

**KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED
FINANCIAL STATEMENTS
MARCH 31, 2023**

KIVALLIQ INUIT ASSOCIATION
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MARCH 31, 2023

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Independent Auditors' Report

To the Members of the Kivalliq Inuit Association

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association 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 Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended March 31, 2022, has been restated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free of material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Association'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 Association'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 consolidated 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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Chartered Professional Accountants
Lester Landau Accounting Professional Corp.

Iqaluit, Nunavut
October 5, 2023

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023

	General Fund	Legacy Fund	Total 2023	Total 2022 (Note 3)
REVENUE				
Nunavut Tunngavik Incorporated				
Operating contribution	\$ 8,625,112	\$ 0	\$ 8,625,112	\$ 8,023,492
Economic development and program funding - Schedule 2	5,263,834	0	5,263,834	3,973,318
Government of Canada				
DIAND - Schedule 4	3,048,906	0	3,048,906	3,021,695
HRSDC - Schedule 3	10,093,856	0	10,093,856	6,132,308
Other departments - Schedule 5	766,258	0	766,258	430,832
Agnico Eagle Mines Limited and Other - Schedule 6, 9 and 10	1,368,792	0	1,368,792	1,356,226
Ukkusiksalik National Park IIBA - Schedule 7	12,500	0	12,500	10,000
Special projects - Schedule 8	8,017,969	0	8,017,969	9,892,985
Commercial Activities - Schedule 11	20,188,060	0	20,188,060	15,076,822
Legacy fund revenue - Schedule 1	0	29,878,632	29,878,632	28,374,740
Other revenue - Schedule 12	3,591,350	0	3,591,350	2,163,943
	<u>60,976,637</u>	<u>29,878,632</u>	<u>90,855,269</u>	<u>78,456,361</u>
EXPENDITURES				
Nunavut Tunngavik Inc. - Schedule 2	5,334,542	0	5,334,542	4,124,322
HRSDC - Schedule 3	10,093,856	0	10,093,856	6,132,308
DIAND - Schedule 4	3,556,515	0	3,556,515	3,609,444
Other Departments - Schedule 5	775,451	0	775,451	430,919
Meadowbank projects - Schedule 6	241,775	0	241,775	221,188
Meliadine projects - Schedule 9	1,070,490	0	1,070,490	1,089,568
Whale Tail projects - Schedule 10	56,527	0	56,527	45,470
Ukkusiksalik National Park IIBA - Schedule 7	12,500	0	12,500	10,000
Special projects - Schedule 8	8,146,932	0	8,146,932	9,983,851
Commercial activities - Schedule 11	19,444,653	0	19,444,653	9,410,930
Administration - Schedule 13	7,962,422	0	7,962,422	6,981,908
Legacy fund expenditures - Schedule 1	0	57,054	57,054	0
	<u>56,695,663</u>	<u>57,054</u>	<u>56,752,717</u>	<u>42,039,908</u>
EXCESS REVENUES FROM OPERATIONS	<u>4,280,974</u>	<u>29,821,578</u>	<u>34,102,552</u>	<u>36,416,453</u>
Other income (expenditures)				
Depreciation of building and equipment	(2,910,827)	0	(2,910,827)	(3,250,948)
Amortization of deferred capital contributions	207,990	0	207,990	195,057
Gain (loss) on disposal of investments and assets	1,581,748	0	1,581,748	(16,838)
Income on equity investments	443,450	0	443,450	26,759,788
Interest on long term debt	(898,631)	0	(898,631)	(925,151)
	<u>(1,576,270)</u>	<u>0</u>	<u>(1,576,270)</u>	<u>22,761,908</u>
EXCESS REVENUES OVER EXPENSES	<u>\$ 2,704,704</u>	<u>\$ 29,821,578</u>	<u>\$ 32,526,282</u>	<u>\$ 59,178,361</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	Balance as <u>restated</u> (Note 3)	Excess <u>revenues</u>	<u>Transfers</u>	Total <u>2023</u>	Total <u>2022</u>
LEGACY FUND					
Legacy fund	\$ 71,917,585	\$ 2,466,981	\$ 23,721,751	\$ 98,106,317	\$ 71,917,585
Income stabilization fund	5,000,000	27,354,597	(27,354,597)	5,000,000	5,000,000
Community initiatives fund	3,278,799	0	3,303,761	6,582,560	3,278,799
Education fund	364,312	0	367,085	731,397	364,312
	<u>80,560,696</u>	<u>29,821,578</u>	<u>38,000</u>	<u>110,420,274</u>	<u>80,560,696</u>
GENERAL FUND					
Unrestricted net assets	71,458,817	2,704,704	(3,889,111)	70,274,410	71,458,817
Invested in building and equipment	14,541,111	0	4,120,007	18,661,118	14,541,111
Reserves	2,222,306	0	(268,896)	1,953,410	2,222,306
	<u>88,222,234</u>	<u>2,704,704</u>	<u>(38,000)</u>	<u>90,888,938</u>	<u>88,222,234</u>
	<u>\$ 168,782,930</u>	<u>\$ 32,526,282</u>	<u>\$ 0</u>	<u>\$ 201,309,212</u>	<u>\$ 168,782,930</u>

LEGACY FUND TRANSFERS

Excess balance in Income Stabilization Fund transferred to Legacy Fund	\$ 27,354,597
90% investment return transferred to Community Initiatives Fund	(3,303,761)
10% investment return transferred to Education Fund	(367,085)
Sakku Investments Corporation dividend to Legacy Fund	38,000
Net transfer to / (from) Legacy Fund	<u>\$ 23,721,751</u>

GENERAL FUND TRANSFERS

Building and equipment purchased	\$ (9,347,869)
Depreciation of capital assets	2,910,827
Transfers from reserves	268,896
Capital contributions received	3,126,143
Amortization of deferred capital contributions	(207,990)
Debt issued	1,272,807
Principal payments on debt	(1,752,597)
Principal payments on capital lease obligations	(121,328)
Sakku Investments Corporation dividend to Legacy Fund	(38,000)
Net transfer to / (from) Unrestricted Net Assets	<u>\$ (3,889,111)</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	General <u>Fund</u>	Legacy <u>Fund</u>	Total <u>2023</u>	Total <u>2022</u> (Note 3)
ASSETS				
Current				
Cash and cash equivalents	\$ 42,521,362	\$ 82,229,597	\$ 124,750,959	\$ 107,333,348
Short term investments (Note 4)	9,500,589	30,147,519	39,648,108	34,222,932
Accounts and contributions receivable (Note 5)	12,478,968	0	12,478,968	4,347,244
Assets available for sale (Note 7)	0	0	0	1,361,365
Prepaid expenses	1,749,999	0	1,749,999	2,685,454
Due from related companies (Note 6)	<u>6,440,740</u>	<u>0</u>	<u>6,440,740</u>	<u>2,382,869</u>
	72,691,658	112,377,116	185,068,774	152,333,212
Due from (to) own funds	(4,223,697)	4,223,697	0	0
Investment in EIC shares (Note 8)	873,508	0	873,508	610,599
Long term investments (Note 9)	46,093,600	0	46,093,600	45,817,589
Building and equipment (Note 10)	51,807,153	0	51,807,153	45,373,091
Goodwill	<u>189,713</u>	<u>0</u>	<u>189,713</u>	<u>0</u>
	<u>\$ 167,431,935</u>	<u>\$ 116,600,813</u>	<u>\$ 284,032,748</u>	<u>\$ 244,134,491</u>
LIABILITIES				
Current				
Bank indebtedness	\$ 80,000	\$ 0	\$ 80,000	\$ 207,407
Accounts payable and accrued liabilities (Note 13)	13,630,993	0	13,630,993	9,705,847
Due to related companies (Note 14)	191,104	0	191,104	223,849
Deferred revenue (Note 15)	25,188,786	6,180,539	31,369,325	30,079,379
Demand loan payable (Note 12)	4,264,368	0	4,264,368	4,543,998
Current portion of equity leases payable	40,119	0	40,119	35,966
Obligations under capital lease (Note 17)	27,876	0	27,876	149,204
Current portion of loans payable	<u>8,200,735</u>	<u>0</u>	<u>8,200,735</u>	<u>6,237,069</u>
	51,623,981	6,180,539	57,804,520	51,182,719
Equity leases payable (Note 16)	289,851	0	289,851	291,758
Loans payable (Note 18)	17,651,992	0	17,651,992	19,818,065
Deferred capital contributions (Note 19)	<u>6,977,173</u>	<u>0</u>	<u>6,977,173</u>	<u>4,059,019</u>
	<u>76,542,997</u>	<u>6,180,539</u>	<u>82,723,536</u>	<u>75,351,561</u>
NET ASSETS				
Legacy Fund				
Legacy fund	0	98,106,317	98,106,317	71,917,585
Income stabilization fund	0	5,000,000	5,000,000	5,000,000
Community initiatives fund	0	6,582,560	6,582,560	3,278,799
Education fund	<u>0</u>	<u>731,397</u>	<u>731,397</u>	<u>364,312</u>
	0	110,420,274	110,420,274	80,560,696
Unrestricted net assets	70,274,410	0	70,274,410	71,458,817
Invested in building and equipment	18,661,118	0	18,661,118	14,541,111
Reserves (Note 20)	<u>1,953,410</u>	<u>0</u>	<u>1,953,410</u>	<u>2,222,306</u>
	<u>90,888,938</u>	<u>110,420,274</u>	<u>201,309,212</u>	<u>168,782,930</u>
	<u>\$ 167,431,935</u>	<u>\$ 116,600,813</u>	<u>\$ 284,032,748</u>	<u>\$ 244,134,491</u>

APPROVED BY THE DIRECTORS:

Director

Director

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u> (Note 3)
OPERATING ACTIVITIES		
Excess Revenues Over Expenses	\$ 32,526,282	\$ 59,178,361
Items not requiring (providing) cash:		
Amortization of deferred capital contributions	(207,990)	(195,057)
Depreciation of building and equipment	2,910,827	3,250,948
EIC agreement revenues	(49,999)	0
Income from equity investments	(443,450)	(26,759,788)
(Gain) Loss on acquisition of EIC shares	(212,913)	(118,303)
(Gain) Loss on disposal of assets available for sale	(1,635,653)	0
Loss on disposal of building and equipment	<u>0</u>	<u>16,838</u>
	32,887,104	35,372,999
Cash provided by (used for) changes in non-cash working capital:		
Accounts and contributions receivable	(8,131,724)	(396,681)
Prepaid expenses	935,455	(1,873,052)
Due from related companies	(4,057,871)	113,120
Accounts and contributions payable	3,925,148	1,443,645
Deferred revenue	1,289,946	11,894,568
Due to affiliated companies	<u>(32,746)</u>	<u>223,849</u>
	<u>26,815,312</u>	<u>46,778,448</u>
FINANCING ACTIVITIES		
Proceeds of debt	1,272,807	11,574,740
Repayments of debt	(1,752,597)	(7,686,445)
Obligations under capital lease repaid	(121,328)	(216,551)
Deferred capital grants and contributions received	<u>3,126,143</u>	<u>10,765</u>
	<u>2,525,025</u>	<u>3,682,509</u>
INVESTING ACTIVITIES		
Equipment purchased	(9,347,869)	(2,705,447)
Proceeds on assets available for sale	3,000,000	0
Purchase of long term investments	(615,348)	(377)
Dividends received on equity investments	437,500	5,000,000
Increase in short term investments	(5,425,177)	(660,426)
Purchase of goodwill	(189,713)	0
Derecognition of equity investment	<u>345,288</u>	<u>(1)</u>
	<u>(11,795,319)</u>	<u>1,633,749</u>
INCREASE IN CASH	17,545,018	52,094,706
CASH AND CASH EQUIVALENTS, OPENING	<u>107,125,941</u>	<u>55,031,235</u>
CASH AND CASH EQUIVALENTS, CLOSING	<u>\$124,670,959</u>	<u>\$107,125,941</u>
Represented by:		
Cash and cash equivalents	\$124,750,959	\$107,333,348
Bank indebtedness	<u>(80,000)</u>	<u>(207,407)</u>
	<u>\$124,670,959</u>	<u>\$107,125,941</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

1. NATURE OF THE ORGANIZATION

The Kivalliq Inuit Association is incorporated as a not-for-profit organization representing the interests of the beneficiaries under the Nunavut Land Claims Agreement in the Kivalliq region of Nunavut. The purpose of the Association is to protect, defend and promote the interests of the Inuit people in the Kivalliq region. The Association is a not-for-profit organization and is exempt from income tax under Sec. 149(1)(c) of the *Income Tax Act* (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Association are in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Use of Estimates

The preparation of the consolidated financial statements of the Association requires management to make estimates and assumptions based on information available as of the date of the financial statements. Significant items subject to such estimates and assumptions include the valuation of accounts and contributions receivable, due from related companies, investments, goodwill and the estimated useful life of buildings and equipment. Therefore, actual results could differ from those estimates.

(b) Financial Instruments

The Association 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 Association 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, accounts and contributions receivable, assets available for sale, due from related companies, long term investments and goodwill. Financial assets measured at fair value include short term investments traded in an active market and investment in EIC shares.

Financial liabilities measured at amortized cost include the bank indebtedness, accounts and contributions payable, due to related companies, demand loan payable, obligations under capital lease and loans payable.

It is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments unless otherwise noted.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank and short term cashable guaranteed investment certificates. Interest is accrued when it is earned.

(d) Investments

These consolidated financial statements include the assets, liabilities, revenues and expenses of Kivalliq Inuit Association and its controlled subsidiaries. The controlled subsidiaries are Sakku Investments Corp., Sakku Properties Ltd., Sakku Mining Ltd., Qaaqtuq Incorporated, Sakku Enterprises Ltd., Nukik Corporation, Larga Kivalliq Ltd. 146220090 Canada Ltd., and Ingirraijjuttit Corporation.

For the consolidated financial statements, management uses the equity method to account for investments in joint arrangements. The equity method is a basis of accounting for long term investments whereby the investment is initially recorded at cost and the carrying value is adjusted thereafter to include the investor's pro-rata share of post acquisition earnings of the investee. Profit distributions received or receivable from an investee reduce the carrying value of the investment. The investments accounted for in these financial statements using the equity method are NCC Investment Group Inc., Nunasi, Corporation, Toromont Arctic Ltd., Nunami Stantec Limited, NS Management Limited, Kivalliq Tire Mine Services Ltd., Qaaqtuq Dyno Nobel Inc., 8489982 Canada Inc., Sakku & YAB Management Group Inc., NCC Kivalliq Properties G.P. Ltd., NCC Kivalliq Properties L.P., Arctic Kenworth, Sakku Exchange Corp., Kivalliq Alternative Energy Ltd., Tasiuq, Investment #27 and Kivalliq Contractors Group Ltd.

The Association accounts for its investment in Pan Arctic Inuit Logistics Corporation, Nunavut Sealink and Supply Inc., Nanuq Builders Group Ltd., Sakku Innovative Building Solutions Ltd. and Kivalliq Mechanical Solutions Ltd. using the cost method. The cost method is a basis of accounting for long term investments whereby the investment is initially recorded as cost. Earnings from such investments are recognized only to the extent of dividends received or receivable.

(e) Revenue Recognition

The Association follows the deferral method of accounting for contributions. 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.

Revenue on sales is recognized at point of sale or delivery and acceptance of goods by the customer. Service revenues are recognized in the period that the services are provided. Property rentals and recovery of common costs are recognized monthly according to the terms of the rental agreements in place.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Building and Equipment

Building and equipment are recorded at cost. Depreciation is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Buildings	5% declining balance
Leasehold improvements	5 years straight-line
Office equipment	20% declining balance
Computers	30% declining balance
Furniture and fixtures	20% declining balance
Automotive equipment	30% declining balance
Assets under construction	not depreciated
Assets under capital lease	14% declining balance

One-half of the annual rate of depreciation is recorded in the year of acquisition.

(g) Goodwill

Intangible assets that are not subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may exceed their fair value. The impairment test involves comparing the fair value of the assets with their carrying amount. When the carrying amount exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Legacy Fund

A resolution of the Members of the Association passed By-Law #2 with the purpose of establishing a Legacy Fund to manage designated revenues to achieve economic self sufficiency. The fund establishes a long term savings objective that designates revenues and generates investment returns.

Amounts designated for the initial contribution include deferred revenues and/or reserves including: Ukkusiksalik National Park Community Initiatives Fund, Meliadine Milestone, Meadowbank IIBA, Whale Tail Milestone, Whale Tail CIF, Inuit Employment Target Contribution funds, Water Compensation and distributions from Nunavut Inuit Resource Revenue Trust. The following amounts received thereafter are contributed to an Income Stabilization Fund: royalties, distributions received from Nunavut Inuit Resource Revenue Trust, income from quarry permits, income received from Sakku Investments Corp. and Nunasi Corporation, and income from any water compensation agreement. Contributions to the Income Stabilization Fund which result in a balance in excess of \$5,000,000 are contributed to the Legacy Fund.

Where the investment return of the Legacy Fund is equal to or less than four percent per annum, a distribution is made to the Community Initiatives Fund equal to 90% and Education fund equal to 10% to a maximum of 4%. In any fiscal year where the investment return on the Legacy Fund is less than 4% a maximum of \$1,000,000 will be distributed from the Income Stabilization Fund. Excess contributions from the Education Fund and Community Initiatives Fund are invested for the benefit of those funds.

Distributions from the Community Initiatives Fund for the benefit of designated communities in the Kivalliq Region are made in accordance with the Community Initiatives guidelines. Distributions from the Education Fund are made in accordance with the Education Fund guidelines.

(i) Reserves

The Association has established a number of reserves to accumulate funds for programs as follows:

- For the Association's future programs and activities.
- For the creation of cultural centres in each of the seven Kivalliq communities.
- To accumulate funds from investment income to return to beneficiaries through programs and donations.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Expense Allocations

The Association allocates expenses using the following method. Expenses which are wholly attributable to a particular project are charged directly to the appropriate project. Expenses that are attributable to more than one particular project are allocated based on a percentage method at a rate deemed appropriate by management.

(k) Government and Other Capital Assistance

Government and other capital assistance towards capital projects are recorded as deferred capital contributions. Deferred capital contributions are amortized into revenue at the same rate as the corresponding capital asset is depreciated. Government and other assistance towards the purchase of investments is recorded as a reduction of the cost of the investment. Forgivable loans are recorded as revenue in the year of forgiveness. Government assistance towards expenditures is recorded as revenue on the accrual basis.

3. RESTATEMENT OF PRIOR YEAR BALANCES

The Association's comparative financial information has been restated as a result of the Association's implementation of the Legacy Fund By-Law registered February 7, 2020.

The implementation of the By-Law by management consists of an initial contribution of deferred revenues and reserves expressly designated which include Ukkusiksalik National Park Community Initiatives Fund, Meliadine Milestone, Meadowbank IIBA, Whale Tail Milestone, Whale Tail Community Initiatives Fund, Inuit Employment Target Contribution funds, Water Compensation, Royalties, and Nunavut Inuit Resource Revenue Trust as of March 31, 2020. The proceeds of the initial contribution are allocated \$5,000,000 to the Income Stabilization Fund and the balance to the Legacy Fund.

Subsequent amounts received as royalties, distributions from the Nunavut Inuit Resource Revenue Trust, income from quarry permits, Sakku Investments Corp., Nunasi Corporation, and any Water Compensation Agreement have been contributed to the Income Stabilization Fund and Legacy Funds in accordance with the By-Law. Investment returns of the Legacy Fund from the related financial assets have been disbursed to the Education Fund and Community Initiatives Fund in accordance with the By-law.

Prior year contributions and investment income have been reclassified to the Legacy Fund, Income Stabilization Fund, Community Initiatives Fund and Education Fund. As a result, the Association's March 31, 2022 revenue has increased \$7,070,614 and deferred revenues decreased by \$7,070,614.

Deferred revenues, reserves and excess revenues reported prior to March 31, 2022 have been reclassified to the Legacy Fund, Income Stabilization Fund, Community Initiatives Fund and Education Fund.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. RESTATEMENT OF PRIOR YEAR BALANCES (continued)

As a result of all issued and outstanding Class G and Class H preferred shares held of Nunasi Corporation being exchanged for 13,146 Class A common shares, effective October 31, 2021, the Association's proportionate investment of 4,427.42 shares representing 29.17% of the outstanding Class A common shares has been adjusted to account for this investment using the equity method. This change represents an increase in the value of long term investments of \$22,243,584 and income from equity investments of \$22,243,584.

The excess revenue previously reported for March 31, 2022 of \$29,864,163 has been restated to \$59,441,361 to reflect the increased revenue and income from equity investments.

The following summarizes the changes to the 2022 comparative balances included in these financial statements.

	<u>March 31, 2022</u>			<u>March 31, 2022</u>	
	<u>previously</u>			<u>restated</u>	
	<u>reported</u>		<u>Adjustment</u>		
Legacy fund	\$	0	\$ 71,917,585	\$	71,917,585
Income stabilization fund		0	5,000,000		5,000,000
Community initiatives fund		0	3,278,799		3,278,799
Education fund		0	364,312		364,312
Long term investments		23,574,005	22,243,854		45,817,859
Deferred revenue		52,069,571	(21,990,192)		30,079,379
Unrestricted net assets		94,271,680	(22,812,863)		71,458,817
Reserves		15,736,363	(13,514,057)		2,222,306

The March 31, 2023 financial statements have been prepared taking into account changes for, corrections to, and restatement of previously reported balances.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

4. SHORT TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Ukkusiksalik National Park Scholarship Trust	\$ 304,915	\$ 300,087
Operations	250,000	250,000
Land deposits	420,373	410,007
Inuit Wellness Fund	1,095,909	1,075,541
Cultural centres	2,130,720	2,091,116
Sakku Investments Corp.	<u>5,298,672</u>	<u>0</u>
	9,500,589	4,126,751
Legacy Fund	25,624,215	25,608,743
Ukkusiksalik National Park Community Initiatives Fund	<u>4,523,304</u>	<u>4,487,438</u>
	<u>\$ 39,648,108</u>	<u>\$ 34,222,932</u>

The use of the Ukkusiksalik National Park Scholarship Trust, land deposit funds, Inuit Wellness Fund, Cultural centres, the investment earnings generated thereon and the Ukkusiksalik National Park Community Initiatives Fund are restricted for use to their intended purposes only.

	<u>Cost</u> <u>2023</u>	<u>Market</u> <u>2023</u>	<u>Cost</u> <u>2022</u>	<u>Market</u> <u>2022</u>
Cash and cash equivalents	\$ 7,257,563	\$ 7,257,563	\$ 6,664,173	\$ 6,664,173
Marketable securities	<u>31,993,572</u>	<u>32,390,545</u>	<u>26,869,010</u>	<u>27,558,759</u>
	<u>\$ 39,251,135</u>	<u>\$ 39,648,108</u>	<u>\$ 33,533,183</u>	<u>\$ 34,222,932</u>

The Association manages its market risk through an independent investment manager with oversight from the Board of Directors. The values of the bonds are subject to changes in market interest rates. The values of the stocks are subject to market value changes.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

5. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Trade and other	\$ 10,327,806	\$ 3,626,108
DIAND	1,874,233	290,879
Department of Fisheries and Oceans	10,000	139,747
Department of Natural Resources	49,750	0
Canadian Heritage	6,322	107,300
Government of Nunavut		
Economic Development and Transportation	27,257	4,589
Culture and Heritage	183,600	144,000
Health	<u>0</u>	<u>34,621</u>
	<u>\$ 12,478,968</u>	<u>\$ 4,347,244</u>

6. DUE FROM RELATED COMPANIES

	<u>2023</u>	<u>2022</u>
Exchange Income Group	\$ 745,122	\$ 749,536
Kivalliq Alternative Energy Ltd.	455,937	0
Kivalliq Contractors Group Ltd.	64,568	150,789
Kivalliq Mechanical Solutions Ltd.	99,454	72,541
Kivalliq Tire Mine Services Ltd.	189,225	25,206
Nanuq Builders Group Ltd.	46,161	32,366
NCC Investment Group Inc.	0	4,854
Nunami Drilling & Blasting Ltd.	50,960	50,960
Nunami Helicopter Transport Inc.	275,765	291,228
Nunami Stantec Limited	0	89,841
Nunasi Corporation	25,614	16,282
Pan Arctic Inuit Logistics Corporation	26,848	26,848
Qaaqtuq Dyno Nobel Inc.	514,350	518,341
Sakku Innovative Building Solutions Ltd.	3,856,275	335,037
Toromont Arctic Ltd.	<u>141,421</u>	<u>70,000</u>
	6,491,700	2,433,829
Less: Allowance for doubtful accounts	<u>(50,960)</u>	<u>(50,960)</u>
	<u>\$ 6,440,740</u>	<u>\$ 2,382,869</u>

Amounts due from related companies are unsecured trade accounts receivable and are currently due.

KIVALLIQ INUIT ASSOCIATION
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7. ASSETS AVAILABLE FOR SALE

In March 2022, the Association approved the sale of vehicles and equipment following the decision not to renew the Expediting contract with Agnico Eagle Mines Ltd. Assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Liabilities directly associated with assets classified as held for sale are reclassified as current liabilities.

The sale was completed in April 2022 for proceeds of \$3,000,000, resulting in a gain on sale of \$1,638,635 reflected in the statement of operations for the year ending March 31, 2023.

8. INVESTMENT IN EIC SHARES

Under the terms of a Strategic Alliance Agreement dated November 2, 2015 between the Association, Calm Air and Exchange Income Corporation, the Association is entitled to receive \$500,000 in common shares of Exchange Income Corporation, a publicly-traded company, over a ten-year period.

During the year, the Association received 2,039 common shares (2022 - 2,039) at a deemed cost of \$24.52/share retroactive to the start date of the Agreement, for a total cost of \$49,996 (2022 - \$49,996). For this non-monetary transaction, the cost of shares received during the year are recorded in the statement of operations as EIC agreement revenue. The subsequent gain on the revaluation to fair value of all shares held by the Association, is recorded in the statement of operations as an unrealized gain on marketable securities.

KIVALLIQ INUIT ASSOCIATION
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9. LONG TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Arctic Kenworth		
Common shares at cost, a 51% interest	\$ 51	\$ 0
Class B non-voting common shares, a 100% interest	<u>100</u>	<u>0</u>
	<u>151</u>	<u>0</u>
NS Management Ltd.		
Common shares at cost, a 51% interest	<u>\$ 51</u>	<u>\$ 51</u>
Kivalliq Tire Mine Services Ltd.		
Common shares at cost, a 51% interest	51	51
Share of income	<u>117,149</u>	<u>188,775</u>
	<u>117,200</u>	<u>188,826</u>
Qaaqtuq Dyno Nobel Inc.		
Common shares at cost, a 51% interest	76	76
Share of income (loss)	<u>(74,789)</u>	<u>(74,789)</u>
	<u>(74,713)</u>	<u>(74,713)</u>
Kivalliq Mechanical Solutions Ltd.		
Class A voting shares at cost, a 76% interest	<u>76</u>	<u>76</u>
Sakku Innovative Building Solutions Ltd.		
Class A voting shares at cost, a 76% interest	<u>102</u>	<u>102</u>
Nanuq Builders Group Ltd.		
Class A voting shares at cost, a 51% interest	<u>51</u>	<u>51</u>
Larga Kivalliq Ltd.		
Common shares at cost, a 50% interest	0	432,941
Share of income (loss)	<u>0</u>	<u>(87,653)</u>
	<u>0</u>	<u>345,288</u>
Kivalliq Contractors Group Ltd.		
Class A voting shares, a 51% interest and Class B non-voting shares, a 100% interest, at cost	<u>151</u>	<u>151</u>
Sakku & YAB Management Group Ltd.		
Class A voting shares, a 76% interest, Class B non-voting shares, a 50% interest, at cost	<u>13</u>	<u>13</u>

KIVALLIQ INUIT ASSOCIATION
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FOR THE YEAR ENDED MARCH 31, 2023

9. LONG TERM INVESTMENTS (continued)

	<u>2023</u>	<u>2022</u>
Sakku Exchange Corporation		
Class A voting shares, at cost, a 76% interest	76	76
Class B non-voting shares, at cost, a 100% interest	<u>100</u>	<u>100</u>
	<u>176</u>	<u>176</u>
8489982 Canada Inc.		
Common shares at cost, a 50% interest	<u>1</u>	<u>1</u>
NCC Kivalliq Properties G.P. Ltd.		
Common shares at cost, a 50% interest	<u>50</u>	<u>50</u>
Nunami Stantec Limited		
Common shares at cost, a 40% interest	<u>40</u>	<u>40</u>
NCC Investment Group Inc.		
Common shares at cost, a 25% interest	125,000	125,000
Share of income	<u>21,474,401</u>	<u>21,781,953</u>
	<u>21,599,401</u>	<u>21,906,953</u>
NCC Kivalliq Properties L.P.		
615,000 A.L.P. Units, a 49.99% interest	615,000	0
Share of income	<u>1,654</u>	<u>0</u>
	<u>616,654</u>	<u>0</u>
Toromont Arctic Ltd.		
Common shares at cost, a 20% interest	20	20
Share of income	<u>393</u>	<u>393</u>
	<u>413</u>	<u>413</u>
Nunavut Sealink and Supply Inc.		
Class OA voting shares, at cost, a 12.5% interest and Class C non-voting shares at cost, a 13.9% interest	<u>1,029,001</u>	<u>1,029,001</u>
Nunasi Corporation		
4,427 Class A common shares at cost, representing a 29.17% interest	1	1
Share of income	<u>22,627,060</u>	<u>22,243,585</u>
	<u>22,627,061</u>	<u>22,243,586</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

9. LONG TERM INVESTMENTS (continued)

	<u>2023</u>	<u>2022</u>
Tasiuq		
Common shares at cost, a 50% interest	50	0
Investment #27		
	147	0
Kivalliq Alternative Energy Ltd.		
Class A voting shares, a 51% interest and Class B non-voting shares, a 100% interest, at cost	151	151
Pan Arctic Inuit Logistics Corporation		
100% of the Class G shares representing 4% of the outstanding capital stock, at cost	177,373	177,373
	<u>\$ 46,093,600</u>	<u>\$ 45,817,589</u>

10. BUILDING AND EQUIPMENT

	2023		2022	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Buildings	\$ 58,571,092	\$ 16,828,430	\$ 41,742,662	\$ 39,094,033
Leasehold improvements	1,336,142	341,110	995,032	1,133,863
Office equipment	1,749,512	871,856	877,656	469,242
Computers	730,274	475,952	254,322	193,915
Furniture and fixtures	512,590	327,399	185,191	215,322
Automotive equipment	5,088,549	2,802,024	2,286,525	1,106,195
Assets under capital lease	594,083	174,058	420,025	0
Development costs	5,045,740	0	5,045,740	1,123,036
Assets under construction	0	0	0	2,037,485
	<u>\$ 73,627,982</u>	<u>\$ 21,820,829</u>	<u>\$ 51,807,153</u>	<u>\$ 45,373,091</u>

KIVALLIQ INUIT ASSOCIATION
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11. BANK INDEBTEDNESS

The Association has an operating revolving line of credit of \$500,000 which is secured by first charge on certain properties held by the Association. The line of credit bears interest at RBC prime plus 0.75%. As at March 2023, there was \$420,000 (2022 - \$500,000) of this line available for use and a revolving term facility in the amount of \$30,000,000, not drawn upon as at March 31, 2023. These facilities are secured by a general security agreement constituting a first ranking security interest in all property of the Association. Further the facilities are secured by a guarantee and postponement of claim from Portage & Empress Inc., P&E Developments Ltd. and 4147880 Canada Ltd. in the amount of \$30,000,000 and a general security agreement constituting a second ranking security interest in all property of the guarantors, as well as a general security agreement constituting a first ranking security interest in all property registered under Sakku Properties Ltd.

The Association has an authorized line of credit of \$400,000 which is secured by first charge on certain properties held by the Association. The line of credit bears interest at CIBC prime plus 1.00%. As at March 2023, there was \$400,000 (2022 - \$400,000) of this line available for use.

The Association has an operating revolving line of credit of \$500,000 which is secured by first charge on certain properties held by the Association. The line of credit bears interest at CIBC prime plus 0.75%. As at March 2023, there was \$500,000 (2022 - \$292,593) of this line available for use.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

12. DEMAND LOAN PAYABLE

	<u>2023</u>	<u>2022</u>
CIBC fixed term loan, secured by a general security agreement, collateral mortgage over the leasehold properties at 12 Nuvua Street (Lot 4, Block 16, Plan 4446) and 20-24 Nuvua Street (Lot 1, Block 16, Plan 4446) Rankin Inlet, Nunavut. The loan is repayable in 228 monthly instalments of \$23,303 plus interest at CIBC's prime rate plus 0.75% commencing July 18, 2019. The loan is due June 2039.	<u>\$ 4,264,368</u>	<u>\$ 4,543,998</u>

Demand loan payable is due on demand but is expected to be repaid annually as follows:

2024	\$ 279,630
2025	279,630
2026	279,630
2027	279,630
2028	279,630
Thereafter	<u>2,866,218</u>
	<u>\$ 4,264,368</u>

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade	\$ 10,925,508	\$ 5,897,090
Employee leave and termination	1,138,143	1,121,184
Department of Fisheries and Oceans	64,111	0
DIAND	684,266	684,266
Employment and Social Development Canada	164,440	164,440
Heritage Canada	53,172	53,172
Indigenous Services Canada	84,353	40,000
Government of Nunavut - Culture and Heritage	517,000	232,000
Other	<u>0</u>	<u>1,513,695</u>
	<u>\$ 13,630,993</u>	<u>\$ 9,705,847</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14. DUE TO RELATED COMPANIES

	<u>2023</u>	<u>2022</u>
NCC Investment Group Inc.	\$ 156,224	\$ 223,849
Nunami Stantec Limited	<u>34,880</u>	<u>0</u>
	<u>\$ 191,104</u>	<u>\$ 223,849</u>

Amounts due to affiliated companies are unsecured, due on demand and are non-interest bearing.

15. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Nunavut Tunngavik Incorporated		
Negative Impact of Covid-19	\$ 1,859,242	\$ 0
KIA share of extra funding	201,895	201,895
Mental health needs	1,013,693	0
NIRC	268,813	117,591
Nunavut Harvesters' Support Program	628,432	1,084,861
Ventilation	567,610	0
Organizational review	84,415	84,415
Suicide prevention	0	583,499
B2017 Health	0	190,333
Post secondary education	703,403	1,012,291
Covid 19 phase 4	0	566,361
Coral Harbour	46,300	50,780
Omicron Outbreak	0	1,358,165
Food support	0	1,222,006

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15. DEFERRED REVENUE (continued)

	<u>2023</u>	<u>2022</u>
General Fund		
Government of Canada		
CIRNAC		
Water monitoring - Baker Lake	0	129,285
REACHE	3,146,657	3,176,232
Skills link	340,788	365,809
Policy development	53,343	0
Canadian Heritage Rivers	1,927,770	2,168,967
Parks Canada		
Ukkusiksalik Scholarship Fund (Note 4)	251,069	258,740
Department of Fisheries and Oceans		
Southampton Island	2,480,915	0
Natural Resources Canada		
Clean energy project	1,600,000	1,663,169
Employment and Social Development Canada		
ISET program	8,002,598	8,566,137
Indigenous Services Canada		
Summer work experience	57,081	0
Jordan's Principle	75,036	0
Inuit Youth Hope Fund	108,422	0
Building Capacity	15,646	15,646
Mental Wellness	132,385	132,385
CICC Interpretive displays	0	198,000
CFI Service co-ordinator	78,444	78,444
Inuit wellness	1,095,909	1,075,541
Meliadine mining - scholarship	30,000	30,000
Whale Tail mining - scholarship	30,000	30,000
Other	388,920	38,288
	<u>25,188,786</u>	<u>24,398,840</u>
Legacy Fund		
Government of Canada		
Parks Canada		
Ukkusiksalik Community Initiative (Note 4)	4,180,539	4,180,539
Whale Tail - Inuit employment target penalty	1,000,000	750,000
Meliadine - Inuit employment target penalty	1,000,000	750,000
	<u>6,180,539</u>	<u>5,680,539</u>
	<u>\$ 31,369,325</u>	<u>\$ 30,079,379</u>

KIVALLIQ INUIT ASSOCIATION
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FOR THE YEAR ENDED MARCH 31, 2023

16. EQUITY LEASES PAYABLE

	<u>2023</u>	<u>2022</u>
Land equity lease payable to the Hamlet of Rankin Inlet for Lot 786, Plan 203, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$2,624 without interest and due June 2029.	\$ 18,367	\$ 0
Land equity lease payable to the Hamlet of Rankin Inlet for Lot 481, Plan 116, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$1,528 without interest and due August 2035.	19,866	0
Land equity lease payable to the Hamlet of Rankin Inlet for Lot 4, Block 16, Plan 4446, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$3,717 without interest and due July 2030.	29,742	33,460
Land equity lease payable to the Hamlet of Rankin Inlet for Lot 763, Plan 3683, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$4,281 without interest and due January 2032.	38,528	42,809
Land equity lease payable to the Hamlet of Rankin Inlet for Lot 916, Plan 3916, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$6,275 without interest and due May 2028.	37,650	43,925
Land equity lease payable to the Hamlet of Rankin Inlet for Lot 69, Plan 603, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$1,305 without interest and due April 2024.	2,610	3,915
Land equity lease payable to the Hamlet of Rankin Inlet for lot 645 plan 2540, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$9,170 without interest and due June 2028.	55,019	64,189

KIVALLIQ INUIT ASSOCIATION
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16. EQUITY LEASES PAYABLE (continued)

	<u>2023</u>	<u>2022</u>
Land equity lease payable to the Hamlet of Rankin Inlet, for Lot 920, Plan 3912 Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$8,352 without interest and due May 2036.	116,923	125,275
Land equity lease payable to the Hamlet of Rankin Inlet for lot 544 plan 2542, Rankin Inlet, Nunavut. The lease is repayable in annual payments of \$2,866 without interest and due June 2026.	<u>11,265</u>	<u>14,151</u>
	329,970	327,724
Less: current portion	<u>40,119</u>	<u>35,966</u>
	<u>\$ 289,851</u>	<u>\$ 291,758</u>

Equity leases payable is expected to be repaid annually as follows:

2024	\$	40,119
2025		40,119
2026		38,814
2027		38,814
2028		35,948
Thereafter		<u>136,156</u>
		<u>\$ 329,970</u>

17. OBLIGATIONS UNDER CAPITAL LEASE

	<u>Expiry</u>	<u>Interest rate</u>	<u>2023</u>	<u>2022</u>
980 CAT Loader S/N CAT980KJW7K01288	Jun/22	6.20%	\$ -	\$ 17,377
2 Raja Trailers	Jul/23	5.95%	-	37,049
2 Western Star Rigs	Aug/23	6.25%	<u>27,876</u>	<u>94,778</u>
			<u>\$ 27,876</u>	<u>\$ 149,204</u>

The remaining lease payments are presented as current liabilities.

KIVALLIQ INUIT ASSOCIATION
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18. LOANS PAYABLE

	<u>2023</u>	<u>2022</u>
<p>Atuqtuarvik Corporation term loan, secured by a general security agreement and collateral mortgages over the leasehold interests against Government of Nunavut Lease No. 102039 and No. 102505, and the building on lot 644, plan 2540, Rankin Inlet, Nunavut with a net book value of \$303,656 (2022 - \$319,638). The loan is repayable in 120 blended monthly instalments of \$24,514 commencing August 1, 2017 with interest at 5.15%, due July 2025.</p>	\$ 2,132,179	\$ 2,305,815
<p>Royal Bank of Canada first mortgage loan, secured by a general security agreement, site specific security agreement, the buildings on lot 544, plan 2542 and lots 792, 794, and 795, plan 3392 Rankin Inlet, Nunavut with a net book value of \$3,691,325 (2022 - \$3,866,674). The loan is repayable in 167 blended monthly installments of \$34,449 commencing January 1, 2021 with interest at 2.17%, due January 2026.</p>	4,286,518	4,603,589
<p>First Nations Bank of Canada fixed rate term loan, secured by a general security agreement, site specific security agreement, the building on lot 1001 Quad 55/K16 Rankin Inlet, Nunavut with a net book value of \$10,896,239 (2022 \$11,469,725). The loan is repayable in 180 blended monthly instalments of \$43,388 with interest at 3.70%, due December 2024.</p>	5,602,903	5,910,006
<p>Royal Bank of Canada first mortgage loan secured by a general security agreement, site specific security agreement, the buildings at 164 Mivvik Avenue and 32 Sivulliq Avenue, Rankin Inlet, Nunavut with a net book value of \$7,553,966 (2022 - \$7,952,890). The loan is repayable in blended monthly instalments of \$14,058 commencing February 1, 2018 with interest at 3.64%, due January 2023.</p>	1,935,002	2,031,890

KIVALLIQ INUIT ASSOCIATION
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18. LOANS PAYABLE (continued)

	<u>2023</u>	<u>2022</u>
Royal Bank of Canada fixed rate term loan, secured by a general security agreement, the buildings at 231-69 Street, 233-69 Street and 64 Kingaak Street, Rankin Inlet, Nunavut with a net book value of \$1,710,919 (2022 - \$1,800,967). The loan is repayable in blended monthly instalments of \$8,521 commencing with interest at 2.38%, due November 2023.	962,332	1,040,657
Atuqtuarvik Corporation term loan, secured by a share pledge agreement over the Company's shareholdings of NCC investment Group Inc., consisting of 125,000 common shares, repayable in blended monthly instalments of \$22,864 with interest at 3.75%. Due March 31, 2027.	2,128,020	2,319,303
Business Development Bank of Canada (BDC) loan, secured by a general security agreement, the properties on Lot 2 and 3 (Block 16, Plan 4446) and Lot 2 (Block 17, Plan 4545), Rankin Inlet, Nunavut with a net book value of \$3,153,633 (2022 - \$3,319,614). The loan principal is repayable in 172 monthly instalments of \$13,720 plus interest at BDC's floating base minus 1.00%. The loan is due August 2032.	1,550,360	1,715,000
Atuqtuarvik Corporation term loan, secured by a general security agreement, a second charge collateral mortgage over properties on Lot 1, 2, 3 and 4 (Block 16, Plan 4446) and Lot 2 (Block 17, Plan 4545), Rankin Inlet, Nunavut. with a net book value of \$9,400,055 (2022 - \$9,894,795) The loan is repayable in blended monthly instalments of \$10,888 with interest at 5.75%, due May 2028.	583,830	679,105
TD Finance Auto loan - payable in blended monthly payments of \$639, due on March 20, 2028, secured by a 2023 Chevrolet Equinox with a net book value of \$32,633.	35,144	0
Ford Credit Canada Limited loan - payable in blended monthly payments of \$2,157 with interest at 5.49%. Due October 30, 2026, secured by a 2022 Ford Van T250 with a net book value of \$93,194.	84,152	0

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

18. LOANS PAYABLE (continued)

	<u>2023</u>	<u>2022</u>
TD Finance Auto loan - payable in blended monthly payments of \$1,008, due on March 19, 2028, secured by a 2022 GMC Sierra with a net book value of \$54,064.	58,222	0
Nunavut Tunngavik Incorporated, non-interest bearing loan. Repayable in 3 installments with \$2,500,000 due June 30, 2023, \$1,250,000 due June 30, 2024 and \$1,250,000 due June 30, 2025.	5,000,000	5,000,000
Canada Infrastructure Bank (CIB), Development Funding Agreement to a maximum of \$7,000,000 for 50% of specific project costs. The amount is repayable if any funded development costs are recovered from other sources or if the project proceeds without CIB's involvement. CIB has the option to convert the debt to an investment in the project either as debt or equity. Repayment by the Corporation is not required if the project proceeds only with government funding or the project does not proceed. The balance is presented as a current liability.	<u>1,494,065</u>	<u>449,769</u>
	25,852,727	26,055,134
Less: current portion	<u>8,200,735</u>	<u>6,237,069</u>
	<u>\$ 17,651,992</u>	<u>\$ 19,818,065</u>

Loans payable is expected to be repaid annually as follows:

2024	\$ 8,200,735
2025	7,557,515
2026	7,152,008
2027	1,809,133
2028	290,048
Thereafter	<u>843,288</u>
	<u>\$ 25,852,727</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

19. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 4,059,019	\$ 4,243,311
Capital contributions received	3,126,143	10,765
Amortization of deferred capital contribution	<u>(207,989)</u>	<u>(195,057)</u>
Closing balance	<u>\$ 6,977,173</u>	<u>\$ 4,059,019</u>

20. RESERVES

	<u>Opening</u>	<u>Transfer to</u>	<u>Transfer from</u>	<u>Closing</u>
Future programs	\$ 233,105	\$ 0	\$ 0	\$ 233,105
Cultural centres	1,230,495	39,604	(84,123)	1,185,976
Investment income	<u>758,706</u>	<u>0</u>	<u>(224,377)</u>	<u>534,329</u>
	<u>\$ 2,222,306</u>	<u>\$ 39,604</u>	<u>\$ (308,500)</u>	<u>\$ 1,953,410</u>

21. FINANCIAL ASSETS AND LIABILITIES

The significant financial risks to which the Association is exposed are credit risk, interest rate risk and market risk.

a) Credit risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable, due from related companies and advances to related companies. The Association does not obtain collateral or other security to support the amounts receivable subject to credit risk but mitigates this risk by dealing with only what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. A portion of the loans bear interest at variable interest rates. Increases in the bank's prime lending rate can cause the Association to incur higher financing costs. The Association does not use derivative financial instruments to alter the effects of this risk.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

21. FINANCIAL ASSETS AND LIABILITIES (continued)

c) Market risk

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

22. COMMITMENTS

The Association is party to a 10 year funding agreement with the Government of Canada (Canada) to help improve the employment opportunities of Inuit. The agreement term began in April 2019 and will expire in March, 2029. Total contributions towards eligible expenditures during the course of the agreement is \$25,481,869.

The Association is party to a 3 year funding agreement with the Government of Canada (Canada) to help improve oceans governance and co-management of marine spaces. The agreement term began March 2021 and will expire in March, 2024. Total contributions towards eligible expenditures during the course of the agreement is \$4,665,750. Advances to sub-agreement holders during the year ended March 31, 2023 is \$2,150,000.

The Association is party to the Umbrella Inuit Impact and Benefit Agreement (IIBA) for Canadian Heritage Rivers (CHRs) in Nunavut which was signed on March 29, 2019. Under this IIBA, the Association is entitled to a payment of \$2,261,466 as funding for carrying out various obligations relating to the CHRs in the Kivalliq region during the 7 year term of the IIBA.

The Association has entered into various lease agreements with the Hamlet of Rankin Inlet and the Government of Nunavut for the use of land in Rankin Inlet, Nunavut, with expiry dates from October 2023 to July 2043. Certain annual lease payments are determined by the Lessor over a revolving term of 5 years and can be subsequently adjusted. Based on current lease terms, payments of \$29,651 are due on an annual basis.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

23. SUBSEQUENT EVENTS

The Association signed a contribution agreement with Nunavut Tunngavik Incorporated on April 4, 2023 in support of the Kivalliq Hydro Fibre Link and Sakku Modular Home Factory projects. The agreement term began April 1, 2022 and will expire March 31, 2025. Total contributions towards eligible expenditures during the course of the agreement are \$14,000,000. The Association is party to corresponding agreements with its subsidiaries Nukik Corporation to perform the Kivalliq Hydro Fibre Link portion of the agreement and Sakku Investments Corp. to perform the Sakku Modular Home Factory portion of the agreement. Contributions toward expenditures are \$8,000,000 and \$6,000,000 respectively.

The Association acquired Clarion Winnipeg through a share purchase agreement. The corporation acquired a \$30,000,000 credit facility from RBC to assist in the purchase.

The Association approved the purchase of \$3,593,919 of assets for future revenue generating activities.

The Association applied for financing from the First Nations Bank of Canada for the purposes of developing a factory in Arviat with potential proceeds available of \$11,000,000 and will include a second mortgage against all commercial properties held by Sakku Properties Ltd., a subsidiary organization. The Association has further applied to CanNor for contribution funding of \$1,950,000 for construction of the factory.

24. COMPARATIVE AMOUNTS

Certain 2022 financial statement amounts have been reclassified to conform to the financial statement presentation adopted in the current year.

KIVALLIQ INUIT ASSOCIATION
LEGACY FUND
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Royalties - Meliadine	\$ 10,634,014	\$ 10,033,441
Royalties - Whale Tail	11,716,699	10,231,207
Nunavut Inuit Resource Revenue Trust	3,335,010	6,598,553
Investment income - long term	880,175	0
Land use fees	<u>807,753</u>	<u>683,383</u>
	<u>27,373,651</u>	<u>27,546,584</u>
Interest	2,453,619	269,319
Investment income - short term	<u>51,362</u>	<u>558,837</u>
	<u>2,504,981</u>	<u>828,156</u>
Total revenue	<u>29,878,632</u>	<u>28,374,740</u>
EXPENDITURES		
Income Stabilization Fund		
Start up costs	<u>57,054</u>	<u>0</u>
Total expenditures	<u>57,054</u>	<u>0</u>
EXCESS REVENUE	<u>\$ 29,821,578</u>	<u>\$ 28,374,740</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF NUNAVUT TUNNGAVIK INCORPORATED PROGRAM FUNDING
FOR THE YEAR ENDED MARCH 31, 2023

	2023						2022	
	Community Liaison	Bereavement and Compassionate Travel	Economic Development	Hunters Support	Harvesters Support Program	Inuit Post Secondary Education	Total	Total
REVENUE								
Nunavut Tunngavik Incorporated Contribution	\$ 1,052,660	\$ 585,480	\$ 443,016	\$ 456,429	\$ 475,716	\$ 2,250,533	\$ 5,263,834	\$ 3,973,318
EXPENDITURES								
Community contributions								
Administration	0	0	0	41,494	0	296,819	338,313	49,572
Arviat	185,823	0	76,942	71,131	96,116	0	430,012	492,477
Baker Lake	141,033	0	48,155	17,939	10,665	0	217,792	209,927
Chesterfield Inlet	114,771	0	9,448	6,024	9,574	0	139,817	193,811
Coral Harbour	152,895	0	49,559	51,837	77,701	0	331,992	386,567
Naujaat	170,992	0	5,698	43,055	33,381	0	253,126	295,812
Rankin Inlet	183,837	0	251,714	220,596	244,778	0	900,925	833,039
Whale Cove	174,017	0	1,500	4,353	3,501	0	183,371	205,929
Other								
Bereavement and Compassionate Travel	0	585,480	0	0	0	0	585,480	373,248
Student support	0	0	0	0	0	1,953,714	1,953,714	1,083,940
	<u>1,123,368</u>	<u>585,480</u>	<u>443,016</u>	<u>456,429</u>	<u>475,716</u>	<u>2,250,533</u>	<u>5,334,542</u>	<u>4,124,322</u>
EXCESS REVENUE (EXPENSES)	<u>\$ (70,708)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (70,708)</u>	<u>\$ (151,004)</u>

KIVALLIQ INUIT ASSOCIATION
INUIT PROGRAMS & SERVICES - HRSDC
FOR THE YEAR ENDED MARCH 31, 2023

	Employment Insurance	Consolidated Revenue Fund Program (CRF)	Child Care (FNICCI)	Child Care (IELCC)	Child Care COVID	2023 Total	2022 Total
REVENUE							
Government of Canada							
Deferred revenue - prior year	\$ 418,242	\$ 4,835,280	\$ 244,597	\$ 2,680,701	\$ 387,317	\$ 8,566,137	\$ 6,301,682
Advances received	1,254,270	2,560,221	1,109,491	4,394,388	0	9,318,370	8,346,125
Deferred revenue - closing	<u>0</u>	<u>(1,932,081)</u>	<u>0</u>	<u>(6,070,517)</u>	<u>0</u>	<u>(8,002,598)</u>	<u>(8,566,137)</u>
	1,672,512	5,463,420	1,354,088	1,004,572	387,317	9,881,909	6,081,670
Interest	47,196	116,256	29,106	19,389	0	211,947	50,638
	<u>1,719,708</u>	<u>5,579,676</u>	<u>1,383,194</u>	<u>1,023,961</u>	<u>387,317</u>	<u>10,093,856</u>	<u>6,132,308</u>
PROGRAM ADMINISTRATION							
General administration							
Advertising	0	16,275	7,142	0	0	23,417	5,669
Bad debts	0	32,064	0	0	0	32,064	0
Computer maintenance and website	3,309	6,461	4,254	0	0	14,024	6,240
Office and other	60,227	105,742	54,994	0	0	220,963	85,591
Professional fees	6,784	76,917	202,783	0	0	286,484	56,418
Salaries and benefits	89,074	227,541	133,415	0	0	450,030	353,888
Travel	3,384	14,185	3,244	0	0	20,813	2,229
	162,778	479,185	405,832	0	0	1,047,795	510,035
Capital purchases	0	0	0	0	0	0	9,223
TOTAL PROGRAM ADMINISTRATION	<u>162,778</u>	<u>479,185</u>	<u>405,832</u>	<u>0</u>	<u>0</u>	<u>1,047,795</u>	<u>519,258</u>
CORE PROGRAM SERVICES							
General administration							
Computer maintenance and website	2,202	4,236	0	0	0	6,438	3,834
Office and other	34,062	56,450	0	0	0	90,512	89,355
Professional fees	5,404	8,500	0	0	0	13,904	8,979
Salaries and benefits	343,693	373,288	0	0	0	716,981	499,421
Travel	3,478	6,429	0	0	0	9,907	0
	388,839	448,903	0	0	0	837,742	601,589
Capital purchases	0	0	0	0	0	0	15,671
TOTAL CORE PROGRAM SERVICES	<u>388,839</u>	<u>448,903</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>837,742</u>	<u>617,260</u>
FUNDED PROGRAMS							
Inuit child care initiatives - FNICCI	0	0	977,362	0	0	977,362	825,282
Inuit child care initiatives - IELCC	0	0	0	1,023,961	387,317	1,411,278	1,318,198
Labour market and youth programs	1,151,806	4,629,311	0	0	0	5,781,117	2,811,018
TOTAL FUNDED PROGRAMS	<u>1,151,806</u>	<u>4,629,311</u>	<u>977,362</u>	<u>1,023,961</u>	<u>387,317</u>	<u>8,169,757</u>	<u>4,954,498</u>
PARTNERSHIP DEVELOPMENT							
Salaries and benefits	16,285	22,277	0	0	0	38,562	41,292
TOTAL ADMINISTRATION AND PROGRAM EXPENSES	<u>1,719,708</u>	<u>5,579,676</u>	<u>1,383,194</u>	<u>1,023,961</u>	<u>387,317</u>	<u>10,093,856</u>	<u>6,132,308</u>
EXCESS REVENUE (EXPENSES)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF DIAND
FOR THE YEAR ENDED MARCH 31, 2023**

	2023										2022	
	Nukik Operations	Kivalliq Hydrofibre Link	ICBMC Water Monitoring	Community Readiness and Opportunities	Summer Work	Skills Link	Mental Wellness	Jordan's Principle	CFA Policy Development	Basic Organization Capacity	Total	Total
REVENUE												
Deferred revenue - opening	\$ 0	\$ 0	\$ 129,285	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 129,285	\$ 142,146	
Advances received	651,167	983,481	0	559,902	198,621	24,000	61,578	134,148	40,007	266,717	3,006,834	
Other contributions	0	0	0	0	0	0	0	0	0	0	2,000	
Deferred revenue - closing	0	0	0	0	0	0	0	0	0	0	(129,285)	
	<u>651,167</u>	<u>983,481</u>	<u>129,285</u>	<u>559,902</u>	<u>198,621</u>	<u>24,000</u>	<u>61,578</u>	<u>134,148</u>	<u>40,007</u>	<u>266,717</u>	<u>3,048,906</u>	
EXPENDITURES												
Administration	0	0	0	50,105	18,056	0	5,598	0	0	0	73,759	0
Advertising	29,918	0	0	0	0	0	0	0	0	0	29,918	2,547
Computer maintenance	0	0	0	2,792	0	0	0	1,267	0	0	4,059	46,033
Facility and equipment rental	0	294,085	0	0	0	0	0	0	0	0	294,085	457,502
Freight	0	0	0	0	0	0	0	0	0	0	0	316
Honoraria	25,720	5,345	0	0	0	0	0	0	0	0	31,065	8,526
Insurance	0	0	0	0	0	0	0	0	0	0	0	1,016
Materials and supplies	37,224	42,077	0	0	0	0	1,103	0	0	0	80,404	7,451
Meetings	0	10,726	0	0	0	0	12,239	0	0	0	22,965	6,671
Office	31,528	0	0	103,805	0	0	0	14,474	0	0	149,807	80,814
Professional fees	515,973	783,208	37,542	876	0	0	0	0	40,007	0	1,377,606	1,837,992
Salaries and benefits	186,141	0	72,994	392,960	0	0	0	118,407	0	0	770,502	346,397
Skillslink	0	0	0	0	0	24,000	0	0	0	0	24,000	0
Staff training	0	0	0	324	0	0	0	0	0	0	324	0
Summer work experience	0	0	0	0	180,565	0	0	0	0	0	180,565	323,431
Translation	4,712	4,120	0	0	0	0	0	0	0	0	8,832	3,929
Travel	40,049	101,130	49,050	9,040	0	0	42,638	0	0	0	241,907	220,102
Annual general meeting	0	0	0	0	0	0	0	0	0	33,340	33,340	33,340
Board meeting	0	0	0	0	0	0	0	0	0	57,344	57,344	57,344
President's salary	0	0	0	0	0	0	0	0	0	176,033	176,033	176,033
	<u>871,265</u>	<u>1,240,691</u>	<u>159,586</u>	<u>559,902</u>	<u>198,621</u>	<u>24,000</u>	<u>61,578</u>	<u>134,148</u>	<u>40,007</u>	<u>266,717</u>	<u>3,556,515</u>	<u>3,609,444</u>
EXCESS EXPENDITURES	<u>\$ (220,098)</u>	<u>\$ (257,210)</u>	<u>\$ (30,301)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (507,609)</u>	<u>\$ (587,749)</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF GOVERNMENT OF CANADA - OTHER DEPARTMENTS
FOR THE YEAR ENDED MARCH 31, 2023

	Heritage Rivers	Southampton Island	Coastal Restoration	Geoscience	Fish Habitat	Aquatic Monitoring	2023 Total	2022 Total
REVENUE								
Department of Fisheries and Oceans	\$ 0	\$ 142,572	\$ 80,560	\$ 0	\$ 56,549	\$ 0	\$ 279,681	\$ 270,177
Department of Natural Resources	0	0	0	99,500	0	0	99,500	50,000
Heritage Canada	0	0	0	0	0	0	0	36,741
Canadian Heritage Rivers	241,197	0	0	0	0	0	241,197	73,914
Department of the Environment	0	0	0	0	0	145,880	145,880	0
	<u>241,197</u>	<u>142,572</u>	<u>80,560</u>	<u>99,500</u>	<u>56,549</u>	<u>145,880</u>	<u>766,258</u>	<u>430,832</u>
EXPENDITURES								
Administration	0	14,683	0	0	0	0	14,683	4,792
Computer software	0	18,480	0	0	0	0	18,480	0
Materials	168,432	5,275	857	0	0	802	175,366	219,591
Meetings	0	4,041	300	0	0	511	4,852	1,660
Professional fees	72,765	53,233	78,874	99,500	56,690	125,190	486,252	178,200
Salaries and benefits	0	33,962	0	0	0	0	33,962	0
Travel	0	12,898	6,300	0	0	22,658	41,856	26,676
	<u>241,197</u>	<u>142,572</u>	<u>86,331</u>	<u>99,500</u>	<u>56,690</u>	<u>149,161</u>	<u>775,451</u>	<u>430,919</u>
EXCESS EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,771)</u>	<u>\$ 0</u>	<u>\$ (141)</u>	<u>\$ (3,281)</u>	<u>\$ (9,193)</u>	<u>\$ (87)</u>

SCHEDULE 6

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF MEADOWBANK PROJECTS
FOR THE YEAR ENDED MARCH 31, 2023

	Implementation <u>Costs</u>	2023 <u>Total</u>	2022 <u>Total</u>
REVENUE			
Agnico-Eagle Mines Limited			
IIBA schedule J-2 and J-3	\$ 241,775	\$ 241,775	\$ 191,188
Water compensation	<u>0</u>	<u>0</u>	<u>30,000</u>
	<u>241,775</u>	<u>241,775</u>	<u>221,188</u>
EXPENDITURES			
Materials and supplies	12,105	12,105	10,188
Meeting expenses	700	700	350
Other	9,697	9,697	156
Professional fees	42,359	42,359	37,192
Salaries and benefits	169,419	169,419	170,716
Travel	<u>7,495</u>	<u>7,495</u>	<u>2,586</u>
	<u>241,775</u>	<u>241,775</u>	<u>221,188</u>
EXCESS REVENUE	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF UKKUSIKSALIK NATIONAL PARK IIBA
FOR THE YEAR ENDED MARCH 31, 2023

	Scholarship <u>Trust</u>	2023 <u>Total</u>	2022 <u>Total</u>
REVENUE			
Deferred revenue - opening	\$ 258,740	\$ 258,740	\$ 251,562
Interest revenue	<u>4,829</u>	<u>4,829</u>	<u>17,178</u>
	263,569	263,569	268,740
Deferred revenue - closing	<u>(251,069)</u>	<u>(251,069)</u>	<u>(258,740)</u>
	<u>12,500</u>	<u>12,500</u>	<u>10,000</u>
EXPENDITURES			
Scholarships	<u>12,500</u>	<u>12,500</u>	<u>10,000</u>
EXCESS REVENUE	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF SPECIAL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2023

SCHEDULE 8

	Cultural Centres	Dene Boundary	NISPS	NISPS Umiangaq	Somebody's Son	Phase 4 Covid-19	B2017	B2017 Art Therapy	Land Use Plan
REVENUE									
Government of Nunavut	\$ 64,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 177,657
Government of Canada	40,000	0	0	0	0	0	0	0	0
Nunavut Tunngavik Inc.	0	31,093	228,834	630,699	242,143	5,457,140	98,621	173,365	0
Polar Knowledge Canada	0	0	0	0	0	0	0	0	0
Contracts/contributions	34,325	0	0	0	0	0	0	0	0
	<u>138,925</u>	<u>31,093</u>	<u>228,834</u>	<u>630,699</u>	<u>242,143</u>	<u>5,457,140</u>	<u>98,621</u>	<u>173,365</u>	<u>177,657</u>
EXPENDITURES									
Administration	0	0	29,848	82,265	31,584	538,653	12,864	22,613	0
Advertising	0	0	0	0	0	0	0	0	0
Honoraria	0	0	0	215,306	0	0	0	0	0
Management fees	0	0	0	0	0	0	0	0	0
Materials and supplies	13,737	0	52,920	332,528	30,565	0	85,757	12,651	3,712
Meeting expenses	0	1,413	0	0	5,549	0	0	0	8,463
Miscellaneous	71,897	0	0	0	0	4,918,487	0	0	0
Professional fees	97,414	29,680	0	0	0	0	0	48,420	91,012
Salaries and benefits	40,000	0	39	0	76,417	0	0	0	0
Travel	0	0	0	600	98,028	0	0	89,681	82,751
Expenditure transfer	0	0	146,027	0	0	0	0	0	0
	<u>223,048</u>	<u>31,093</u>	<u>228,834</u>	<u>630,699</u>	<u>242,143</u>	<u>5,457,140</u>	<u>98,621</u>	<u>173,365</u>	<u>185,938</u>
EXCESS REVENUE (EXPENDITURES)	<u>\$ (84,123)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,281)</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF SPECIAL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2023

SCHEDULE 8

						<u>2023</u>	<u>2022</u>	
	Community <u>Input</u>	Polar <u>Knowledge</u>	Somebody's <u>Daughter</u>	Sakku Investments <u>Projects</u>	Lake <u>Trout</u>	<u>Other</u>	Total Special Projects	Total Special Projects
REVENUE								
Government of Nunavut	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 242,257	\$ 184,600
Government of Canada	55,547	0	126,433	0	0	0	221,980	450,721
Nunavut Tunngavik Inc.	0	0	0	0	0	143,922	7,005,817	9,125,780
Polar Knowledge Canada	0	137,754	0	0	0	0	137,754	4,414
Contracts/contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>252,394</u>	<u>103,900</u>	<u>19,542</u>	<u>410,161</u>	<u>127,470</u>
	<u>55,547</u>	<u>137,754</u>	<u>126,433</u>	<u>252,394</u>	<u>103,900</u>	<u>163,464</u>	<u>8,017,969</u>	<u>9,892,985</u>
EXPENDITURES								
Administration	5,482	0	0	0	0	0	723,309	0
Advertising	0	0	0	0	0	0	0	525
Honoraria	0	0	0	0	0	0	215,306	0
Management fees	0	0	0	0	0	0	0	1,119,053
Materials and supplies	0	0	46,861	0	7,888	28,714	615,333	705,569
Meeting expenses	1,575	150	21,600	0	1,015	0	39,765	13,055
Miscellaneous	0	0	0	248,008	0	0	5,238,392	6,903,209
Professional fees	0	140,786	780	0	68,507	0	476,599	762,897
Salaries and benefits	0	0	106,168	0	0	42,418	265,042	210,709
Travel	48,490	3,750	97,051	0	31,789	121,046	573,186	268,834
Expenditure transfer	<u>0</u>	<u>0</u>	<u>(146,027)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>55,547</u>	<u>144,686</u>	<u>126,433</u>	<u>248,008</u>	<u>109,199</u>	<u>192,178</u>	<u>8,146,932</u>	<u>9,983,851</u>
EXCESS REVENUE (EXPENDITURES)	<u>\$ 0</u>	<u>\$ (6,932)</u>	<u>\$ 0</u>	<u>\$ 4,386</u>	<u>\$ (5,299)</u>	<u>\$ (28,714)</u>	<u>\$ (128,963)</u>	<u>\$ (90,866)</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF MELIADINE PROJECTS
FOR THE YEAR ENDED MARCH 31, 2023

	<u>Implementation Costs</u>	<u>Negotiation Costs</u>	<u>Extension Project</u>	<u>Water Compensation</u>	<u>Scholarships</u>	<u>Environmental Impact Study</u>	<u>2023 Total</u>	<u>2022 Total</u>
REVENUE								
Agnico-Eagle Mines Limited								
Scholarship	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,000	\$ 0	\$ 30,000	\$ 30,000
Cost recovery	<u>609,255</u>	<u>224,705</u>	<u>150,000</u>	<u>12,195</u>	<u>0</u>	<u>44,335</u>	<u>1,040,490</u>	<u>1,059,568</u>
	<u>609,255</u>	<u>224,705</u>	<u>150,000</u>	<u>12,195</u>	<u>30,000</u>	<u>44,335</u>	<u>1,070,490</u>	<u>1,089,568</u>
EXPENDITURES								
Administration	0	0	2,868	0	0	0	2,868	0
Advertising	13,281	0	0	0	0	0	13,281	5,162
Computer expenses	15,333	0	0	0	0	0	15,333	5,100
Management fees	105,321	0	0	0	0	0	105,321	104,200
Materials	40,441	0	0	0	0	0	40,441	44,204
Meeting expenses	8,571	4,700	0	0	0	0	13,271	32,819
Professional fees	244,735	207,523	147,132	6,525	0	44,335	650,250	581,345
Salaries and benefits	134,236	638	0	0	0	0	134,874	250,273
Scholarships	0	0	0	0	30,000	0	30,000	30,000
Staff training	479	0	0	0	0	0	479	0
Travel	<u>46,858</u>	<u>11,844</u>	<u>0</u>	<u>5,670</u>	<u>0</u>	<u>0</u>	<u>64,372</u>	<u>36,465</u>
	<u>609,255</u>	<u>224,705</u>	<u>150,000</u>	<u>12,195</u>	<u>30,000</u>	<u>44,335</u>	<u>1,070,490</u>	<u>1,089,568</u>
EXCESS REVENUES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KIVALLIQ INUIT ASSOCIATION
WHALE TAIL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2023

	Negotiation <u>Costs</u>	<u>Scholarships</u>	2023 <u>Total</u>	2022 <u>Total</u>
REVENUE				
Agnico-Eagle Mines Limited				
Scholarship	\$ 0	\$ 30,000	30,000	\$ 30,000
Cost recovery	<u>26,527</u>	<u>0</u>	<u>\$ 26,527</u>	<u>15,470</u>
	<u>26,527</u>	<u>30,000</u>	<u>56,527</u>	<u>45,470</u>
EXPENDITURES				
Professional fees	26,527	0	26,527	15,470
Scholarships	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>26,527</u>	<u>30,000</u>	<u>56,527</u>	<u>45,470</u>
EXCESS REVENUES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF COMMERCIAL ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUES		
Commercial revenue	\$ 3,553,513	\$ 5,145,116
Rental revenue	5,446,957	5,083,614
Management and service fees	3,622,010	4,119,393
Contract revenue	7,253,885	479,820
Administrative support	0	240,000
Interest and other	<u>311,695</u>	<u>8,879</u>
	<u>20,188,060</u>	<u>15,076,822</u>
EXPENSES		
Advertising and promotion	53,779	27,462
Bad debts	206,413	(125)
Board of directors honouraria	254,877	168,817
Board of directors meetings and travel	85,233	68,811
Computers	159,404	0
Insurance	927,353	820,420
Interest and bank charges	147,619	106,930
Memberships and licences	65,032	43,658
Municipal taxes and land leases	76,510	105,996
Office	472,244	104,267
Professional and consulting fees	1,234,470	446,467
Purchased supplies and services	4,880,355	0
Repairs and maintenance	955,471	964,368
Salaries and wages	7,838,343	4,748,800
Supplies	0	299,851
Telecommunications	138,935	105,746
Training	29,807	9,153
Travel and accommodations	259,504	82,626
Utilities	<u>1,659,304</u>	<u>1,307,683</u>
	<u>19,444,653</u>	<u>9,410,930</u>
EXCESS REVENUES	<u>\$ 743,407</u>	<u>\$ 5,665,892</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF OTHER REVENUE
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Land use fees	\$ 624,495	\$ 576,499
Interest	857,914	171,728
Investment income	909,313	75,132
Administration fees	1,132,516	1,300,112
Miscellaneous and travel reimbursement	<u>67,112</u>	<u>40,472</u>
	<u>\$ 3,591,350</u>	<u>\$ 2,163,943</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF ADMINISTRATION EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
Salaries and benefits	\$ 5,147,766	\$ 5,028,151
Staff training	46,316	25,591
Meeting expenses	522,022	348,511
Travel	564,404	241,740
Office	54,240	51,437
Professional fees	759,627	676,183
Advertising and promotion	386,963	265,507
Service fees	50,709	28,531
Computer expenses	311,400	196,437
Vehicle expenses	17,511	7,645
Miscellaneous	<u>101,464</u>	<u>112,175</u>
	<u>\$ 7,962,422</u>	<u>\$ 6,981,908</u>