

2023



TABLE OF CONTENTS



Chairperson's Message	2
Board of Directors (NDC)	4
Corporate Governance and Management (NDC) ...	6
NDC Headquarters	7
Job Creation	8
Venture Equity Investments	10
Sales Division	11
Subsidiary Operational Summary.....	12
Ivalu Ltd.	13
Jessie Oonark Ltd.	14
Kiluk Ltd.	15
2022-23 Harvesting Summary.....	16
Kitikmeot Foods Ltd.	18
Kivalliq Arctic Foods Ltd.....	19
Papiuq Fisheries Ltd.....	20
Taluq Designs Ltd.....	21
Uqqurmiut Arts & Crafts Ltd.	22
Department Inuit Employment Targets.....	23
Contract, Procurement and Leasing Activity Reporting.....	24
Consolidated Financial Statements	25

CHAIRPERSON'S MESSAGE



Dear Minister Akeeagok

I am pleased to present the Nunavut Development Corporation's 2022-23 Annual Report.

For the first time since the pandemic started in 2020, NDC and its subsidiaries had a normal operating year. There were challenges to being open to the public again after two years of strict protocols to follow. We were happy to fully serve Nunavummiut again.

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. It 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 the growth and expansion of Nunavut businesses.

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 support is recognized and appreciated and was certainly seen throughout the past year.



Kolola Pitsiulak
Chairperson



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.

BOARD OF DIRECTORS (NDC)

The NDC Board met twice in 2022-23 and the executive also met twice.

Section 20 of the Act establishes three subcommittees as follows:

- Investment Committee
- Audit Committee
- Personnel Committee

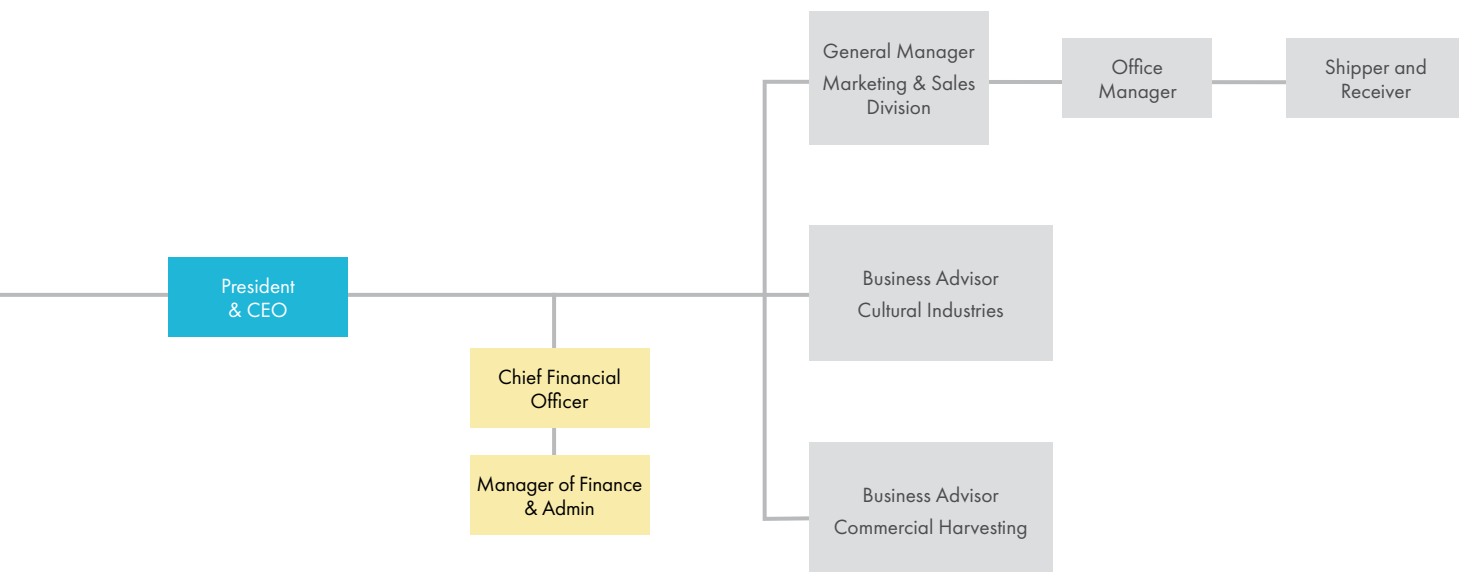
The NDC Board has elected to establish a single Executive Committee that, in 2022-23, consisted of Chairperson Kolola Pitsiulak, Vice-Chairperson Sakiasie Sowdlooapik and Secretary Simeon Mikkungwak to undertake the responsibilities of the three committees set out in the Act.

Minister

Board of Directors

BOARD

	POSITION	COMMUNITY	APPOINTMENT EFFECTIVE	APPOINTMENT EXPIRES
Kolola Pitsiulak	Chairperson	Kimmirut	April 11, 2021	April 10, 2024
Sakiasie Sowdloopik	Vice-Chair	Pangnirtung	April 11, 2021	April 10, 2024
Simeon Mikkungwak	Secretary/Treasurer	Baker Lake	April 11, 2021	April 10, 2024
Helen Kaloon	Director	Gjoa Haven	December 13, 2022	December 12, 2025
Igah Hainnu	Director	Clyde River	April 11, 2021	April 10, 2024
Jonas Arreak	Director	Pond Inlet	April 11, 2021	April 10, 2024
Donald Havioyak	Director	Kugluktuk	April 11, 2021	April 6, 2023



CORPORATE GOVERNANCE AND MANAGEMENT (NDC)

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.

Except for Taluq Designs Ltd., and Uqqurmiut Arts & Crafts (1993) Ltd., 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).

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

	2023	2022
Total Revenues	\$2.34 million	\$2.00 million
Total Expenses	\$1.32 million	\$1.36 million
Annual Surplus	\$1.02 million	\$637,200
Jobs Created or Maintained	5.00	5.00
Core Funding - Operations*	\$1.45 million	\$1.45 million
Core Funding - Capital*	\$4,900	\$0

*(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 (Harvesting & Processing)

Mikitok McLeod





JOB CREATION

The following Nunavut jobs were created or maintained during the 2022-23 fiscal year. These job creation or maintenance figures are consistent with the Corporation's Investment and Divestment Guidelines, which define:

- 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 2023	TOTAL JOBS 2022
Subsidiaries					
Kivalliq Arctic Foods Ltd.	8.28	16.73	-	25.01	21.25
Kitikmeot Foods Ltd.	6.08	2.55	-	8.63	7.78
Ivalu Ltd.	1.88	6.49	-	8.37	10.45
Jessie Oonark Ltd.	4.66	1.19	-	5.85	6.16
Kiluk Ltd.	1.86	0.89	-	2.75	3.43
Taluq Designs Ltd.	1.40	1.14	-	2.54	2.35
Uqurmiut Arts & Crafts Ltd.	10.65	3.25	-	13.90	13.09
Venture Investments					
Arctic Fishery Alliance Ltd.	-	-	64.50	64.50	66.64
Sudliq Developments Ltd.	-	-	-	-	-
Tukumaaq Suites Inc.	-	-	2.98	2.98	2.67
CHOU Consulting & Dev Inc	-	-	2.36	2.36	2.06
Arctic UAV	-	-	2.35	2.35	4.18
Projects					
WAG @ Forks	-	-	6.00	6.00	5.00
Sub-total	34.81	32.24	78.19	145.24	145.06
Nunavut Development Corporation	5.00	10.00	-	15.00	16.00
Total	39.81	42.24	78.19	160.24	161.06

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. **\$100,000**

Clyde River, 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



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.

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.

	2023	2022
Total Revenues	\$0.93 million	\$0.82 million
Total Expenses	\$0.79 million	\$1.01 million
Annual Surplus (Deficit)	\$138,000	\$(194,000)
Jobs Created or Maintained	10.00	11.00
Core Funding - Operations*	\$200,000	\$200,000
Core Funding - Capital*	\$0	\$300

*(Operations and Capital Funding included in revenues)

General Manager:

Yusan Ha

Office Manager:

Teresa Silva

Shipper Receiver:

Jhon Diaz

Contact Tel:

1-800-509-9153

Fax:

1-800-509-9154

Email:

yha.ndcorp@bellnet.ca

SUBSIDIARY OPERATIONAL SUMMARY



IVALU LTD.



TOTAL REVENUES

\$659,544

2023

\$799,495

2022



JOBS CREATED

8.37

2023

10.45

2022

GENERAL MANAGER

Manuel Nangaat Netser

Tel: 867-645-3400

Fax: 867-645-2115

ivalu@ndcorp.nu.ca

BOARD OF DIRECTORS

Goretti Kakuktinniq

Brian Zawadski

Tommy Bruce

ADDRESS

P.O. Box 599

Rankin Inlet, NU

X0C 0G0

	2023	2022
Total Revenues	\$659,544	\$799,495
Total Expenses	\$670,384	\$745,617
Annual (Deficit) Surplus	\$(10,840)	\$53,878
Jobs Created or Maintained	8.37	10.45
NDC Capital Fund Contributions*	\$0	\$5,000

*(Capital Fund contributions are included in revenues)

JESSIE OONARK LTD.



TOTAL REVENUES

\$362,413

2023

\$340,197

2022



JOBS CREATED

5.85

2023

6.16

2022

GENERAL MANAGER

David Ford

Tel: 867-793-2428

Fax: 867-793-2429

jessie_ndc@qiniq.com

BOARD OF DIRECTORS

Hugh Tulurialik -
Chairperson

Sarah Arhniq

Nathan Annanuat

ADDRESS

Box 280

Baker Lake, NU

X0C 0A0

	2023	2022
Total Revenues	\$362,413	\$340,197
Total Expenses	\$323,945	\$356,032
Annual Surplus (Deficit)	\$38,468	\$(15,835)
Jobs Created or Maintained	5.85	6.16
NDC Subsidy Fund Contributions*	\$215,000	\$205,000
NDC Capital Fund Contributions*	\$0	\$0

*(Subsidy and Capital Funding are included in revenues)

KILUK LTD.



TOTAL REVENUES

\$379,437

2023

\$445,189

2022



JOBS CREATED

2.75

2023

3.43

2022

GENERAL MANAGER

Sherlyn Kadjuk

Tel: 867-857-2713

Fax: 867-857-2714

Kiluk_ltd@qiniq.com

BOARD OF DIRECTORS

Hattie Alagalak

Eva Arnalukjuaq

Goretti Kakuktinniq

Cecile Gibbons

Jackie King

ADDRESS

Box 366

Arviat, NU

X0C 0E0

	2023	2022
Total Revenues	\$379,437	\$445,189
Total Expenses	\$450,398	\$341,796
Annual (Deficit) Surplus	\$(70,961)	\$103,393
Jobs Created or Maintained	2.75	3.43
NDC Subsidy Fund Contributions*	\$130,000	\$140,000
NDC Capital Fund Contributions*	\$0	\$20,000

*(Subsidy and Capital Funding are included in revenues)

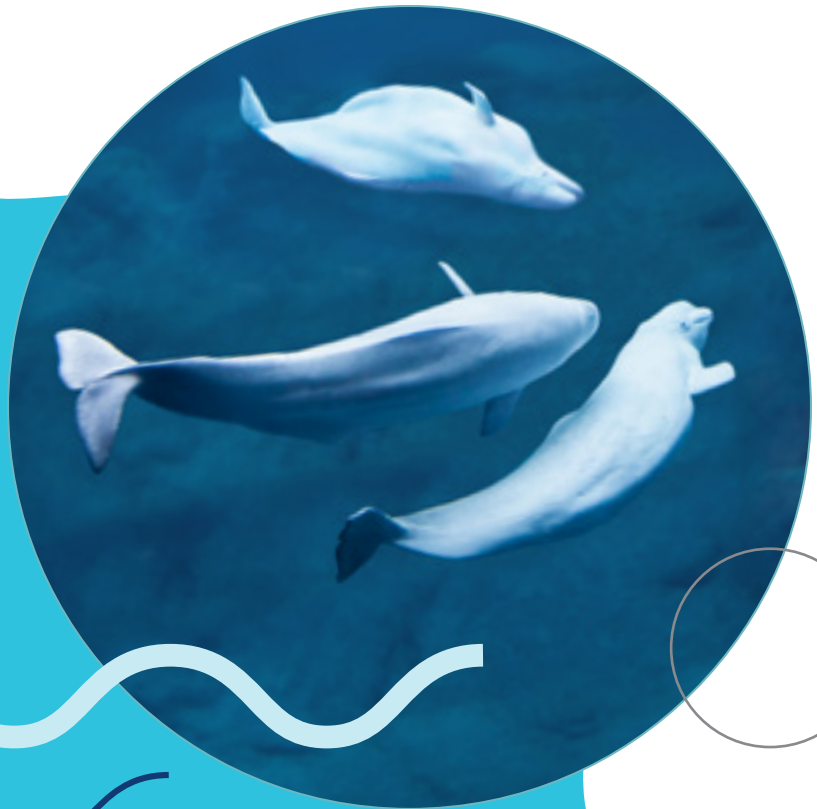
2022-23 HARVESTING SUMMARY

Nunavut Development Corporation purchases 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.

BELUGA

31 WHALES

Whale Cove and
Rankin Inlet combined





CARIBOU

1,020 CARIBOU Total
29,436 LBS Arviat
9,428 LBS Whale Cove
37,163 LBS Rankin Inlet
3,998 LBS Chesterfield Inlet
10,438 LBS Baker Lake

ARCTIC CHAR

118,208 LBS Total Char Harvested

Kivalliq Arctic Foods

15,993LBS Qikiqtarjuaq

12,380 LBS Whale Cove

10,651 LBS Clyde River

6,167 LBS Rankin Inlet

1,620 LBS

Cambridge Bay (KFL)

390 LBS Taloyoak

329 LBS Coral Harbour

315.5 LBS Gjoa Haven

142 LBS Kugaaruk

Kitikmeot Foods

70,220 LBS



MUSKOX

26 MUSKOX (6,221 LBS)

Rankin Inlet

KITIKMEOT FOODS LTD.



TOTAL REVENUES

\$1.10M

2023

\$993,594

2022



JOBS CREATED

8.63

2023

7.78

2022

GENERAL MANAGER

Stéphane Lacasse

Tel: 867-983-2881

kitikmeot@qiniq.com

BOARD OF DIRECTORS

Jim MacEachern

Wilf Wilcox

Brian Zawadski

Mikitok McLeod

Jamie Maghagak

ADDRESS

Box 2268

Cambridge Bay, NU

X0B 0C0

	2023	2022
Total Revenues	\$1.10 million	\$993,594
Total Expenses	\$1.19 million	\$1.10 million
Annual (Deficit)	(\$94,415)	\$(113,732)
Jobs Created or Maintained	8.63	7.78
NDC Subsidy Fund Contributions*	\$290,000	\$290,000
NDC Capital Fund Contributions*	\$24,000	\$24,000

*(Subsidy and Capital Funding are included in revenues)

KIVALLIQ ARCTIC FOODS LTD.



TOTAL REVENUES

\$1.69M

2023

\$1.86M

2022



JOBS CREATED

25.01

2023

21.25

2022



GENERAL MANAGER

Scott Saddler

Tel: 867-645-3137

tundra@qiniq.com

BOARD OF DIRECTORS

Brian Zawadski

Mikitok McLeod

Tommy Bruce

Gavin Gee

Jeff Tulugak

ADDRESS

Box 329

Rankin Inlet, NU

X0C 0G0

	2023	2022
Total Revenues	\$1.69 million	\$1.86 million
Total Expenses	\$1.43 million	\$1.50 million
Annual Surplus	\$262,376	\$361,014
Jobs Created or Maintained	25.01	21.25
NDC Subsidy Fund Contributions*	\$260,000	\$260,000
NDC Capital Fund Contributions*	\$60,000	\$87,000

*(Subsidy and Capital Funding are included in revenues)

PAPIRUQ FISHERIES LTD.

GENERAL MANAGER

Scott Saddler

Tel: 867-645-3170

tundra@qiniq.com

BOARD OF DIRECTORS

Brian Zawadski

ADDRESS

Box 329

Rankin Inlet, NU

X0C 0G0

	2023	2022
Total Revenues	-	-
Total Expenses	\$ 185	\$ 11,994
Annual (Deficit)	\$ (185)	\$ (11,994)
NDC Capital Fund Contributions	\$0	\$0

TALUQ DESIGNS LTD.



TOTAL REVENUES

\$222,996

2023

\$293,396

2022



JOBS CREATED

2.54

2023

2.35

2022



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 Neeveeachack

ADDRESS

Box 174

Taloyoak, NU

X0B 1B0

	2023	2022
Total Revenues	\$222,996	\$293,396
Total Expenses	\$271,800	\$219,137
Annual (Deficit) Surplus	\$(48,804)	\$74,259
Jobs Created or Maintained	2.54	2.35
NDC Subsidy Fund Contributions*	\$70,000	\$70,000
NDC Capital Fund Contributions*	\$1,500	\$3,000

*(Subsidy and Capital Funding are included in revenues)

UQQURMIUT ARTS & CRAFTS LTD.



TOTAL REVENUES

\$880,333

2023

\$865,519

2022



JOBS CREATED

13.90

2023

13.09

2022

GENERAL MANAGER

Elena Akpalialuk

Tel: 867-473-8669

Fax: 867-473-8634

inuitart@qiniq.com

BOARD OF DIRECTORS

Jacopie Maniapik

Geetee Maniapik

Geeold Kakkik

Johnelee Nakashuk

Jimmy Uniukshagak

Mathewsie Maniapik

Brian Zawadski

Goretti Kakuktinniq

ADDRESS

Box 453

Pangnirtung, NU

X0A 0R0

	2023	2022
Total Revenues	\$880,333	\$865,519
Total Expenses	\$946,689	\$836,295
Annual (Deficit) Surplus	\$(66,356)	\$29,224
Jobs Created or Maintained	13.90	13.09
NDC Subsidy Fund Contributions*	\$238,000	\$238,000
NDC Capital Fund Contributions*	\$2,500	\$45,000

*(Subsidy and Capital Funding are included in revenues)

DEPARTMENT INUIT EMPLOYMENT TARGETS

	At March 31, 2023		At March 31, 2024	
	CAPACITY %		CAPACITY %	
Total Department Position	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

2022-23 Contracting Activity Report

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	2022-23 VALUE	2021-22 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Brandon	Dean Food Safety Systems	Food Safety Consulting HACCP / QMP	SS	35,925	61,537	-	-
Ottawa	Gowling Lafleur Henderson	Tota Legal Counsel	None	552	1,392	-	-
Rankin Inlet	R&T Cleaning Enterprises	Janitorial	PRFP	13,750	12,850	-	✓
Iqaluit	Outcrop Nunavut	Communications	None	58,408	43,612	-	✓
Rankin Inlet	Lester Landau Chartered Accountants	Subsidiaries Audit	PRFP	18,210	-		✓
Rankin Inlet	Crowe Mackay LLP	Subsidiaries Audit	PRFP	67,024	49,637		✓
Iqaluit	South East Nunavut	Buying Carvings	None	394,380	246,529		✓
				\$588,249	\$415,557		

2022-23 Leasing Activity Report

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	START DATE	EXPIRY DATE	RENEWAL OPTIONS	2022-23 VALUE	2021-22 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Mississauga	GWL Reality	Warehouse Lease	SS	8/1/22	7/31/27	Renewed	106,765	92,848	-	-
							106,765	92,848		

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, 2023**

Management's Responsibility for Consolidated Financial Statements	26
Independent Auditor's Report	27
Consolidated Statement of Financial Position	31
Consolidated Statement of Operations and Accumulated Surplus	32
Consolidated Statement of Change in Net Financial Assets	33
Consolidated Statement of Cash Flow	34
Notes to the Consolidated Financial Statements	35
Schedule A - Consolidated Schedule of Tangible Capital Assets	57
Schedule B - Consolidated Schedule of Sales	58
Schedule C - Consolidated Schedule of Cost of goods sold	59
Schedule D - Consolidated Schedule of Selling and administration expenses	60

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, 2023, 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.

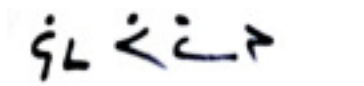
The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing her report thereon.



Kyle Tattuinee

President & CEO

Rankin Inlet, Canada
July 20, 2023



Balaji Ramamani,

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

Opinions

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 2023, 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.

Unmodified Opinion on the Consolidated Cash Flows

In our opinion, the accompanying consolidated statement of cash flow presents fairly, in all material respects, the consolidated cash flows of the Group for the year ended 31 March 2023 in accordance with Canadian public sector accounting standards.

Qualified Opinion on the Consolidated Financial Position, Consolidated Results of Operations and Consolidated Changes in Net Financial Assets

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated statement of financial position, consolidated statement of operations and accumulated surplus and consolidated statement of change in net financial assets present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2023, and the consolidated results of its operations and consolidated changes in its net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinions, Including Basis for Qualified Opinion on the Consolidated Financial Position, Consolidated Results of Operations and Consolidated Changes in Net Financial Assets

As disclosed in Note 2(p) of the consolidated financial statements, PS 3280—*Asset retirement obligations* became effective for the Group for the year ended 31 March 2023. Management has not completed all necessary analysis to determine if an asset retirement obligation exists for three of its buildings. We were therefore unable to obtain sufficient appropriate audit evidence about whether or not an asset retirement obligation liability should be recognized as at 1 April 2022 and 31 March 2023 in relation to those three buildings. The recognition of an asset retirement obligation liability might affect the amounts recognized for tangible capital assets as well as for certain expense items within cost of goods sold and selling and administration expenses. As a result, we were unable to determine whether any adjustments might be necessary to the consolidated financial position as at 31 March 2023, and to the consolidated results of operations and the consolidated changes in net financial assets for the year then ended.

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 unmodified opinion on the consolidated cash flows and our qualified opinion on the consolidated financial position, consolidated results of operations and consolidated changes in net financial assets.

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, except for the change in the method of accounting for asset retirement obligations as explained in Note 2(p) to the consolidated financial statements, 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.

A handwritten signature in black ink, appearing to read "Michael Robichaud". The signature is fluid and cursive, with a large initial "M" and "R".

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

Ottawa, Canada
20 July 2023

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

	2023	2022
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 12,278,920	\$ 11,099,737
Accounts receivable (Note 4)	867,275	610,108
Inventories for resale (Note 5(a))	1,544,743	1,819,529
Portfolio investments (Note 6)	618,000	693,000
Total financial assets	\$ 15,308,938	\$ 14,222,374
Liabilities		
Debt (Note 10)	\$ 55,000	\$ 60,000
Accounts payable and accrued liabilities (Note 7)	612,604	667,428
Employee future benefits (Note 8)	336,028	351,090
Deferred revenue	-	12,711
Total liabilities	\$ 1,003,632	\$ 1,091,229
Net Financial Assets	\$ 14,305,306	\$ 13,131,145
Non-Financial Assets		
Tangible capital assets (Schedule A)	\$ 931,530	\$ 985,353
Inventories for use (Note 5(b))	1,196,127	1,147,157
Prepaid expenses	55,091	53,165
Total non-financial assets	\$ 2,182,748	\$ 2,185,675
Accumulated Surplus	\$ 16,488,054	\$ 15,316,820

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

	2023 Budget	2023 Actual	2022 Actual
Revenues			
Sales (Schedule B)	\$ 3,626,000	\$ 3,948,105	\$ 3,930,772
Interest and other income	455,000	730,041	491,527
Preference dividend on venture investment	80,000	71,517	96,360
Total revenues	\$ 4,161,000	\$ 4,749,663	\$ 4,518,659
Expenses			
Cost of goods sold (Schedule C)	\$ 3,741,351	\$ 4,074,939	\$ 4,046,842
Selling and administration (Schedule D)	3,847,868	3,219,834	3,124,565
Provision (recovery) for impaired portfolio investments (Note 6(d))	97,150	(126,500)	-
Total expenses	\$ 7,686,369	\$ 7,168,273	\$ 7,171,407
Deficit before Government contributions	(3,525,369)	(2,418,610)	(2,652,748)
Government contributions (Note 9)	\$ 3,616,000	\$ 3,589,844	\$ 3,596,553
Surplus for the year	90,631	1,171,234	943,805
Accumulated surplus, beginning of the year	15,316,820	15,316,820	14,373,015
Accumulated surplus, end of the year	\$ 15,407,451	\$ 16,488,054	\$ 15,316,820

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

	2023 Budget	2023 Actual	2022 Actual
Surplus for the year	\$ 90,631	\$ 1,171,234	\$ 943,805
Tangible capital assets (Schedule A)			
Additions	\$ (230,000)	\$ (88,336)	\$ (154,685)
Amortization	97,150	142,159	185,145
	\$ (132,850)	\$ 53,823	\$ 30,460
Additions of inventories for use	\$ -	\$ (906,842)	\$ (743,456)
Consumption of inventories for use	-	857,872	931,469
Change due to prepaid expenses	-	(1,926)	(37,957)
	\$ -	\$ (50,896)	\$ 150,056
Change in net financial assets for the year	\$ (42,219)	\$ 1,174,161	\$ 1,124,321
Net financial assets, beginning of the year	13,131,145	13,131,145	12,006,824
Net financial assets, end of the year	\$ 13,088,926	\$ 14,305,306	\$ 13,131,145

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

	2023	2022
Cash provided by (used for) operating activities		
Received from customers	\$ 4,052,427	\$ 3,991,592
Received through contributions from the Government of Nunavut	3,531,664	3,613,415
Interest received	251,313	44,362
Received through other contributions	99,111	195,528
Dividends received	49,017	73,545
Rental income	-	5,000
Paid to suppliers	(3,056,794)	(2,705,577)
Paid to employees	(2,675,127)	(2,389,960)
Other operations	(938,826)	(887,201)
Used in Amauti making project and sewing machine repair workshops	(229,605)	(84,115)
Project expenses - Training-On-Job	(7,386)	(33,691)
Compensation paid to fishermen	-	(10,955)
Cash provided by operating activities	1,075,794	1,811,943
Cash provided by investing activities		
Redemption of venture equity investment	201,500	375,000
Maturity of non-redeemable Guaranteed Investment Certificates	-	100,000
Cash provided by investing activities	201,500	475,000
Cash used for capital activities		
Tangible capital asset acquisitions	(88,336)	(154,686)
Capital expenditure repairs	(9,775)	(13,812)
Cash used for capital activities	(98,111)	(168,498)
Increase in cash and cash equivalents	1,179,183	2,118,445
Cash and cash equivalents - beginning of the year	11,099,737	8,981,292
Cash and cash equivalents - end of the year	\$ 12,278,920	\$ 11,099,737

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, 2023

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.

Except for Taluq Designs Ltd., and Uqqurmiut Arts & Crafts (1993) Ltd., 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, 2023 are \$642,135 (2022 - \$585,616).

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 is pooled with the Government's surplus cash and earns interest 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 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.

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.

2. Significant accounting policies (cont'd)

(i) Employee future benefits (cont'd)

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

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 \$56,251 (2022 - \$39,499)

(j) Asset retirement obligations

The Corporation has legal obligations associated with the retirement from service of buildings and equipment. A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

2. Significant accounting policies (cont'd)

(j) Asset retirement obligations (cont'd)

Asset retirement obligations are measured based on the best estimate of directly attributable expenditures required to settle the obligation. These costs include post-retirement operation, maintenance and monitoring costs that are required after the asset has been removed from service.

A present value technique is used to determine the amount of the obligation related to the retirement of assets. Using a present value technique to measure a liability, the liability is adjusted for the passage of time using the effective interest rate method with the adjustment being recognized as accretion expense in the Consolidated Statement of Operations and Accumulated Surplus.

When a liability for an asset retirement obligation is recognized, asset retirement costs related to recognized tangible capital assets in productive use are capitalized by increasing the carrying amount of the related asset by the same amount as the liability and are amortized over the estimated remaining useful life of the underlying tangible capital asset. Asset retirement costs related to unrecognized tangible capital assets and those not in productive use are expensed in the Consolidated Statement of Operations and Accumulated Surplus.

(k) 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.

(l) 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.

(m) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications.

2. Significant accounting policies (cont'd)

(m) Financial instruments (cont'd)

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. To the extent applicable, transaction costs are added to the carrying value of items in the cost category when they are initially recognized.

(n) 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)

(n) 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.

(o) 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).

(p) Adoption of PS 3280 - Asset retirement obligations

Effective April 1, 2022, the Corporation adopted *PS 3280 Asset Retirement Obligations*. This standard establishes how to account for and report a liability for asset retirement obligations along with post-retirement operation, maintenance and monitoring costs. The Corporation adopted the standard on a prospective basis. The standard had no impact on the consolidated financial statements for the year ended March 31, 2023 and the comparative balances for year ended March 31, 2022.

(q) Future changes in accounting standards

PSAB has approved Section *PS 3400 Revenue* which 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. The Corporation plans to adopt this new standard on its effective date and is currently assessing the impact this standard will have on the Corporation's consolidated financial statements.

3. Cash and cash equivalents

	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Cash and cash equivalents held by:		
Parent company	\$9,444,274	\$8,231,405
Subsidiaries	<u>2,834,646</u>	<u>2,868,332</u>
	<u>\$12,278,920</u>	<u>\$11,099,737</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 2.70% to 6.70% (2022 – 2.45% to 2.70%) per annum on the daily average of the daily closing credit balances.

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

	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Venture Investment Fund	\$4,364,296	\$3,823,629
Capital Fund	1,340,507	1,212,693
Capital Reserve fund	565,379	556,089
Subsidy Fund	189,000	189,000
Venture Reserve Fund	<u>87,800</u>	<u>107,950</u>
Total fund balances	<u>\$6,546,982</u>	<u>\$5,889,361</u>

As at March 31, 2023, 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 on August 3, 2023.

4. Accounts receivable

	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Related parties		
Government of Nunavut - Departments	\$122,891	\$152,785
Non-controlling interests	<u>75,693</u>	<u>20,470</u>
	\$198,584	\$ 173,255
Third parties	<u>942,840</u>	<u>962,992</u>
Total accounts receivable	\$1,141,424	\$1,136,247
Less: Valuation allowance (Note 10(a))	<u>(274,149)</u>	<u>(526,139)</u>
Net accounts receivable	<u>\$867,275</u>	<u>\$610,108</u>

5. Inventories

(a) For resale	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Arts & Crafts	\$2,402,245	\$2,577,888
Meat & Fish	<u>16,438</u>	<u>32,581</u>
Total inventories for resale	\$2,418,683	\$2,610,469
Less: Inventory valuation allowance	<u>(873,940)</u>	<u>(790,940)</u>
Net inventories for resale	<u>\$1,544,743</u>	<u>\$1,819,529</u>

During the year, inventories of \$17,269 (2022 - \$14,265) were written-off or marked-down, requiring disclosure per the *FAA* of Nunavut.

(b) For use	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Raw materials and work-in-process		
Arts & Crafts	\$218,871	\$213,544
Meat & Fish	<u>1,085,851</u>	<u>867,411</u>
	<u>\$1,304,722</u>	<u>\$1,080,955</u>
Processing and packaging supplies		
Arts & Crafts	\$42,803	\$70,755
Meat & Fish	<u>125,635</u>	<u>105,851</u>
	<u>\$168,438</u>	<u>\$176,606</u>
Total inventories for use	\$1,473,160	\$1,257,561
Less: Inventory valuation allowance	<u>(277,033)</u>	<u>(110,404)</u>
Net inventories for use	<u>\$1,196,127</u>	<u>\$1,147,157</u>

6. Portfolio investments

	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Preferred Shares Investment in –		
(a) Arctic UAV Inc.	\$143,000	\$143,000
(b) Tukumaaq Inc	100,000	175,000
(c) Arctic Fisheries Alliance Limited Partnership	250,000	250,000
(d) NunaVet Animal Hospital Inc.	-	126,500
(e) CHOU Consulting and Development Inc.	125,000	125,000
(f) Sudliq Developments Ltd.	375,000	375,000
	<u>993,000</u>	<u>1,194,500</u>
Provision for venture investment loss (Note 6(f))	<u>(375,000)</u>	<u>(501,500)</u>
	<u>\$618,000</u>	<u>\$693,000</u>

6. Portfolio investments (cont'd)

(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 shall accrue daily, compound annually and are 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 2023, TI (Clyde River) bought back (redeemed) 75,000 of their preferred shares, out of 175,000 preferred shares held by the Corporation. The Corporation is a registered holder of 100,000 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.

(c) Arctic Fisheries Alliance Limited Partnership (AFA)

The Corporation is a registered holder of 250 Class D preferred Limited Partnership Units in AFA. 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 shall accrue daily, compound annually and be payable in arrears by the Partnership to the Corporation on the last business day of each month. The shares are redeemable in March 2025 at face value.

(d) NunaVet Animal Hospital Inc. (NAHI)

In January 2023, NAHI (Iqaluit) bought back (redeemed) 126,500 of their preferred shares held by the Corporation, at face value. This created a gain as the investment was previously written down. The gain was recorded within the Consolidated Statement of Operations and Accumulated Surplus as a recovery of previously impaired portfolio investments. Until redemption, the Corporation was a registered holder of 126,500 Class A first preferred shares in NAHI. The rights of these shares were governed by a Unanimous Shareholders Agreement and a Share Subscription Agreement. The Corporation was entitled to receive a fixed, cumulative preferential distribution of 6.0% per annum.

6. Portfolio investments (cont'd)

(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 instalments. The shares are redeemable in October 2026 at face value.

(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 2020.

7. Accounts payable and accrued liabilities

	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Related parties - Government of Nunavut		
Petroleum Products Division	\$45,181	\$64,757
Territorial corporations	29,459	31,178
Departments	<u>17,577</u>	<u>23,481</u>
	92,217	119,416
Third parties	263,325	320,045
Vacation pay and lieu time	<u>257,062</u>	<u>227,967</u>
Total accounts payable and accrued liabilities	<u>\$612,604</u>	<u>\$667,428</u>

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

8. Employee future benefits

	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Severance	\$271,749	\$247,728
Sick leave	49,279	88,362
Relocation assistance	15,000	15,000
	<u>\$336,028</u>	<u>\$351,090</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. 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, 2023</u>	<u>Mar 31, 2022</u>
Employee future benefits, beginning of year	\$351,090	\$150,475
Cost of benefits for the year	26,948	200,615
Benefits paid during the year	<u>(42,010)</u>	<u>(-)</u>
Employee future benefits, end of year	<u>\$336,028</u>	<u>\$351,090</u>

9. Government contributions

	<u>2023</u>	<u>2022</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>231,844</u>	<u>238,553</u>
	<u>\$3,589,844</u>	<u>\$3,596,553</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, 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 is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions. As at March 31, 2023, 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.

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, 2023</u>	<u>Mar 31, 2022</u>
31-60 days	\$90,056	\$80,798
61-90 days	78,920	10,469
Over 90 days	<u>286,662</u>	<u>105,455</u>
Total	<u>\$455,638</u>	<u>\$196,722</u>

The increase in the balance of accounts receivable past due, but not impaired, is due to a reduction in the allowance for doubtful accounts relating to customers who have made significant enough payment commitments and increased their purchasing activity during 2022-23.

At the end of 2023, there were no known relevant concentrations of credit risk by type of customer or geography.

10. Financial instruments (cont'd)

(a) Credit risk (cont'd)

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, 2023</u>	<u>Mar 31, 2022</u>
Balance, beginning of year	\$526,139	\$517,593
Recoveries and reversals during the year	(252,371)	-
Additional allowance recorded during the year	<u>381</u>	<u>8,546</u>
Balance, end of year	<u>\$274,149</u>	<u>\$526,139</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, 2023, the Corporation believes there is no significant credit risk related to its portfolio investments, except for the provision for venture investment loss described in the Note 6(f). As at March 31, 2023, 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, 2023 (2022 - \$nil).

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, 2023 (2022 - \$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, 2023 (2022 - \$nil).

10. Financial instruments (cont'd)

(b) Interest rate risk (cont'd)

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, 2023 was \$55,000 (2022 - \$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 \$550 (2022 - \$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:

2024	\$140,816
2025	146,420
2026	152,268
2027	158,392
2028	<u>53,488</u>

\$651,384

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:

2024	\$2,496
2025	2,496
2026	2,496
2027	2,496
2028	<u>2,496</u>

\$12,480

Thereafter, annually \$2,496

12. Contractual rights

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

2024	\$60,705
2025	48,580
2026	7,500
2027	<u>7,500</u>

Total **\$124,285**

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.

The following table summarizes the contractual rights of UAC for future assets:

	Post Office Dealership	QINIQ Internet 4G-CSP	RBC Agency	Total
2024	\$115,608	\$3,600	\$28,000	\$147,208
2025	115,608	3,600	28,000	147,208
2026	115,608	3,600	28,000	147,208
2027	115,608	3,600	28,000	147,208
2028	<u>115,608</u>	<u>3,600</u>	<u>28,000</u>	<u>147,208</u>
Total	<u>\$578,040</u>	<u>\$18,000</u>	<u>\$140,000</u>	<u>\$736,040</u>
Thereafter, annually	<u>\$115,608</u>	<u>\$3,600</u>	<u>\$28,000</u>	<u>\$147,208</u>

Ivalu Ltd. (Ivalu) has entered into a contract for "QINIQ 4G-Community Service Provider ("4G-CSP agreement") in Rankin Inlet". 4G-CSP agreement is between Ivalu and SSI Micro Ltd ("SSI"). Ivalu acts as an agent of SSI in Rankin Inlet, and contract revenues include a monthly retainer and various royalties on services. This agreement does not expire unless agreed upon by both parties.

12.Contractual rights (cont'd)

The following table summarizes the contractual rights of Ivalu for future assets:

	QINIQ Internet 4G-CSP
2024	\$3,600
2025	3,600
2026	3,600
2027	3,600
2028	<u>3,600</u>
Total	<u>\$18,000</u>
Thereafter, annually	<u>\$3,600</u>

Nunavut Development Corporation
Consolidated Schedule of Tangible Capital Assets (TCA)
As at 31 March

Schedule A

							2023	2022
	Buildings	Equipment	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	Automotive Equipment	Total	Total
Cost of tangible capital assets								
Opening balance	\$ 7,640,836	\$ 2,311,838	\$ 690,913	\$ 459,708	\$ 219,422	\$ 224,082	\$ 11,546,799	\$ 11,443,121
Reclassifications	-	5,521	-	(5,521)	-	-	-	-
Additions	3,161	-	-	11,341	8,800	65,034	88,336	103,678
Disposal of fully depreciated assets	(259,154)	(182,957)	(32,178)	(258,333)	(94,696)	(125,742)	(953,060)	-
Closing balance	7,384,843	2,134,402	658,735	207,195	133,526	163,374	10,682,075	11,546,799
Accumulated amortization								
Opening balance	\$ (6,956,668)	\$ (2,211,414)	\$ (674,503)	\$ (427,564)	\$ (213,563)	\$ (224,082)	\$ (10,707,794)	\$ (10,522,649)
Reclassifications	3,851	5,535	(10,472)	1,128	(1,738)	1,696	-	-
Disposal of fully depreciated assets	259,154	182,957	32,178	258,333	94,696	125,742	953,060	-
Amortization allocated to COGS	(62,137)	(40,369)	(1,648)	-	-	(848)	(105,002)	(123,852)
Amortization allocated to S&A	(18,910)	-	(1,285)	(9,074)	(7,888)	-	(37,157)	(61,293)
Closing balance	(6,774,710)	(2,063,291)	(655,730)	(177,177)	(128,493)	(97,492)	(9,896,893)	(10,707,794)
Work-in-progress								
Opening balance	\$ 51,007	\$ 95,341	\$ -	\$ -	\$ -	\$ -	\$ 146,348	\$ 95,341
Additions	-	-	-	-	-	-	-	51,007
Closing balance	51,007	95,341	-	-	-	-	146,348	146,348
Net book value	\$ 661,140	\$ 166,452	\$ 3,005	\$ 30,018	\$ 5,033	\$ 65,882	\$ 931,530	\$ 985,353

Certain categories of capital assets have been reclassified for overall grouping and meaningful presentation.

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

Schedule B

	Arts & Craft	Meat & Fish	2023 Actual	2022 Actual
Sales				
Arts & Craft	\$ 1,895,154	\$ -	\$ 1,895,154	\$ 1,815,251
Meat & Fish	73,894	1,975,917	2,049,811	2,012,171
Face masks	-	-	-	20
Mitten making kits for isolation hubs	-	-	-	99,000
Supplies	3,140	-	3,140	4,330

Total	\$ 1,972,188	\$ 1,975,917	\$ 3,948,105	\$ 3,930,772
--------------	---------------------	---------------------	---------------------	---------------------

Sales - By Category of Customers				
Government of Nunavut - Departments	\$ 7,812	\$ 28,174	\$ 35,986	\$ 222,887
District Education Authority	1,949	3,932	5,881	34,128
Nunavut Arctic College	3,004	6,265	9,269	4,984
Non-controlling interests	-	116,483	116,483	87,680
Third parties	1,959,423	1,821,063	3,780,486	3,581,093

Total	\$ 1,972,188	\$ 1,975,917	\$ 3,948,105	\$ 3,930,772
--------------	---------------------	---------------------	---------------------	---------------------

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

Schedule C

	Arts & Craft	Meat & Fish	2023 Actual	2022 Actual
Cost of goods sold				
Opening inventory	\$ 1,960,843	\$ 1,005,843	\$ 2,966,686	\$ 3,449,425
Purchases				
Government of Nunavut - Departments	34,960	2,419	37,379	6,440
Third parties	1,016,621	784,140	1,800,761	1,637,700
Direct labour	345,282	439,410	784,692	840,871
Utilities				
Government of Nunavut - Territorial Corp.	38,519	264,987	303,506	305,886
Petroleum Products Division	47,297	62,458	109,755	96,357
Freight and packaging	75,009	531,134	606,143	470,722
Commission	78,856	-	78,856	47,814
Amortization	12,026	92,976	105,002	123,852
Food safety and productivity expenses	-	19,189	19,189	24,996
Product repair and development	3,840	-	3,840	9,465
Closing inventory	(1,641,274)	(1,099,596)	(2,740,870)	(2,966,686)
Total	\$ 1,971,979	\$ 2,102,960	\$ 4,074,939	\$ 4,046,842

Cost of goods sold includes the increase in the valuation allowance for inventories totalling \$249,629, and write-downs of inventories totalling \$17,269 (2022 - \$224,142 and \$14,265 respectively)

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

Schedule D

		Arts & Craft	Meat & Fish	2023 Actual	2022 Actual
Selling expenses					
Salaries and benefits	\$	1,680,030	252,314	1,932,344	1,777,031
Project expenses		260,065	-	260,065	219,648
Bad debts (recoveries and reversals) (Note 10(a))		(252,371)	381	(251,990)	8,546
Professional fees		93,263	58,809	152,072	139,998
Office supplies		102,122	41,504	143,626	133,745
Rent		121,539	-	121,539	92,848
Repairs and maintenance		33,646	87,396	121,042	90,265
Pangnirtung Post Office expenses		120,233	-	120,233	109,967
Travel		117,201	440	117,641	92,667
Advertising and promotion		75,947	-	75,947	81,551
Bank charges and interest		55,404	12,123	67,527	57,980
Board expenses		66,240	-	66,240	34,983
Telephone		49,667	11,356	61,023	71,516
RBC Agency expenses		49,884	-	49,884	47,589
Amortization		30,487	6,670	37,157	61,293
Trade shows		30,331	-	30,331	-
Insurance		24,498	-	24,498	16,778
Vehicle expenses		-	21,652	21,652	10,307
Utilities					
Petroleum Products Division		19,525	-	19,525	18,829
Govt. of Nunavut-Territorial Corp.		9,836	-	9,836	9,046
Miscellaneous		13,996	-	13,996	5,626
Licenses and lease		1,020	9,610	10,630	16,249
Freight and postage		4,932	-	4,932	386
Fisheries and Oceans Canada sampling costs		-	4,200	4,200	4,200
Training expenses		3,238	-	3,238	9,602
Translating		1,884	-	1,884	2,960
Legal fees		762	-	762	-
Abnormal loss - Compensation paid to fishermen		-	-	-	10,955
Total	\$	2,713,379	\$ 506,455	\$ 3,219,834	\$ 3,124,565



ᓄᓇᑭᓃ ᐱᓚᓕᓕᓄᓕᓕᓄᓄᓃᓃᓃ ᓄᓄᓄᓄᓄᓄᓄ
NUNAVUT DEVELOPMENT CORPORATION
LA CORPORATION DE DÉVELOPPEMENT DU NUNAVUT
NUNAVUNMI PIVALLIAJJUTIKHALIRINIRMUT KUAPURIISINGAT

WWW.NDCORP.NU.CA