

2021 / 2022

ANNUAL REPORT

NUNAVUT DEVELOPMENT CORPORATION



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NUNAVUT DEVELOPMENT CORPORATION
LA CORPORATION DE DÉVELOPPEMENT DU NUNAVUT
NUNAVUNMI PIVALLIAJJUTIKHALIRINIRMUT KUAPURIISINGAT

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CHAIRPERSON'S

MESSAGE



DEAR MINISTER AKEEAGOK

I am pleased to present the Nunavut Development Corporation's 2021-22 Annual Report.

Like most organizations and businesses in Nunavut, 2021 was also a year of unprecedented challenges and outcomes. During the 2022 fiscal year, NDC and all eight of its subsidiaries promptly closed to the public in late December 2021 based on government directions to prevent the virus's spread. They remained closed through the end of January 2022. NDC has again proven how adaptable we are by demonstrating that we are here for Nunavummiut when they need us most. What has not changed is our commitment to investing in Nunavut to ensure employment, income and business.

NDC's mandate is a broad one, emphasizing the use of equity financing to help advance essential elements of economic development throughout Nunavut. This ranges from the deployment of investment capital, the promotion of economic diversification and the growing of local business. The result is the creation of jobs and increased income potential across all our communities.

Our venture investment fund continues to be a large part of who we are and is designed to support Nunavut entrepreneurs and innovators who risk their own capital investments to grow or start businesses in Nunavut. Along with providing an important injection of working capital for these businesses, we provide equity financing that is often used to leverage additional debt financing. This in turn helps support growth and expansion of Nunavut businesses.

In August 2021, Kyle Tattuinee began his role as President. Kyle who was a Business Advisor - Harvesting and Processing for five years, understands the environment in which NDC operates. In closing, I want to acknowledge all the Nunavummiut who work in one way or another to support NDC's operations and commitment to economic development across Nunavut. Your efforts are recognized and appreciated and were certainly seen through the past year.



Kolola Pitsiulak
Chairperson

BOARD OF DIRECTORS (NDC)

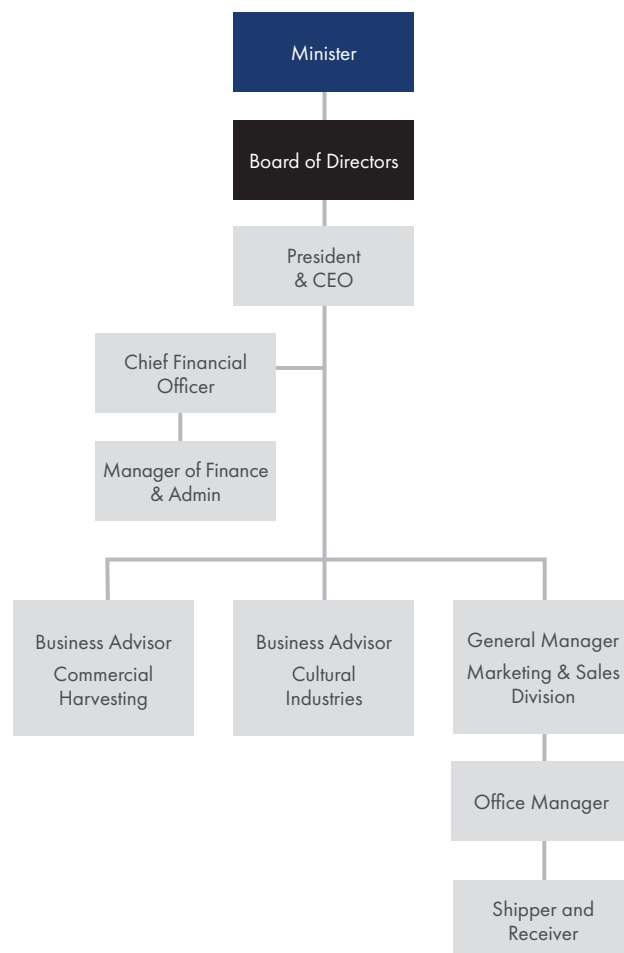
The Minister responsible for the Nunavut Development Corporation is the Honourable David Akeeagok. NDC Board Members are appointed to three-year terms by the Government of Nunavut and represent a strong cross section of Nunavut's diverse population.

The NDC Board met three times in 2021-22 and the executive met twice.

Section 20 of the Act establishes three subcommittees as follows:

- Investment Committee
- Audit Committee
- Personnel Committee

The NDC Board has elected to establish a single Executive Committee that in 2021-22 consisted of Chairperson Kolola Pitsiulak, Vice-Chairperson Sakiasie Sowdlooapik and Secretary Donald Havioyak and alternate Simeon Mikkungwak to undertake the responsibilities of the three committees set out in the Act.



BOARD

	POSITION	COMMUNITY	APPOINTMENT EFFECTIVE	APPOINTMENT EXPIRES
Kolola Pitsiulak	Chairperson	Kimmirut	April 11, 2021	April 10, 2024
Helen Kaloon	Director	Gjoa Haven	December 13, 2019	December 12, 2022
Sakiasie Sowdlooapik	Vice-Chair	Pangnirtung	April 11, 2021	April 10, 2024
Igah Hainnu	Director	Clyde River	April 11, 2021	April 10, 2024
Jonas Arreak	Director	Pond Inlet	April 11, 2021	April 10, 2024
Simeon Mikkungwak	Alternate	Baker Lake	April 11, 2021	April 10, 2024
Donald Havioyak	Secretary/ Treasurer	Kugluktuk	April 11, 2021	April 10, 2024

CORPORATE GOVERNANCE AND MANAGEMENT (NDC)

The Nunavut Development Corporation (the “Corporation” or “NDC”) is a territorial corporation of the Government of Nunavut named in Schedule B of the Financial Administration Act (“FAA”) and operates in accordance with Part IX of the FAA, the Nunavut Development Corporation Act (the “Act”) and the Business Corporations Act. The Act sets out the parameters under which the Corporation operates.

OUR MANDATE (THE “ACT”)

To incorporate, establish and carry on the business of companies or corporations and to develop, establish, operate, manage and carry on the business of projects, directly or indirectly, within the Corporation in order to:

- Create employment and income for residents of Nunavut, primarily in small communities
- Stimulate the growth of business in Nunavut, and
- Promote economic diversification and stability

To invest in business enterprises in order to:

- Stimulate the growth of business in Nunavut, and
- Promote economic diversification and stability to promote the economic objectives of the Government of Nunavut.

OUR VISION

We are responsible and transparent; we believe that employment and income-earning opportunities positively impact quality of life and lead to healthier communities. Job creation and maintenance will be measured and will be key indicators of our success.

OUR MISSION

To make responsible investments in target Nunavut economic sectors, including fisheries, cultural industries and tourism that help create employment and income opportunities, stimulate the growth of business, and promote economic diversification and stability with an emphasis on investing in Nunavut’s smaller communities.



NDC HEADQUARTERS

	2022	2021
Total Revenues	\$2.00 million	\$2.01 million
Total Expenses	\$1.36 million	\$1.09 million
Annual Surplus	\$637,200	\$926,300
Jobs Created or Maintained	5.00	3.00
Core Funding - Operations*	\$1.45 million	\$1.45 million
Core Funding - Capital*	\$0	\$1,000

*(Operations and Capital Funding included in revenues)

President & CEO

Kyle Tattuinee

Chief Financial Officer

Balaji Ramamani

CF, FCMA, CPA, FIPA (AUS);
CGAP, CFSA, CIA, CMA, CRMA
(USA), FCMA; FCA (IN), FAIA,
MCSI (UK), MBA

Finance Officer

Brenda Tagalik

Business Advisor

(Cultural Industries)

Goretti Kakuktinniq

Business Advisor

(Commercial
Harvesting)

Mikitok McLeod



JOB CREATION

The following Nunavut jobs were created or maintained during 2021-22 fiscal year. These job creation or maintenance figures are consistent with the Corporation's Investment and Divestment Guidelines, which define:

- a Direct Job as 50 weeks of employment per year or 1,500 hours of work during the year
- a Direct Traditional Job as \$37,997 paid during the year directly to individuals such as artists, fishermen, hunters and seamstresses
- an Indirect Job as \$37,997 paid during the year by other organizations but as a result of NDC's programs and services

INVESTMENTS	DIRECT JOBS	DIRECT TRADITIONAL JOBS	INDIRECT JOBS	TOTAL JOBS 2022	TOTAL JOBS 2021
Subsidiaries					
Kivalliq Arctic Foods Ltd.	9.13	12.12	-	21.25	20.46
Kitikmeot Foods Ltd.	5.77	2.01	-	7.78	7.74
Ivalu Ltd.	2.43	8.02	-	10.45	5.43
Jessie Oonark Ltd.	5.11	1.05	-	6.16	5.85
Kiluk Ltd.	2.47	0.96	-	3.43	4.98
Taluq Designs Ltd.	1.40	0.95	-	2.35	1.97
Uqqurmiut Arts & Crafts Ltd.	9.91	3.18	-	13.09	13.23
Venture Investments					
Arctic Fishery Alliance Ltd.	-	-	66.64	66.64	-
Sudliq Developments Ltd.	-	-	-	-	4.56
Tukumaaq Inc.	-	-	2.67	2.67	2.45
NunaVet Animal Hospital Inc.	-	-	-	-	1.55
CHOU Consulting & Dev Inc.	-	-	2.06	2.06	2.18
Arctic UAV	-	-	4.18	4.18	2.70
Projects					
WAG @ Forks	-	-	5.00	5.00	1.70
Nunavut Qiviut Inc	-	-	-	-	0.60
Sub-total	36.22	28.29	80.55	145.06	75.40
Nunavut Development Corporation	5.00	11.00	-	16.00	10.00
Total	41.22	39.29	80.55	161.06	85.40

VENTURE EQUITY INVESTMENTS

NDC invests equity capital (shares) in Nunavut-based companies that demonstrate significant employment and income-earning potential for Nunavummiut. Our investments are meant to help stimulate the growth of business and promote economic diversification with an emphasis on placing investments in Nunavut's smaller communities.

VENTURE EQUITY INVESTMENTS

Arctic Fisheries Alliance LP. **\$250,000**

Qikiqtarjuaq, Nunavut

Non-Voting, Preferred Share Interest

Sudliq Developments Ltd. **\$375,000¹**

Coral Harbour, Nunavut

Non-Voting, Preferred Share Interest

Tukumaaq Inc. **\$175,000**

Clyde River, Nunavut

Non-Voting, Preferred Share Interest

NunaVet Animal Hospital Inc. **\$126,500²**

Iqaluit, Nunavut

Non-Voting, Preferred Share Interest

CHOU Consulting and Development Inc.

\$125,000

Cambridge Bay, Nunavut

Non-Voting, Preferred Share Interest

Arctic UAV Inc.

\$143,000

Iqaluit, Nunavut

Non-Voting Preferred Shares Interest

CAMBRIDGE BAY

CLYDE RIVER

QIKIQTARJUAQ

IQALUIT

CORAL HARBOUR

¹ The investment in Sudliq Developments Ltd is \$375,000. However a provision for venture investment loss of \$375,000 was recorded in the 2019-20 financial statements.

² The investment in NunaVet Animal Hospital Inc. is \$126,500. However a provision for venture investment loss of \$126,500 was recorded in the 2020-21 financial statements.

SALES DIVISION

The Nunavut Development Corporation's Sales Division and retail outlet located in Toronto, focuses on the national and international marketing, distribution and sales of our Nunavut arts and crafts products. Ivalu Ltd, in Rankin Inlet, concentrates on the Northern and Nunavut market.

The Sales Division promotes Nunavut sculpture and many other unique art items to galleries across Canada, the U.S. and around the world. The convenient location close to Pearson International Airport, helps facilitate out of town and out of country sales to visiting galleries and dealers. Customers visit the showroom throughout the year and come from all over Canada, as well as from international cities, like Paris or Bern. Working with partner companies Kiluk Ltd., Taluq Ltd., Jessie Oonark Ltd., and Uqqurmiut Arts and Crafts Ltd., helps ensure the diversity and the quality of Nunavut products that are in demand by retailers and their customers.

The Sales Division ensures locally produced Nunavut arts and crafts are distributed and promoted across the territory as well as nationally and internationally, with our partner galleries and resellers. The sales team at NDC are well recognized for their knowledge and expertise in the arts and crafts industry in Nunavut. The level of client and customer service care delivered by the sales team is known to be exceptional.

This year the Sales Division like many had to change their approach to service during the COVID-19 Pandemic. This included selling more online and switching days staff were in the office. Nonetheless, through the operations of the Sales Division, the Nunavut Development Corporation directly supported over 150 Nunavummiut by purchasing arts and crafts, and represented Inuit art worldwide by distributing to over 40 galleries and retailers in multiple countries.

	2022	2021
Total Revenues	\$0.82 million	\$0.40 million
Total Expenses	\$1.01 million	\$0.61 million
Annual Deficit	\$(194,000)	\$(211,000)
Jobs Created or Maintained	11.00	7.00
Core Funding - Operations*	\$200,000	\$200,000
Core Funding - Capital*	\$300	\$3,500

*(Operations and Capital Funding included in revenues)

General Manager:

Yusan Ha

Office Manager:

Teresa Silva

Shipper Receiver:

Jhon Diaz

Tel:

1-800-509-9153

Fax:

1-800-509-9154

Email:

yha.ndcorp@bellnet.ca

SUBSIDIARY

OPERATIONAL

SUMMARY



IVALU LTD.



TOTAL REVENUES

\$799,495

2022

\$605,269

2021



JOBS CREATED

10.45

2022

5.43

2021

	2022	2021
Total Revenues	\$799,495	\$605,269
Total Expenses	\$745,617	\$582,995
Annual Surplus	\$53,878	\$22,274
Jobs Created or Maintained	10.45	5.43
NDC Capital Fund Contributions*	\$5,000	\$0

*(Capital Fund contributions are included in revenues)

GENERAL MANAGER

Sandra Nuviyak

Tel: 867-645-3400

Fax : 867-645-2115

ivalu@ndcorp.nu.ca

ADDRESS

P.O. Box 599

Rankin Inlet, NU

X0C 0G0

BOARD OF DIRECTORS

Goretti Kakuktinniq

Brian Zawadski

Tommy Bruce



JESSIE OONARK LTD.



TOTAL REVENUES

\$340,197

2022

\$314,645

2021



JOBS CREATED

6.16

2022

5.85

2021

	2022	2021
Total Revenues	\$340,197	\$314,645
Total Expenses	\$356,032	\$369,593
Annual (Deficit)	\$(15,835)	\$(54,948)
Jobs Created or Maintained	6.16	5.85
NDC Subsidy Fund Contributions*	\$205,000	\$165,000
NDC Capital Fund Contributions*	\$0	\$18,300

*(Subsidy and Capital Funding are included in revenues)

GENERAL MANAGER

David Ford

Tel: 867-793-2428

Fax: 867-793-2429

jessie_ndc@qiniq.com

BOARD OF DIRECTORS

Bernadette Tutanuak

Hugh Tulurialik
CHAIRPERSON

Sarah Arhniq

Nathan Annanuat

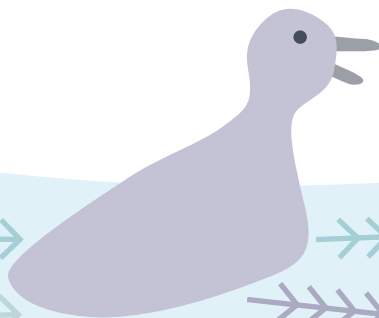
Elizabeth Aupaluktuq

ADDRESS

Box 280

Baker Lake, NU

X0C 0A0



KILUK LTD.



TOTAL REVENUES

\$445,189

2022

\$433,455

2021



JOBS CREATED

3.43

2022

4.98

2021

	2022	2021
Total Revenues	\$445,189	\$433,455
Total Expenses	\$341,796	\$423,394
Annual Surplus	\$103,393	\$10,061
Jobs Created or Maintained	3.43	4.98
NDC Subsidy Fund Contributions*	\$140,000	\$140,000
NDC Capital Fund Contributions*	\$20,000	\$0

*(Subsidy and Capital Funding included in revenues)

GENERAL MANAGER

Sherlyn Kadjuk

Tel: 867-857-2713

Fax: 867-857-2714

Kiluk_ltd@qiniq.com

ADDRESS

Box 366

Arviat, NU

XOC 0E0

BOARD OF DIRECTORS

Hattie Alagalak

Eva Arnalukjuaq

Goretti Kakuktinniq

Cecile Gibbons

Jackie King

TALUQ'S BANNER YEAR

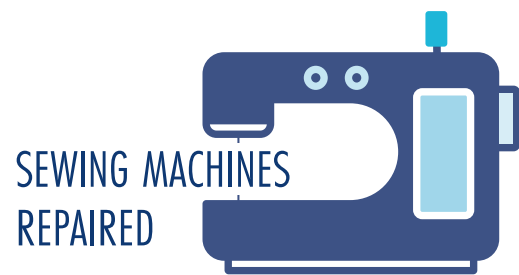
The 2021-22 year has been a busy one for Taluq Designs. In addition to the usual activity the shop undertakes in the year, Manager Mona Igutsaq undertook two projects aimed at community building.

PARKA MARKING WORKSHOPS

In the fall of 2021, seven women from Taloyoak participated in a parka marking workshop led by Martha Paniloo. During this eight week course the women made parkas for themselves and their families and for eight students at the community's school. Taluq worked with the school to identify the students.

In the spring, a second workshop was held lead again by Martha Paniloo and Rebecca Aklah. This time 6 women were trained to make parkas for themselves, their families and elders. The lucky receipts of the parkas were selected by drawing names from a hat.

In total, there were 12 women who made 27 parkas for their families and community. The women who participated: Alana Niaqunnuaq, Bonnie Tucktoo, Dinae Mannilaq, Lena Mannilaq, Kayla Niaqunnuaq, Laura Ittunga, Christine Inuksaq, Amanda Rube, Paulin Idlout, Dana Totalik, Jacqueline Tucktoo, Robin Peetooloot.



SEWING MACHINES REPAIRED

60	Taloyoak	30	Kugaaruk
32	Gjoa Haven	27	Kugluktuk
		27	Cambridge Bay



MOCCASIN PARTICIPANTS

6	Gjoa Haven	4	Kugluktuk
6	Kugaaruk	8	Cambridge Bay

EARRING PARTICIPANTS



7	Cambridge Bay
10	Gjoa Haven
5	Kugaaruk

SEWING MACHINE REPAIR

Taluq once again got creative in bringing solutions to the problem of what happens if a sewing machine breaks down in a Nunavut community with no repair options. Roger and Karen Fraser of Stitchin' Gwichin have been fixing sewing machines since 2017. This year, they visited every community in the Kitikmeot to provide repairs. In addition Karen shared her knowledge on moccasin making with 24 women and earring making with 22 interested women in the communities.

UQQURMIUT ARTS & CRAFTS LTD.



TOTAL REVENUES

\$865,519

2022

\$880,374

2021



JOBS CREATED

13.09

2022

13.23

2021

	2022	2021
Total Revenues	\$865,519	\$880,374
Total Expenses	\$836,295	\$789,645
Annual Surplus	\$29,224	\$90,729
Jobs Created or Maintained	13.09	13.23
NDC Subsidy Fund Contributions*	\$238,000	\$238,000
NDC Capital Fund Contributions*	\$45,000	\$60,000

*(Subsidy and Capital Fund contributions are included in revenues)

GENERAL MANAGER

Elena Akpalialuk

Tel: 867-473-8669

Fax: 867-473-8634

inuitart@qiniq.com

BOARD OF DIRECTORS

Jacopie Maniapik

Towkie Karpik

Geetee Maniapik

Manasie Noah

Brian Zawadski

Johnelee

Nakashook

Jaco Newkingak

Jimmy Uniukshagak

ADDRESS

Box 453

Pangnirtung, NU

X0A 0R0

TALUQ DESIGNS LTD.



TOTAL REVENUES

\$293,396

2022

\$264,811

2021

////////////////////



JOBS CREATED

2.35

2022

1.97

2021

	2022	2021
Total Revenues	\$293,396	\$264,811
Total Expenses	\$219,137	\$220,965
Annual Surplus	\$74,259	\$43,846
Jobs Created or Maintained	2.35	1.97
NDC Subsidy Fund Contributions*	\$70,000	\$70,000
NDC Capital Fund Contributions*	\$3,000	\$0

*(Subsidy and Capital Funding are included in revenues)

GENERAL MANAGER

Mona Igutsaq

Tel : 867-561-5280

Fax : 867-561-6500

tdesigns@qiniq.com

////////////////////

BOARD OF DIRECTORS

Goretti Kakuktinniq

Elizabeth Aiyout

Anayok Alookie

Brian Zawadski

Gina Pizzo

Viola Neeveeachak

ADDRESS

Box 174

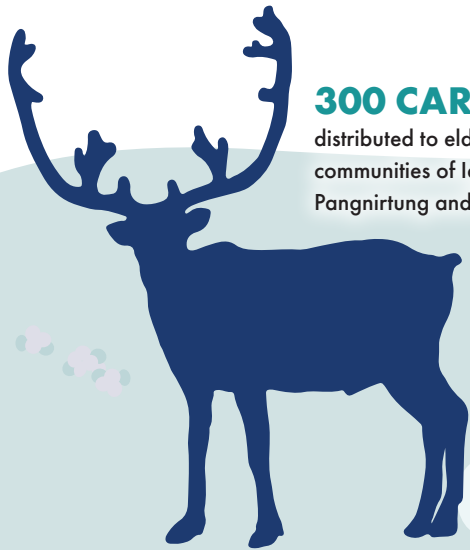
Taloyoak, NU

XOB 1B0



2021-22 HARVESTING SUMMARY

Nunavut Development Corporation purchases harvesters harvests as part of the supply chain for Kivalliq Arctic Foods and Kitikmeot Foods. As well, hides and antlers are able to be turned into jewelry or other items.



300 CARIBOU HEADS

distributed to elders and artists in the communities of Iqaluit, Pond Inlet, Pangnirtung and Cambridge Bay

806 HIDES

sent out to International fur for tanning from Arviat, Whale Cove, Rankin Inlet and Chesterfield Inlet

CARIBOU



MUSKOX

40 MUSKOX

Rankin Inlet

32 HIDES

sent out to Qiviut Nunavut (Kugluktuk) from Rankin Inlet.

8 HIDES

sent out from Ivalu to International fur. Fur is made into leather, with the absolute qiviut sent out to Montreal.

ARCTIC CHAR



10,428 LBS Whale Cove

5,895 LBS Rankin Inlet

19,679 LBS Qikiqtarjuaq



BELUGA



30 WHALES

Whale Cove and Rankin Inlet combined

KITIKMEOT FOODS LTD.



TOTAL REVENUES

\$993,594

2022

\$957,697

2021



JOBS CREATED

7.78

2022

7.74

2021

	2022	2021
Total Revenues	\$993,594	\$957,697
Total Expenses	\$1.11 million	\$806,465
Annual Surplus / (Deficit)	(\$113,732)	\$151,232
Jobs Created or Maintained	7.78	7.74
NDC Subsidy Fund Contributions*	\$290,000	\$330,000
NDC Capital Fund Contributions*	\$24,000	\$47,800

*(Subsidy and Capital Funding included in revenues)

GENERAL MANAGER

Stephane Lacasse

Tel: 867-983-2881

kitikmeot@qiniq.com

ADDRESS

Box 2268

Cambridge Bay, NU

X0B 0C0

BOARD OF DIRECTORS

Jim MacEachern

Wilf Wilcox

Brian Zawadski

Mikitok McLeod

Jamie Maghagak



KIVALLIQ ARCTIC FOODS LTD.



TOTAL REVENUES

\$1.86M

2022

\$1.71M

2021



JOBS CREATED

21.25

2022

20.46

2021

	2022	2021
Total Revenues	\$1.86 million	\$1.71 million
Total Expenses	\$1.50 million	\$1.23 million
Annual Surplus	\$361,014	\$482,183
Jobs Created or Maintained	21.25	20.46
NDC Subsidy Fund Contributions*	\$260,000	\$260,000
NDC Capital Fund Contributions*	\$87,000	\$35,500

*(Subsidy and Capital Funding are included in revenues)

GENERAL MANAGER

Scott Saddler
Tel: 867-645-3137
tundra@qiniq.com

BOARD OF DIRECTORS

Brian Zawadski
Mikitok McLeod
Tommy Bruce

ADDRESS

Box 329
Rankin Inlet, NU
X0C 0G0



PAPIRUQ FISHERIES LTD.

	2022	2021
Total Revenues	-	-
Total Expenses	\$11,994	\$11,810
Annual Deficit	\$(11,994)	\$(11,810)
NDC Capital Fund Contributions*	\$0	\$0

*(Capital Fund contributions are included in revenues)

GENERAL MANAGER

Scott Saddler

Tel: 867-645-3170

tundra@qiniq.com

BOARD OF DIRECTORS

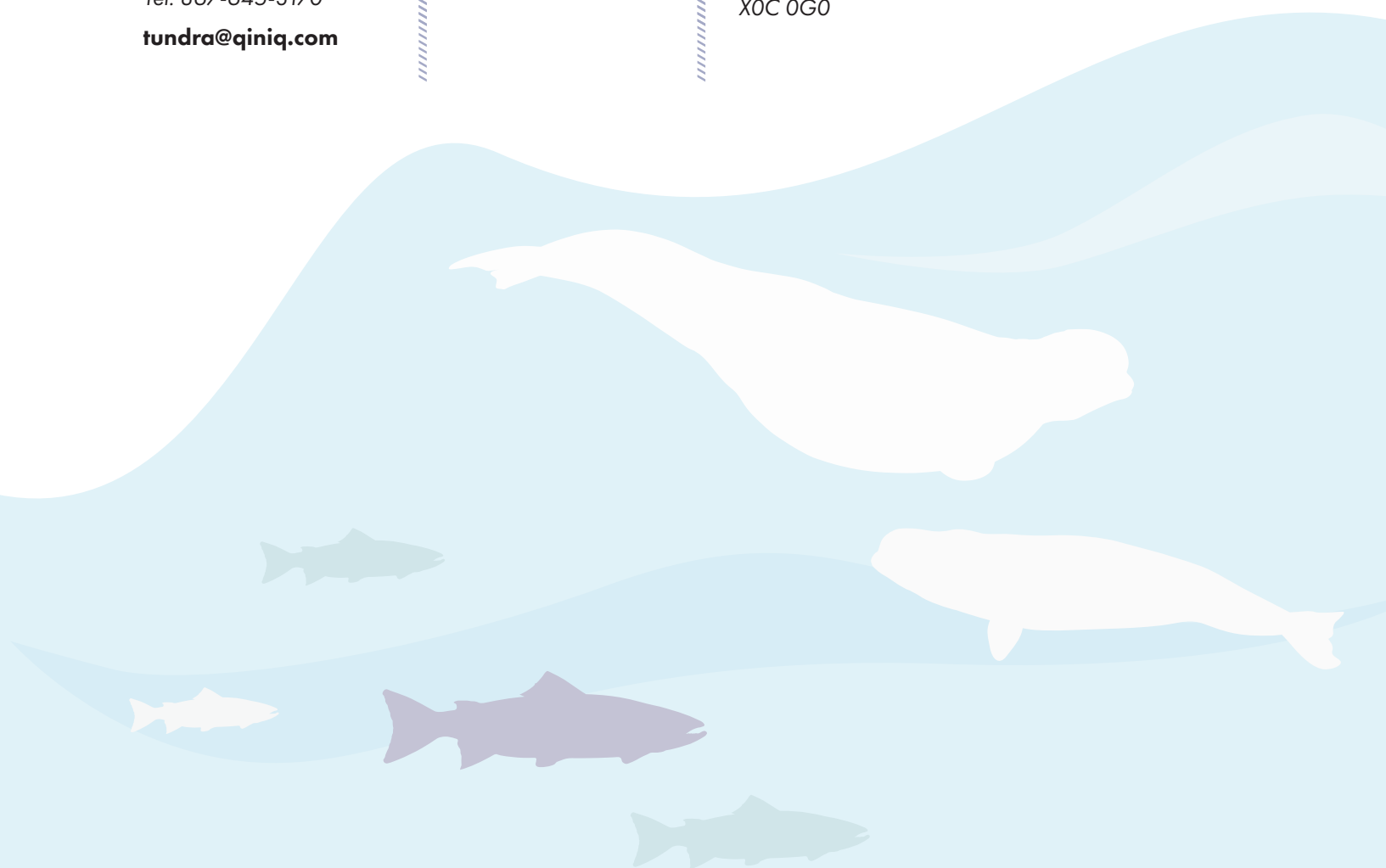
Brian Zawadski

ADDRESS

Box 329

Rankin Inlet, NU

X0C 0G0



DEPARTMENT INUIT EMPLOYMENT TARGETS

	At March 31, 2022		For March 31, 2023	
		Capacity %		Capacity %
Total Department Positions	5		5	
Total Filled Positions	5	100%	5	100%
Total Vacancies	0	0%	0	0%
Total Inuit	4	80%	4	80%
Total Executive Positions	1		1	
Total Filled Executive Positions	1	100%	1	100%
Total Vacant Executive Positions	0	0%	0	0%
Total Inuit in Executive Positions	1	100%	1	100%
Total Senior-Management Positions	2		2	
Total Filled Senior-Management Positions	2	100%	2	100%
Total Vacant Senior-Management Positions	0	0%	0	0%
Total Inuit in Senior-Management Positions	2	100%	2	100%
Total Middle-Management Positions	0		0	
Total Filled Middle-Management Positions	0	0%	0	0%
Total Vacant Middle-Management Positions	0	0%	0	0%
Total Inuit in Middle-Management Positions	0	0%	0	0%
Total Professional Positions	1		1	
Total Filled Professional Positions	1	100%	1	100%
Total Vacant Professional Positions	0	0%	0	0%
Total Inuit in Professional Positions	0	0%	0	0%
Total Paraprofessional Positions	0		0	
Total Filled Paraprofessional Positions	0	0%	0	0%
Total Vacant Paraprofessional Positions	0	0%	0	0%
Total Inuit in Paraprofessional Positions	0	0%	0	0%
Total Administrative Positions	1		1	
Total Filled Administrative Positions	1	100%	1	100%
Total Vacant Administrative Positions	0	0%	0	0%
Total Inuit in Administrative Positions	1	100%	1	100%

CONTRACT, PROCUREMENT AND LEASING ACTIVITY REPORTING

2021-22 Contracting Activity Report

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	2021-22 VALUE	2020-21 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Rankin Inlet	Dean Food Safety Strategies	Food Safety Consulting HACCP / QMP	SS	\$61,537	\$20,775	-	-
Rankin Inlet	Gowling Lafleur Henderson	Legal Counsel	None	\$1,392	\$20,835	-	-
Rankin Inlet	R&T Cleaning Enterprises	Janitorial	PRFP	\$12,850	\$12,075	-	✓
Iqaluit	Outcrop Nunavut	Communications	None	\$43,612	\$46,540	-	✓
Rankin Inlet	Lester Landau CPA	Subsidiaries Audit	SOA	-	\$50,000		✓
Rankin Inlet	Crowe Mackay LLP CPA	Subsidiaries Audit	PRFP	\$49,637	-		✓
Iqaluit	South East Nunavut	Buying Carvings	None	\$246,529	\$252,875		✓
Total				\$415,557	\$403,100		

2021-22 Leasing Activity Report

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	START DATE	EXPIRY DATE	RENEWAL OPTIONS	2021-22 VALUE	2020-21 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Mississauga	GWL Reality	Warehouse Lease	SS	2017-01-08	2022-07-31	Renewed	\$92,848	\$91,706	-	-
Total							\$92,848	\$91,706		

PRFP Public Request for Proposal
 SOA Standing Offer Agreement
 SS Sole Source

CONSOLIDATED **FINANCIAL STATEMENTS** OF NUNAVUT DEVELOPMENT
CORPORATION FOR THE YEAR ENDED **MARCH 31, 2022**

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Nunavut Development Corporation

Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of the Nunavut Development Corporation, for the year ended March 31, 2022, and all information contained in this annual report are the responsibility of the Corporation's management and have been reviewed and approved by the Board of Directors. The consolidated financial statements include some amounts, such as the allowance for doubtful accounts receivable, employee future benefits and the valuation of inventories, which are based on management's best estimates and judgment.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. Financial information presented elsewhere in the annual report is consistent with that contained in the consolidated financial statements.

In discharging their responsibility for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, proper records are maintained and the Corporation conducts its affairs in accordance with the requirements of applicable laws. These controls and practices are intended to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of reliable financial information and adherence to the Corporation's policies and statutory requirements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through the Executive Committee, which is comprised of Directors who are not employees of the Corporation. The Executive Committee meets with management and the external auditors, who have full and free access to the Executive Committee.

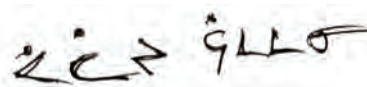
The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing its report thereon.



Kyle Tattuinee

President & CEO

Rankin Inlet, Canada
July 22, 2022



Balaji Ramamani,CF,

CPA,FCMA,FIPA(AUS);
CIA,CMA,CRMA,CGAP,CFSA(USA);,
FAIA,MCSI(UK),FCA,FCMA,MBA(M)
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Nunavut Development Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Nunavut Development Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group 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.

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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's 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 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 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 Group'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 Group'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 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 auditor's report. However, future events or conditions may cause the Group 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.

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Nunavut Development Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Nunavut Development Corporation Act* and regulations, and the by-laws of the Nunavut Development Corporation.

In our opinion, the transactions of the Nunavut Development Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act* of Nunavut, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Nunavut Development Corporation and the consolidated financial statements are in agreement therewith.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Nunavut Development Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Nunavut Development Corporation to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.



Michael B. Robichaud, CPA, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
22 July 2022

Nunavut Development Corporation
Consolidated Statement of Financial Position
As at March 31

	2022	2021
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 11,099,737	\$ 8,981,292
Accounts receivable (Note 4)	610,108	623,524
Inventories for resale (Note 5(a))	1,819,529	2,114,255
Portfolio investments (Note 6)	693,000	1,168,000
Total financial assets	\$ 14,222,374	\$ 12,887,071
Liabilities		
Debt (Note 10)	\$ 60,000	\$ 60,000
Accounts payable and accrued liabilities (Note 7)	667,428	657,061
Employee future benefits (Note 8)	351,090	150,475
Deferred revenue	12,711	12,711
Total liabilities	\$ 1,091,229	\$ 880,247
Net Financial Assets	\$ 13,131,145	\$ 12,006,824
Non-Financial Assets		
Tangible capital assets (Schedule A)	\$ 985,353	\$ 1,015,813
Inventories for use (Note 5(b))	1,147,157	1,335,170
Prepaid expenses	53,165	15,208
Total non-financial assets	\$ 2,185,675	\$ 2,366,191
Accumulated surplus	\$ 15,316,820	\$ 14,373,015

Contractual obligations (Note 11)

Contractual rights (Note 12)

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

Approved on behalf of the Board



Kolola Pitsiulak
Chairperson of the Board of Directors

Nunavut Development Corporation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31

	2022 Budget	2022 Actual	2021 Actual
Revenues			
Sales (Schedule B)	\$ 2,532,916	\$ 3,930,772	\$ 3,001,701
Interest and other income	255,000	491,527	478,736
Preference dividend on venture investment	90,000	96,360	100,920
Total revenues	\$ 2,877,916	\$ 4,518,659	\$ 3,581,357
Expenses			
Cost of goods sold (Schedule C)	\$ 2,498,278	\$ 4,046,842	\$ 2,952,093
Selling and administration (Schedule D)	3,465,776	3,124,565	2,798,916
Provision for venture investment loss (Note 6(d) and 6(f))	-	-	126,500
Total expenses	\$ 5,964,054	\$ 7,171,407	\$ 5,877,509
Deficit before Government contributions	(3,086,138)	(2,652,748)	(2,296,152)
Government contributions (Note 9)	\$ 3,793,240	\$ 3,596,553	\$ 3,724,907
Surplus for the year	707,102	943,805	1,428,755
Accumulated surplus, beginning of the year	14,373,015	14,373,015	12,944,260
Accumulated surplus, end of the year	\$ 15,080,117	\$ 15,316,820	\$ 14,373,015

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

Nunavut Development Corporation
Consolidated Statement of Change in Net Financial Assets
For the year ended March 31

	2022 Budget	2022 Actual	2021 Actual
Surplus for the year	\$ 707,102	\$ 943,805	\$ 1,428,755
Tangible capital assets (Schedule A)			
Additions	\$ (348,000)	\$ (154,685)	\$ (226,246)
Amortization	133,700	185,145	180,255
	\$ (214,300)	\$ 30,460	\$ (45,991)
Additions of inventories for use	\$ -	\$ (743,456)	\$ (746,261)
Consumption of inventories for use	-	931,469	524,349
Change due to prepaid expenses	-	(37,957)	12,424
	\$ -	\$ 150,056	\$ (209,488)
Change in net financial assets for the year	\$ 492,802	\$ 1,124,321	\$ 1,173,276
Net financial assets, beginning of the year	12,006,824	12,006,824	10,833,548
Net financial assets, end of the year	\$ 12,499,626	\$ 13,131,145	\$ 12,006,824

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

Nunavut Development Corporation
Consolidated Statement of Cash Flow
For the year ended March 31

	2022	2021
Cash provided by (used for) operating activities		
Received from customers	\$ 3,991,592	\$ 3,047,303
Received through contributions from the Government of Nunavut	3,613,415	3,702,103
Received through other Contributions	195,528	63,500
Dividends received	73,545	78,420
Interest received	44,362	49,138
Rental income	5,000	-
Paid to suppliers	(2,705,577)	(2,121,516)
Paid to employees	(2,389,960)	(2,191,113)
Other operations	(887,201)	(731,214)
Used in face masks project and seamstress workshop	(84,115)	(182,301)
Project expenses - Training-On-Job	(33,691)	-
Compensation paid to fishermen	(10,955)	-
Cash lost in RBC Agency (Note 10(b))	-	(10,118)
Cash provided by operating activities	1,811,943	1,704,202
Cash provided by financing activities		
Proceeds from RBC line of credit for Agency operations	-	60,000
Cash provided by financing activities	-	60,000
Cash provided by (used for) investing activities		
Maturity of non-redeemable Guaranteed Investment Certificates	100,000	100,000
Purchase of non-redeemable Guaranteed Investment Certificates	-	(100,000)
Redemption of venture equity investment	375,000	75,000
Cash provided by investing activities	475,000	75,000
Cash used for capital activities		
Tangible capital asset acquisitions	(154,685)	(226,246)
Capital expenditure repairs	(13,813)	(12,113)
Cash used for capital activities	(168,498)	(238,359)
Increase in cash and cash equivalents	2,118,445	1,600,843
Cash and cash equivalents - beginning of the year	8,981,292	7,380,449
Cash and cash equivalents - end of the year	\$ 11,099,737	\$ 8,981,292

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

Nunavut Development Corporation
Notes to the Consolidated Financial Statements
March 31, 2022

1. Authority and operations

(a) Authority

The Nunavut Development Corporation (the Corporation or NDC) is a Territorial corporation of the Government of Nunavut (the Government) named in Schedule B of the *Financial Administration Act* of Nunavut (FAA) and, accordingly, operates in accordance with Part IX of the FAA, the *Nunavut Development Corporation Act* (the Act) and the *Business Corporations Act* of Nunavut.

The Corporation and its subsidiaries are exempt from the payment of any municipal, territorial and federal income taxes pursuant to Section 27 of the Act and Section 149 of the *Income Tax Act (Canada)*.

(b) Operations

The Corporation directly invests in or operates business enterprises in accordance with the economic objectives of the Government through equity investments, loans and subsidies. These economic objectives are to create employment and income opportunities for residents of Nunavut, primarily in small communities, to stimulate growth of businesses in Nunavut and to promote economic diversification and stability. It is the intention of the Corporation to divest itself of its subsidiary investments once the subsidiary has attained a sustainable level of profitability. The Corporation also sells goods, mainly arts and crafts, procured from its subsidiaries and artists from communities in Nunavut, through its Sales division.

In accordance with Sections 16 and 17 of the Act, the Corporation has established accounts called Capital Reserve Fund, Venture Reserve Fund, Subsidy Fund, Capital Fund, and Venture Investment Fund. These funds are recorded within cash and cash equivalents within the Consolidated Statement of Financial Position. The Corporation is also required to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may defer the 10% allocation to cover approved project expenditures or use the reserve funds for further investment or financing for its subsidiaries and venture investments through approved drawdowns.

1. Authority and operations (cont'd)

(b) Operations (cont'd)

In accordance with Sections 21, 22, 23 and 24 of the Act, the Corporation has also developed guidelines for investments and divestments from the Subsidy Fund, Capital Fund and Venture Investment Fund and for the amalgamation and wind-up of subsidiary investments. The current Investment Policies and Guidelines and the Guidelines for the Sale of Shares or Other Interests were approved by the Board of Directors on June 24th, 2010. As per Section 22 of the Act, the Guidelines for the Sale of Shares or Other Interests were approved by the Government's Financial Management Board on November 25th, 2010.

(c) Government contributions

In accordance with Section 25 of the Act, the Corporation shall annually submit a corporate plan, operating budget and capital plan identifying the contributions requested for approval by the Government's Financial Management Board prior to the commencement of the fiscal year. The Corporation receives contributions from the Government of Nunavut as set out in its Main Estimates, which are adjusted by supplementary appropriations. The contributions are allocated internally for the purposes of acquiring capital and venture investments, providing operating subsidies to subsidiaries based on need, financing head office and sales operations, providing project contributions to approved incorporated investments, paying business development expenses and purchasing capital assets for the Corporation.

The Corporation and its subsidiaries are economically dependent upon the contributions received from the Government for their ongoing operations.

(d) Budget

Consolidated budget figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Government of Nunavut and the Board of Directors.

2. Significant accounting policies

(a) Basis of accounting

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada.

2. Significant accounting policies (cont'd)

(b) Principles of consolidation

The consolidated financial statements include the financial assets, liabilities, non-financial assets, revenue, and expenses of the parent company, Nunavut Development Corporation, and its subsidiaries. The Corporation controls each of the eight subsidiaries listed below through a combination of ownership interests and other pertinent indicators. The financial assets, liabilities, non-financial assets, revenue and expenses of each of the eight subsidiaries are fully consolidated on a line-by-line basis. All intercompany transactions and balances are eliminated upon consolidation.

The following chart lists the subsidiary investments comprising the consolidated corporate reporting entity by segment:

Subsidiary Investment	Location	Ownership %	Date Incorporated
Meat & Fish:			
Kivalliq Arctic Foods Ltd.	Rankin Inlet	100%	October 2, 1992
Kitikmeot Foods Ltd.	Cambridge Bay	98%	April 9, 1992
Papiruaq Fisheries Ltd.	Whale Cove	51%	February 1, 1993
Arts & Crafts:			
Ivalu Ltd.	Rankin Inlet	100%	October 2, 1992
Jessie Oonark Ltd.	Baker Lake	100%	September 25, 1991
Kiluk Ltd.	Arviat	100%	April 3, 1996
Taluq Designs Ltd.	Taloyoak	51%	April 12, 1995
Uqqurmiut Arts & Crafts (1993) Ltd.	Pangnirtung	51%	March 1, 1994

The non-controlling interests in Papiruaq Fisheries Ltd., Taluq Designs Ltd., and Uqqurmiut Arts & Crafts (1993) Ltd., have been reduced to nil by the losses on operations applicable to the non-controlling interests. The applicable losses on operations are limited to the non-controlling interests' share in the capital of the subsidiaries. The excess and any further losses otherwise applicable to the non-controlling interests are allocated only to the parent's interest. Subsequent earnings will be allocated entirely to the parent's interest until previously absorbed losses relating to the non-controlling interests are recovered. The total accumulated losses on operations for the non-controlling interests of the above-noted subsidiaries as at March 31, 2022 are \$585,616 (2021 - \$640,288).

2. Significant accounting policies (cont'd)

(c) Use of estimates and measurement uncertainty

The preparation of these consolidated financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although at the time of preparation of these consolidated financial statements, management believes the estimates and assumptions to be reasonable.

The more significant areas requiring the use of management estimates are related to the useful life of the tangible capital assets, the allowance for valuation of accounts receivable, the allowance to reduce inventories for use and inventories for resale to their estimated net realizable value, and the provision for venture investment loss. Actual results could differ from the current estimates.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques, short term highly liquid deposits and redeemable Guaranteed Investment Certificates that can be withdrawn at any time. Surplus cash held by the parent company earns interest income based on the Government's bank interest rate.

(e) Accounts receivable

Accounts receivable are valued at the lower of cost and net recoverable value. Valuation allowances, if necessary, are recorded using the best estimates when there is no realistic prospect of recovery based on past events, current conditions, and all circumstances known at the date of these consolidated financial statements, including past events and current conditions.

Accounts receivable that are known to be uncollectible are written-off when identified and approved in accordance with the provisions set forth within Section 82 of the FAA.

(f) Inventories

Inventories for resale include arts & crafts finished goods and meat & fish, valued at the lower of cost and estimated net realizable value, with cost being determined on a weighted average basis. The cost for one-of-a-kind items (such as carvings) has been assigned based on their actual input costs including labour, raw materials and overhead.

2. Significant accounting policies (cont'd)

(f) Inventories (cont'd)

Inventories for use includes arts & crafts and meat & fish raw materials and work-in-process as well as packaging materials and supplies valued at the lower of cost and net realizable value, with the cost being determined on a weighted average basis.

Impairments, when recognized, result in a write-down to net realizable value and are recorded as an expense within the Consolidated Statement of Operations and Accumulated Surplus.

(g) Portfolio investments

Portfolio investments include investments in organizations that do not form part of the Corporation's consolidated financial reporting entity and are accounted for using the cost method. Such investments are normally in equity or debt instruments of the investee. Dividend income is recognized as it is declared, and gains and losses on sales of portfolio investment are recognized as revenue within the Consolidated Statement of Operations and Accumulated Surplus when realized.

Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, and recorded as an expense within the Consolidated Statement of Operations and Accumulated Surplus. When a portfolio investment has been written-down to recognize a loss of value, the new carrying value is deemed to be the new cost basis for subsequent accounting purposes and, accordingly, a subsequent increase in value is only recognized when realized.

(h) Tangible capital assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering the Corporation's services. Tangible capital assets are recorded at cost less accumulated depreciation. Costs include contracted services, direct labour, materials and supplies, and development costs. Tangible capital assets that have been contributed are recorded at fair value or a nominal amount if fair value is not determinable.

Tangible capital assets include Buildings, Leasehold improvements, Equipment, Automotive equipment, Office furniture and equipment and Computer equipment carried at cost less accumulated amortization. When placed into service, they are amortized on a straight-line basis over their estimated useful life, with the exception of leasehold improvements, which are amortized over the lesser of useful life of the asset or the lease term.

2. Significant accounting policies (cont'd)

(h) Tangible capital assets (cont'd)

The following amortization rates are used:

Asset Category	Amortization Period
Buildings	10 - 20 years
Equipment	5 years
Leasehold improvements	5 - 10 years
Office furniture and equipment	5 - 10 years
Computer equipment	1 - 3 years
Automotive equipment	5 years

Tangible capital assets under construction or development are recorded as work-in-progress and are not amortized until the time the asset is placed into service. The cost of licenses is charged to expense in the year they are acquired.

When conditions indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than the net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

(i) Employee future benefits

Severance, termination, relocation assistance and sick leave

Employees of the Corporation are not employees of the public service as defined in the *Public Service Act*.

Employee future benefits includes severance benefits, termination benefits, assistance with relocation costs and sick leave benefits.

Under the terms and conditions of employment, certain employees are entitled to severance benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them and are based on management's assumptions and best estimates.

2. Significant accounting policies (cont'd)

(i) Employee future benefits (cont'd)

Severance, termination, relocation assistance and sick leave (cont'd)

Certain employees who are terminated are also entitled to benefits based on years of service. Termination benefits are recorded when the Corporation can no longer withdraw its termination offer.

Certain employees are also entitled to financial assistance in relocating themselves and their household effects when they resign or retire from their community of employment back to their original point of appointment. The benefit is paid upon resignation or retirement of the employee. The expected cost of providing the benefit is accrued as a liability based on management's best estimate.

Employee future benefits also include sick leave benefits that employees are entitled to under their employment contracts. Employees are permitted to accumulate unused sick leave, however these benefits do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is based on management's best estimate of sick leave usage of active employees.

Registered retirement savings plan contributions

The Corporation makes contributions on behalf of its employees to registered retirement savings plans up to the established limits defined in their employment contracts. There is no obligation for employees to make contributions. These contributions represent the total obligation of the Corporation and are recognized in the Consolidated Statement of Operations and Accumulated Surplus as a selling and administration expense, and included as a part of salaries and benefits in Schedule D. During the year, these contributions totaled \$39,499 (2021 - \$30,868).

(j) Government contributions

Government transfers are recognized as revenue when the funding is authorized and any eligibility criteria are met except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability, in which case they would be recognized as deferred revenue. Government contributions are recognized in the Consolidated Statement of Operations and Accumulated Surplus when the stipulated liabilities are settled.

2. Significant accounting policies (cont'd)

(k) Revenues

Revenues are recognized and reported on an accrual basis in the period in which the transactions or events that give rise to the revenues have occurred, the amount of the transaction can be reliably measured, and collection is reasonably assured.

(l) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications. The following is a list of the Corporation's financial instruments and their measurement bases:

Financial Assets	Measurement Basis
Cash and cash equivalents	Cost
Accounts receivable	Cost
Portfolio investments	Cost

Financial Liabilities	Measurement Basis
Debt	Cost
Accounts payable and accrued liabilities	Cost

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations and Accumulated Surplus. Financial assets that have been written-down or written-off are not reversed following a subsequent increase in value.

The carrying value of financial assets and financial liabilities approximate their fair value. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. Transaction costs are added to the carrying value of items in the cost category when they are initially recognized.

(m) Related party transactions

Inter-entity transactions

The Corporation is related in terms of common ownership, to all Government of Nunavut created departments and Territorial corporations. The Corporation enters into transactions with these entities in the normal course of business, at normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Corporation receives insurance coverage at no cost from the Government of Nunavut and it is not recognized in these consolidated financial statements due to its insignificant amount.

2. Significant accounting policies (cont'd)

(m) Related party transactions (cont'd)

Other related party transactions

Other related parties are key management personnel (President, CFO, and Board of Directors), close family members of key management personnel, and entities that are controlled or significantly influenced by key management personnel or their close family members.

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. These related party transactions are in the normal course of business and are completed under normal trade terms.

(n) Segmented information

NDC has two operating segments, Meat & Fish and Arts & Crafts. These segments consist of the subsidiaries whose primary operations relate most significantly to the category they have been placed in. For segmented disclosure reporting purposes, summary information has been provided in Schedules B, C and D using the categorization of subsidiaries in Note 2(b).

(o) Change in accounting standards

A number of new and amended standards used by the PSAB are not yet effective and have not been applied in preparing these consolidated financial statements. The Corporation plans to adopt these new and amended standards on their effective dates and is currently assessing the impact these standards will have on the Corporation's consolidated financial statements. Standards which will become effective are as follows:

Section *PS 3280 Asset Retirement Obligations* is effective for the fiscal year beginning on or after April 1, 2022. This section establishes standards as to how to account for and report a liability for asset retirement obligations along with post-retirement operation, maintenance and monitoring costs.

Section *PS 3400 Revenue* is effective for the fiscal year beginning on or after April 1, 2023. This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

3. Cash and cash equivalents

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Cash and cash equivalents held by:		
Parent company	\$8,231,405	\$6,907,684
Subsidiaries	<u>2,868,332</u>	<u>2,073,608</u>
	<u>\$11,099,737</u>	<u>\$8,981,292</u>

The cash held by the parent company is pooled with the Government's surplus cash. The cash can be withdrawn at any time and is not restricted by the maturity dates of investments made by the Government. Cash from the parent company's operating and fund bank accounts accumulates interest at rates ranging from 2.45% to 2.70% (2021 – 2.30% to 2.45%) per annum on the daily average of the daily closing credit balances. Investment income of \$96,045 (2021 - \$100,920) has been recognized in the Consolidated Statement of Operations and Accumulated Surplus within Interest and other income.

Included in cash held by the parent company are fund and reserve balances designated as follows:

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Venture Investment Fund	\$3,823,629	\$3,067,584
Capital Fund	1,212,693	1,185,406
Capital Reserve Fund	556,089	537,660
Subsidy Fund	189,000	189,000
Venture Reserve Fund	<u>107,950</u>	<u>145,450</u>
Total fund balances	<u>\$5,889,361</u>	<u>\$5,125,100</u>

As at March 31, 2022, Kivalliq Arctic Foods Ltd had a short-term deposit consisting of fixed rate, redeemable Guaranteed Investment Certificates totaling \$100,000 bearing 0.001% interest rate per annum maturing in July 2022.

4. Accounts receivable

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Related parties		
Government of Nunavut - Departments	\$152,785	\$248,152
Non-controlling interests	<u>20,470</u>	<u>58,563</u>
	\$173,255	\$306,715
Third parties	<u>962,992</u>	<u>834,402</u>
Total accounts receivable	\$1,136,247	\$1,141,117
Less: Valuation allowance (Note 10(a))	<u>(526,139)</u>	<u>(517,593)</u>
Net accounts receivable	<u>\$610,108</u>	<u>\$623,524</u>

5. Inventories

(a) For resale

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Arts & Crafts	\$2,577,888	\$2,672,786
Meat & Fish	<u>32,581</u>	<u>32,609</u>
Total inventories for resale	\$2,610,469	\$2,705,395
Less: Inventory valuation allowance	<u>(790,940)</u>	<u>(591,140)</u>
Net inventories for resale	<u>\$1,819,529</u>	<u>\$2,114,255</u>

During the year, inventories of \$14,265 (2021 - \$19,515) were marked-down, requiring disclosure per the *FAA* of Nunavut.

(b) For use

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Raw materials and work-in-process		
Arts & Crafts	\$213,544	\$180,919
Meat & Fish	<u>867,411</u>	<u>1,061,857</u>
	<u>\$1,080,955</u>	<u>\$1,242,776</u>
Processing and packaging supplies		
Arts & Crafts	\$70,755	\$60,187
Meat & Fish	<u>105,851</u>	<u>118,269</u>
	<u>\$176,606</u>	<u>\$178,456</u>
Total inventories for use	\$1,257,561	\$1,421,232
Less: Inventory valuation allowance	<u>(110,404)</u>	<u>(86,062)</u>
Net inventories for use	<u>\$1,147,157</u>	<u>\$1,335,170</u>

6. Portfolio investments

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Preferred Shares Investment in –		
(a) Arctic UAV Inc.	\$143,000	\$443,000
(b) Tukumaaq Inc	175,000	250,000
(c) Arctic Fisheries Alliance Limited Partnership	250,000	250,000
(d) NunaVet Animal Hospital Inc.	126,500	126,500
(e) CHOU Consulting and Development Inc.	125,000	125,000
(f) Sudliq Developments Ltd.	375,000	375,000
	<u>1,194,500</u>	<u>1,569,500</u>
(g) Non-redeemable GICs	<u>-</u>	<u>100,000</u>
Provision for venture investment loss (Note 6(d) and 6(f))	(501,500)	(501,500)
	<u>\$693,000</u>	<u>\$1,168,000</u>

(a) Arctic UAV Inc. (UAV)

In March 2022, UAV (Iqaluit) bought back (redeemed) 300,000 of their Class C preferred non-voting shares, out of 443,000 Class C preferred non-voting shares held by the Corporation. The Corporation is a registered shareholder of 143,000 Class C preferred non-voting shares in UAV. The rights of Class C preferred shares are governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation is entitled to receive a fixed cumulative preferential distribution of 6.0% per annum, which accrue daily, compound annually and be payable in arrears by UAV to the Corporation annually. Class C preferred shares are redeemable in March 2025 at face value.

(b) Tukumaaq Inc. (TI)

In March 2022, TI (Clyde River) bought back (redeemed) 75,000 of their preferred shares, out of 250,000 preferred shares held by the Corporation. The Corporation is a registered holder of 175,000 Class A non-voting preferred shares in TI. The rights of these shares are governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation is entitled to receive a fixed cumulative preferential distribution of 6.5% per annum, which are payable in monthly instalments on the first day of each month by TI to the Corporation. The shares are redeemable in March 2024 at face value.

6. Portfolio investments (cont'd)

(c) Arctic Fisheries Alliance Limited Partnership (AFL)

The Corporation is a registered holder of 250 Class D preferred Limited Partnership Units in AFL. The rights of a holder of these Units are governed by a Partnership Agreement between Masiliit Corporation as general partner and the limited partners. The Corporation is entitled to receive a fixed cumulative preferential distribution of 6.25% per annum, which accrue daily, compound annually and are payable in arrears by the Partnership to the Corporation on the last business day of each month. The shares which were redeemable in March 2020 at face value, had not been redeemed as at March 31, 2022.

(d) NunaVet Animal Hospital Inc. (NAHI)

The Corporation is a registered holder of 126,500 Class A first preference shares in NAHI. The rights of these shares are governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation is entitled to receive a fixed, cumulative preferential distribution of 6.0% per annum. 115,000 shares which were redeemable in March 2021 at face value, had not been redeemed as at March 31, 2022. The remaining 11,500 shares which were redeemable in March 2022 at face value also, had not been redeemed as at 31 March 2022.

In 2021, the Corporation determined that there was a loss in value of the portfolio investment that was considered an 'other than a temporary' decline. Consequently, the Corporation reduced the net carrying value of this investment to nil by recording a provision for venture investment loss of \$126,500 in 2021.

(e) CHOU Consulting and Development Inc. (CHOU)

The Corporation is a registered holder of 125,000 Class A first preference shares in CHOU. The rights of these shares are governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation is entitled to receive a fixed, cumulative preferential distribution of 6.0% per annum, which is payable in quarterly installments. The shares which were redeemable in March 2022 at face value, had not been redeemed as at March 31, 2022.

6. Portfolio investments (cont'd)

(f) Sudliq Developments Ltd. (SDL)

The Corporation is a registered holder of 375,000 Class E first preference shares in SDL. The rights of these shares are governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation is entitled to receive a fixed, cumulative preferential distribution of 6.0% per annum. The shares are redeemable in December 2024 at face value.

In 2020, the Corporation determined that there was a loss in value of the portfolio investment that was considered an 'other than a temporary' decline. Consequently, the Corporation reduced the net carrying value of this investment to nil by recording a provision for venture investment loss of \$375,000 in the previous year.

(g) Non-redeemable GICs

As at March 31, 2021, Kivalliq Arctic Foods Ltd had a term deposit over 90 days consisting of fixed rate, non-redeemable Guaranteed Investment Certificates totaling \$100,000 bearing 0.20% interest rate per annum that matured in July 2021.

7. Accounts payable and accrued liabilities

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Related parties - Government of Nunavut		
Petroleum Products Division	\$64,757	\$109,353
Territorial corporations	31,178	30,456
Departments	23,481	17,223
Related parties – Non-controlling interests	-	7,380
	<u>\$119,416</u>	<u>\$164,412</u>
Third parties	320,045	283,824
Vacation pay and lieu time	<u>227,967</u>	<u>208,825</u>
Total accounts payable and accrued liabilities	<u>\$667,428</u>	<u>\$657,061</u>

All amounts above are non-interest bearing with normal payment terms.

8. Employee future benefits

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Severance	\$247,728	\$87,139
Sick leave	88,362	48,336
Relocation assistance	<u>15,000</u>	<u>15,000</u>
	<u>\$351,090</u>	<u>\$150,475</u>

The Corporation provides severance benefits to its eligible employees. Under the terms and conditions of employment, most employees with more than one year of continuous service and have reached the age of 55 are eligible to earn severance based on years of service and salary upon resignation, retirement or death. The maximum entitlements for employees are between 30 to 52 weeks of salary depending on the eligible employee. The Corporation also provides sick leave to its eligible employees. Sick leave is accumulated monthly based upon days worked during the month. Accumulated sick leave is not eligible for liquidation in cash and is not bought out in the event of termination.

Relocation assistance benefits have been accrued for employees recruited from other communities and are based upon the estimated cost to relocate them upon retirement or resignation.

These benefits are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefits obligation.

The following provides a reconciliation of the beginning and ending balances of the employee benefits:

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Employee future benefits,		
beginning of year	\$150,475	\$118,493
Cost of benefits for the year	200,615	59,297
Benefits paid during the year	<u>(-)</u>	<u>(27,315)</u>
Employee future benefits, end of year	<u>\$351,090</u>	<u>\$150,475</u>

9. Government contributions

	<u>2022</u>	<u>2021</u>
Subsidy payments from Government of Nunavut		
Operating purposes	\$2,858,000	\$2,858,000
Venture equity	270,000	270,000
Capital purposes	<u>230,000</u>	<u>230,000</u>
	<u>\$3,358,000</u>	<u>\$3,358,000</u>
Other contributions from Government of Nunavut		
Other direct contributions to subsidiaries	<u>238,553</u>	<u>366,907</u>
	<u>\$3,596,553</u>	<u>\$3,724,907</u>

10. Financial instruments

Risk management

Management of the Corporation defines the components of risk, develops frameworks and processes on how to identify, measure and manage risk and submits risk management reporting to the Board of Directors annually for its approval. A risk management process, which includes understanding, identifying, assessing and mitigating risks, monitoring control and communicating results, has been established and is reviewed every year.

There have been no changes to the level of risks compared to the prior year and no changes in the risk management practices used to manage risks.

The Corporation is exposed to the following risks as a result of holding financial instruments:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet their obligations. The Corporation is exposed to credit risk through cash and cash equivalent deposits with financial institutions, the sale of goods to customers resulting in accounts receivable, and investments made in business enterprises through equity purchases.

10. Financial instruments (cont'd)
(a) Credit risk (cont'd)

For cash and cash equivalents in interest-bearing accounts and in the non-redeemable GICs in the portfolio investments, the maximum exposure to credit risk is the carrying amount on the Consolidated Statement of Financial Position. The risk associated with cash and cash equivalents and in the non-redeemable GICs is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions. As at March 31, 2022, there were no known relevant concentrations of credit risk by type of deposit or institution.

For accounts receivable, the maximum exposure to credit risk is the carrying amount on the Consolidated Statement of Financial Position. The risk exposure relating to accounts receivable is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of Nunavut. To mitigate this risk, the Corporation does regular follow-up on their accounts receivable.

At March 31, 2022, the accounts receivable are aged as follows:

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Current	\$413,386	\$378,071
31-60 days old	80,798	55,485
61-90 days old	10,469	35,334
Over 90 days old	<u>105,455</u>	<u>154,634</u>
Total accounts receivable	<u>\$610,108</u>	<u>\$623,524</u>

The Corporation considers an accounts receivable past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of accounts receivable that are past due, but not classified as impaired because they didn't meet the criterion of impairment.

Accounts receivable past due, but not impaired:

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
31-60 days	80,798	55,485
61-90 days	10,469	35,334
Over 90 days	<u>105,455</u>	<u>154,634</u>
Total	<u>\$196,722</u>	<u>\$245,453</u>

10. Financial instruments (cont'd)
(a) Credit risk (cont'd)

The decrease in the balance of accounts receivable past due, but not impaired, is due to increased collections in 2021-22 as a result of the financial impact of the COVID-19 pandemic on its customers.

At the end of 2022, there was no known relevant concentration of credit risk by type of customer or geography.

The Corporation utilizes an allowance account for potential credit losses related to accounts receivable. The movement in the allowance account during the year was as follows:

	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Balance, beginning of year	\$517,593	\$454,487
Additional allowance recorded during the year	<u>8,546</u>	<u>63,106</u>
Balance, end of year	<u>\$526,139</u>	<u>\$517,593</u>

For portfolio investments, the maximum exposure to credit risk is the carrying amount on the Consolidated Statement of Financial Position. The risk relating to portfolio investments is directly impacted by the investee's ability to meet their obligations. Among other factors, this ability is impacted by the investee's exposure to fluctuations in the economy of Nunavut. To mitigate this risk, the Corporation has implemented specific guidance to be followed before investing in a subsidiary. The Corporation also performs regular review of the investee's practices after the investment occurs and may sometimes divest, to further mitigate the likelihood of incurring any significant losses from the investments.

As at March 31, 2022, the Corporation believes there is no significant credit risk related to its portfolio investments, except for the provision for venture investment loss described in Notes 6(d) & 6(f). As at March 31, 2022, there is no known relevant concentration of credit risk by business group.

(b) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Nunavut Development Corporation has an unsecured overdraft facility of \$100,000 at the bank prime rate. There have been no draws as at March 31, 2022 (2021 - \$nil).

10. Financial instruments (cont'd)

(b) Interest rate risk (cont'd)

Kivalliq Arctic Foods Ltd. has a loan demand operating line of credit of \$420,000, at the bank prime rate plus 1.25%. The line of credit is secured by a guarantee and postponement of claim signed by the parent company. There have been no draws as at March 31, 2022 (2021 - \$nil). Kitikmeot Foods Ltd. has a demand operating line of credit of \$200,000, at the bank prime rate plus 0.5%. The line of credit is secured by a guarantee and postponement of claim signed by the parent company. There have been no draws as at March 31, 2022 (2021 - \$nil).

Since the commencement of RBC Agency in October 2019 at Pangnirtung, Uqqurmiut Arts and Craft (1993) Ltd. has a revolving demand operating line of credit of \$100,000 at the bank prime rate, secured by a guarantee signed by the parent company, for financing the day-to-day operations of RBC Agency in Pangnirtung. The outstanding operating loan as at March 31, 2022 was \$60,000 (2021 - \$60,000).

The variable interest rate on the RBC Agency loan subjects the Corporation to interest rate cash flow risk. For each 1% change in the rate of interest, the change in annual interest expense would be \$600 (2021 - \$600).

The Corporation is also exposed to interest rate risk on its bank operating loan because any change in interest rate will cause fluctuations in interest expense. The Corporation has not drawn upon the bank operating loan during the fiscal year, therefore mitigating any interest rate risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations as they fall due. The Corporation is exposed to liquidity risk on its financial liabilities (accounts payable and accrued liabilities, and debt). The Corporation manages its liquidity risk by continuously monitoring forecasted and actual cash flows to ensure it maintains sufficient liquid financial resources to finance operations. The Corporation's debt in respect of RBC Agency at Pangnirtung will mature only when the Agency ceases to exist. Other financial liabilities are expected to mature in less than one year.

The Corporation does not currently believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The Corporation believes that it has access to sufficient capital through internally generated cash flows, government support and external sources including borrowing facilities to meet current spending forecasts.

11. Contractual obligations

The Corporation has entered into a long-term operating lease for the rental of office and retail space which expires in July 2027. Future minimum payments by fiscal year are due as follows:

2023	\$121,420
2024	140,816
2025	146,420
2026	152,268
2027	158,392
Thereafter	<u>53,488</u>

\$772,804

Kitikmeot Foods Ltd., a subsidiary company of Nunavut Development Corporation, has long-term land leases with the Hamlet of Cambridge Bay for its meat plant, fish plant and staff housing. Future minimum payments by fiscal year are due as follows:

2023	\$2,496
2024	2,496
2025	2,496
2026	2,496
2027	<u>2,496</u>
	<u>\$12,480</u>

Thereafter, annually \$2,496

12. Contractual rights

The Corporation has the right to receive annual fixed cumulative preferential distributions from its portfolio investments. The contractual rights of the Corporation for future assets in respect of its six venture investments are as follows:

2023	\$58,080
2024	58,080
2025	<u>41,080</u>
Total	<u>\$157,240</u>

Uqqurmiut Arts & Craft (1993) Ltd., (UAC), has entered into contracts for "Pangnirtung Post Office dealership", "RBC Agency service" and "QINIQ 4G-Community Service Provider ("4G-CSP agreement") in Pangnirtung".

12. Contractual rights (cont'd)

The Post Office Dealership agreement is between UAC and Canada Post in relation to the operations of the Pangnirtung Postal Outlet. This agreement does not expire unless agreed upon by both parties. The RBC Agency service agreement is between UAC and Royal Bank of Canada (RBC). UAC has been appointed as RBC's agent to provide banking and related services on behalf of the Bank, in the community of Pangnirtung. This agreement does not expire unless agreed upon by both parties. 4G-CSP agreement is between UAC and SSI Micro Ltd (SSI). UAC acts as an agent of SSI in Pangnirtung and contract revenues include a monthly retainer and various royalties on services. This agreement does not expire unless agreed upon by both parties.

An estimate of the contractual rights for future assets which arise to UAC cannot be determined with certainty as they are based on various factors such as monthly usage and service levels.

13. COVID-19 IMPLICATIONS

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which spread in Canada and throughout the world. The pandemic has resulted in governments and territories in Canada and worldwide enacting emergency measures to limit the spread of the virus.

During the year the pandemic had an impact on the Corporation's operations which included office closures as a result of public health measures implemented by territorial decree. Although the pandemic has not significantly impacted the Corporation's portfolio investment, management monitors its portfolio on a regular basis to identify and address any potential issues which might impact the valuation of its investments. As the COVID-19 pandemic continues to evolve, it is not possible to reliably estimate the full effect of the outbreak on the Corporation's results of operations and financial position at this time.

Management continues to actively monitor the pandemic in order to identify and address any potential impact to its operations and/or consolidated financial statements.

14. COMPARATIVE INFORMATION

Certain comparative figures from the previous year have been reclassified to conform to the presentation adopted in the current year.

Nunavut Development Corporation

Schedule A

Consolidated Schedule of Tangible Capital Assets (TCA)

As at 31 March

							2022	2021
	Buildings	Equipment	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	Automotive Equipment	Total	Total
Cost of tangible capital assets								
Opening balance	\$ 7,595,903	\$ 2,256,156	\$ 690,913	\$ 459,708	\$ 216,359	\$ 224,082	\$ 11,443,121	\$ 11,312,216
Additions	44,933	55,682	-	-	3,063	-	103,678	130,905
Disposals/Writeoffs	-	-	-	-	-	-	-	-
Closing balance	7,640,836	2,311,838	690,913	459,708	219,422	224,082	11,546,799	11,443,121
Accumulated amortization								
Opening balance	\$ (6,861,543)	\$ (2,156,206)	\$ (663,526)	\$ (415,825)	\$ (202,275)	\$ (223,274)	\$ (10,522,649)	\$ (10,342,394)
Disposals/Writeoffs							-	-
Amortization allocated to COGS	(64,398)	(52,847)	(5,799)	-	-	(808)	(123,852)	(119,622)
Amortization allocated to S&A	(30,727)	(2,361)	(5,178)	(11,739)	(11,288)	-	(61,293)	(60,633)
Closing balance	(6,956,668)	(2,211,414)	(674,503)	(427,564)	(213,563)	(224,082)	(10,707,794)	(10,522,649)
Work-in-progress:								
Opening balance	\$ -	\$ 95,341	\$ -	\$ -	\$ -	\$ -	\$ 95,341	\$ -
Additions	51,007	-	-	-	-	-	51,007	95,341
Closing balance	51,007	95,341	-	-	-	-	146,348	95,341
Net book value	\$ 735,175	\$ 195,765	\$ 16,410	\$ 32,144	\$ 5,859	\$ -	\$ 985,353	\$ 1,015,813

Nunavut Development Corporation
Consolidated Schedule of Sales
For the year ended March 31

Schedule B

	Arts & Craft	Meat & Fish	2022 Actual	2021 Actual
Sales				
Arts & Craft	\$ 1,815,251	\$ -	\$ 1,815,251	\$ 1,132,994
Meat & Fish	77,616	1,934,555	2,012,171	1,736,946
Face masks	20	-	20	77,660
Mitten making kits for isolaton hubs	99,000	-	99,000	50,000
Supplies	4,330	-	4,330	4,101
Total	\$ 1,996,217	\$ 1,934,555	\$ 3,930,772	\$ 3,001,701

Sales - By Category of Customers

Government of Nunavut - Departments	\$ 117,996	\$ 104,891	\$ 222,887	\$ 262,625
District Education Authority	2,758	31,370	34,128	63,470
Nunavut Arctic College	1,230	3,754	4,984	18,423
Non-controlling interests	-	87,680	87,680	106,584
Third parties	1,874,233	1,706,860	3,581,093	2,550,599
Total	\$ 1,996,217	\$ 1,934,555	\$ 3,930,772	\$ 3,001,701

Nunavut Development Corporation
Consolidated Schedule of Cost of goods sold
For the year ended March 31

Schedule C

	Arts & Craft	Meat & Fish	2022 Actual	2021 Actual
Cost of goods sold				
Opening inventory	\$ 2,236,690	\$ 1,212,735	\$ 3,449,425	\$ 3,322,560
Purchases				
Government of Nunavut - Departments	3,240	3,200	6,440	8,780
Third parties	1,055,883	581,817	1,637,700	1,268,839
Direct labour	398,371	442,500	840,871	865,471
Utilities				
Government of Nunavut - Territorial Corp.	37,049	268,837	305,886	319,634
Petroleum Products Division	50,598	45,759	96,357	133,142
Freight and packaging	46,529	424,193	470,722	294,777
Commission	47,814	-	47,814	48,961
Amortization	16,132	107,720	123,852	119,622
Food safety and productivity expenses	-	24,996	24,996	17,132
Product repair and development	9,465	-	9,465	2,600
Closing inventory	(1,960,843)	(1,005,843)	(2,966,686)	(3,449,425)
Total	\$ 1,940,928	\$ 2,105,914	\$ 4,046,842	\$ 2,952,093

Cost of goods sold includes the increase in the valuation allowance for inventories totalling \$224,142, and write-downs of inventories totalling \$14,265 (2021 - \$59,000 and \$19,515 respectively)

Nunavut Development Corporation
Consolidated Schedule of Selling and administration expenses
For the year ended March 31

Schedule D

	Arts & Craft	Meat & Fish	2022 Actual	2021 Actual
Selling expenses				
Salaries and benefits	\$ 1,543,531	\$ 233,500	\$ 1,777,031	\$ 1,432,505
Project expenses	210,467	9,181	219,648	299,875
Professional fees	87,024	52,974	139,998	81,848
Office supplies	108,149	25,596	133,745	124,789
Pangnirtung Post Office expenses	109,967	-	109,967	97,151
Rent	92,848	-	92,848	91,706
Travel	81,050	11,617	92,667	53,424
Repairs and maintenance	32,197	58,068	90,265	76,721
Advertising and promotion	81,056	495	81,551	74,794
Telephone	59,995	11,521	71,516	71,701
Amortization	38,827	22,466	61,293	60,633
Bank charges and interest	47,511	10,469	57,980	53,064
RBC Agency expenses	47,589	-	47,589	46,127
Board expenses	34,983	-	34,983	63,642
Utilities				
Petroleum Products Division	18,829	-	18,829	15,286
Govt. of Nunavut-Territorial Corp.	9,046	-	9,046	8,100
Insurance	16,778	-	16,778	18,504
Licenses and lease	970	15,279	16,249	6,088
Abnormal loss - Compensation paid to fishermen	-	10,955	10,955	-
Vehicle expenses	-	10,307	10,307	27,664
Training expenses	9,602	-	9,602	8,705
Bad debts (Note 10(a))	7,416	1,130	8,546	63,106
Miscellaneous	5,626	-	5,626	6,168
Fisheries and Oceans Canada sampling costs	-	4,200	4,200	5,600
Translating	2,960	-	2,960	2,875
Freight and postage	386	-	386	345
Legal fees	-	-	-	8,495
Total	\$ 2,646,807	\$ 477,758	\$ 3,124,565	\$ 2,798,916



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