

Financial Statements of

**THE GABRIEL DUMONT
SCHOLARSHIP FOUNDATION II**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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

INDEPENDENT AUDITOR'S REPORT

To the Members:

Opinion

We have audited the financial statements of The Gabriel Dumont Scholarship Foundation II (the Foundation), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of revenue and expenses 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 Foundation as at December 31, 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 Foundation 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 Foundation'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 Foundation'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 Foundation 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 23, 2023

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Financial Position

December 31, 2022 with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 276,938	\$ 27,811
Accounts receivable	12,111	562
Managed funds (note 6)	2,885,892	2,857,032
Restricted cash (note 6)	-	7,299
	3,174,941	2,892,704
Investments (note 4)	3,643,893	3,626,991
	<u>\$ 6,818,834</u>	<u>\$ 6,519,695</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,376	\$ 18,502
Managed fund payable (note 6)	2,885,892	2,864,331
Deferred revenue	310,140	13,375
	3,207,408	2,896,208
Net assets:		
Restricted for endowment purposes (note 5)	3,244,105	3,244,105
Unrestricted	367,321	379,382
	3,611,426	3,623,487
	<u>\$ 6,818,834</u>	<u>\$ 6,519,695</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Revenue and Expenses

Year ended December 31, 2022 with comparative information for 2021

	2022	2021
Revenue:		
Donations (note 7)	\$ 179,786	\$ 141,934
Government of Saskatchewan - Ministry of Advanced Education	34,200	57,400
Interest and investment income	72,413	159,291
	286,399	358,625
Expenses:		
Scholarships	289,260	295,950
Administrative and professional services	9,200	13,092
	298,460	309,042
(Deficiency) excess of revenue over expenses	\$ (12,061)	\$ 49,583

See accompanying notes to financial statements.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Changes in Net Assets

Year ended December 31, 2022 with comparative information for 2021

	Unrestricted	Restricted Fiddler & Carriere Endowment	Restricted GDITE Endowment	Restricted GDS Endowment	2022	2021
Balance, beginning of year	\$ 379,382	\$ 4,105	\$ 2,200,000	\$ 1,040,000	\$ 3,623,487	\$ 3,573,904
(Deficiency) excess of revenue over expenses	(12,061)	-	-	-	(12,061)	49,583
Balance, end of year	\$ 367,321	\$ 4,105	\$ 2,200,000	\$ 1,040,000	\$ 3,611,426	\$ 3,623,487

See accompanying notes to financial statements.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Statement of Cash Flows

Year ended December 31, 2022 with comparative information for 2021

	2022	2021
Cash flows from (used in):		
Operations:		
(Deficiency) excess of revenue over expenses	\$ (12,061)	\$ 49,583
Item not involving cash:		
Adjustment for fair value (increase) decrease on investments and reinvested investment income	20,333	(53,109)
Change in non-cash operating working capital:		
Accounts receivable	(11,549)	76,477
Accounts payable and accrued liabilities	(7,126)	(3,501)
Restricted cash	(7,299)	-
Deferred revenue	296,765	(11,600)
	279,063	57,850
Investing:		
Purchase of investments	(783,645)	(913,960)
Sale and redemption of investments	746,410	858,085
Change in cash held in investments	7,299	-
	(29,936)	(55,875)
Increase in cash and cash equivalents	249,127	1,975
Cash and cash equivalents, beginning of year	27,811	25,836
Cash and cash equivalents, end of year	\$ 276,938	\$ 27,811

See accompanying notes to financial statements.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Notes to Financial Statements

Year ended December 31, 2022

1. Nature of operations:

The Gabriel Dumont Scholarship Foundation II (the "Foundation") was established by a Trust Agreement between Gabriel Dumont Institute of Native Studies and Applied Research, Inc. and the Trustees of the Foundation. The Trust Agreement was originally dated October 10, 1986 and was updated on March 1, 2000, May 10, 2002 and August 8, 2014. This Agreement specifies the restrictions under which the trust may be operated.

On April 1, 2000, the Foundation was incorporated and assets were transferred from the Gabriel Dumont Scholarship Foundation ("GDSF"), in accordance with the Trust Agreement.

The purpose of the Foundation is to devote itself to charitable activities of which the primary purpose is the advancement of education of Métis peoples in the Province of Saskatchewan. It is registered with Canada Revenue Agency as a charitable organization and is therefore exempt from income tax.

The Foundation is jointly controlled with Gabriel Dumont Institute of Native Studies and Applied Research and its related entities, Gabriel Dumont College Inc., Dumont Technical Institute Inc., and Gabriel Dumont Institute Training and Employment 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.

2. Significant accounting policies:

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

(a) Use of estimates:

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-For-Profit Organizations 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 reporting period. Actual results could differ from these estimates.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(b) Revenue recognition:

The Foundation follows the deferral method of accounting for donation revenue. Restricted donation revenue is recognized as revenue in the year in which the related expenses are incurred. Unrestricted donation revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenue represents donation revenue received to be used for scholarships which have not yet been awarded.

Interest income from investments is recognized as revenue when earned.

(c) Scholarships:

Scholarships are recorded as payable when the scholarships have been granted and the recipient has met all the requirements and obligations.

(d) 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.

(e) Administrative services:

The Foundation may be charged for administrative services provided by Gabriel Dumont Institute of Native Studies and Applied Research, Inc. These charges are based on a percentage of interest and invested revenue, not to exceed 10%. An administrative fee has not been charged in 2022 or 2021.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(f) Financial instruments:

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below:

- Cash and cash equivalents and investments are classified as financial assets and are measured at fair value. Fair value fluctuations in these assets, which may include interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in revenue.
- Managed funds and restricted cash are classified as financial assets and are measured at fair value. Fair value fluctuations in these assets, which may include interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in the amount recorded in the statements of financial position with the corresponding increase in managed fund payable.
- Accounts receivable are classified as loans and receivables and measured at amortized cost.
- Accounts payable and accrued liabilities are classified as other liabilities and measured at amortized cost.

Transaction costs related to financial assets subsequently measured at fair value are expensed as incurred.

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 Foundation 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 Foundation 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.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Notes to Financial Statements (continued)

Year ended December 31, 2022

3. Financial instruments and risk management:

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

Credit risk

The Foundation's principal financial assets subject to credit risk are cash and cash equivalents and investments. The carrying amounts of these financial assets on the statement of financial position represent the Foundation's maximum credit exposure at the statement of financial position date. No significant changes from 2021.

The credit risk on cash and cash equivalents and investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

Interest rate risk

The interest-bearing investments have exposure to interest rate risk depending on prevailing market interest rates as interest-bearing investments are renewed. The risk is mitigated by the Foundation holding guaranteed investment certificates with maturity dates from 2023 to 2025. There have been significant increases in interest rates over the year, given the short duration of fixed income investments of 3.01 years, the impact is limited.

Market risk

The Foundation is exposed to limited market risk on its common shares based on the volatility of the markets. No significant changes from 2021.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Notes to Financial Statements (continued)

Year ended December 31, 2022

4. Investments:

	2022 cost	2022 Market value	2021 cost	2021 Market value
Cash	\$ 6,498	\$ 6,498	\$ 647	\$ 647
Guaranteed investment certificates	2,850,000	2,885,715	2,850,000	2,883,259
Money market	322,998	322,998	281,576	281,576
Common shares	400,558	428,682	400,333	461,509
	3,580,054	\$ 3,643,893	\$ 3,532,556	\$ 3,626,991

The guaranteed investment certificates have a weighted average interest rate of 3.22% (2021 - 2.61%) and a weighted average term to maturity of 3.01 years (2021 - 2.03 years).

Under the terms of the Trust Agreement, the objective of the investment portfolio is to preserve the capital base of the Foundation while maximizing current income to meet scholarship demand. The Foundation has established asset allocation and quality guidelines with respect to investments of the Foundation. Investments are to be allocated between cash and short-term investments (20% - 40%), fixed income securities (over one year) (60% - 80%) and equities (0% - 15%). The quality guidelines provide for minimum investment ratings, maximum limits for any individual investment, and limitations on the type of equity investments that may be held by the Foundation. At December 31, 2022 the Foundation's investment allocation consisted of cash and fixed income investments under one year of 22% (2021 - 19%); fixed income (including mutual fund savings accounts) investments of 66% (2021 - 68%) and equities of 12% (2021 - 13%).

All investment income from endowment funds is unrestricted and may be used by the Foundation for scholarships and administration of the Foundation.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Notes to Financial Statements (continued)

Year ended December 31, 2022

5. Net assets restricted for endowment purposes:

Under the terms of the Trust Agreement, the capital base of assets restricted for endowment purposes is not to fall below \$3,244,105 (2021 - \$3,244,105) consisting of the following endowments:

a) Gabriel Dumont Scholarship Program:

The Napoleon Lafontaine Economic Development Scholarship Program ("Gabriel Dumont Scholarship or GDS") was created in 1986 to encourage Saskatchewan Métis people to pursue full-time educational training in the fields of academic studies related to the development of the Métis peoples. This endowment amounts to \$1,040,000 (2021 - \$1,040,000).

b) Gabriel Dumont Institute of Training & Employment Scholarship and Bursary Program:

The Gabriel Dumont Institute of Training & Employment Scholarship and Bursary Program ("GDITE") was created through the support of Service Canada and Gabriel Dumont Institute of Training and Employment Inc. In 2008, an endowment was established through a contribution from the Métis Aboriginal Human Resources Development Agreement to support Métis individuals who are improving their employment and educational realities. Total contributions to date are \$2,200,000 (2021 - \$2,200,000).

c) Fiddler & Carriere Endowment:

In 2014, Gabriel Dumont Institute of Native Studies and Applied Research, Inc. transferred \$4,105 and the related administration responsibilities of the Fiddler & Carriere Endowment Fund to the Foundation. This endowment fund was originally created in 1980.

6. Managed funds:

The Foundation signed an agency agreement with The Métis Nation - Saskatchewan Secretariat Inc. to manage an endowment fund provided by Indigenous Services Canada in the amount of \$2,500,000. These endowment funds are to be used to support post-secondary education of Métis students. The fund is to be managed in accordance with the Federal Grant Agreement. Managed funds are held in a separate investment account specifically related to these managed funds.

THE GABRIEL DUMONT SCHOLARSHIP FOUNDATION II

Notes to Financial Statements (continued)

Year ended December 31, 2022

7. Related party transactions:

During the year, the Foundation had the following transactions with related parties. All transactions were recorded at the exchange amount, which was agreed upon between the related parties.

	2022	2021
Revenues:		
Donations:		
Gabriel Dumont Institute of Native Studies and Applied Research, Inc.	- \$	49,601
Gabriel Dumont Institute of Training & Employment	\$ 300,000 \$	-
Expenses:		
Administrative and professional services:		
Gabriel Dumont College	-	(2,367)
	\$ 300,000 \$	49,601

During the year, the Gabriel Dumont Institute of Native Studies and Applied Research, Inc. also reimbursed the Foundation for all bank charges and fees incurred. This amounted to \$548 (2021 - \$597).

During the year \$nil was paid to Gabriel Dumont College for related expenses (2021 - \$2,367).

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