

**KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED
FINANCIAL STATEMENTS
MARCH 31, 2024**

KIVALLIQ INUIT ASSOCIATION
INDEX
MARCH 31, 2024

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Operations	3
Consolidated Statement of Changes in Net Assets	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 30
SUPPLEMENTARY INFORMATION	
Schedule 1 - Legacy Fund	31
Schedule 2 - Economic Development and Program Funding (NTI)	32
Schedule 3 - Inuit Programs & Services (HRSDC)	33
Schedule 4 - Government of Canada - (DIAND)	34
Schedule 5 - Government of Canada - Other Departments	35
Schedule 6 - Meadowbank Projects	36
Schedule 7 - Ukkusiksalik National Park IIBA	37
Schedule 8 - Special Projects	38 - 40
Schedule 9 - Meliadine Projects	41
Schedule 10 - Whale Tail Projects	42
Schedule 11 - Commercial Activities	43
Schedule 12 - Other Revenue	44
Schedule 13 - Administration Expenditures	45



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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, 2024, 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, 2024 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, 2023, 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.

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

Chartered Professional Accountants
Lester Landau Accounting Professional Corp.

Iqaluit, Nunavut
March 27, 2025

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024

	General Fund	Legacy Fund	Total 2024	Total 2023 (Note 3)
REVENUE				
Nunavut Tunngavik Incorporated				
Operating contribution	\$ 9,071,648	\$ 0	\$ 9,071,648	\$ 8,625,112
Economic development and program funding - Schedule 2	5,424,303	0	5,424,303	5,263,834
Government of Canada				
DIAND - Schedule 4	2,621,369	0	2,621,369	3,048,906
HRSDC - Schedule 3	8,656,355	0	8,656,355	10,093,856
Other departments - Schedule 5	1,464,799	0	1,464,799	766,258
Agnico Eagle Mines Limited and Other - Schedule 6, 9 and 10	1,920,880	0	1,920,880	1,368,792
Ukkusiksalik National Park IIBA - Schedule 7	10,500	0	10,500	12,500
Special projects - Schedule 8	8,838,950	0	8,838,950	8,017,969
Commercial Activities - Schedule 11	53,496,333	0	53,496,333	26,712,815
Legacy fund revenue - Schedule 1	0	39,427,836	39,427,836	29,878,632
Other revenue - Schedule 12	4,617,339	0	4,617,339	3,553,351
	<u>96,122,476</u>	<u>39,427,836</u>	<u>135,550,312</u>	<u>97,342,025</u>
EXPENDITURES				
Nunavut Tunngavik Inc. - Schedule 2	5,532,242	0	5,532,242	5,334,542
HRSDC - Schedule 3	8,656,355	0	8,656,355	10,093,856
DIAND - Schedule 4	2,621,369	0	2,621,369	3,556,515
Other Departments - Schedule 5	1,478,806	0	1,478,806	775,451
Meadowbank projects - Schedule 6	295,304	0	295,304	241,775
Meliadine projects - Schedule 9	1,577,115	0	1,577,115	1,070,490
Whale Tail projects - Schedule 10	48,461	0	48,461	56,527
Ukkusiksalik National Park IIBA - Schedule 7	10,500	0	10,500	12,500
Special projects - Schedule 8	8,756,314	0	8,756,314	8,146,932
Commercial activities - Schedule 11	43,581,539	0	43,581,539	27,930,425
Administration - Schedule 13	7,521,096	0	7,521,096	7,962,423
Legacy fund expenditures - Schedule 1	0	0	0	57,054
	<u>80,079,101</u>	<u>0</u>	<u>80,079,101</u>	<u>65,238,490</u>
EXCESS REVENUES FROM OPERATIONS	<u>16,043,375</u>	<u>39,427,836</u>	<u>55,471,211</u>	<u>32,103,535</u>
Other income (expenditures)				
Depreciation of building and equipment	(5,049,651)	0	(5,049,651)	(2,887,192)
Amortization of deferred capital contributions	181,541	0	181,541	207,990
Gain (loss) on disposal of investments and assets	246,483	0	246,483	1,581,748
Income (loss) on equity investments	(2,516,629)	0	(2,516,629)	443,450
Interest on long term debt	(2,691,728)	0	(2,691,728)	(898,631)
Non-controlling interest	(17,243)	0	(17,243)	953,956
Extraordinary item (Note 20)	(683,623)	0	(683,623)	0
	<u>(10,530,850)</u>	<u>0</u>	<u>(10,530,850)</u>	<u>(598,679)</u>
EXCESS REVENUES OVER EXPENSES	<u>\$ 5,512,525</u>	<u>\$ 39,427,836</u>	<u>\$ 44,940,361</u>	<u>\$ 31,504,856</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

	Opening <u>balance</u> (Note 3)	Excess <u>revenues</u>	<u>Transfers</u>	Total <u>2024</u>	Total <u>2023</u>
LEGACY FUND					
Legacy fund	\$ 98,106,317	\$ 7,398,171	\$ 27,555,022	\$ 133,059,510	\$ 98,106,317
Income stabilization fund	5,000,000	31,628,599	(31,628,599)	5,000,000	5,000,000
Community initiatives fund	6,582,560	364,254	4,105,419	11,052,233	6,582,560
Education fund	731,397	36,812	456,158	1,224,367	731,397
	<u>110,420,274</u>	<u>39,427,836</u>	<u>488,000</u>	<u>150,336,110</u>	<u>110,420,274</u>
GENERAL FUND					
Unrestricted net assets	65,916,216	5,512,525	(9,045,787)	62,382,954	65,916,216
Non-controlling interest	(953,956)	17,243	0	(936,713)	(953,956)
Invested in building and equipment	22,035,886	0	8,725,967	30,761,853	22,035,886
Reserves	<u>1,953,410</u>	<u>0</u>	<u>(168,180)</u>	<u>1,785,230</u>	<u>1,953,410</u>
	<u>88,951,556</u>	<u>5,529,768</u>	<u>(488,000)</u>	<u>93,993,324</u>	<u>88,951,556</u>
	<u>\$ 199,371,830</u>	<u>\$ 44,957,604</u>	<u>\$ 0</u>	<u>\$ 244,329,434</u>	<u>\$ 199,371,830</u>

LEGACY FUND TRANSFERS

Excess balance in Income Stabilization Fund transferred to Legacy Fund	\$ 31,628,599
90% investment return transferred to Community Initiatives Fund	(4,105,419)
10% investment return transferred to Education Fund	(456,158)
Sakku Investments Corporation dividend to Legacy Fund	<u>488,000</u>
Net transfer to / (from) Legacy Fund	<u><u>\$ 27,555,022</u></u>

GENERAL FUND TRANSFERS

Building and equipment purchased	\$ (74,114,339)
Depreciation of capital assets	5,049,651
Transfers from reserves	168,180
Capital contributions received	8,521,635
Amortization of deferred capital contributions	(181,541)
Debt issued	46,215,205
Principal payments on demand loan	(279,631)
Principal proceeds (payments) on capital lease obligations	1,256,518
Principal proceeds (payments) on note payable	420,000
Sundry capital transactions	4,386,535
Sakku Investments Corporation dividend to Legacy Fund	<u>(488,000)</u>
Net transfer to / (from) Unrestricted Net Assets	<u><u>\$ (9,045,787)</u></u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	General <u>Fund</u>	Legacy <u>Fund</u>	Total <u>2024</u>	Total <u>2023</u> (Note 3)
ASSETS				
Current				
Cash and cash equivalents	\$ 100,092,098	\$ 122,421,337	\$ 222,513,435	\$ 125,070,332
Short term investments (Note 4)	10,518,486	32,623,123	43,141,609	39,648,108
Accounts and contributions receivable (Note 5)	18,073,171	525,377	18,598,548	13,374,251
Inventory	323,265	0	323,265	31,554
Income taxes receivable	71,000	0	71,000	0
Prepaid expenses	852,057	0	852,057	1,718,445
Due from related companies (Note 6)	<u>3,422,794</u>	<u>0</u>	<u>3,422,794</u>	<u>3,307,081</u>
	133,352,871	155,569,837	288,922,708	183,149,771
Due from (to) own funds	(1,946,811)	1,946,811	0	0
Investment in EIC shares (Note 7)	911,861	0	911,861	873,508
Long term investments (Note 8)	43,661,704	0	43,661,704	46,093,347
Building and equipment (Note 9)	124,134,821	0	124,134,821	55,089,717
Equity land lease	416,272	0	416,272	90,055
Deferred finance charges	1,633	0	1,633	340,400
Goodwill	<u>189,713</u>	<u>0</u>	<u>189,713</u>	<u>189,713</u>
	<u>\$ 300,722,064</u>	<u>\$ 157,516,648</u>	<u>\$ 458,238,712</u>	<u>\$ 285,826,511</u>
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 12)	\$ 21,964,324	\$ 0	\$ 21,964,324	\$ 15,476,822
Due to related companies (Note 13)	3,770,458	0	3,770,458	2,211,390
Unearned revenue	679,427	0	679,427	0
Deferred revenue (Note 14)	65,145,703	7,180,538	72,326,241	29,769,325
Demand loan payable (Note 11)	3,984,737	0	3,984,737	4,264,368
Deferred government assistance	21,819,500	0	21,819,500	1,600,000
Current portion of note payable (Note 15)	210,000	0	210,000	0
Current portion of obligations under capital lease (Note 16)	283,922	0	283,922	27,876
Current portion of loans payable (Note 17)	<u>11,290,429</u>	<u>0</u>	<u>11,290,429</u>	<u>8,200,735</u>
	129,148,500	7,180,538	136,329,038	61,550,516
Obligations under capital lease (Note 16)	1,000,472	0	1,000,472	0
Note payable (Note 15)	210,000	0	210,000	0
Loans payable (Note 17)	60,777,503	0	60,777,503	17,651,992
Deferred capital contributions (Note 18)	<u>15,592,265</u>	<u>0</u>	<u>15,592,265</u>	<u>7,252,173</u>
	206,728,740	7,180,538	213,909,278	86,454,681
NET ASSETS				
Legacy Fund				
Legacy fund	0	133,059,510	133,059,510	98,106,317
Income stabilization fund	0	5,000,000	5,000,000	5,000,000
Community initiatives fund	0	11,052,233	11,052,233	6,582,560
Education fund	<u>0</u>	<u>1,224,367</u>	<u>1,224,367</u>	<u>731,397</u>
	0	150,336,110	150,336,110	110,420,274
Unrestricted net assets	62,382,954	0	62,382,954	65,916,216
Non-controlling interest	(936,713)	0	(936,713)	(953,956)
Invested in building and equipment	30,761,853	0	30,761,853	22,035,886
Reserves (Note 19)	<u>1,785,230</u>	<u>0</u>	<u>1,785,230</u>	<u>1,953,410</u>
	<u>93,993,324</u>	<u>150,336,110</u>	<u>244,329,434</u>	<u>199,371,830</u>
	<u>\$ 300,722,064</u>	<u>\$ 157,516,648</u>	<u>\$ 458,238,712</u>	<u>\$ 285,826,511</u>

APPROVED BY THE DIRECTORS:

Director

Director

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u> (Note 3)
OPERATING ACTIVITIES		
Excess Revenues Over Expenses	\$ 44,940,361	\$ 31,504,856
Items not requiring (providing) cash:		
Amortization of deferred capital contributions	(181,541)	(207,990)
Depreciation of building and equipment	5,049,651	2,887,192
EIC agreement revenues	(49,996)	(49,999)
Income (loss) from equity investments	2,516,629	(443,450)
(Gain) Loss on acquisition of EIC shares	11,646	(212,913)
(Gain) Loss on disposal of assets available for sale	0	(1,635,653)
(Gain) Loss on disposal of building and equipment	10,305	0
Non-controlling interest	17,243	(953,956)
	<u>52,314,298</u>	<u>30,888,087</u>
Cash provided by (used for) changes in non-cash working capital:		
Accounts and contributions receivable	(5,224,298)	(8,974,738)
Prepaid expenses	866,388	967,009
Due from related companies	(115,713)	(924,212)
Inventory	(291,711)	(31,554)
Income taxes receivable	(71,000)	0
Deferred charges	338,767	(340,400)
Accounts and contributions payable	6,487,501	5,770,978
Deferred revenue	42,556,916	(310,054)
Due to affiliated companies	1,559,067	1,987,540
Deferred government assistance - short term	20,219,500	1,600,000
Unearned revenue	679,427	0
	<u>119,319,142</u>	<u>30,632,656</u>
FINANCING ACTIVITIES		
Proceeds of debt	46,215,205	1,044,296
Proceeds of note payable	420,000	0
Repayment of demand loan	(279,631)	(1,526,333)
Obligations under capital lease provided (repaid)	1,256,518	(121,328)
Obligations under equity lease provided (repaid)	0	(327,724)
Deferred capital grants and contributions received	8,521,635	3,401,142
	<u>56,133,727</u>	<u>2,470,053</u>
INVESTING ACTIVITIES		
Purchase of equipment	(74,114,339)	(12,630,434)
Proceeds on assets available for sale	0	3,000,000
Proceeds on disposal of assets	9,277	0
Purchase of long term investments	(209,986)	(605,727)
Equity land lease	(326,217)	(90,055)
Dividends received on equity investments	125,000	437,500
Increase in short term investments	(3,493,501)	(5,425,177)
Purchase of goodwill	0	(189,713)
Derecognition of equity investment	0	345,288
	<u>(78,009,766)</u>	<u>(15,158,318)</u>
INCREASE IN CASH	97,443,103	17,944,391
CASH AND CASH EQUIVALENTS, OPENING	<u>125,070,332</u>	<u>107,125,941</u>
CASH AND CASH EQUIVALENTS, CLOSING	<u><u>\$ 222,513,435</u></u>	<u><u>\$ 125,070,332</u></u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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, income taxes receivable, 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 accounts payable and accrued liabilities, due to related companies, note payable, demand loan payable, obligations under capital lease and loans payable.

(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.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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., Ingirraijjuttit Corporation, Uquutaq Properties Ltd., 15333121 Canada Ltd., Sakku Innovative Business Solutions, and Kivalliq Alternative Energy Ltd..

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, Ltd. Sakku Exchange Corporation., Tasiuq Ltd., 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., 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.

Investment income, which includes interest income, dividends and realized capital gains is recognized as earned.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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:

Land	Not depreciated
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
Paving	5% declining balance
Assets under construction	not depreciated
Assets under capital lease	14% declining balance
Signs	20% 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.

(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.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

3. RESTATEMENT OF PRIOR YEAR BALANCES

The Association's comparative financial information has been restated as a result of the Association's consolidation of subsidiary companies as at March 31, 2023.

The following summarizes the changes to the 2023 comparative balances included in these financial statements.

	<u>March 31, 2023</u> <u>previously</u> <u>reported</u>	<u>Adjustment</u>	<u>March 31, 2023</u> <u>restated</u>
Revenue	\$ 90,855,269	\$ 6,486,756	\$ 97,342,025
Expenditures	56,752,717	8,485,773	65,238,490
Other income (expenditures)	<u>(1,576,270)</u>	<u>977,591</u>	<u>(598,679)</u>
Excess revenues over expenditures	<u>32,526,282</u>	<u>(1,021,426)</u>	<u>31,504,856</u>
Cash and cash equivalents	124,750,959	319,373	125,070,332
Short term investments	39,648,108	0	39,648,108
Accounts and contributions receivable	12,478,968	895,283	13,374,251
Inventory	0	31,554	31,554
Prepaid expenses	1,749,999	(31,554)	1,718,445
Due from related companies	6,440,740	(3,133,659)	3,307,081
Investment in EIC	873,508	0	873,508
Long term investments	46,093,600	(253)	46,093,347
Building and equipment	51,807,153	3,282,564	55,089,717
Equity land lease	0	90,055	90,055
Deferred finance charges	0	340,400	340,400
Goodwill	<u>189,713</u>	<u>0</u>	<u>189,713</u>
Total assets	<u>284,032,748</u>	<u>1,793,763</u>	<u>285,826,511</u>
Bank indebtedness	80,000	(80,000)	0
Accounts payable and accrued liabilities	13,630,993	1,845,829	15,476,822
Due to related companies	191,104	2,020,286	2,211,390
Deferred revenue	31,369,325	(1,600,000)	29,769,325
Demand loan payable	4,264,368	0	4,264,368
Deferred government assistance	0	1,600,000	1,600,000
Current portion of equity leases payable	40,119	(40,119)	0
Obligations under capital lease	27,876	0	27,876
Current portion of loans payable	8,200,735	0	8,200,735
Equity leases payable	289,851	(289,851)	0
Loans payable	17,651,992	0	17,651,992
Deferred capital contributions	<u>6,977,173</u>	<u>275,000</u>	<u>7,252,173</u>
Total liabilities	<u>82,723,536</u>	<u>3,731,145</u>	<u>86,454,681</u>
Legacy Fund	110,420,274	0	110,420,274
Unrestricted net assets	70,274,410	(4,358,194)	65,916,216
Non-controlling interest	0	(953,956)	(953,956)
Invested in building and equipment	18,661,118	3,374,768	22,035,886
Reserves	<u>1,953,410</u>	<u>0</u>	<u>1,953,410</u>
Total net assets	<u>\$ 201,309,212</u>	<u>\$ (1,937,382)</u>	<u>\$ 199,371,830</u>

The March 31, 2024 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, 2024

4. SHORT TERM INVESTMENTS

	<u>2024</u>	<u>2023</u>
Ukkusiksalik National Park Scholarship Trust	\$ 337,547	\$ 304,915
Operations	250,000	250,000
Land deposits	438,488	420,373
Inuit Wellness Fund	1,145,430	1,095,909
Cultural centres	2,226,907	2,130,720
Sakku Investments Corp.	<u>6,120,114</u>	<u>5,298,672</u>
	10,518,486	9,500,589
Legacy Fund	27,755,925	25,624,215
Ukkusiksalik National Park Community Initiatives Fund	<u>4,867,198</u>	<u>4,523,304</u>
	<u>\$ 43,141,609</u>	<u>\$ 39,648,108</u>

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

	<u>Cost 2024</u>	<u>Market 2024</u>	<u>Cost 2023</u>	<u>Market 2023</u>
Cash and cash equivalents	\$ 7,848,311	\$ 7,848,311	\$ 7,257,563	\$ 7,257,563
Marketable securities	<u>32,740,633</u>	<u>35,293,298</u>	<u>31,993,572</u>	<u>32,390,545</u>
	<u>\$ 40,588,944</u>	<u>\$ 43,141,609</u>	<u>\$ 39,251,135</u>	<u>\$ 39,648,108</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, 2024

5. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Trade and other	\$ 17,325,253	\$ 11,223,089
DIAND	1,256,973	1,874,233
Department of Fisheries and Oceans	10,000	10,000
Department of Natural Resources	0	49,750
Canadian Heritage	6,322	6,322
Government of Nunavut		
Economic Development and Transportation	0	27,257
Culture and Heritage	<u>0</u>	<u>183,600</u>
	<u>\$ 18,598,548</u>	<u>\$ 13,374,251</u>

6. DUE FROM RELATED COMPANIES

	<u>2024</u>	<u>2023</u>
Custom Helicopter Ltd.	\$ 3,740	\$ 0
Exchange Income Group	49,742	745,122
Kivalliq Contractors Group Ltd.	491,854	64,568
Kivalliq Mechanical Solutions Ltd.	0	99,454
Kivalliq Tire Mine Services Ltd.	0	189,225
Nanuq Builders Group Ltd.	0	46,161
Nunami Drilling & Blasting Ltd.	50,960	50,960
Nunami Helicopter Transport Inc.	0	275,765
Nunami Stantec Limited	46,289	0
Nunasi Corporation	0	25,614
Pan Arctic Inuit Logistics Corporation	26,848	26,848
Qaaqtuq Dyno Nobel Inc.	542,413	514,350
RG Solutions Inc.	2,178,575	1,178,553
Toromont Arctic Ltd.	<u>83,333</u>	<u>141,421</u>
	3,473,754	3,358,041
Less: Allowance for doubtful accounts	<u>(50,960)</u>	<u>(50,960)</u>
	<u>\$ 3,422,794</u>	<u>\$ 3,307,081</u>

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

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

7. 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 (2023 - 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 (2023 - \$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.

8. LONG TERM INVESTMENTS

	<u>2024</u>	<u>2023</u>
Arctic Kenworth		
Common shares at cost, a 51% interest	\$ 51	\$ 51
Class B non-voting common shares, a 100% interest	<u>100</u>	<u>100</u>
	<u>151</u>	<u>151</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>122,597</u>	<u>117,149</u>
	<u>122,648</u>	<u>117,200</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>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

8. LONG TERM INVESTMENTS (continued)

	<u>2024</u>	<u>2023</u>
Nanuq Builders Group Ltd.		
Class A voting shares at cost, a 51% interest	<u>51</u>	<u>51</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>
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>18,879,419</u>	<u>21,474,401</u>
	<u>19,004,419</u>	<u>21,599,401</u>
NCC Kivalliq Properties L.P.		
615,000 A.L.P. Units, a 49.99% interest	823,346	615,000
Share of income	<u>5,743</u>	<u>1,654</u>
	<u>829,089</u>	<u>616,654</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>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

8. LONG TERM INVESTMENTS (continued)

	<u>2024</u>	<u>2023</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>22,572,530</u>	<u>22,627,060</u>
	<u>22,572,531</u>	<u>22,627,061</u>
Tasiuq Ltd.		
Common shares at cost, a 50% interest	<u>50</u>	<u>50</u>
Other		
	<u>133</u>	<u>147</u>
Pan Arctic Inuit Logistics Corporation		
100% of the Class G shares representing 4% of the outstanding capital stock, at cost	<u>177,373</u>	<u>177,373</u>
	<u>\$ 43,661,704</u>	<u>\$ 46,093,347</u>

9. BUILDING AND EQUIPMENT

	<u>2024</u>			<u>2023</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 771,390	\$ 0	\$ 771,390	\$ 0
Buildings	110,232,307	26,727,794	83,504,513	41,742,662
Leasehold improvements	10,147,774	9,296,449	851,325	995,032
Office equipment	7,079,033	5,183,495	1,895,538	876,531
Computers	1,129,365	846,165	283,200	261,479
Furniture and fixtures	547,066	354,951	192,115	185,192
Automotive equipment	6,805,347	3,447,712	3,357,635	2,286,525
Assets under capital lease	1,605,097	112,149	1,492,948	7,500
Development costs	10,725,076	0	10,725,076	5,045,740
Assets under construction	20,980,113	0	20,980,113	3,689,056
Signs	91,648	10,680	80,968	0
	<u>\$170,114,216</u>	<u>\$ 45,979,395</u>	<u>\$124,134,821</u>	<u>\$ 55,089,717</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

10. 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 2024, there was \$500,000 (2023 - \$420,000) 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, 2024 and a credit card with a maximum amount of \$100,000. 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 2024, there was \$400,000 (2023 - \$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 2024, there was \$500,000 (2023 - \$500,000) of this line available for use.

11. DEMAND LOAN PAYABLE

	<u>2024</u>	<u>2023</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 plus 0.75%. The loan is due June 2039.	<u>\$ 3,984,737</u>	<u>\$ 4,264,368</u>

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

2025	\$ 279,630
2026	279,630
2027	279,630
2028	279,630
2029	279,630
Thereafter	<u>2,586,587</u>
	<u>\$ 3,984,737</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade	\$ 17,563,622	\$ 12,531,372
Deposits	2,098,532	239,965
Employee leave and termination	1,232,698	1,138,143
Department of Fisheries and Oceans	64,111	64,111
DIAND	684,266	684,266
Employment and Social Development Canada	164,440	164,440
Heritage Canada	53,172	53,172
Indigenous Services Canada	40,000	84,353
Government of Nunavut - Culture and Heritage	25,000	517,000
Parks Canada	38,483	0
	<u>\$ 21,964,324</u>	<u>\$ 15,476,822</u>

13. DUE TO RELATED COMPANIES

	<u>2024</u>	<u>2023</u>
Roulottes RG Inc.	\$ 3,570,458	\$ 2,020,286
Embassy West Senior Living	200,000	0
NCC Investment Group Inc.	0	156,224
Nunami Stantec Limited	0	34,880
	<u>\$ 3,770,458</u>	<u>\$ 2,211,390</u>

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

14. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
General Fund		
Nunavut Tunngavik Incorporated		
B2022 Inuit Housing	\$ 14,267,815	\$ 0
ICIF Kivalliq Infrastructure	21,595,197	0
NHSP	137,167	0
ICIF Capacity Building	2,041,417	0
B2017	864,768	0
HSG	4,000,769	0
Childcare Governance	71,673	0
Regional Healing Gathering	136,529	0
NIRC and NS	518,871	0
Wildlife Capacity	175,000	0
Negative Impact of Covid-19	0	1,859,242

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

14. DEFERRED REVENUE (continued)

	<u>2024</u>	<u>2023</u>
KIA share of extra funding	201,895	201,895
Mental health needs	0	1,013,693
NIRC	0	268,813
Nunavut Harvesters' Support Program	0	628,432
Ventilation	567,610	567,610
Organizational review	84,415	84,415
Post secondary education	0	703,403
Coral Harbour	0	46,300
Government of Canada		
CIRNAC		
Nunavut Land Use Plan	11,097	0
Socio-Economic Impacts - Southampton Island	220,239	0
REACHE	0	3,146,657
Skills link	275,948	340,788
Policy development	0	53,343
Canadian Heritage Rivers	1,784,441	1,927,770
Nukik infrastructure	1,972,113	0
Parks Canada		
Ukkusiksalik Scholarship Fund (Note 4)	273,201	251,069
Department of Fisheries and Oceans		
Southampton Island	3,105,134	2,480,915
Southampton Area of Interest negotiation	343,902	0
Natural Resources Canada		
Employment and Social Development Canada		
ISET program	10,400,742	8,002,598
Indigenous Services Canada		
Summer work experience	121,128	57,081
Jordan's Principle	160,241	75,036
Inuit Youth Hope Fund	67,010	108,422
Building Capacity	15,646	15,646
Mental Wellness	132,385	132,385
CFI Service co-ordinator	78,444	78,444
ECCC		
Aquatic Cumulative Effects Monitoring	39,900	0
NTF - On the Land	19,500	0
ICCE - Sediment Sampling	32,140	0
Inuit wellness	1,089,200	1,095,909
Meliadine mining - scholarship	60,000	30,000
Whale Tail mining - scholarship	60,000	30,000
Other	220,166	388,920
	<u>65,145,703</u>	<u>23,588,786</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

14. DEFERRED REVENUE (continued)

	<u>2024</u>	<u>2023</u>
Legacy Fund		
Government of Canada		
Parks Canada		
Ukkusiksalik Community Initiative (Note 4)	4,180,538	4,180,539
Inuit employment target penalty	<u>3,000,000</u>	<u>2,000,000</u>
	<u>7,180,538</u>	<u>6,180,539</u>
	<u>\$ 72,326,241</u>	<u>\$ 29,769,325</u>

15. NOTE PAYABLE

	<u>2024</u>	<u>2023</u>
Note payable to the Hamlet of Arviat for machinery and equipment. The note is non-interest bearing and repayable in annual payments of \$210,000.		
Less: current portion	\$ 420,000	\$ 0
	<u>210,000</u>	<u>0</u>
	<u>\$ 210,000</u>	<u>\$ 0</u>

During the year to Association purchased gravel crushing machinery and heavy equipment from the Hamlet of Arviat for \$1,200,000 plus GST of \$60,000 totaling \$1,260,000 for consideration of: \$210,000 cash, \$420,000 note payable and a credit for future purchasing (unearned revenue) of \$630,000. Unearned revenue of \$630,000 is for the sale of crushed gravel at a rate of \$85 per cubic meter.

Note payable is expected to be repaid annually as follows:

2025	\$ 210,000
2026	<u>210,000</u>
	<u>\$ 420,000</u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

16. OBLIGATIONS UNDER CAPITAL LEASE

	<u>2024</u>	<u>2023</u>
Capital lease contract with Mitsubishi HC Capital Canada Leasing Inc. for Caterpillar 950M wheel loader, Skyjack scissor lift and Caterpillar excavator. The heavy equipment with a total net book value of \$659,286 is pledged as security, repayable in monthly instalments of \$14,286 plus GST including interest at 8.24% per annum with a maturity date of May 2028 with a buyout option of \$10 at maturity.	\$ 582,500	\$ 0
Capital lease contract with Mitsubishi HC Capital Canada Leasing Inc. for Caterpillar D5K2 dozer and Skyjack boom lift. The heavy equipment with a net book value of \$269,100 is pledged as security, repayable in monthly instalments of \$5,831 plus GST including interest at 8.24% per annum with a maturity date of May 2028 with a buyout option of \$10 at maturity.	233,561	0
Capital lease contract with Mitsubishi HC Capital Canada Leasing Inc. for Caterpillar 450F dozer and Skytrack 10054 lift. The heavy equipment with a net book value of \$258,814 is pledged as security, repayable in monthly instalments of \$6,193 plus GST including interest at 8.23% per annum with a maturity days of May 2028 with a buyout option of \$10 at maturity	252,575	0
Capital lease contract with Mitsubishi HC Capital Canada Leasing Inc. for telehandler manbasket. The heavy equipment with a net book value of \$16,248 is pledged as security, repayable in monthly instalments of \$352 plus GST including interest at 8.26% per annum with a maturity days of May 2028 with a buyout option of \$10 at maturity	14,602	0

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

16 OBLIGATIONS UNDER CAPITAL LEASE (continued)

Capital lease contract with Mitsubishi HC Capital Canada Leasing Inc. for Caterpillar 950M loader. The heavy equipment with a net book value of \$227,500 is pledged as security, repayable in monthly instalments of \$4,930 plus GST including interest at 8.20% per annum with a maturity days of May 2028 with a buyout option of \$10 at maturity	201,156	0
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Capital lease contract for two Western Star heavy trucks. The heavy equipment is pledged as security, repayable in monthly instalments of \$6,530 plus GST including interest at 6.25%, matured August 2023 with no buyout option.	<u>0</u>	<u>27,876</u>
	<u><u>\$ 1,284,394</u></u>	<u><u>\$ 27,876</u></u>

Lease payments of \$283,922 (2023 - \$27,876) are presented as current liabilities.

The future minimum lease payments under capital leases are as follows:

2025	\$ 283,922
2026	308,197
2027	334,549
2028	357,368
2029	<u>358</u>
	<u><u>\$ 1,284,394</u></u>

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE

	<u>2024</u>	<u>2023</u>
Atuqtuarvik Corporation term loan, secured by a general security agreement and collateral mortgages over the leasehold interests against Government of Nunavut Lease No. 102968 and No. 102505, and the building on lot 644, plan 2540, Rankin Inlet, Nunavut with a net book value of \$288,474 (2023 - \$303,656). The loan is repayable in blended monthly instalments of \$24,514 commencing August 1, 2017 with interest at 5.15%, due July 2025.	\$ 1,949,253	\$ 2,132,179
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 \$3,501,618 (2023 - \$3,691,325). The loan is repayable in blended monthly installments of \$34,449 commencing January 1, 2021 with interest at 2.17%, due January 2026.	3,962,529	4,286,518
First Nations Bank of Canada fixed rate term loan, secured by a first position security agreement, leasehold mortgage in the amount of \$7,500,000 over the property located at lot 1001 Quad 55/K16 Rankin Inlet, Nunavut with a net book value of \$10,451,084 (2023 \$10,896,239) and assignment of rents and leases. The loan is repayable in blended monthly instalments of \$43,388 with interest at 3.70%, due December 2024.	5,284,781	5,602,903
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 \$5,213,280 (2023 - \$7,553,966). The loan is repayable in blended monthly instalments of \$17,144 with interest at 6.84%, due January 2026.	1,848,252	1,935,002

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE (continued)

	<u>2024</u>	<u>2023</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 \$1,625,373 (2023 - \$1,710,919). The loan is repayable in blended monthly instalments of \$10,282 with interest at 6.38%, due January 2026.	892,704	962,332
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.	1,929,646	2,128,020
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 \$2,995,951 (2023 - \$3,153,633). The loan principal is repayable in monthly instalments of \$13,720 plus interest at BDC's floating base minus 1.00%. The loan is due August 2032.	1,385,720	1,550,360
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 \$8,930,052 (2023 - \$9,400,055) The loan is repayable in blended monthly instalments of \$10,888 with interest at 5.75%, due May 2028.	484,732	583,830
TD Finance Auto loan - payable in blended monthly payments of \$1,008, due on March 19, 2028, secured by a 2022 GMC Sierra 1500 with a net book value of 27,613 (2023 - \$32,633).	28,596	35,144
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 \$65,236 (2023 - \$93,194).	61,423	84,152

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE (continued)

	<u>2024</u>	<u>2023</u>
TD Finance Auto loan - payable in blended monthly payments of \$1,008, due on March 19, 2028, secured by a 2022 GMC Sierra 1500 with a net book value of \$45,746 (2023 - \$54,064).	46,920	58,222
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.	2,500,000	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.	2,056,512	1,494,065
Canadian Western Bank, Segment 1 loan bearing interest at 5.36% per annum, repayable in monthly blended payments of \$87,207.	10,162,383	0
Royal Bank of Canada, term loan. Security and guarantees are detailed in Note 10. Interest only for the first year. Subsequently, repayable in blended monthly instalments of \$161,050 with interest at 5.86%. Due May 21, 2028	24,950,000	0
Canadian Western Bank, Segment 2 loan bearing interest at 5.36% per annum, repayable in monthly blended payments of \$11,875.	1,383,043	0
Canadian Western Bank, Segment 2 loan bearing interest at 5.36% per annum, repayable in monthly blended payments of \$4,548.	529,637	0

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE (continued)

	<u>2024</u>	<u>2023</u>
Royal Bank of Canada, term loan. Interest only for the first year. Subsequently, repayable in blended monthly instalments of \$11,573 with interest at 6.57%. Due May 21, 2028.	1,691,504	0
First Nations Bank of Canada, fixed rate term loan. Secured by second position in the amount of \$11,000,000 on the Association's commercial property portfolio with current land lease terms and general assignment of rents and leases. Repayable in blended monthly instalments of \$80,048 with interest at 6.19%, due December 2026.	11,000,000	0
Transaction costs	<u>(79,703)</u>	<u>0</u>
	72,067,932	25,852,727
Less: current portion	<u>11,290,429</u>	<u>8,200,735</u>
	<u>\$ 60,777,503</u>	<u>\$ 17,651,992</u>

Loans payable is expected to be repaid annually as follows:

2025	\$ 11,290,429
2026	10,086,955
2027	2,420,801
2028	2,800,276
2029	25,321,398
Thereafter	<u>20,148,073</u>
	<u>\$ 72,067,932</u>

All long term debt with Canadian Western Bank is secured by the real property at 1445 Portage Ave. in Winnipeg and a general security agreement over the following companies: P & E Developments Inc., - Portage and Empress Inc., Uquutaq Medical Boarding Home Ltd. and Oasis Mineral Spa Ltd.

Uquutaq Properties Ltd. through P & E Developments Ltd is required to maintain certain bank covenants as prescribed by its primary lender, Canadian Western Bank. As of March 31, 2024, the Association is in violation of these bank covenants which would normally result in all debt from this lender being due on demand and require such debt to be classified as a current liability. The Association has consulted with its primary lender and the lender has waived, in writing, the right to demand repayment for a period of more than one year from January 12, 2025.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

17. LOANS PAYABLE (continued)

Subsequent to year end, the Association amalgamated two Royal Bank of Canada term loans. The amalgamated loan is in the amount of \$26,641,503, is repayable in blended monthly instalments of \$166,039 with interest at 5.45%. The security over the loan did not change.

18. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 7,252,173	\$ 4,059,019
Capital contributions received	8,521,633	3,401,143
Amortization of deferred capital contribution	<u>(181,541)</u>	<u>(207,989)</u>
Closing balance	<u><u>\$ 15,592,265</u></u>	<u><u>\$ 7,252,173</u></u>

19. 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	1,185,976	96,187	(7,805)	1,274,358
Investment income	<u>534,329</u>	<u>0</u>	<u>(256,562)</u>	<u>277,767</u>
	<u><u>\$ 1,953,410</u></u>	<u><u>\$ 96,187</u></u>	<u><u>\$ (264,367)</u></u>	<u><u>\$ 1,785,230</u></u>

20. EXTRAORDINARY ITEM

During the year, Uquutaq Medical Boarding Home Ltd. was required to pay a franchise break fee to Choice Hotels.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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.

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. MEASUREMENT UNCERTAINTY

The Association has some commercial and residential tenant leases which include annual true-up calculations for operating and maintenance expense chargebacks that could be challenged by the tenant. Due to measurement uncertainty there is a possibility the amounts, if challenged could be significantly different than calculated. Management is not aware of significant differences when challenges have occurred. A difference, if any, will be recorded in the period known.

Included in accounts receivable is \$723,300 from a customer who is a contractor for Sakku Properties Ltd. that has gone into receivership. Management is of the opinion that Sakku Properties Ltd. will honor the receivable from the contractor and as a result an allowance has not been recorded.

The corporation receives a commission from PPD based on the volume of fuel delivered

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

23. BUSINESS COMBINATION

Uquqtaq Properties Ltd. acquired 100% of the outstanding common voting shares of P & E Developments Inc., Portage and Empress Inc., Uquqtaq Medical Boarding Home Ltd. and Oasis Mineral Spa through a share purchase agreement on May 24, 2023.

The purchase was allocated as follows:

Assets acquired:

Cash	\$ 179,224
Accounts receivable	1,357,583
Prepaid expenses	159,663
Inventory	20,239
Property, plant and equipment	37,286,630
Intangible assets	<u>1,632</u>
	<u>39,004,971</u>

Liabilities incurred:

Accounts payable and accrued liabilities	876,755
Long-term debt	<u>12,559,386</u>
	<u>13,436,141</u>

Net assets acquired	<u><u>25,568,830</u></u>
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Consideration

Cash from credit facility with RBC	24,568,830
Cash deposit	<u>1,000,000</u>

Total consideration	<u><u>\$ 25,568,830</u></u>
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24. CONTINGENCIES

The Association has been named in a legal action alleging early contract termination resulting in loss of revenue. The action is seeking \$6,000,000. It is management's opinion that the action will be settled subsequent to the financial statement date for \$50,000 and two years of rent waived. Any resulting liability will be recorded as a charge to income in the period in which the settlement occurs.

KIVALLIQ INUIT ASSOCIATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

25. 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 \$68,600,428.

The Association is party to a multi-year funding agreement with the Government of Canada to help improve oceans governance and co-management of marine spaces. The agreement term began March 2021 and will expire in March, 2026. Total contributions towards eligible expenditures during the course of the agreement is \$6,859,024. Advances to sub-agreement holders up to March 31, 2024 is \$3,150,000.

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 is party to a 3 year funding agreement with Nunavut Tunngavik Incorporate to develop infrastructure and housing. The agreement was signed April 4, 2023, the term began April 1, 2022 and will expire March 31, 2025. Total contributions towards eligible expenditures during the course of the agreement is \$14,000,000. Advances to sub-agreement holders during the year ended March 31, 2024 is \$14,000,000.

The Association is party to a 4 year funding agreement with Nunavut Tunngavik Incorporate to develop infrastructure and housing. The agreement was signed November 24, 2023, the term began April 1, 2021 and will expire March 31, 2025. Total contributions towards eligible expenditures during the course of the agreement is \$28,000,000. Advances to sub-agreement holders during the year ended March 31, 2024 is \$14,000,000.

The Association is party to a 6 year funding agreement with Nunavut Tunngavik Incorporate to develop housing. The agreement was signed October 5, 2023, the term began April 1, 2023 and will expire March 31, 2029. Initial contributions towards eligible expenditures is \$14,000,000 up to March 31, 2024 with a potential allocation of \$87,527,629 over the course of the agreement.

The Association has entered into two contracts related to the construction of a factory in Arviat totalling \$3,480,000. The contracts are to begin April 2024.

26. COMPARATIVE AMOUNTS

Certain 2023 financial statement amounts have been reclassified to conform to the financial statement presentation adopted in the current year.

SCHEDULE 1

KIVALLIQ INUIT ASSOCIATION
LEGACY FUND
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Royalties - Meliadine	\$ 11,236,619	\$ 10,634,014
Royalties - Whale Tail	16,122,157	11,716,699
Nunavut Inuit Resource Revenue Trust	3,058,644	3,335,010
Investment income - long term	0	880,175
Land use fees	<u>960,811</u>	<u>807,753</u>
	<u>31,378,231</u>	<u>27,373,651</u>
Interest	5,576,046	2,453,619
Investment income - short term	<u>2,473,559</u>	<u>51,362</u>
	<u>8,049,605</u>	<u>2,504,981</u>
Total revenue	<u>39,427,836</u>	<u>29,878,632</u>
EXPENDITURES		
Income Stabilization Fund		
Start up costs	<u>0</u>	<u>57,054</u>
Total expenditures	<u>0</u>	<u>57,054</u>
EXCESS REVENUE	<u><u>\$ 39,427,836</u></u>	<u><u>\$ 29,821,578</u></u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF NUNAVUT TUNNGAVIK INCORPORATED PROGRAM FUNDING
FOR THE YEAR ENDED MARCH 31, 2024

	2024						2023	
	Community Liaison	Bereavement and Compassionate Travel	Economic Development	Hunters Support	NHSP	Inuit Post Secondary Education	Total	Total
REVENUE								
Nunavut Tunngavik Incorporated Contribution	\$ 1,052,660	\$ 514,088	\$ 319,547	\$ 722,826	\$ 338,549	\$ 2,476,633	\$ 5,424,303	\$ 5,263,834
EXPENDITURES								
Community contributions								
Administration	0	0	0	65,712	0	0	65,712	338,313
Arviat	153,506	0	52,150	117,187	79,070	0	401,913	430,012
Baker Lake	132,285	0	9,612	44,539	27,474	0	213,910	217,792
Chesterfield Inlet	109,641	0	1,622	30,061	6,385	0	147,709	139,817
Coral Harbour	176,073	0	43,110	108,652	41,628	0	369,463	331,992
Naujaat	200,701	0	8,073	126,589	22,442	0	357,805	253,126
Rankin Inlet	187,706	0	204,101	206,199	153,483	0	751,489	900,925
Whale Cove	200,687	0	879	23,887	8,067	0	233,520	183,371
Other								
Bereavement and Compassionate Travel	0	514,088	0	0	0	0	514,088	585,480
Student support	0	0	0	0	0	2,476,633	2,476,633	1,953,714
	1,160,599	514,088	319,547	722,826	338,549	2,476,633	5,532,242	5,334,542
EXCESS REVENUE (EXPENSES)	\$ (107,939)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (107,939)	\$ (70,708)

KIVALLIQ INUIT ASSOCIATION
INUIT PROGRAMS & SERVICES - HRSDC
FOR THE YEAR ENDED MARCH 31, 2024

	Employment Insurance	Consolidated Revenue Fund Program (CRF)	Child Care (FNICCI)	Child Care (IELCC)	Child Care R&M	2024 Total	2023 Total
REVENUE							
Government of Canada							
Deferred revenue - prior year	\$ 0	\$ 1,932,081	\$ 0	\$ 5,431,127	\$ 639,390	\$ 8,002,598	\$ 8,566,137
Advances received	1,254,270	2,560,221	1,109,491	5,493,498	340,686	10,758,166	9,318,370
Deferred revenue - closing	(88,111)	(1,257,936)	0	(8,835,287)	(219,408)	(10,400,742)	(8,002,598)
	<u>1,166,159</u>	<u>3,234,366</u>	<u>1,109,491</u>	<u>2,089,338</u>	<u>760,668</u>	<u>8,360,022</u>	<u>9,881,909</u>
Interest	59,267	118,533	51,858	51,858	14,817	296,333	211,947
	<u>1,225,426</u>	<u>3,352,899</u>	<u>1,161,349</u>	<u>2,141,196</u>	<u>775,485</u>	<u>8,656,355</u>	<u>10,093,856</u>
PROGRAM ADMINISTRATION							
General administration							
Advertising	0	26,250	0	0	0	26,250	23,417
Bad debts	0	92,269	0	0	0	92,269	32,064
Computer maintenance and website	2,226	4,070	1,895	1,532	0	9,723	14,024
Office and other	15,462	30,920	63,128	18,068	0	127,578	220,963
Professional fees	9,875	26,865	13,619	10,811	2,501	63,671	286,484
Salaries and benefits	40,520	168,136	146,520	116,699	0	471,875	450,030
Travel	6,553	8,225	2,073	306	0	17,157	20,813
	<u>74,636</u>	<u>356,735</u>	<u>227,235</u>	<u>147,416</u>	<u>2,501</u>	<u>808,523</u>	<u>1,047,795</u>
Capacity building	4,597	4,825	0	0	0	9,422	0
TOTAL PROGRAM ADMINISTRATION	<u>79,233</u>	<u>361,560</u>	<u>227,235</u>	<u>147,416</u>	<u>2,501</u>	<u>817,945</u>	<u>1,047,795</u>
CORE PROGRAM SERVICES							
General administration							
Computer maintenance and website	2,268	2,550	0	0	0	4,818	6,438
Office and other	15,216	35,897	0	0	0	51,113	90,512
Professional fees	9,875	15,249	0	0	0	25,124	13,904
Salaries and benefits	176,339	266,795	0	0	0	443,134	716,981
Travel	1,498	1,723	0	0	0	3,221	9,907
	<u>205,196</u>	<u>322,214</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>527,410</u>	<u>837,742</u>
Capacity building	0	9,081	0	0	0	9,081	0
TOTAL CORE PROGRAM SERVICES	<u>205,196</u>	<u>331,295</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>536,491</u>	<u>837,742</u>
FUNDED PROGRAMS							
Inuit child care initiatives - FNICCI	0	0	934,114	0	0	934,114	977,362
Inuit child care initiatives - IELCC	0	0	0	1,993,780	772,984	2,766,764	1,411,278
Labour market and youth programs	881,992	2,579,611	0	0	0	3,461,603	5,781,117
TOTAL FUNDED PROGRAMS	<u>881,992</u>	<u>2,579,611</u>	<u>934,114</u>	<u>1,993,780</u>	<u>772,984</u>	<u>7,162,481</u>	<u>8,169,757</u>
PARTNERSHIP DEVELOPMENT							
Salaries and benefits	59,005	80,433	0	0	0	139,438	38,562
TOTAL ADMINISTRATION AND PROGRAM EXPENSES	<u>1,225,426</u>	<u>3,352,899</u>	<u>1,161,349</u>	<u>2,141,196</u>	<u>775,485</u>	<u>8,656,355</u>	<u>10,093,856</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>

SCHEDULE 4

**KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF DIAND
FOR THE YEAR ENDED MARCH 31, 2024**

	2024										2023	
	<u>Nukik Operations</u>	<u>Nunavut Land Use Plan</u>	<u>Community Readiness and Opportunities</u>	<u>XDO</u>	<u>Summer Work</u>	<u>Skills Link</u>	<u>Mental Wellness</u>	<u>Jordan's Principle</u>	<u>CFA Policy Development</u>	<u>Basic Organization Capacity</u>	<u>Total</u>	<u>Total</u>
REVENUE												
Deferred revenue - opening	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,343	\$ 0	\$ 53,343	\$ 129,285
Advances received	1,089,658	161,025	403,223	174,114	312,996	6,000	41,411	123,979	0	266,717	2,579,123	2,919,621
Deferred revenue - closing	0	(11,097)	0	0	0	0	0	0	0	0	(11,097)	0
	<u>1,089,658</u>	<u>149,928</u>	<u>403,223</u>	<u>174,114</u>	<u>312,996</u>	<u>6,000</u>	<u>41,411</u>	<u>123,979</u>	<u>53,343</u>	<u>266,717</u>	<u>2,621,369</u>	<u>3,048,906</u>
EXPENDITURES												
Administration	0	0	36,657	0	28,454	0	3,765	11,271	0	0	80,147	73,759
Advertising	48,138	0	0	0	0	0	0	0	0	0	48,138	29,918
Computer maintenance	0	0	2,214	0	0	0	0	2,823	0	0	5,037	4,059
Facility and equipment rental	0	0	0	0	0	0	0	0	0	0	0	294,085
Honoraria	79,227	0	0	0	0	0	0	0	0	0	79,227	31,065
Materials and supplies	5,866	0	0	0	0	0	1,563	0	0	0	7,429	80,404
Meetings	0	0	0	0	0	0	20,566	0	0	0	20,566	22,965
Office	44,157	0	53,357	27,806	0	0	0	23,528	0	0	148,848	149,807
Professional fees	680,469	149,928	387	0	0	0	0	0	53,343	0	884,127	1,377,606
Salaries and benefits	185,531	0	292,624	146,308	0	0	0	64,230	0	0	688,693	770,502
Skillslink	0	0	0	0	0	0	0	0	0	0	0	24,000
Staff training	0	0	5,000	0	0	0	0	0	0	0	5,000	324
Summer work experience	0	0	0	0	284,542	6,000	0	0	0	0	290,542	180,565
Translation	1,331	0	0	0	0	0	0	0	0	0	1,331	8,832
Travel	44,939	0	12,984	0	0	0	15,517	22,127	0	0	95,567	241,907
Annual general meeting	0	0	0	0	0	0	0	0	0	29,250	29,250	33,340
Board meeting	0	0	0	0	0	0	0	0	0	61,434	61,434	57,344
President's salary	0	0	0	0	0	0	0	0	0	176,033	176,033	176,033
	<u>1,089,658</u>	<u>149,928</u>	<u>403,223</u>	<u>174,114</u>	<u>312,996</u>	<u>6,000</u>	<u>41,411</u>	<u>123,979</u>	<u>53,343</u>	<u>266,717</u>	<u>2,621,369</u>	<u>3,556,515</u>
EXCESS EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF GOVERNMENT OF CANADA - OTHER DEPARTMENTS
FOR THE YEAR ENDED MARCH 31, 2024

	Heritage Rivers	Southampton Island	Socio-Economic Impacts	Geoscience	Southampton IIBA	Aquatic Monitoring	2024 Total	2023 Total
REVENUE								
CIRNAC	\$ 0	\$ 0	\$ 185,111	\$ 0	\$ 0	\$ 0	\$ 185,111	\$ 0
Department of Fisheries and Oceans	0	375,781	0	0	317,578	0	693,359	279,681
Department of Natural Resources	0	0	0	40,000	0	0	40,000	99,500
Canadian Heritage Rivers	143,329	0	0	0	0	0	143,329	241,197
Department of the Environment	0	0	0	0	0	403,000	403,000	145,880
	<u>143,329</u>	<u>375,781</u>	<u>185,111</u>	<u>40,000</u>	<u>317,578</u>	<u>403,000</u>	<u>1,464,799</u>	<u>766,258</u>
EXPENDITURES								
Administration	0	0	16,828	0	38,502	4,126	59,456	14,683
Communication	0	0	0	0	5,000	0	5,000	0
Computer software	0	3,375	0	0	0	0	3,375	18,480
Materials	143,254	8,981	1,672	0	1,667	10,781	166,355	175,366
Meetings	0	0	0	0	2,378	1,500	3,878	4,852
Professional fees	75	0	125,678	54,007	201,196	288,276	669,232	486,252
Salaries and benefits	0	345,137	0	0	17,000	35,100	397,237	33,962
Travel	0	18,288	40,933	0	51,835	63,217	174,273	41,856
	<u>143,329</u>	<u>375,781</u>	<u>185,111</u>	<u>54,007</u>	<u>317,578</u>	<u>403,000</u>	<u>1,478,806</u>	<u>775,451</u>
EXCESS EXPENSES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (14,007)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (14,007)</u>	<u>\$ (9,193)</u>

SCHEDULE 6

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF MEADOWBANK PROJECTS
FOR THE YEAR ENDED MARCH 31, 2024

	Implementation <u>Costs</u>	Post Closure <u>Wellness</u>	2024 <u>Total</u>	2023 <u>Total</u>
REVENUE				
Agnico-Eagle Mines Limited				
Deferred revenue - opening	\$ 0	\$ 1,095,909	\$ 1,095,909	\$ 0
IIBA schedule J-2 and J-3	239,075	0	239,075	241,775
Interest on invested funds	0	49,520	49,520	0
Deferred revenue - closing	<u>0</u>	<u>(1,089,200)</u>	<u>(1,089,200)</u>	<u>0</u>
	<u>239,075</u>	<u>56,229</u>	<u>295,304</u>	<u>241,775</u>
EXPENDITURES				
Materials and supplies	15,341	0	15,341	12,105
Meeting expenses	1,875	4,488	6,363	700
Other	22,512	1,200	23,712	9,697
Professional fees	8,461	42,649	51,110	42,359
Salaries and benefits	189,692	0	189,692	169,419
Travel	<u>1,194</u>	<u>7,892</u>	<u>9,086</u>	<u>7,495</u>
	<u>239,075</u>	<u>56,229</u>	<u>295,304</u>	<u>241,775</u>
EXCESS REVENUE	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

SCHEDULE 7

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF UKKUSIKSALIK NATIONAL PARK IIBA
FOR THE YEAR ENDED MARCH 31, 2024

	Scholarship <u>Trust</u>	2024 <u>Total</u>	2023 <u>Total</u>
REVENUE			
Deferred revenue - opening	\$ 251,069	\$ 251,069	\$ 258,740
Interest revenue	<u>32,632</u>	<u>32,632</u>	<u>4,829</u>
	283,701	283,701	263,569
Deferred revenue - closing	<u>(273,201)</u>	<u>(273,201)</u>	<u>(251,069)</u>
	<u>10,500</u>	<u>10,500</u>	<u>12,500</u>
EXPENDITURES			
Scholarships	<u>10,500</u>	<u>10,500</u>	<u>12,500</u>
EXCESS REVENUE	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF SPECIAL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2024

SCHEDULE 8

	Cultural Centres	Dene Boundary	NISPS	Somebody's Son	Makigiaqta IPSE	B2017	UMAYC B2017	State of the Environment	Oceans North
REVENUE									
Government of Nunavut	\$ 73,054	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Government of Canada	0	0	0	0	0	0	0	69,849	0
Nunavut Tunngavik Inc.	0	40,642	1,372,915	261,048	0	867,525	151,207	0	0
Polar Knowledge Canada	0	0	0	0	0	0	0	0	0
Contracts/contributions	7,100	0	0	0	1,519,106	0	0	0	141,000
	<u>80,154</u>	<u>40,642</u>	<u>1,372,915</u>	<u>261,048</u>	<u>1,519,106</u>	<u>867,525</u>	<u>151,207</u>	<u>69,849</u>	<u>141,000</u>
EXPENDITURES									
Administration	0	0	639	34,050	167,162	107,416	0	0	0
Honoraria	0	0	0	0	0	0	0	0	0
Materials and supplies	879	0	4,261	87,542	0	760,109	20,484	0	0
Meeting expenses	0	0	0	0	0	0	0	0	0
Miscellaneous	87,080	0	0	2,094	1,351,944	0	1,500	0	0
Professional fees	0	34,039	0	0	0	0	0	69,849	36,008
Salaries and benefits	0	0	0	66,412	0	0	69,099	0	39,494
Travel	0	6,603	0	70,950	0	0	60,124	0	65,647
Expenditure transfer	0	0	1,368,015	0	0	0	0	0	0
	<u>87,959</u>	<u>40,642</u>	<u>1,372,915</u>	<u>261,048</u>	<u>1,519,106</u>	<u>867,525</u>	<u>151,207</u>	<u>69,849</u>	<u>141,149</u>
EXCESS REVENUE (EXPENDITURES)	<u>\$ (7,805)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (149)</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF SPECIAL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2024

SCHEDULE 8

	Polar Knowledge	Makeway Sapuijiit	Childcare Governance	Community Input	Sediment Sampling	Mental Health	Healing Gathering	Sakku Investments Projects
REVENUE								
Government of Nunavut	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Government of Canada	0	0	0	5,870	0	0	0	0
Nunavut Tunngavik Inc.	0	0	216,720	0	0	1,013,693	18,176	0
Polar Knowledge Canada	136,045	0	0	0	0	0	0	0
Contracts/contributions	<u>0</u>	<u>171,746</u>	<u>0</u>	<u>0</u>	<u>46,925</u>	<u>0</u>	<u>0</u>	<u>288,089</u>
	<u>136,045</u>	<u>171,746</u>	<u>216,720</u>	<u>5,870</u>	<u>46,925</u>	<u>1,013,693</u>	<u>18,176</u>	<u>288,089</u>
EXPENDITURES								
Administration	0	0	0	0	0	101,369	2,371	0
Honoraria	0	0	0	0	0	0	0	0
Materials and supplies	0	20,524	0	0	938	0	0	0
Meeting expenses	0	0	0	3,149	0	0	0	0
Miscellaneous	0	0	0	0	0	61,884	15,805	162,872
Professional fees	133,838	966	216,720	0	39,337	0	0	0
Salaries and benefits	0	149,559	0	0	0	8,470	0	0
Travel	5,000	697	0	2,721	6,650	0	0	0
Expenditure transfer	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>841,970</u>	<u>0</u>	<u>0</u>
	<u>138,838</u>	<u>171,746</u>	<u>216,720</u>	<u>5,870</u>	<u>46,925</u>	<u>1,013,693</u>	<u>18,176</u>	<u>162,872</u>
EXCESS REVENUE (EXPENDITURES)	<u>\$ (2,793)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 125,217</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF SPECIAL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2024

SCHEDULE 8

			<u>2024</u>	<u>2023</u>
			Total Special Projects	Total Special Projects
	<u>Covid-19</u>	<u>Other</u>		
REVENUE				
Government of Nunavut	\$ 0	\$ 0	\$ 73,054	\$ 242,257
Government of Canada	0	0	75,719	221,980
Nunavut Tunngavik Inc.	2,272,086	138,125	6,352,137	7,005,817
Polar Knowledge Canada	0	0	136,045	137,754
Contracts/contributions	<u>0</u>	<u>28,029</u>	<u>2,201,995</u>	<u>410,161</u>
	<u>2,272,086</u>	<u>166,154</u>	<u>8,838,950</u>	<u>8,017,969</u>
EXPENDITURES				
Administration	216,011	0	629,018	723,309
Honoraria	0	0	0	215,306
Materials and supplies	0	31,833	926,570	615,333
Meeting expenses	0	0	3,149	39,765
Miscellaneous	3,691,060	0	5,374,239	5,238,392
Professional fees	0	666	531,423	476,599
Salaries and benefits	0	34,996	368,030	265,042
Travel	0	130,493	348,885	573,186
Expenditure transfer	<u>(1,634,985)</u>	<u>0</u>	<u>575,000</u>	<u>0</u>
	<u>2,272,086</u>	<u>197,988</u>	<u>8,756,314</u>	<u>8,146,932</u>
EXCESS REVENUE (EXPENDITURES)	<u>\$ 0</u>	<u>\$ (31,834)</u>	<u>\$ 82,636</u>	<u>\$ (128,963)</u>

SCHEDULE 9

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF MELIADINE PROJECTS
FOR THE YEAR ENDED MARCH 31, 2024

	Implementation <u>Costs</u>	Negotiation <u>Costs</u>	Water <u>Compensation</u>	<u>Scholarships</u>	2024 <u>Total</u>	2023 <u>Total</u>
REVENUE						
Agnico-Eagle Mines Limited						
Scholarship	\$ 0	\$ 0	\$ 0	\$ 30,000	\$ 30,000	\$ 30,000
Cost recovery	<u>965,467</u>	<u>576,045</u>	<u>5,603</u>	<u>0</u>	<u>1,547,115</u>	<u>1,040,490</u>
	<u>965,467</u>	<u>576,045</u>	<u>5,603</u>	<u>30,000</u>	<u>1,577,115</u>	<u>1,070,490</u>
EXPENDITURES						
Administration	0	0	0	0	0	2,868
Advertising	0	0	0	0	0	13,281
Computer expenses	14,415	0	0	0	14,415	15,333
Management fees	109,700	0	0	0	109,700	105,321
Materials	50,000	0	0	0	50,000	40,441
Meeting expenses	3,485	13,570	0	0	17,055	13,271
Professional fees	453,462	527,234	0	0	980,696	650,250
Salaries and benefits	279,627	0	0	0	279,627	134,874
Scholarships	0	0	0	30,000	30,000	30,000
Staff training	0	0	0	0	0	479
Travel	<u>54,778</u>	<u>35,241</u>	<u>5,603</u>	<u>0</u>	<u>95,622</u>	<u>64,372</u>
	<u>965,467</u>	<u>576,045</u>	<u>5,603</u>	<u>30,000</u>	<u>1,577,115</u>	<u>1,070,490</u>
EXCESS REVENUES	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

KIVALLIQ INUIT ASSOCIATION
WHALE TAIL PROJECTS
FOR THE YEAR ENDED MARCH 31, 2024

	Negotiation <u>Costs</u>	<u>Scholarships</u>	2024 <u>Total</u>	2023 <u>Total</u>
REVENUE				
Agnico-Eagle Mines Limited				
Scholarship	\$ 0	\$ 30,000	30,000	\$ 30,000
Cost recovery	<u>18,461</u>	<u>0</u>	<u>\$ 18,461</u>	<u>26,527</u>
	<u>18,461</u>	<u>30,000</u>	<u>48,461</u>	<u>56,527</u>
EXPENDITURES				
Professional fees	18,461	0	18,461	26,527
Scholarships	<u>0</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>18,461</u>	<u>30,000</u>	<u>48,461</u>	<u>56,527</u>
EXCESS REVENUES	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF COMMERCIAL ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUES		
Commercial revenue	\$ 6,464,157	\$ 3,299,633
Rental revenue	9,871,410	6,367,737
Management and service fees	4,437,375	3,412,864
Service contract revenue	18,886,526	7,253,885
Contract revenue	11,027,442	5,500,000
Materials and furniture	817,917	520,315
Gravel sales	789,325	0
Sales - retail	660,649	0
Miscellaneous	131,282	9,469
Interest and other	410,250	348,912
	<u>53,496,333</u>	<u>26,712,815</u>
EXPENSES		
Advertising and promotion	162,042	56,971
Bad debts	185,064	206,413
Board of directors honouraria	199,776	254,877
Board of directors meetings and travel	59,867	85,233
Computers	206,623	159,404
Cost of sales	15,538,137	8,529,021
Equipment rental	732,827	879,345
Franchise expenses	38,082	0
Fuel and lubrication	163,982	69,655
Insurance	1,172,315	929,297
Interest and bank charges	126,682	90,201
Investment management fees	445,316	58,063
Management fees	620,798	115,553
Meals and entertainment	36,539	6,676
Municipal taxes and land leases	350,294	102,532
Office	243,970	139,644
Professional and consulting fees	1,332,891	1,237,045
Purchased supplies and services	4,436,658	4,008,894
Rent	615,620	25,046
Repairs and maintenance	2,112,108	962,658
Salaries and wages	11,826,348	7,868,150
Taxes, licenses and membership fees	116,654	85,258
Telecommunications	158,187	141,681
Travel and accommodations	278,756	259,504
Utilities	2,422,003	1,659,304
	<u>43,581,539</u>	<u>27,930,425</u>
EXCESS REVENUES	<u>\$ 9,914,794</u>	<u>\$ (1,217,610)</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF OTHER REVENUE
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Land use fees	\$ 683,919	\$ 624,495
Interest	2,192,618	857,914
Investment income	851,642	871,314
Administration fees	831,240	1,132,516
Miscellaneous and travel reimbursement	<u>57,920</u>	<u>67,112</u>
	<u>\$ 4,617,339</u>	<u>\$ 3,553,351</u>

KIVALLIQ INUIT ASSOCIATION
CONSOLIDATED SCHEDULE OF ADMINISTRATION EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Salaries and benefits	\$ 5,504,276	\$ 5,147,766
Staff training	46,615	46,316
Meeting expenses	541,953	522,022
Travel	478,097	564,404
Office	35,963	53,434
Professional fees	258,631	759,627
Advertising and promotion	285,265	386,963
Service fees	49,901	50,709
Computer expenses	207,499	310,291
Vehicle expenses	12,229	19,427
Miscellaneous	<u>100,667</u>	<u>101,464</u>
	<u>\$ 7,521,096</u>	<u>\$ 7,962,423</u>