



AVERY COOPER & CO. LTD.

Chartered Professional Accountants

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October 8, 2024

Kivalliq Chamber of Commerce
P.O. Box 819
Rankin Inlet, NU X0C 0G0

Ref # 1131

Attention: Tara Tootoo Fotheringham

Dear Tootoo Fotheringham:

Re: Subsequent Events Acknowledgment

In connection with the audit of your financial statements for the year ended March 31, 2024, please confirm there are no subsequent events or indicate below any significant events that have occurred between March 31, 2024 and October 7, 2024 which may affect our audit opinion.

A subsequent event is an event that has occurred or will likely occur after the year end, which could make a difference to the users of the financial statements in making decisions based on those financial statements.

A subsequent event would include such things as new commitments or borrowings, acquisitions of significant assets, any destruction of property either by fire or flood, any additional possible contingent liabilities, any new possible litigation pending, unusual accounting adjustments, etc.

Yours truly,

AVERY COOPER & CO. LTD.

Eberhard (Abe) Theil, CPA, CGA
Senior Manager
/cmt

☒ No significant subsequent events have occurred between March 31, 2024 and October 7, 2024 which may affect your audit opinion.

☐ The following subsequent events have occurred between March 31, 2024 and October 7, 2024 which may affect your audit opinion:

List any significant subsequent events below:

Kivalliq Chamber of Commerce

September 8, 2023
Date



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June 1, 2024

Ref # 1131

Kivalliq Chamber of Commerce
P.O Box 819
Rankin Inlet, NU
X0C 0G0

Dear Tootoo Fotheringham:

The Objective and Scope of the Audit

You have requested that we audit the financial statements of Kivalliq Chamber of Commerce, which comprise the Statement of Financial Position as at March 31, 2024, and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements (including a summary of significant accounting policies).

We are pleased to confirm our acceptance and our understanding of the nature, scope and terms of this audit engagement, and all services related thereto, by means of this letter (the "Engagement").

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement (whether due to fraud or error) and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Responsibilities of the Auditor

We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements. 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:

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- e) 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.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

The Responsibilities of Management

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").
- b) For the design and implementation of 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.
- c) To provide us with timely:
 - i) Access to all information of which management is aware that is relevant to the preparation of the financial statements (such as records, documentation and other matters);
 - ii) Information about all known or suspected fraud, any allegations of fraud or suspected fraud and any known or probable instances of noncompliance with legislative or regulatory requirements;
 - iii) Additional information that we may request from management for the purpose of the audit; and
 - iv) Unrestricted access to persons within Kivalliq Chamber of Commerce from whom we determine it necessary to obtain audit evidence.

As part of our audit process:

- a) We will make inquiries of management about the representations contained in the financial statements. At the conclusion of the audit, we will request from management and, where appropriate, those charged with governance written confirmation concerning those representations. If such representations are not provided in writing, management acknowledges and understands that we would be required to disclaim an audit opinion.
- b) We will communicate any misstatements identified during the audit other than those that are clearly trivial. We request that management correct all the misstatements communicated.

Form and Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

INDEPENDENT AUDITORS' REPORT

To the Board Of Directors of:
Kivalliq Chamber of Commerce

Opinion

We have audited the financial statements of Kivalliq Chamber of Commerce (the "Organization"), which comprise the Statement of Financial Position as at March 31, 2024, and the Statements of Operations and Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and March 31, 2023, current assets and net assets as at March 31, 2024 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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

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

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

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial

statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yellowknife, NT
Date

Chartered Professional Accountants

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Kivalliq Chamber of Commerce unless:

- a) We have been specifically authorized with prior consent;
- b) We have been ordered or expressly authorized by law or by the Code of Professional Conduct; or
- c) The information requested is (or enters into) public domain.

Use and Distribution of Our Report

The examination of the financial statements and the issuance of our audit opinion are solely for the use of Kivalliq Chamber of Commerce and those to whom our report is specifically addressed by us. We make no representations or warranties of any kind to any third party in respect of these financial statements or our audit report, and we accept no responsibility for their use by any third party or any liability to anyone other than Kivalliq Chamber of Commerce.

For greater clarity, our audit will not be planned or conducted for any third party or for any specific transaction. Accordingly, items of possible interest to a third party may not be addressed and matters may exist that would be assessed differently by a third party, including, without limitation, in connection with a specific transaction. Our audit report should not be circulated (beyond Kivalliq Chamber of Commerce) or relied upon by any third party for any purpose, without our prior written consent.

You agree that our name may be used only with our prior written consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us in writing.

Reproduction of Auditors' Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review and approval in writing before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditors' report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website, or to consider the consistency of other information in the electronic site with the original document.

Ownership

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the Engagement are the property of our firm, constitute our confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any lost or corrupted data or other damage or loss suffered or incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

File Inspections

In accordance with professional regulations (and by our firm's policy), our client files may periodically be reviewed by practice inspectors, the Canadian Public Accountability Board (CPAB) and by other engagement file reviewers to ensure that we are adhering to our professional and firm's standards. File reviewers are required to maintain confidentiality of client information.

Governing Legislation

This engagement letter is subject to, and governed by, the laws of the Northwest Territories. The Northwest Territories will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

Dispute Resolution

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this Engagement will, prior to resorting to litigation, be submitted to mediation.

Indemnity

Kivalliq Chamber of Commerce hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents and employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands and liabilities arising out of (or in consequence of):

- a) The breach by Kivalliq Chamber of Commerce, or its directors, officers, agents or employees, of any of the covenants or obligations of Kivalliq Chamber of Commerce herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b) A misrepresentation by a member of your management or board of directors.

Fees

Our fee for services will be based on the actual time spent at our standard hourly or quoted rates plus travel or other out-of-pocket costs such as report production, typing, postage, etc.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. All applicable taxes are in addition to the basic fee and expenses.

An administration charge up to a maximum of five (5%) percent of fees will be added to the invoice to cover all routine and out-of-pocket expenses such as incidental postage, photocopies, fax and supplies.

More significant disbursements, such as travel time and related costs (hotels, meals, airfare) will be charged at cost for reimbursement only. A summary of such expenses will be set out on the invoice.

We may render an invoice for up to 75% of the prior year's fee and disbursements at the time of our attendance. The balance of the fee and disbursements will be billed upon completion of the engagement.

Billing

Our invoice will be prepared and presented upon completion of the engagement.

All accounts are due upon presentation, unless arrangements have been made in advance and a service charge of 1.5% per month (18% per annum) will be added if your account is not paid within 30 days. Payment will be applied first to interest and then to principal.

Termination

Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the Engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party not less than 30 calendar days before the effective date of termination. If early termination takes place, Kivalliq Chamber of Commerce shall be responsible for all time and expenses incurred up to the termination date and all costs in terminating any agreement with any specialist or other third party retained by us in connection with this Engagement.

If we are unable to complete the Engagement or are unable to form, or have not formed, an opinion on the financial statements, we may withdraw from the Engagement before issuing an auditor's report, or we may disclaim an opinion on the financial statements. If this occurs, we will communicate the reasons and provide details.

Costs of Responding to Government or Legal Processes

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this Engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable taxes) incurred.

Communications

In performing our services, we will send messages and documents electronically. As such communications can be intercepted, misdirected, infected by a virus, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim, and you release us from, any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this Engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from such communications, including any that are consequential, incidental, direct, indirect, punitive, exemplary or special damages (such as loss of data, revenues or anticipated profits).

If you do not consent to our use of electronic communications, please notify us in writing.

Express Consent to Receive Emails

You consent to receive electronic communications from Avery Cooper & Co. Ltd. and Avery Cooper Financial Corporation. You understand you can remove this consent at any time by contacting Administration at 1-800-661-0787 or by replying via email with Unsubscribe as the subject line.

Other Terms of Engagement

Subject to management review and approval, we will carry out such bookkeeping as we find necessary prior to the preparation of the financial statements, prepare the necessary federal and provincial income tax returns, and prepare any special reports as required. Management will provide the information necessary to complete the returns / reports and will file them with the appropriate authorities on a timely basis.

It should be noted that our work in the area of GST and other commodity taxes is limited to that appropriate to ensure the financial statements are plausible. Accordingly, we may not detect situations where you are incorrectly collecting GST or incorrectly claiming input tax credits. As you are aware, failure to properly account for the GST could result in you or your Organization becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties, and excise taxes.

Conclusion

This engagement letter includes the relevant terms that will govern the Engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your Organization.

Yours truly,

AVERY COOPER & CO. LTD.



Eberhard (Abe) Theil, CPA, CGA
Senior Manager
mb

Acknowledged and agreed on behalf of Kivalliq Chamber of Commerce by:

Per:


Tara Tootoo Fotheringham, President