

Financial Statements of

**ANNAUMAKKAIJIIT COMMUNITY  
FOUNDATION**

Year ended March 31, 2026

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

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Year ended March 31, 2026

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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 Annaumakkaijiit Community Foundation

### ***Opinion***

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

- the statement of financial position as at March 31, 2026
- 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, 2026, 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 "***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.



## ***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.



- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 30, 2026

# ANNAUMAKKAIJIT COMMUNITY FOUNDATION

## Statement of Financial Position

March 31, 2026, with comparative information for 2025

	2026	2025
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 2)	\$ 6,491,474	\$ 4,546,934
Accounts receivable (note 3)	259	14,262
Prepaid expenses	31,467	15,233
	<u>6,523,200</u>	<u>4,576,429</u>
Investments (note 4)	1,036,952	60,458
Revenue producing property (note 5)	577,403	601,461
	<u>\$ 8,137,555</u>	<u>\$ 5,238,348</u>

## Liabilities and Net Assets


Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 423,092	\$ 223,990
Deferred revenue	53,700	3,700
	<u>476,792</u>	<u>227,690</u>
Net assets (note 7):		
Internally restricted	7,605,000	3,621,523
Unrestricted	55,763	1,389,135
	<u>7,660,763</u>	<u>5,010,658</u>
	<u>\$ 8,137,555</u>	<u>\$ 5,238,348</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_

Director

  
\_\_\_\_\_

Director

# ANNAUMAKKAIJIT COMMUNITY FOUNDATION

## Statement of Operations

Year ended March 31, 2026 with comparative information for 2025

	2026	2025
Revenue:		
Grants	\$ 4,278,590	\$ 2,756,800
Gifts:		
Corporate	478,430	527,600
Individual	21,999	26,070
Other revenue	298,451	218,677
	<u>5,077,470</u>	<u>3,529,147</u>
Expenses:		
Granting programs (note 8)	1,443,812	1,283,445
Salaries and wages	566,466	383,395
Business and other expenditure	167,004	203,625
Professional and consulting fees	224,797	165,427
Depreciation and amortization	24,058	25,061
Governance	1,228	15,377
	<u>2,427,365</u>	<u>2,076,330</u>
Excess of revenue over expenses	<u>\$ 2,650,105</u>	<u>\$ 1,452,817</u>

See accompanying notes to financial statements.

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

## Statement of Changes in Net Assets

Year ended March 31, 2026, with comparative information for 2025

	Internally restricted funds					Total internally restricted	Unrestricted	2026 Total	2025 Total
	Community grants	Pirujaq fund	Sector development fund	Operations and building reserve	Housing reserve				
Opening balance	\$ 1,561,308	\$ 930,000	\$ 449,215	\$ 650,000	\$ 31,000	\$ 3,621,523	\$ 1,389,135	\$ 5,010,658	\$ 3,557,841
Excess of revenue over expenses	–	–	–	–	–	–	2,650,105	2,650,105	1,452,817
Transfer from unrestricted funds	688,692	2,270,000	850,785	150,000	24,000	3,983,477	(3,983,477)	–	–
Closing balance	\$ 2,250,000	\$ 3,200,000	\$ 1,300,000	\$ 800,000	\$ 55,000	\$ 7,605,000	\$ 55,763	\$ 7,660,763	\$ 5,010,658

See accompanying notes to financial statements.

# ANNAUMAKKAIJIT COMMUNITY FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 2,650,105	\$ 1,452,817
Items not involving cash:		
Amortization of revenue producing property	24,058	25,061
Unrealized gain on investments	(25,804)	(4,661)
Changes in non-cash operating working capital:		
Accounts receivable	14,003	796,121
Prepaid expenses	(16,234)	(8,091)
Accounts payable and accrued liabilities	199,102	115,938
Deferred revenue	50,000	3,700
	2,895,230	2,380,885
Investing activities:		
Purchase of investments	(930,000)	—
Re-invested realized gains and dividends on investment	(20,690)	—
	(950,690)	—
Increase in cash and cash equivalents	1,944,540	2,380,885
Cash and cash equivalents, beginning of year	4,546,934	2,166,049
Cash and cash equivalents, end of year	\$ 6,491,474	\$ 4,546,934
Cash and cash equivalents represented by:		
Cash	\$ 5,443,840	\$ 3,489,173
Guaranteed investment certificate	1,047,634	1,057,761
	\$ 6,491,474	\$ 4,546,934

See accompanying notes to financial statements.

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements

Year ended March 31, 2026

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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 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 guaranteed investment certificates (“GICs”) that are cashable at any point in time 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 or as directed by the donor 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%

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# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

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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, 2026

## 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:

	2026	2025
Cash	\$ 5,443,840	\$ 3,489,173
Cashable guaranteed investment certificates bearing interest at 2.00% and 2.45%, maturing on July 31, 2026 and September 10, 2026, respectively.	1,047,634	1,057,761
	\$ 6,491,474	\$ 4,546,934

## 3. Accounts receivable:

	2026	2025
Gifts receivable	\$ 259	\$ 262
Other receivables	–	14,000
	\$ 259	\$ 14,262

## 4. Investments:

	2026		2025	
	Fair Value	Cost	Fair value	Cost
Toronto Foundation pooled investments	\$ 1,036,952	\$ 980,000	\$ 60,458	\$ 50,000

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 5. Revenue producing property:

			2026	2025
	Cost	Accumulated amortization	Net book value	Net book value
Building	\$ 639,308	\$ 61,905	\$ 577,403	\$ 601,461

Cost and accumulated amortization of revenue producing property as at March 31, 2025 amount to \$639,308 and \$37,847, respectively.

## 6. Accounts payable and accrued liabilities:

As at year end, the Organization had \$Nil (2025 - \$2,326) payable for government remittances and payroll remittances (2025 - also including harmonized sales tax/goods and services tax).

## 7. Net assets:

### (a) Fund management:

The objective of the Organization with respect to its net assets is to fund ongoing operations, future granting and the development of the non-profit sector in Nunavut. The Organization manages its net assets by establishing restricted funds and appropriating amounts to the restricted funds for anticipated future projects and other requirements.

The Organization is not subject to externally imposed capital requirements.

### (b) Internally restricted funds:

#### (i) Community granting fund:

This fund was established by the Board of Directors to support community grants, including consensus granting and community nominated awards. During the year, the Board of Directors approved \$688,692 to be transferred into the fund.

#### (ii) Pirujaq Fund:

The Pirujaq Fund was established by the Board of Directors to hold cash prior to transfer into the Toronto Foundation pooled portfolio for long-term investment management. The Fund is intended to provide a sustainable source of funding for Annauma's future charitable activities. During the year, the Board of Directors approved \$2,270,000 to be transferred into the fund.

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

## 7. Net assets (continued):

### (iii) Sector development fund:

This fund was established by the Board of Directors to support the development of the not-for-profit and charitable sector by conducting sector-wide capacity building initiatives. During the year, the Board of Directors approved \$850,785 to be transferred into the fund.

### (iv) Operations and building reserve:

This fund was established by the Board of Directors to fund future costs associated with strategic initiatives. The Organization's objective is to maintain a balance between three and six months of committed operating expenses, in the reserve fund. During the year, the Board of Directors approved \$150,000 to be transferred to the Operations reserve.

### (v) Housing reserve:

This fund was established by the Board of Directors to fund major repairs and capital upkeep for the owned property. During the year, the Board of Directors approved \$24,000 to be transferred to the Operations reserve.

## 8. Breakdown of granting programs:

	2026	2025
Program activities:		
Sector Development	\$ 100,000	\$ 50,000
Granting activities:		
Knowledge, learning and evaluation	22,550	–
Capacity building and mentorship	–	8,552
Community granting	1,240,300	1,222,000
Community engagement	26,145	1,464
Program delivery infrastructure	54,817	1,429
	<u>1,343,812</u>	<u>1,233,445</u>
Total granting programs	\$ 1,443,812	\$ 1,283,445

# ANNAUMAKKAIJIIT COMMUNITY FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2026

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## 9. 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. Market risks are managed by using various strategies including diversification of asset classes, within asset classes, and geographically.

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.

## 10. Comparative information:

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