

Financial Statements of

**ANNAUMAKKAIJIIT COMMUNITY  
FOUNDATION**

Year ended March 31, 2024

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

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Year ended March 31, 2024

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**KPMG LLP**

150 Elgin Street, Suite 1800  
Ottawa, ON K2P 2P8  
Canada  
Telephone 613 212 5764  
Fax 613 212 2896

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the Annaumakkaijiit Community Foundation

### ***Opinion***

We have audited the financial statements of the Annaumakkaijiit Community Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- 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 March 31, 2024, and its results of operations, its changes in net assets, its remeasurement gains 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 “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s 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.

### ***Other Matter – Comparative Information***

The financial statements as at and for the year ended March 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 16, 2023.



## ***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.

## ***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 auditor's 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.



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- 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 auditor's 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 auditor's 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 and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

September 5, 2024

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

## Statement of Financial Position

March 31, 2024, with comparative information for 2023

|                                     | 2024         | 2023       |
|-------------------------------------|--------------|------------|
| <b>Assets</b>                       |              |            |
| Current assets:                     |              |            |
| Cash and cash equivalents (note 2)  | \$ 2,166,049 | \$ 458,695 |
| Accounts receivable (note 3)        | 810,383      | 57,000     |
| Prepaid expenses                    | 7,142        | —          |
|                                     | 2,983,574    | 515,695    |
| Investments (note 4)                | 55,797       | 50,160     |
| Revenue producing property (note 5) | 626,522      | —          |
|                                     | \$ 3,665,893 | \$ 565,855 |

## Liabilities and Net Assets

|   |              |            |
|---|--------------|------------|
| Current liabilities:                              |              |            |
| Accounts payable and accrued liabilities (note 6) | \$ 108,052   | \$ 12,000  |
| Net assets  | 3,557,841    | 553,855    |
|   | \$ 3,665,893 | \$ 565,855 |

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

## Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

|                                  | 2024         | 2023       |
|----------------------------------|--------------|------------|
| Revenue:                         |              |            |
| Grants                           | \$ 3,140,000 | \$ 867,431 |
| Gifts:                           |              |            |
| Corporate                        | 510,000      | 750        |
| Individual                       | 42,702       | 12,397     |
| Other revenue                    | 173,908      | 65,923     |
|                                  | 3,866,610    | 946,501    |
| Expenses:                        |              |            |
| Professional and consulting fees | 375,565      | 388,294    |
| Granting programs (note 7)       | 251,530      | —          |
| Salaries and wages               | 131,871      | 400        |
| Business and other expenditure   | 90,178       | 2,320      |
| Depreciation and amortization    | 12,786       | —          |
| Governance                       | 694          | 2,016      |
|                                  | 862,624      | 393,030    |
| Excess of revenue over expenses  | \$ 3,003,986 | \$ 553,471 |

See accompanying notes to financial statements.

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

## Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

|                                 | 2024         | 2023       |
|---------------------------------|--------------|------------|
| Opening balance                 | \$ 553,855   | \$ 384     |
| Excess of revenue over expenses | 3,003,986    | 553,471    |
| Closing balance                 | \$ 3,557,841 | \$ 553,855 |

See accompanying notes to financial statements.



# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

|  | 2024         | 2023       |
|--|--------------|------------|
| Cash provided by (used in):                    |              |            |
| Operating activities:                          |              |            |
| Excess of revenue over expenses                | \$ 3,003,986 | \$ 553,471 |
| Items not involving cash:                      |              |            |
| Amortization of capital assets                 | 12,786       | —          |
| Unrealized gain on investments                 | (5,637)      | —          |
| Changes in non-cash operating working capital: |              |            |
| Accounts receivable                            | (753,383)    | (57,000)   |
| Prepaid expenses                               | (7,142)      | 99,080     |
| Accounts payable and accrued liabilities       | 96,052       | 12,000     |
| Deferred revenue                               | —            | (99,078)   |
|  | 2,346,662    | 508,473    |
| Investing activities:                          |              |            |
| Purchase of investments                        | —            | (50,160)   |
| Purchase of capital assets                     | (639,308)    | —          |
|  | (639,308)    | (50,160)   |
| Increase in cash and cash equivalents          | 1,707,354    | 458,313    |
| Cash and cash equivalents, beginning of year   | 458,695      | 382        |
| Cash and cash equivalents, end of year         | \$ 2,166,049 | \$ 458,695 |
| Cash and cash equivalents represented by:      |              |            |
| Cash   | \$ 493,180   | \$ 205,904 |
| Guaranteed investment certificate              | 1,672,869    | 252,791    |
|  | \$ 2,166,049 | \$ 458,695 |

See accompanying notes to financial statements.

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

## Notes to Financial Statements

Year ended March 31, 2024

Annaumakkaijiit Community Foundation (the “Organization”) 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.

### 1. Significant accounting policies:

The consolidated financial statements have been prepared by management 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 Organization follows the deferral method of accounting for contributions for not-for-profit organizations. 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) Revenue producing property:

Revenue producing property, consisting of a building, is measured at cost. The building is amortized over its useful life using the following methods and annual rates:

| Asset    | Basis             | Rate |
|----------|-------------------|------|
| Building | Declining balance | 4%   |

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## 1. Significant accounting policies (continued):

### (e) 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. 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 period the information becomes known.

### (f) 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.

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 1. Significant accounting policies (continued):

### (f) Financial instruments (continued):

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.

## 2. Cash and cash equivalents:

|  | 2024         | 2023       |
|--|--------------|------------|
| Cash   | \$ 493,180   | \$ 205,904 |
| Cashable guaranteed investment certificates bearing interest at 4.5% and 4.9%, maturing on July 31, 2024 and August 3, 2024, respectively. | 1,672,869    | 252,791    |
|  | \$ 2,166,049 | \$ 458,695 |

## 3. Accounts receivable:

|                   | 2024       | 2023      |
|-------------------|------------|-----------|
| Grants receivable | \$ 750,000 | \$ 57,000 |
| Gifts receivable  | 300        | —         |
| Other receivables | 60,083     | —         |
|                   | \$ 810,383 | \$ 57,000 |

## 4. Investments:

|  | 2024      | 2023      |
|--|-----------|-----------|
| Toronto Foundation Pooled Investments (cost: \$50,000) | \$ 55,797 | \$ 50,160 |

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 5. Revenue producing property:

|          |            |                          | 2024           | 2023           |
|----------|------------|--------------------------|----------------|----------------|
|          | Cost       | Accumulated amortization | Net book value | Net book value |
| Building | \$ 639,308 | \$ 12,786                | \$ 626,522     | \$ –           |

Cost and accumulated amortization of revenue producing property as at March 31, 2024 amount to \$Nil and \$Nil, respectively.

## 6. Accounts payable and accrued liabilities:

As at year end, the Organization had \$12,143 (2023 - \$2,000) payable for government remittances, including harmonized sales tax/goods and services tax and payroll remittances.

## 7. Breakdown of granting programs:

|                                     |    | 2024    | 2023 |
|-------------------------------------|----|---------|------|
| Program activities:                 |    |         |      |
| Sector Development                  | \$ | 2,555   | \$ – |
| Granting activities:                |    |         |      |
| Granting expense                    |    | 2,990   | –    |
| Community granting                  |    | 240,000 | –    |
| Monitoring, Evaluation and Learning |    | 5,985   | –    |
|                                     |    | 248,975 | –    |
| Total granting programs             | \$ | 251,530 | \$ – |

## 8. Financial instruments:

The Organization is subject to the following risks from its financial instruments:

### (a) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and other price risks. 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.

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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## **8. Financial instruments (continued):**

The Organization believes that it is generally not subject to significant credit or liquidity risks arising from its financial instruments. The Organization's financial risks arising from its financial instruments have not changed significantly in the year.

## **9. Comparative information:**

Certain information has been reclassified to conform with the financial statement presentation adopted in the current year.