	1,810,711	1,784,742
Facilities rental	-	159,082	-	-	159,082	169,532
Staff travel	-	41,225	-	-	41,225	16,471
Selection committee and professional development	-	23,383	-	753	24,136	33,846
Office	-	21,332	-	-	21,332	5,721
Public relations	-	15,466	-	-	15,466	15,299
Equipment rentals	-	11,668	-	-	11,668	11,482
Office supplies	-	10,156	-	-	10,156	7,107
Postage and courier	-	2,100	-	-	2,100	-
Repairs and maintenance	-	1,338	-	-	1,338	1,367
Contractual services and consulting	-	-	-	100	100	-
Computer software support	-	-	-	-	-	120
	1,226,301	870,160	-	853	2,097,314	2,045,687
	<b>\$ 3,739,817</b>	<b>\$ 7,858,158</b>	<b>\$ 200,680</b>	<b>\$ 797,450</b>	<b>\$ 12,596,105</b>	<b>\$ 13,101,285</b>

**GABRIEL DUMONT INSTITUTE TRAINING AND EMPLOYMENT INC.**

## Schedule of Service Delivery Expenses

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

	Saskatoon	Regina	Prince Albert	Nipawin	Yorkton	North Battleford	Meadow Lake	Ile a la Crosse	Le Loche	Beauval	2018	2017
Tuition and program delivery	\$ 973,468	\$ 598,448	\$ 1,016,184	\$ 207,072	\$ 58,697	\$ 189,461	\$ 170,892	\$ 37,773	\$ 96,986	\$ 124,777	\$ 3,473,758	\$ 3,846,278
Income support	653,868	304,845	550,453	143,186	45,697	200,685	164,993	53,123	105,568	220,053	2,442,471	2,678,813
Wage subsidies	382,934	171,693	184,483	83,126	33,605	88,141	199,998	26,477	27,606	132,767	1,309,030	1,888,627
Books	165,555	59,590	132,050	24,174	17,468	37,938	29,988	15,494	35,606	49,956	557,817	530,743
Dependent care	98,373	34,484	70,841	10,155	-	16,272	26,773	10,509	6,638	19,442	283,768	313,830
Supplies	77,486	15,386	82,282	1,000	4,311	10,890	15,901	1,338	4,470	19,097	231,221	121,590
Student work experience	35,398	1,450	51,940	24,478	4,654	14,881	29,034	3,168	12,902	19,231	197,112	222,022
Student travel	10,418	22,284	34,133	3,707	1,320	12,343	12,377	4,036	6,997	6,962	114,577	167,696
Living away from home allowance	975	375	1,725	-	-	-	-	-	-	-	3,075	6,918
Special needs allowance	340	-	1,047	-	-	-	-	-	-	-	1,387	2,522
	\$ 2,388,793	\$ 1,208,555	\$ 2,125,238	\$ 476,896	\$ 165,750	\$ 588,591	\$ 650,038	\$ 151,917	\$ 297,173	\$ 591,285	\$ 8,824,234	\$ 9,879,239