



INDEPENDENT AUDITORS' REPORT

To the members of Inuvik Native Band

Opinion

We have audited the accompanying consolidated financial statements of Inuvik Native Band, which comprise of the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of Inuvik Native Band (the "Council") as at March 31, 2022, and the consolidated results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 Council'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 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 Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.



Paul Teoh Professional Corporation
Chartered Professional Accountants

Calgary, Alberta
June 20, 2023

INUVIK NATIVE BAND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2022	2021
Financial Assets		
Cash and cash equivalents (note 2)	\$ 485,373	\$ 217,869
Accounts receivable (note 3)	164,530	27,322
Contributions receivable (note 4)	226,196	166,513
Total Financial Assets	876,099	411,704
Liabilities		
Accounts payable and accrued liabilities (note 5)	197,230	92,311
Contributions repayable (note 6)	163,404	8,030
Deferred contributions (note 7)	458,436	217,553
Demand loan payable	-	31,242
Total Liabilities	819,070	349,136
Net Financial Assets	57,029	62,568
Non-Financial Assets		
Tangible capital assets (note 8)	162,142	126,838
Investment (note 9)	1	7
Prepaid expenses and deposits	3,506	2,509
Total Non-Financial Assets	165,649	129,354
Accumulated Surplus (note 10)	\$ 222,678	\$ 191,922

Approved on behalf of the Council:

Melba Mitchell Councillor

Mary Ann Villeneuve Councillor

The accompanying notes and schedules are integral parts of these consolidated financial statements. 4.

INUVIK NATIVE BAND
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Contributions:			
- Indigenous Services Canada	\$ -	\$ 877,785	\$ 290,527
- Government of Canada		76,752	96,399
- Government of NWT		171,144	190,622
- Gwich'in Tribal Council		-	25,595
- Nihtat Gwich'in Council		-	70,000
Land lease income		30,000	30,000
Rental income		30,053	27,650
Administration fees		8,030	23,502
Other income		56,896	63,127
Add opening deferred revenue		217,553	250,844
<u>Less closing deferred revenue</u>	<u>-</u>	<u>(458,436)</u>	<u>(217,553)</u>
		1,009,777	850,713
Expenditure			
Anti-poverty	-	74,796	54,796
Basic administration	-	340,248	340,860
Capacity building and community development	-	93,942	50
Community wellness	-	270,781	308,735
Elders engagement	-	-	13,071
Estates management	-	2,259	-
Fundraising	-	-	7,441
Leadership meetings	-	14,249	-
Professional and institutional development	-	134,397	63,412
Youth programs	-	48,343	62,545
		979,015	850,910
Operating Surplus (Deficit)	-	30,762	(197)
Equity Earnings (Loss) from Investment	-	(6)	(7)
Annual Surplus (Deficit)	-	30,756	(204)
Accumulated Surplus, beginning of year	191,922	191,922	192,126
Accumulated Surplus, end of year	\$ 191,922	\$ 222,678	\$ 191,922

INUVIK NATIVE BAND

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2022	2022	2021
	Budget	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 30,756	\$(204)
Acquisition of tangible capital assets	-	(64,684)	(33,573)
Amortization of tangible capital assets	-	29,380	21,582
Loss (earnings) from investments	-	6	7
Decrease (increase) in prepaid expenses and deposits	-	(997)	1,513
Increase (Decrease) in Net Financial Assets	-	(5,539)	(10,675)
Net Financial Assets, beginning of year	62,568	62,568	73,243
Net Financial Assets, end of year	\$ 62,568	\$ 57,029	\$ 62,568

The accompanying notes and schedules are integral parts of these consolidated financial statements. 6.

INUVIK NATIVE BAND
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2022	2021
Cash Flows From Operating Activities		
Cash receipts from contributions and others	\$ 1,053,769	\$ 1,034,852
<u>Cash paid to suppliers and employees</u>	(690,339)	(891,594)
	363,430	143,258
Cash Flows From Financing Activities		
Proceeds from demand loan payable	(31,242)	31,242
	(31,242)	31,242
Capital Transactions		
Purchase of tangible capital assets	(64,684)	(33,573)
	(64,684)	(33,573)
Net Increase (Decrease) In Cash and Cash Equivalents	267,504	140,927
Cash and Cash Equivalents, beginning of year	217,869	76,942
Cash and Cash Equivalents, end of year	\$ 485,373	\$ 217,869

The accompanying notes and schedules are integral parts of these consolidated financial statements. 7.

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

The Inuvik Native Band (the "Council") is an aboriginal organization that represents the aboriginal people of Inuvik, Northwest Territories. The Council is registered with the Indigenous Services Canada (ISC) under the *Indian Act* and is not subject to any federal, territorial and local government taxes.

1. Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Reporting Entity

The consolidated financial statements includes the accounts of Inuvik Native Band and Gwich'in Investment Limited Partnership, which was accounted for using the modified equity method.

(c) Cash and Cash Equivalents

Cash includes cash and demand deposits. Cash equivalents includes highly liquid investments that can be readily converted into cash for a fixed amount and that matures less than three months from the date of acquisition.

(d) Revenue Recognition

Revenues are normally accounted for in the year in which the transactions or events occur that give rise to the revenue if the collection of the amount to be received is reasonably assured.

Government transfers are recognized as revenues in the year in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Funds from external parties restricted by agreements are accounted for as deferred contributions until used for the purpose specified.

Interest revenue is recorded as it is earned. Revenue from administration fees and other sources is recognized when the services are provided or the goods are sold.

(e) Investments

The Council's investment has been accounted for on a modified equity basis. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the Council and inter-organizational transactions and balances are not eliminated.

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. Significant Accounting Policies (Continued)

(f) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Amortization expense is recorded over the estimated useful lives of the assets, using the following method and annual rates:

Computer equipment	30% declining balance
Office equipment	20% declining balance
Leasehold improvements	4% declining balance
Equipment	20% declining balance

(g) Use of Estimates and Judgments

The preparation of financial statements in conformity with Canadian public sector accounting requires management to make estimates and assumptions that affect the reported amounts of financial assets, financial liabilities, revenue and expenditure. Significant areas requiring the use of estimates include valuation of accounts receivable and accounts payable. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on a on going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised.

(h) Allocation of Expenditure

Certain common expenditure have been allocated to programs based on estimate of services provided.

(i) Financial Instruments

Measurement

The Corporation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Corporation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable, preferred shares of a private company and notes receivable. Financial liabilities measured at amortized cost accounts payable, amounts payable to related parties.

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

1. Significant Accounting Policies (Continued)

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction Costs

The entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

2. Cash and Cash Equivalents

	2022	2021
Bank current account	\$ 463,808	\$ 193,562
Bank savings account	21,365	24,107
Petty cash	200	200
	<hr/> \$ 485,373	<hr/> \$ 217,869

3. Accounts Receivable

	2022	2021
Trade and others	\$ 12,400	\$ 3,500
GST rebate refundable	7,280	3,896
Te Pee Housing Association	144,850	19,926
	<hr/> \$ 164,530	<hr/> \$ 27,322

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

4. Contributions Receivable

		2022	2021
Indigenous Services Canada:			
Fiscal Year 2017/18:			
Consultation & Policy Development - Governance	\$ 10,700	\$ 10,700	\$ 10,700
Fiscal Year 2018/19:			
Wills & Estates - Amd#1	2,394	2,394	2,394
Wills & Estates - Additional - Amd#5	1,500	1,500	1,500
Consultation & Policy Development - Amd#9	5,350	5,350	5,350
P&ID Community Development - Amd#7	5,350	5,350	5,350
P&ID Government Capacity - Amd#2	4,500	4,500	4,500
P&ID Pilot Projects - Amd#4	6,875	6,875	6,875
P&ID Pilot Projects - Additional - Amd#8	6,875	6,875	6,875
Registration & Membership - Amd#6	12,600	12,600	12,600
Youth Employment Strategy - Amd#3	6,030	6,030	6,030
Fiscal Year 2019/20:			
Youth Employment Strategy - Amd#1	5,080	5,080	5,080
Capacity Building & Community Development - Amd#5	10,700	10,700	10,700
Capacity Building & Community Development - Pilot Supplement - Amd#7	1,000	1,000	1,000
P&ID Basic Administration - Amd#2	7,800	7,800	7,800
P&ID Pilot Projects Phase 2 - Amd #3	14,000	14,000	14,000
Fiscal Year 2020/21:			
Jordan's Principle	-	52,272	52,272
P&ID Basic Administration - Amd#2	4,000	4,000	4,000
Capacity Building & Community Development - Amd#5	4,838	4,838	4,838
P&ID Basic Administration - Amd#3	4,649	4,649	4,649
Fiscal Year 2021/22:			
P&ID - Additional - Amd#11	10,000	-	-
Youth Employment Strategy - Amd#2	2,063	-	-
Youth Employment Strategy - Amd#4	4,820	-	-
Wills & Estates - Amd#6	9,500	-	-
Community Wellness Co-ordinator	85,572	-	-
	\$ 226,196	\$ 166,513	

5. Accounts Payable and Accrued Liabilities

		2022	2021
Trade and others			
Payroll remittances payable			
		\$ 136,862	\$ 74,042
		60,369	18,268
		\$ 197,231	\$ 92,310

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

6. Contributions Repayable

		2022	2021
Indigenous Services Canada:			
2020/21 Amd#1 - FNIYES	\$ 40,633	\$ -	
2020/21 Amd#5 - Capacity Building & Community Dev	47,300	-	
2019/20 Amd#7 - CB&CD Pilot Supplement	10,000	-	
2019/20 Amd#9 - Estates Management	2,259	-	
2020/21 Amd#2 - Basic Administration	1,215	-	
2019/20 Amd#3 - Pilot Projects Phase 2	46,272	-	
2020/21 Amd#3 - Basic Administration	15,726	-	
Others:			
Nihtat COVID 19 Support	-	8,030	
	\$ 163,405	\$ 8,030	

7. Deferred Contributions

	2021 Opening	Additions	Utilized	2022 Closing
2020/21 Amd#1 - FNIYES	\$ 43,987	\$ -	\$ 43,987	\$ -
2020/21 Amd#2 - Basic Administration	4,148	-	4,148	-
2020/21 Amd#3 - Basic Administration	15,868	-	15,868	-
Amd#7 - Registration & Membership	-	5,000	4,500	500
2020/21 Amd#5 - Capacity Building & Community Dev	48,325	-	48,325	-
2019/20 Amd#7 - CB&CD Pilot Supplement	10,000	-	10,000	-
2019/20 Amd#9 - Estates Management	2,259	-	2,259	-
2019/20 Amd#3 - Pilot Projects Phase 2	47,771	-	47,771	-
Nihtat COVID 19 Support	-	8,030	8,030	-
Community Wellness Coordinator	45,195	171,144	142,013	74,326
Amd#8 - ISC COVID Health & Safety	-	330,032	135,115	194,917
Amd#2 - FNIYES	-	20,625	-	20,625
Amd#4 - FNIYES	-	48,200	1,241	46,959
Amd#1 - Treaty 11 Commemoration	-	20,000	-	20,000
Amd#6 - Wills & Estates	-	95,000	-	95,000
Amd#3 - P&ID Government Capacity	-	75,000	68,891	6,109
	\$ 217,553	\$ 773,031	\$ 532,148	\$ 458,436

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

8. Tangible Capital Assets

	Balance, beginning of year	Write- downs	Disposals	Additions	Balance, end of year
Cost					
Computer equipment	\$ 36,044	\$ -	\$ -	\$ 9,118	\$ 45,162
Office equipment	38,911	-	-	6,633	45,544
Leasehold improvements	91,625	-	-	21,860	113,485
Equipment	17,177	-	-	27,074	44,251
Total	\$ 183,757	\$ -	\$ -	\$ 64,685	\$ 248,442
 Accumulated Amortization					
Computer equipment	\$ 22,262	\$ -	\$ -	\$ 8,238	\$ 30,500
Office equipment	18,456	-	-	6,081	24,537
Leasehold improvements	11,048	-	-	4,535	15,583
Equipment	5,153	-	-	10,527	15,680
Total	\$ 56,919	\$ -	\$ -	\$ 29,381	\$ 86,300
 Net Book Value					
	Balance, beginning of year				Balance, end of year
	\$ 126,838				\$ 162,142

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

9. Investment

Gwich'in Investments Limited Partnership:

The Council owns 1,035 of the 4,004,150 limited partnership units in Gwich'in Investments Limited Partnership (GILP). GILP was formed on November 30, 2006 to invest 13.34% in Denendeh Investments Limited Partnership.

The following summarizes the financial position and results of operations of GILP as at and for the year ended December 31, 2021.

	2021	2020
Financial Position		
Current assets	\$ 3,354	\$ 3,414
Non-current assets	81,985	100,196
 Total assets	85,339	103,610
Total liabilities	(86,620)	(81,270)
 Total partners' equity	\$(1,281)	\$ 22,340
 Financial Performance		
Share of revenue (loss)	\$(18,211)	\$(23,842)
Expenses	(5,410)	(5,410)
 Net earnings (loss)	\$(23,621)	\$(29,252)
 Net earnings (loss) attributable to the Council	\$(5)	\$(7)
 Investments:		
Investment at cost	\$ 1,035	\$ 1,035
Investment impairment	(1,034)	(1,034)
Accumulated earnings	-	6
 Total net investments	\$ 1	\$ 7

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

10. Accumulated Surplus (Deficit)

	2022	2021
Unrestricted		
General Operating Fund	\$ 60,535	\$ 65,077
Investment Fund	1	7
Equity in Tangible Capital Assets	162,142	126,838
	\$ 222,678	\$ 191,922

11. Expenditure by Object

	2022	2021
Administration	\$ 397	\$ 23,502
Advertising and promotion	1,213	(240)
Amortization	29,380	21,582
Bank charges and interest	4,739	3,840
Community events	6,224	-
Contracted services	14,534	37,327
Contributions repaid (net)	163,404	8,030
Donations	4,929	10,137
Freight and postage	837	1,648
Honoraria	6,493	6,307
Insurance	3,309	10,937
Materials and supplies	251,593	181,011
Meeting and workshop	27,502	14,400
Office	30,343	29,656
Rent	-	550
Professional fees	45,033	26,285
Utilities	23,505	26,522
Repairs and maintenance	2,036	14,227
Telephone and Internet	4,687	6,738
Training and scholarships	1,200	1,750
Travel and accommodation	16,811	30,466
Wages and benefits	340,846	396,235
Total Expenditure	\$ 979,015	\$ 850,910

INUVIK NATIVE BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022

12. Credit Facilities

The Council has a demand operating credit with CIBC for an amount up to \$25,000 and corporate visa up to \$20,000 for business operation purposes. The demand operating credit bears interest at prime plus 1% per annum. They are secured by a General Security Agreement granting first security interest in all present and after acquired property. The balance of demand operating credit as at March 31, 2022 is \$nil (2021: \$nil).

13. Comparative Figures

Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

14. Economic Dependence

The Council receives a major portion of its revenue from the Indigenous Services Canada and the Government of the Northwest Territories. The nature and extent of this revenue is of such significance that the Council is economically dependent on these sources of revenue.

15. Financial Instruments and Risk Management

The Council's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

Credit Risk - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The Council is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Council's non-compliance to the contribution agreements. The Council manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

Interest Rate Risk - Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Council is exposed to interest rate risk due to the credit facilities which are based on bank prime interest rate. The Council manages interest rate risk through constant managing of cash flows before utilizing any demand operating credit.

Market Risk - Market risks is the risk that the fair value of financial instruments will fluctuate due to changes in market factors. Market risk includes fair value risk, interest rate risk and foreign currency risk. The Council is not exposed to these risks from its financial instruments.

Liquidity Risk - Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council manages liquidity risk through the management of its capital structure.

Unless otherwise noted, it is management's opinion that the Council is not exposed to other significant currency risks arising from these financial instruments.