



PAUL TEOH

Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the members of Aklavik Indian Band

Opinion

We have audited the accompanying consolidated financial statements of Aklavik Indian Band, which comprise of the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations and accumulated surplus, consolidated statements of changes in net financial assets and accumulated surplus 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 Aklavik Indian Band (the "Band") as at March 31, 2025 and the consolidated results of its operations, changes in net financial assets 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 Band 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 Band'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 Band or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Band'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 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.

2.



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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 Band'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 Band'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 Band 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 Band 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
October 24, 2025

AKLAVIK INDIAN BAND

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2025	2024
Financial Assets		
Cash and cash equivalents (note 2)	\$ 171,301	\$ 202,591
Accounts receivable (note 3)	30,307	71,062
Contributions receivable (note 4)	166,423	259,169
Total Financial Assets	368,031	532,822
Liabilities		
Accounts payable and accrued liabilities (note 5)	72,124	90,108
Contributions repayable (note 6)	51,508	51,508
Deferred contributions (note 7)	333,500	472,312
Total Liabilities	457,132	613,928
Net Financial Debt	(89,101)	(81,106)
Non-Financial Assets		
Long term investment (note 8)	536,125	483,101
Tangible capital assets (note 9)	5,406	7,433
Prepaid expenses and deposits	2,167	1,420
Total Non-Financial Assets	543,698	491,954
Accumulated Surplus (note 11)	\$ 454,597	\$ 410,848

Approved on behalf of the Council:

 Councillor

 Councillor

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

AKLAVIK INDIAN BAND

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2025	2025	2024
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - Indigenous Services			
Canada	\$ -	\$ 331,124	\$ 230,833
Contributions - Government of NWT	-	224,642	273,605
Contributions - NWT Housing Corporation	-	190,000	313,000
Other contributions and grants	-	87,914	75,000
Administration fees	-	186,856	200,377
Interest income	-	7,436	6,691
Other revenue and recoveries	-	234,702	249,215
Rental income	-	35,550	37,800
Add opening deferred revenue	-	472,311	227,582
Less closing deferred revenue	-	(333,499)	(472,311)
	-	1,437,036	1,141,792
Expenditure			
Band administration	-	429,396	415,607
Band governance	-	30,754	52,801
Community programs	-	174,113	97,980
Health and wellness	-	120,975	150,434
Housing	-	421,862	155,440
Nutrition programs	-	14,999	15,015
Post office operations	-	204,160	253,355
Youth programs	-	57,702	20,198
	-	1,453,961	1,160,830
Operating Surplus (Deficit)	-	(16,925)	(19,038)
Earnings (loss) from Subsidiaries	-	60,674	43,400
Annual Surplus (Deficit)	-	43,749	24,362
Accumulated Surplus, beginning of year	410,848	410,848	386,486
Accumulated Surplus, end of year	\$ 410,848	\$ 454,597	\$ 410,848

The accompanying notes and schedules are integral parts of these consolidated financial statements. 5.

AKLAVIK INDIAN BAND

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT

For the year ended March 31,	2025	2025	2024
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 43,749	\$ 24,362
Amortization of tangible capital assets	-	2,027	2,823
Decrease (increase) in portfolio investment	-	(53,024)	24,146
	-	(7,248)	51,331
Decrease (increase) in prepaid expenses and deposits	-	(747)	-
Increase (Decrease) in Net Financial Debt	-	(7,995)	51,331
Net Financial Debt, beginning of year	(81,106)	(81,106)	(132,437)
Net Financial Debt, end of year	\$ (81,106)	\$ (89,101)	\$ (81,106)

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

AKLAVIK INDIAN BAND

CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

For the Year ended March 31, 2025	General Operating Fund	Enterprise Fund	Equity in Tangible Capital Assets	Total
Annual Surplus (Deficit)	\$ 43,749	\$ -	\$ -	43,749
Net Interfund Transfers:				
Amortization	2,027	-	(2,027)	-
Loss (earnings) from subsidiaries	(60,674)	60,674	-	-
Changes in receivable from related parties	7,650	(7,650)	-	-
Changes in Accumulated Surplus	(7,248)	53,024	(2,027)	43,749
Accumulated Surplus, beginning of year	(104,993)	508,407	7,434	410,848
Accumulated Surplus, end of year	\$ (112,241)	\$ 561,431	\$ 5,407	\$ 454,597

For the year ended March 31, 2024	General Operating Fund	Enterprise Fund	Equity in Tangible Capital Assets	Total
Annual Surplus (Deficit)	\$ 24,362	\$ -	\$ -	24,362
Net Interfund Transfers:				
Amortization	2,823	-	(2,823)	-
Loss (earnings) from subsidiaries	(43,400)	43,400	-	-
Changes in receivable from related parties	(18,481)	18,481	-	-
Changes in Accumulated Surplus	(34,696)	61,881	(2,823)	24,362
Accumulated Surplus, beginning of year (Restated)	(70,297)	446,526	10,257	386,486
Accumulated Surplus, end of year	\$ (104,993)	\$ 508,407	\$ 7,434	\$ 410,848

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

AKLAVIK INDIAN BAND

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2025	2024
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 555,766	\$ 504,438
Cash receipts from contributions and recoveries	875,959	852,195
Cash paid to suppliers and employees	(1,470,665)	(1,196,941)
	(38,940)	159,692
Cash Flows from Investing Activities		
Decrease (increase) in long-term investments	7,650	(18,481)
	7,650	(18,481)
Net Increase (Decrease) in Cash and Cash Equivalents	(31,290)	141,211
Cash and Cash Equivalents, beginning of year	202,591	61,380
Cash and Cash Equivalents, end of year	\$ 171,301	\$ 202,591

The accompanying notes and schedules are integral parts of these consolidated financial statements. 8.

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

The Aklavik Indian Band (the "Band") is an Indian Band registered under the *Indian Act*. The Band represents the aboriginal people of the Hamlet of Aklavik. The Band is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

1. Significant Accounting Policies

(a) Basis of Preparation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) Reporting Entities

The consolidated financial statements includes the accounts of Aklavik Indian Band and its following subsidiary and associated companies using the modified equity method.

	Percentage Owned
Daazraii Investments Inc.	100%
Gwich'in Investments Limited Partnership	0.02%

(c) Long Term Investments

The Band's long term investments have 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 Nation and inter-organizational transactions and balances are not eliminated. Further, the business enterprise's accounting principles are not adjusted to conform with those of the Nation and inter-organizational transactions and balances are not eliminated.

(d) Cash and Cash Equivalents

Cash and 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.

(e) Allocation of Expenditure

The Band records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

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

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

1. Significant Accounting Policies (Continued)

(f) Revenue Recognition

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

They are recognized in the consolidated financial statements as revenue in the period in which 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 determined.

(g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) for the year.

(i) 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 basis and annual rates:

Computer equipment	Declining Balance	30%
Office equipment	Declining Balance	20%
Leasehold improvements	Straight Line	Lease term

(h) Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

1. Significant Accounting Policies (Continued)

(i) Financial Instruments - Recognition and Measurement

The Nation has elected the following classifications with respect to its financial assets and financial liabilities:

- Cash and restricted cash are classified as assets held-for-trading and is subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.
- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

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

2. Cash and Cash Equivalents

	2025	2024
Bank chequing account	\$ 171,301	\$ 202,591
	\$ 171,301	\$ 202,591

3. Accounts Receivable

	2025	2024
Trade and others	\$ 29,421	\$ 75,071
GST refundable	12,535	5,998
	41,956	81,069
Less allowances for doubtful for trade and others	(11,649)	(10,007)
	\$ 30,307	\$ 71,062

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

4. Contributions Receivable

		2025	2024
Indigenous Services Canada:			
Amendment #6	2017/18	\$ 10,500	\$ 10,500
Capacity Building Amendment #1	2017/18	3,437	3,437
Amendment #3	2018/19	-	10,500
P&ID Amendment #5	2018/19	4,500	4,500
Capacity Development Amendment #3	2019/20	-	10,500
P&ID Amendment #2	2019/20	4,500	4,500
Amendment #6	2019/20	-	4,800
Base Agreement	2023/24	6,006	6,006
Election Code- Amendment #3	2021/22	3,750	3,750
Band Manager Trainee Amendment #2	2021/22	8,233	8,233
P&ID Amendment #6	2021/22	10,000	10,000
P&ID Records Amendment#1	2022/23	5,000	5,000
P&ID Records Amendment#3	2022/23	-	5,000
Amendment #2 - Skill Link	2022/23	3,200	3,200
Community Involvement	2023/24	10,500	-
IM/IT Governance Capacity	2023/24	2,791	2,791
Amendment #2 - Intergovernmental	2023/24	3,969	3,969
Amendment#1	2023/24	5,000	-
2024-2025 FNS&Inuit Skills	2024/25	5,770	-
Amendment #7	2024/25	50,000	-
Amendment #2	2024/25	3,087	-
Government of NWT:			
Anti-Poverty	2023/24	-	14,475
Nutrition North	2023/24	-	7,508
Men's Healing Fund	2023/24	-	20,500
Health and Social Services	2024/25	7,500	-
Others:			
HNWT - Pathways	2023/24	-	120,000
Food Banks Canada	2022/23	21,571	-
		169,314	259,169
Less allowances for contributions receivable		(2,891)	-
		\$ 166,423	\$ 259,169

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

5. Accounts Payable and Accrued Liabilities

	2025	2024
Trade and others	\$ 54,325	\$ 90,108
Government remittances payable	17,799	-
	\$ 72,124	\$ 90,108

6. Contributions Repayable

	2025	2024
Government of Canada:		
New Horizons for Seniors	\$ 11,601	\$ 11,601
Government of NWT		
Community Access Program	29,357	29,357
Nutrition North Program	10,550	10,550
	\$ 51,508	\$ 51,508

7. Deferred Contributions

	2024 Opening	Additions/ (Transfers)	Utilized	2025 Closing
ISC Amd#3 - 21/22 - Election Code	\$ 8,409	\$ -	\$ -	\$ 8,409
ISC Amd#4 - 21/22 - Band Mgr. Trainee	46,576	-	-	46,576
ISC Amd#6 - 21/22 - P&ID Funds	34,903	-	18,214	16,689
ISC Amd#3 - 22/23 - Records & Policies	13,931	-	-	13,931
Community Development	70,021	-	-	70,021
ISC Amd#2 - 22/23 - Skill Link	-	57,702	57,702	-
ISC Amd#1 - 22/23 - Fin. Mgt & Team	8,682	-	4,891	3,791
Wellness Initiative	31,531	86,543	118,074	-
Food Bank Canada	34,212	87,914	52,126	70,000
GNWT Men's Healing Fund	9,687	48,300	57,987	-
Aklavik-Northern Pathways	120,000	225,550	308,702	36,848
Housing NWT-Homeless Shelter and Programming Space	94,360	-	94,360	-
P&ID Amendment # 7 Governance Initiative	-	50,000	7,650	42,350
CIRNAC-Social Dev Family Violence	-	27,786	2,901	24,885
	\$ 472,312	\$ 583,795	\$ 722,607	\$ 333,500

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

8. Long Term Investments

Gwich'in Investments Limited Partnership

The Band owns 1,035 of 4,004,150 units in Gwich'in Investments Limited Partnership (GILP). The partnership's principal activity is to hold an investment in Denendeh Investments Limited Partnership.

The financial statements of Gwich'in Investments Limited Partnership are not available.

December 31,	2024	2023
Financial Position		
Current assets	\$ -	\$ -
Non-current assets	-	-
Total assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
Partners' equity (capital deficiency)	\$ -	\$ -
Share of partners' equity attributable to the Band	\$ -	\$ -
Financial Performance		
Revenues	\$ -	\$ -
Expenses	-	-
Other revenue (expenses)	-	-
Net earnings (loss)	\$ -	\$ -
Share of net earnings (loss) attributable to the Band	\$ -	\$ -
Investments:		
Investment at cost	\$ 1,035	\$ 1,035
Allowance for impairment	(1,034)	(1,034)
Investment in GILP	\$ 1	\$ 1

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

8. Long Term Investments (Continued)

Daazraii Investments Inc.

The Band owns all of the outstanding shares of Daazraii Investments Inc. (the "Company"), a private company incorporated under the laws of the Northwest Territories. The Company owns 51% of a local charter company that flies into and out of the Gwich'in Settlement Area - Aklavik, Northwest Territories. The following summarizes the consolidated financial position and results of operations of Daazraii Investments Inc. as at and for the year ended March 31, 2025:

	2025	2024
Financial Position		
Current assets	\$ 132,282	\$ 89,604
Non-current assets	425,110	417,476
Total assets	557,392	506,080
Current liabilities	21,268	23,980
Non-current liabilities	132,636	140,286
Shareholder's equity	\$ 403,488	\$ 341,814
Financial Performance		
Revenues	\$ 176,427	\$ 174,600
Expenses	139,718	140,167
Operating earnings (loss)	36,709	34,433
Other revenue (expenses)	23,965	8,967
Net earnings (loss)	60,674	43,400
Net earnings (loss) attributable to the Band	\$ 60,674	\$ 43,400
Investments:		
Investment at cost	\$ 1	\$ 1
Receivable from the Company	132,636	140,286
Accumulated equity earnings	403,487	342,813
Investment in the Company	\$ 536,124	\$ 483,100
Total long term investments	\$ 536,125	\$ 483,101

AKLAVIK INDIAN BAND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2025

9. Tangible Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 47,161	\$ 43,378	\$ 3,783	\$ 5,405
Office equipment	10,596	8,973	1,623	2,028
	<u>\$ 57,757</u>	<u>\$ 52,351</u>	<u>\$ 5,406</u>	<u>\$ 7,433</u>

10. Equity in Tangible Capital Assets

	2025		2024	
Tangible capital assets	\$ 57,757	\$ 63,773		
Accumulated amortization	(52,351)	(56,340)		
	<u>\$ 5,406</u>	<u>\$ 7,433</u>		

11. Accumulated Surplus

	2025		2024	
Unrestricted				
General Operating Fund	\$(86,934)	\$(104,992)		
Enterprise Fund	536,125	508,407		
Equity in Tangible Capital Assets	5,406	7,433		
	<u>\$ 454,597</u>	<u>\$ 410,848</u>		

12. Government Transfers

	2025		2024	
Indigenous Services Canada	\$ 331,124	\$ 230,833		
Government of NWT	224,642	273,605		
	<u>\$ 555,766</u>	<u>\$ 504,438</u>		