

**KIVALLIQ CHAMBER OF COMMERCE**  
**Rankin Inlet, NU**

**FINANCIAL STATEMENTS**  
**For the year ended March 31, 2022**

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**KIVALLIQ CHAMBER of COMMERCE**

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**MANAGEMENT'S RESPONSIBILITY FOR REPORTING**

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian generally accepted accounting principles. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

Avery Cooper & Co. Ltd., Chartered Professional Accountants annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

Patrick Tagoona  
 President  
 June 8, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Kivalliq Chamber of Commerce

### *Opinion*

We have audited the financial statements of Kivalliq Chamber of Commerce (the "Organization"), which comprise the Statement of Financial Position as at March 31, 2022, and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its 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 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 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 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.

### *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 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.

## INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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 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 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.

*Avery Cooper & Co. Ltd.*

Avery Cooper & Co. Ltd.  
Chartered Professional Accountants  
Yellowknife, NT

June 8, 2022

# KIVALLIQ CHAMBER OF COMMERCE

## STATEMENT OF FINANCIAL POSITION

March 31, 2022

### ASSETS

	<u>2022</u>	<u>2021</u>
<b>CURRENT</b>		
Cash	\$ 46,495	\$ 101,265
Accounts receivable	30,375	18,000
Government remittances receivable	<u>3,963</u>	<u>-</u>
	<u>\$ 80,833</u>	<u>\$ 119,265</u>

### LIABILITIES

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 6,500	\$ 6,500
Contributions repayable (note 4)	-	19,683
Deferred revenue (note 3)	<u>11</u>	<u>30,688</u>
	6,511	56,871

### NET ASSETS

<b>General fund per page 2</b>	<u>74,322</u>	<u>62,394</u>
	<u>\$ 80,833</u>	<u>\$ 119,265</u>

Approved:

\_\_\_\_\_ Member

\_\_\_\_\_ Member

# KIVALLIQ CHAMBER OF COMMERCE

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
GN - ED&T funding	\$ 115,000	\$ 93,160
Northern Perspectives profit share	-	20,588
Fundraising - Schedule 1	<u>20,250</u>	<u>250</u>
	<u>135,250</u>	<u>113,998</u>
<b>EXPENSES</b>		
Advertising and promotion	12,175	7,672
Computer expense	741	956
Conferences	-	568
Fees and dues	3,331	755
Insurance	1,820	-
Interest and bank charges	142	187
Office supplies	-	7,719
Professional fees	6,458	13,296
Rent	9,840	10,080
Subcontracts	87,948	55,125
Travel	<u>867</u>	<u>-</u>
	<u>123,322</u>	<u>96,358</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	11,928	17,640
<b>OTHER INCOME</b>		
Contributions repayable	<u>-</u>	<u>823</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	11,928	18,463
<b>BALANCE, opening</b>	<u>62,394</u>	<u>43,931</u>
<b>BALANCE, closing</b>	<u><u>\$ 74,322</u></u>	<u><u>\$ 62,394</u></u>

# KIVALLIQ CHAMBER OF COMMERCE

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2022

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from contributions and fundraising	\$ 68,732	\$ 107,215
Cash receipts from other revenue	-	823
Cash paid for materials and services	(123,359)	(112,757)
Interest paid	<u>(143)</u>	<u>(187)</u>
<b>DECREASE IN CASH</b>	(54,770)	(4,906)
<b>CASH, opening</b>	<u>101,265</u>	<u>106,171</u>
<b>CASH, closing</b>	<u>\$ 46,495</u>	<u>\$ 101,265</u>



# KIVALLIQ CHAMBER OF COMMERCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 1. NATURE OF OPERATIONS

Kivalliq Chamber of Commerce (the "Organization") is a not-for-profit organization that was incorporated under the Societies Act of Nunavut. The Organization operates as a regional Chamber of Commerce in Rankin Inlet, Nunavut and is exempt from income tax under Section 149(1)(l) of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

#### (a) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

#### (b) Revenue recognition

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

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of consideration received or receivable. Revenue is recognized when persuasive evidence exists that the risks and rewards of ownership have transferred to the buyer and ultimate collection of consideration is reasonably assured.

#### (c) Financial instruments

The Organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and contributions repayable. Unless otherwise noted it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

#### (d) Tangible capital assets

The Organization expenses its capital assets. During the current year, capital expenditures included \$NIL (2021 - \$4,373).

# KIVALLIQ CHAMBER OF COMMERCE

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (e) Contributed services

Members volunteer their time to assist the Organization in carrying out its service delivery activities. Due to the difficulty in determining the fair value, contributed hours of service are not recognized in the financial statements. Contributed goods and services are valued at fair market value, where the information is determinable.

#### (f) 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### 3. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Youth Entrepreneurship Project	\$ -	\$ 30,677
Clean Energy in Rural/Remote Communities Deployment Program	<u>11</u>	<u>11</u>
	<u>\$ 11</u>	<u>\$ 30,688</u>

The funds related to the Youth Entrepreneurship Project were transferred to the Kivalliq Trade Show Society (KTSS) on May 6, 2021 via a memorandum of understanding dated May 1, 2021. The KTSS has designed and is offering a program to support entrepreneurship in the Kivalliq Region.

The unspent funds for the Clean Energy in Rural/Remote Communities Program are recorded as deferred revenue until applied to eligible projects.

### 4. CONTRIBUTIONS REPAYABLE

	<u>2022</u>	<u>2021</u>
GN - ED&T funding	<u>\$ -</u>	<u>\$ 19,683</u>

### 5. ECONOMIC DEPENDENCE

The Organization receives the majority of its funding for its core operations from the Government of Nunavut. Without continued funding from the Government of Nunavut, it is unlikely the Organization's operations would be able to continue.

# KIVALLIQ CHAMBER OF COMMERCE

## SCHEDULE TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2022

### SCHEDULE OF FUNDRAISING

### Schedule 1

	<u>2022</u>	<u>2021</u>
<b>REVENUE</b>		
Donations and fundraising	\$ 15,000	\$ -
Membership fees	<u>5,250</u>	<u>250</u>
	20,250	250
<b>EXPENSES</b>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 20,250</u>	<u>\$ 250</u>