

**ANNAUMAKKAIJIIT
COMMUNITY FOUNDATION
FINANCIAL STATEMENTS**
March 31, 2023

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

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March 31, 2023

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Independent Auditors' Report

To the Board of Directors of the Annaumakkaijiit Community Foundation

Opinion

We have audited the financial statements of the Annaumakkaijiit Community Foundation (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023 and its financial performance 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 report. We are independent of the Organization 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 the financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization'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 Organization'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 Organization 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.

We 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of Annaumakkaijiit Community Foundation for the year ended March 31, 2022, were reviewed by another practitioner who expressed an unmodified conclusion on those statements on September 7, 2022.

A handwritten signature in black ink, reading "Lester Landau". The signature is fluid and cursive, with the first name "Lester" and last name "Landau" clearly distinguishable.

Chartered Professional Accountants
Lester Landau Accounting Professional Corp.

Iqaluit, Nunavut
June 16, 2023

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current		
Cash and cash equivalents (Note 3)	\$ 458,695	\$ 382
Accounts receivable	57,000	-
Prepaid expenses	<u>-</u>	<u>99,080</u>
	515,695	99,462
Long Term		
Long term investments (Note 4)	<u>50,160</u>	<u>-</u>
	<u>\$ 565,855</u>	<u>\$ 99,462</u>
<u>Liabilities</u>		
Current		
Accounts payable and accrued liabilities	\$ 12,000	\$ -
Deferred revenue	<u>-</u>	<u>99,078</u>
	<u>12,000</u>	<u>99,078</u>
<u>Net Assets</u>		
Net Assets	<u>553,855</u>	<u>384</u>
	<u>\$ 565,855</u>	<u>\$ 99,462</u>

Approved on Behalf of the Board

 _____ Director

 _____ Director

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
Balance, Opening	\$ 384	\$ -
Excess revenue	<u>553,471</u>	<u>384</u>
Balance, Closing	<u>\$ 553,855</u>	<u>\$ 384</u>

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION**STATEMENT OF OPERATIONS**

For the Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
Revenue		
Funding revenue	\$ 280,578	\$ 97,322
Gifts	600,000	-
Project revenue	40,000	-
Other revenue	<u>25,923</u>	<u>383</u>
	<u>946,501</u>	<u>97,705</u>
Expenses		
Advertising and promotion	-	2,062
Fundraising	80,741	10,500
Honoraria	650	-
Insurance	1,290	-
Interest and bank charges	(191)	926
Management services	254,757	77,142
Office	2,865	-
Professional fees	40,023	3,124
Translation	4,288	456
Telecommunications	8,607	2,500
Conference fees	<u>-</u>	<u>611</u>
	<u>393,030</u>	<u>97,321</u>
Excess Revenue	<u>\$ 553,471</u>	<u>\$ 384</u>

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
Operating Activities		
Excess revenue	\$ 553,471	\$ 384
Changes in non-cash working capital:		
Accounts receivable	(57,000)	-
Prepaid expenses	99,080	(99,080)
Accounts payable and accrued liabilities	12,000	-
Deferred revenue	<u>(99,078)</u>	<u>99,078</u>
	<u>508,473</u>	<u>382</u>
Investing Activities		
Long term investments	<u>(50,160)</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	458,313	382
Cash and Cash Equivalents, Opening	<u>382</u>	<u>-</u>
Cash and Cash Equivalents, Closing	<u><u>\$ 458,695</u></u>	<u><u>\$ 382</u></u>
Represented by:		
Cash	\$ 205,904	\$ 382
Cashable GIC	<u>252,791</u>	<u>-</u>
	<u><u>\$ 458,695</u></u>	<u><u>\$ 382</u></u>

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

1. Nature of the Organization

Annaumakkaijiit Community Foundation is a registered charity incorporated without share capital under the Canada Business Corporations Act on July 21, 2020. The Organization supports community-led initiatives that directly impact and improve the lives of Inuit in Nunavut.

2. Significant Accounting Policies

The financial statements have been prepared, on a going concern basis, in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of balances with banks and investments in money market instruments that are cashable or with terms to maturity less than three months. These investments are carried at cost plus accrued interest.

(b) Long Term Investments

Portfolio investments are stated at the lower of cost and net realizable value.

Investments in equity instruments quoted in an active market are carried at fair value. Transaction costs associated with the acquisition of these investments are recognized in net income in the period incurred. Changes in fair value are recorded in income annually.

(c) Revenue Recognition

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

Donations and fundraising revenues are recorded when received or receivable, if collection is reasonably assured.

(d) 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, the 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 valuation of accounts receivable and the calculation of deferred revenue. Actual results could differ from those estimates.

The Organization enters into contribution agreements with various funding sources. The agreements are subject to audit by the funding agency to determine program eligibility of expenditures. Management is of the opinion that the Organization is in compliance with these agreements but actual revenue, receivables and/or repayable amounts may be subsequently adjusted by the funding agency. Any adjustments will be accounted for by the Organization in the year the information becomes known.

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

2. Significant Accounting Policies (continued)

(e) Financial Instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial assets measured at fair value are temporary investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets subsequently measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial assets or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- The present value of the cash flows expected to be generated by the asset or group of assets;
- The amount that could be realized by selling the asset or group of assets;
- The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

3. Cash And Cash Equivalents

	<u>2023</u>	<u>2022</u>
Cash	\$ 205,904	\$ 382
Cashable Guaranteed Investment Certificate bearing interest at 4.2%, maturing on December 23, 2023	<u>252,791</u>	<u>-</u>
	<u>\$ 458,695</u>	<u>\$ -</u>

ANNAUMAKKAIJIIT COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

4. Long Term Investments

	<u>2023</u>	<u>2022</u>
Toronto Foundation Pooled Investments (Cost - \$50,000)	\$ <u>50,160</u>	\$ <u>-</u>

5. Financial Assets and Liabilities

The significant financial risk to which the Organization is exposed is market risk.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization's investments in publicly traded securities expose the Organization to market risk as such investments are subject to price changes in the open market. The Organization does not use derivative financial instruments to alter the effects of this risk.