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

2023  
2024

ANNUAL REPORT

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# CHAIRPERSON'S MESSAGE

## **Dear Minister Akeeagok**

I am pleased to present the Nunavut Development Corporation's 2023-24 Annual Report.

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. This year we are hopeful to expand and reach out into supporting the Inuit Organizations in reaching one of their goals with our Venture Investment funds. It will be a game changer for many Inuit. We look forward to potentially more in the future.

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 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 were certainly seen through the past year.

Kolola Pitsiulak



Chairperson

# BOARD OF DIRECTORS

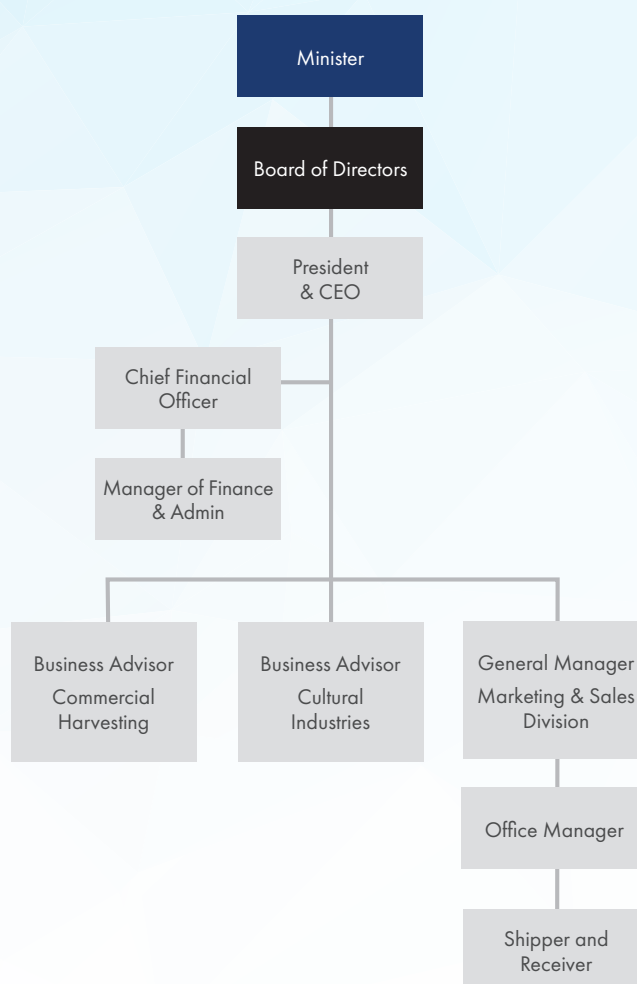
The Minister responsible for the Nunavut Development Corporation is the Honourable David Akeeagok. NDC Board Members are appointed to three-year terms by the Government of Nunavut and represent a strong cross section of Nunavut's diverse population.

The NDC Board met twice in 2023-24 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 2023-24 consisted of Chairperson Kolola Pitsiulak, Vice-Chairperson Sakiasie Sowdloopik and Secretary 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 12, 2024	April 11, 2027
Sakiasie Sowdloopik	Vice-Chair	Pangnirtung	April 12, 2024	April 11, 2027
Simeon Mikkungwak	Secretary/ Treasurer	Baker Lake	April 12, 2024	April 11, 2027
Helen Kaloon	Director	Gjoa Haven	December 13, 2022	December 12, 2025
Igah Hainnu	Director	Clyde River	April 12, 2024	April 11, 2027
Jonas Arreak	Director	Pond Inlet	April 12, 2024	April 11, 2027
Methusalah Kunuk	Director	Iqaluit	April 6, 2023	April 4, 2026
Darlene Hokanak	Director	Kugluktuk	April 6, 2023	April 4, 2026
Wilfred Wilcox	Director	Cambridge Bay	April 6, 2023	April 4, 2026



# CORPORATE GOVERNANCE AND MANAGEMENT

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 of Nunavut* (“FAA”) and operates in accordance with Part IX of the FAA, the Nunavut Development Corporation Act (the “Act”) and the *Business Corporations Act of Nunavut*. 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

	2024	2023
Total Revenues	\$2.30 million	\$2.34 million
Total Expenses	\$1.90 million	\$1.32 million
Annual Surplus	\$404,625	\$1.02 million
Jobs Created or Maintained	5.50	5.00
Core Funding - Operations*	\$1.45 million	\$1.45 million
Core Funding - Capital*	\$6,400	\$4,900

\*(Operations Funding included in revenues)

## President & CEO

Kyle Tattuinee

## Chief Financial Officer

Balaji Ramamani

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

## Sr. Finance Officer

Brenda Tagalik

## Sr. Finance Officer

Kuutsiq Osmond

## Business Advisor (Cultural Industries)

Goretti Kakuktinniq

## Business Advisor (Commercial Harvesting)

Mikitok McLeod

# JOB CREATION

The following Nunavut jobs were created or maintained during the 2023-24 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 2024	TOTAL JOBS 2023
<b>Subsidiaries</b>					
Kivalliq Arctic Foods Ltd.	8.37	19.16	-	27.53	25.01
Kitikmeot Foods Ltd.	6.44	2.70	-	9.14	8.63
Ivalu Ltd.	2.04	2.06	-	4.10	8.37
Jessie Oonark Ltd.	4.64	1.84	-	6.48	5.85
Kiluk Ltd.	1.67	1.17	-	2.84	2.75
Taluq Designs Ltd.	1.03	0.97	-	2.00	2.54
Uqurmiut Arts & Crafts Ltd.	10.19	3.34	-	13.53	13.90
<b>Venture Investments</b>					
Arctic Fishery Alliance Ltd.	-	-	64.50	64.50	64.50
Tukumaaq Suites Inc.	-	-	2.51	2.51	2.98
CHOU Consulting & Dev Inc.	-	-	3.88	3.88	2.36
Arctic UAV	-	-	2.35	2.35	2.35
<b>Projects</b>					
WAG @ Forks	-	-	4.00	4.00	6.00
<b>Sub-total</b>	<b>34.38</b>	<b>31.24</b>	<b>77.24</b>	<b>142.86</b>	<b>145.24</b>
Nunavut Development Corporation	<b>5.50</b>	<b>6.00</b>	-	<b>11.50</b>	<b>15.00</b>
<b>Total</b>	<b>39.88</b>	<b>37.24</b>	<b>77.24</b>	<b>154.36</b>	<b>160.24</b>

# 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.

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

**Qikiqtarjuaq, Nunavut**

Non-Voting, Preferred Share Interest

**Sudliq Developments Ltd.** **\$375,000<sup>1</sup>**

**Coral Harbour, 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 statement.*

CAMBRIDGE BAY

QIKIQTARJUAQ

CORAL HARBOUR

IQALUIT

# 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.

**General Manager**  
Yusan Ha

**Office Manager**  
Teresa Silva

**Shipper Receiver**  
Jhon Diaz

**Contact**  
Tel: 1-800-509-9153  
Fax: 1-800-509-9154  
yha.ndcorp@bellnet.ca

	2024	2023
Total Revenues	\$1.04 million	\$0.93 million
Total Expenses	\$0.93 million	\$0.79 million
Annual Surplus	\$106,000	\$138,000
Jobs Created or Maintained	6.00	10.00
Core Funding - Operations*	\$200,000	\$200,000
Core Funding - Capital*	\$850	\$0

\*(Operations Funding included in revenues)



# **SUBSIDIARY OPERATIONAL**

SUMMARY



# 2023-24 HARVEST 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.

## 1258

### CARIBOU

Arviat  
(178 – 16,319 lbs)

Chesterfield Inlet  
(309 – 26,684 lbs)

Whale Cove  
(26 – 2,566 lbs)

Baker Lake  
(165 – 18,614)

Rankin Inlet  
(567 – 52,840 lbs)

Nauyasat  
(16 – 1,623)

## 105,847 LBS

### ARCTIC CHAR FISH

#### Kitikmeot Foods

67,620 lbs

#### Kivalliq Arctic Foods

Qikiqtarjuaq 17,104 lbs

Whale Cove 11,513 lbs

Clyde River 3,182 lbs

Rankin Inlet 6,203 lbs

Baker Lake 235 lbs

## 47

### MUSK OX

Rankin Inlet (37 - 12,366 lbs)

Chesterfield Inlet (10 - 2,203 lbs)

## 42

### BELUGA WHALES

Whale Cove (12) and Rankin Inlet (30) combined

# IVALU LTD.

	2024	2023
Total Revenues	\$704,185	\$659,544
Total Expenses	\$684,690	\$670,384
Annual Surplus / (Deficit)	\$19,495	\$(10,840)
Jobs Created or Maintained	4.10	8.37
NDC Capital Fund Contributions*	\$7,000	\$0

\*(Capital Fund contributions are included in revenues)

## Address

Box 599  
Rankin Inlet, NU  
X0C 0G0

## Board of Directors

Goretti Kakuktinniq  
Brian Zawadski  
Tommy Bruce

## General Manager

BoDerek Rudkin  
Tel: 867-645-3400  
Fax: 867-645-2115  
ivalu@ndcorp.nu.ca



Rankin Inlet  
Nunavut  
Canada

# JESSIE OONARK LTD.

	2024	2023
Total Revenues	\$351,310	\$362,413
Total Expenses	\$345,992	\$323,945
Annual Surplus	\$5,318	\$38,468
Jobs Created or Maintained	6.48	5.85
NDC Subsidy Fund Contributions*	\$195,000	\$215,000
NDC Capital Fund Contributions*	\$10,570	\$0

\*(Subsidy and Capital Funding are included in revenues)

## Address

Box 280  
Baker Lake, NU  
X0C 0A0

## 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 Annauat



# Jessie Oonark Ltd.

# KILUK LTD.

	2024	2023
Total Revenues	\$324,978	\$379,437
Total Expenses	\$373,909	\$450,398
Annual Deficit	\$(48,931)	\$(70,961)
Jobs Created or Maintained	2.84	2.75
NDC Subsidy Fund Contributions*	\$100,000	\$130,000
NDC Capital Fund Contributions*	\$0	\$0

\*(Subsidy and Capital Funding are included in revenues)

## Address

Box 366  
Arviat, NU  
X0C 0E0

## 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



# KITIKMEOT FOODS LTD.

	2024	2023
Total Revenues	\$1.23 million	\$1.10 million
Total Expenses	\$1.33 million	\$1.19 million
Annual Deficit	\$(103,387)	\$(94,415)
Jobs Created or Maintained	9.14	8.63
NDC Subsidy Fund Contributions*	\$320,000	\$290,000
NDC Capital Fund Contributions*	\$73,000	\$24,000

\*(Subsidy and Capital Funding are included in revenues)

## Address

Box 2268  
Cambridge Bay, NU  
X0B 0C0

## General Manager

Brent Nakashook  
Tel: 867-983-2881  
kitikmeot@qiniq.com

## Board of Directors

Jim MacEachern  
Wilf Wilcox  
Brian Zawadski  
Mikitok McLeod  
Jamie Maghagak



# KIVALLIQ ARCTIC FOODS LTD.

	2024	2023
Total Revenues	\$2.07 million	\$1.69 million
Total Expenses	\$1.75 million	\$1.43 million
Annual Surplus	\$322,994	\$262,376
Jobs Created or Maintained	27.53	25.01
NDC Subsidy Fund Contributions*	\$260,000	\$260,000
NDC Capital Fund Contributions*	\$45,500	\$60,000

\*(Subsidy and Capital Funding are included in revenues)

## Address

Box 329  
Rankin Inlet, NU  
X0C 0G0

## General Manager

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

## Board of Directors

Brian Zawadski  
Mikitok McLeod  
Tommy Bruce  
Jeff Tulugak





# PAPIRUQ FISHERIES LTD.

	2024	2023
Total Revenues	-	-
Total Expenses	\$10,876	\$185
Annual Deficit	\$(10,876)	\$(185)
NDC Capital Fund Contributions	\$0	\$0

## Address

Box 329  
Rankin Inlet, NU  
X0C 0G0

## General Manager

Scott Saddler  
Tel: 867-645-3170  
tundra@qiniq.com

## Board of Directors

Brian Zawadski



# TALUQ DESIGNS LTD.

	2024	2023
Total Revenues	\$189,635	\$222,996
Total Expenses	\$188,743	\$271,800
Annual Surplus / (Deficit)	\$892	\$(48,804)
Jobs Created or Maintained	2.00	2.54
NDC Subsidy Fund Contributions*	\$90,000	\$70,000
NDC Capital Fund Contributions*	\$40,000	\$1,500

\*(Subsidy and Capital Funding are included in revenues)

## Address

Box 174  
Taloyoak, NU  
X0B 1B0

## General Manager

Mona Igutsaq  
Tel : 867-561-5280  
Fax : 867-561-6500  
tdesigns@qiniq.com

## Board of Directors

Goretti Kakuktinniq  
Elizabeth Aiyout  
Anayok Alookey  
Brian Zawadski  
Gina Pizzo  
Viola Neeveeachek



# UQQURMIUT ARTS & CRAFT LTD.

	2024	2023
Total Revenues	\$945,217	\$880,333
Total Expenses	\$932,499	\$972,620
Annual Surplus / (Deficit)	\$12,718	\$(92,287)
Jobs Created or Maintained	13.53	13.90
NDC Subsidy Fund Contributions*	\$238,000	\$238,000
NDC Capital Fund Contributions*	-	\$2,500

\*(Subsidy and Capital Funding are included in revenues)

## Address

Box 453  
Pangnirtung, NU  
X0A 0R0

## 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



# DEPARTMENT INUIT EMPLOYMENT TARGETS

	AT MARCH 31, 2024		AT MARCH 31, 2025	
		CAPACITY %		CAPACITY %
<b>Total Department Positions</b>	<b>5</b>		<b>5</b>	
Total Filled Positions	5	100%	5	100%
Total Vacancies	0	0%	0	0%
Total Inuit	4	80%	4	80%
<b>Total Executive Positions</b>	<b>1</b>		<b>1</b>	
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%
<b>Total Senior-Management Positions</b>	<b>2</b>		<b>2</b>	
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%
<b>Total Middle-Management Positions</b>	<b>0</b>		<b>0</b>	
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%
<b>Total Professional Positions</b>	<b>1</b>		<b>1</b>	
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%
<b>Total Paraprofessional Positions</b>	<b>0</b>		<b>0</b>	
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%
<b>Total Administrative Positions</b>	<b>1</b>		<b>1</b>	
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


## 2023-24 CONTRACTING ACTIVITY REPORT

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	2023-24 VALUE	2022-23 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Brandon, MB	Dean Food Safety Strategies	Food Safety Consulting HACCP / QMP & Acting General Manager service at KFL, Cambridge Bay	SS (Food Safety Consulting) & None (Acting GM service)	132,575	35,925	-	-
Ottawa, ON	Gowling Lafleur Henderson	Legal Counsel	None	-	552	-	-
Sherwood Park, AB	Arctic Response Canada	Hazardous substances survey	None	29,758	-	-	-
Ottawa, ON	Concentric Associates Int'l Inc.	Hazardous substances survey	None	39,675	-	-	-
Brossaéd, QC	Qikiqtaaluk Environmental	Hazardous substances abatement service	None	239,204	-	-	-
Rankin Inlet	R&T Cleaning Enterprises	Janitorial	PRFP	14,520	13,750	-	✓
Iqaluit	Outcrop Nunavut	Communications	None	57,231	58,408	-	✓
Rankin Inlet	Lester Landau, Chartered Professional Accountants	Lester Landau, Chartered Professional Accountants	SOA	-	18,210	-	✓
Rankin Inlet	Crowe Mackay LLP, Chartered Professional Accountants	Subsidiaries Audit (KFL & KAF) & Review engagement (UAC)	PRFP (Audit) & SOA (Review engagement)	128,501	67,024	-	✓
Iqaluit	South East Nunavut	Buying Carvings	PRFP	216,197	394,380	-	✓
<b>Total</b>				<b>\$857,661</b>	<b>\$588,249</b>		

## 2023-24 LEASING ACTIVITY REPORT

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	2023-24 VALUE	2022-23 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS	START DATE	END DATE	RENEWAL OPTIONS
Mississauga, ON	GWL Realty Advisors Inc.	Warehouse Lease	SS	132,444	106,765	-	-	2022 08-01	2027 07-31	Renewed
<b>Total</b>				<b>\$132,444</b>	<b>\$106,765</b>					

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



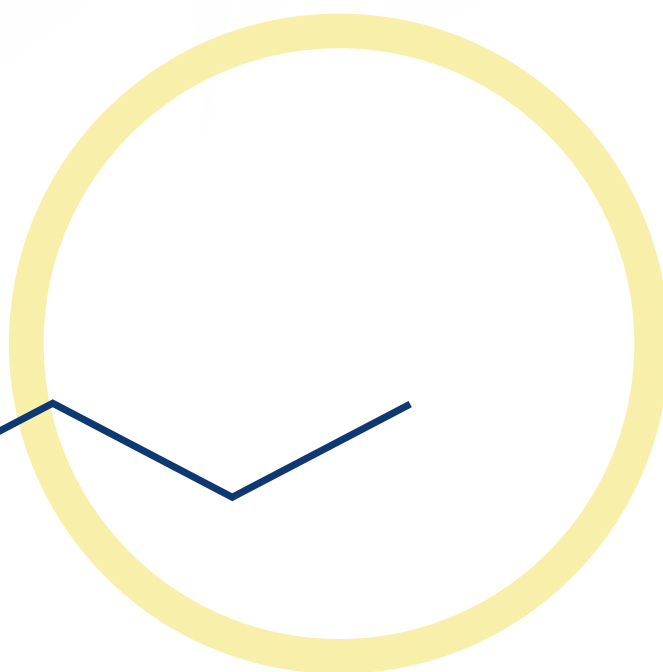
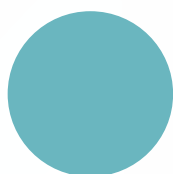
# CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024



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# Nunavut Development Corporation

## Management's Responsibility for Consolidated Financial Statements

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The accompanying consolidated financial statements of the Nunavut Development Corporation, for the year ended March 31, 2024, 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, the valuation of inventories and the valuation of asset retirement obligations, 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  
August 13, 2024



**Balaji Ramamani,**

CF, CPA, CGBA, 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

#### *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 2024, 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 2024, and the consolidated results of its operations and 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.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit,



or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *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-law 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.

A handwritten signature in black ink, appearing to read 'M. Cabana', with a long, sweeping horizontal line extending to the left.

Mélanie Cabana, CPA  
Senior Principal  
for the Auditor General of Canada

Ottawa, Canada  
13 August 2024



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

	2024	2023 (Restated - Note 3)
<b>Financial Assets</b>		
Cash and cash equivalents (Note 4)	\$ 13,443,906	\$ 12,278,920
Accounts receivable (Note 5)	873,901	867,275
Inventories for resale (Note 6(a))	1,444,769	1,544,743
Portfolio investments (Note 7)	518,000	618,000
<b>Total financial assets</b>	<b>\$ 16,280,576</b>	<b>\$ 15,308,938</b>
<b>Liabilities</b>		
Debt (Note 12)	\$ 35,000	\$ 55,000
Accounts payable and accrued liabilities (Note 8)	927,939	612,604
Employee future benefits (Note 9)	353,274	336,028
Asset Retirement Obligations (Note 10)	352,135	221,000
<b>Total liabilities</b>	<b>\$ 1,668,348</b>	<b>\$ 1,224,632</b>
<b>Net Financial Assets</b>	<b>\$ 14,612,228</b>	<b>\$ 14,084,306</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule A)	\$ 1,269,764	\$ 1,126,599
Inventories for use (Note 6(b))	1,247,308	1,196,127
Prepaid expenses	42,086	55,091
<b>Total non-financial assets</b>	<b>\$ 2,559,158</b>	<b>\$ 2,377,817</b>
<b>Accumulated Surplus</b>	<b>\$ 17,171,386</b>	<b>\$ 16,462,123</b>
Contractual obligations (Note 13)		
Contractual rights (Note 14)		

The accompanying notes and schedules are an integral part of these consolidated financial statements.  
Approved on behalf of the Board

*K. Pitsiulak*

Kolola Pitsiulak  
Chairperson of the Board of Directors

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

	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2023 Actual (Restated - Note 3)</b>
<b>Revenues</b>			
Sales (Schedule B)	\$ 3,843,775	\$ 4,325,322	\$ 3,948,105
Interest	290,000	522,814	290,691
Other revenue	310,000	361,402	439,350
Preference dividend on venture investment	140,000	60,705	71,517
<b>Total revenues</b>	<b>\$ 4,583,775</b>	<b>\$ 5,270,243</b>	<b>\$ 4,749,663</b>
<b>Expenses</b>			
Cost of goods sold (Schedule C)	\$ 3,854,483	\$ 4,241,369	\$ 4,074,939
Selling and administration (Schedule D)	4,256,800	4,020,911	3,245,765
Recovery of impaired portfolio investments	-	-	(126,500)
<b>Total expenses</b>	<b>\$ 8,111,283</b>	<b>\$ 8,262,280</b>	<b>\$ 7,194,204</b>
<b>Deficit before Government contributions</b>	<b>(3,527,508)</b>	<b>(2,992,037)</b>	<b>(2,444,541)</b>
Government contributions (Note 11)	\$ 3,611,000	\$ 3,701,300	\$ 3,589,844
<b>Surplus for the year</b>	<b>83,492</b>	<b>709,263</b>	<b>1,145,303</b>
<b>Accumulated surplus, beginning of the year</b>	<b>16,462,123</b>	<b>16,462,123</b>	<b>15,316,820</b>
<b>Accumulated surplus, end of the year</b>	<b>\$ 16,545,615</b>	<b>\$ 17,171,386</b>	<b>\$ 16,462,123</b>

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**

	<b>2024 Budget</b>	<b>2024 Actual</b>	<b>2023 Actual (Restated - Note 3)</b>
<b>Surplus for the year</b>	\$ 83,492	\$ 709,263	\$ 1,145,303
<b>Tangible capital assets (Schedule A)</b>			
Additions	\$ (230,000)	\$ (364,272)	\$ (294,878)
Amortization	97,500	221,107	153,632
	\$ (132,500)	\$ (143,165)	\$ (141,246)
Additions of inventories for use	\$ -	\$ (987,812)	\$ (906,842)
Consumption of inventories for use	-	936,631	857,872
Change due to prepaid expenses	-	13,005	(1,926)
	\$ -	\$ (38,176)	\$ (50,896)
<b>Change in net financial assets for the year</b>	\$ (49,008)	\$ 527,922	\$ 953,161
<b>Net financial assets, beginning of the year</b>	14,084,306	14,084,306	13,131,145
<b>Net financial assets, end of the year</b>	\$ 14,035,298	\$ 14,612,228	\$ 14,084,306

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**

	2024	2023
<b>Cash provided by (used for) operating activities</b>		
Received from customers	\$ 4,373,742	\$ 4,052,427
Received through contributions from the Government of Nunavut	3,578,119	3,531,664
Interest received	514,469	251,313
Received through other Contributions	144,094	99,111
Dividends received	131,805	49,017
Paid to suppliers	(3,123,003)	(3,056,794)
Paid to and on behalf of employees	(2,912,896)	(2,675,127)
Professional fees for testing of hazardous substances	(239,089)	-
Other operations	(875,441)	(938,826)
Used in Art projects and sewing machine repair workshops	(186,151)	(229,605)
Project expenses - Training-On-Job	(22,294)	(7,386)
<b>Cash provided by operating activities</b>	<b>1,383,355</b>	<b>1,075,794</b>
<b>Cash provided by investing activities</b>		
Redemption of venture equity investment	100,000	201,500
<b>Cash provided by investing activities</b>	<b>100,000</b>	<b>201,500</b>
<b>Cash used for capital activities</b>		
Tangible capital asset acquisitions	(149,499)	(88,336)
Professional fees for abatement and remediation of hazardous substances	(161,704)	-
Capital expenditure repairs	(7,166)	(9,775)
<b>Cash used for capital activities</b>	<b>(318,369)</b>	<b>(98,111)</b>
<b>Increase in cash and cash equivalents</b>	<b>1,164,986</b>	<b>1,179,183</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>12,278,920</b>	<b>11,099,737</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$ 13,443,906</b>	<b>\$ 12,278,920</b>

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



**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 24<sup>th</sup>, 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 25<sup>th</sup>, 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.

### (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
<b>Meat &amp; Fish:</b>			
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
<b>Arts &amp; Crafts:</b>			
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, 2024 are \$653,502 (2023 – Restated Note 3 - \$654,841).

## **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, the valuation of asset retirement obligations, 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.

The costs to retire an asset are capitalized over the assets' estimated remaining useful life. An asset retirement obligation may exist in connection with a fully amortized tangible capital asset that is still in productive use. In this case, the costs would be amortized over the revised estimate of the remaining useful life.

### (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 \$60,074 (2023 - \$56,251)

### **(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 from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognised when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation.

Sales consist of one performance obligation that is satisfied at a point in time. These revenues are recognized when the performance obligation is satisfied by delivering goods to the customer.

Other revenues consist of sales of services that are recognized when the performance obligations are satisfied through providing the promised services to the payor. Other revenues include Pangnirtung Post Office Agency income, RBC Agency income, Qiniq internet service income and rental income. There is no revenue from non-recurring activities presented in these consolidated financial statements.



## 2. Significant accounting policies (cont'd)

### (m) 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:

<b>Financial Assets</b>	<b>Measurement Basis</b>
Cash and cash equivalents	Cost
Accounts receivable	Cost
Portfolio investments	Cost

<b>Financial Liabilities</b>	<b>Measurement Basis</b>
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.

#### 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.

## **2. Significant accounting policies (cont'd)**

### **(n) Related party transactions (cont'd)**

#### **Other related party transactions (cont'd)**

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 3400-Revenue**

Effective April 1, 2023, the Corporation adopted PS 3400-*Revenue*. 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. PS 3400 has been applied prospectively to these consolidated financial statements, and as permitted by the transitional provisions, prior periods have not been restated. The implementation of this new Section did not have a material impact on the consolidated financial statements.

### **(q) Future changes in accounting standards**

PSAB has approved the revised conceptual framework, that will replace the existing conceptual framework, which consists of Section PS 1000-*Financial Statement Concepts*, and PS 1100-*Financial Statement Objectives*. The revised conceptual framework will be effective for fiscal years beginning on or after April 1, 2026, with earlier adoption permitted. The conceptual framework has to be applied prospectively. The Corporation has not yet decided when to adopt this new standard, but it is currently assessing the impact this standard will have on the Corporation's consolidated financial statements.

PSAB has also approved the issuance of new Section PS 1202-*Financial Statement Presentation*, which will build upon existing Section PS 1201-*Financial Statement Presentation*, to better respond to the need for understandable financial statements.



### 3. Restatement of prior period

In 2023, the Corporation had not completed all the necessary analysis to determine if an asset retirement obligation existed for three of its buildings as part of the adoption of the PS 3280-*Asset retirement obligations*. During the current fiscal year, the qualified abatement services professionals completed the analysis of hazardous materials for all the buildings. The results demonstrated that one of the Uqqurmiut Arts and Crafts (1993) Ltd. buildings contained a significant amount of asbestos for which an asset retirement obligation should have been recognized when the Corporation adopted PS 3280. Therefore, the estimated asset retirement obligation liability as at March 31, 2023 was restated to \$221,000.

In addition to the table below, Note 2(b) Principles of consolidation and Note 10 Asset retirement obligations have also been restated.

The restatement of the comparative figures are summarized in the table below:

	<b>2023 as previously Reported</b>	<b>Restatement</b>	<b>2023 restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Consolidated Statement of Financial Position</b>			
Asset retirement obligations	-	221,000	221,000
Total liabilities	1,003,632	221,000	1,224,632
Net financial assets	14,305,306	(221,000)	14,084,306
 Tangible capital assets	 931,530	 195,069	 1,126,599
Total non-financial assets	2,182,748	195,069	2,377,817
 Accumulated surplus	 16,488,054	 (25,931)	 16,462,123
<b>Consolidated Statement of Operations and Accumulated Surplus</b>			
Selling and administration expenses	3,219,834	25,931	3,245,765
Total expenses	7,168,273	25,931	7,194,204
Deficit before Government contributions	(2,418,610)	(25,931)	(2,444,541)
 Surplus for the year	 1,171,234	 (25,931)	 1,145,303
Accumulated surplus, end of the year	16,488,054	(25,931)	16,462,123

### 3. Restatement of prior period (cont'd)

	2023 as previously Reported \$	Restatement \$	2023 restated \$
<b>Consolidated Statement of Change in Net Financial Assets</b>			
Surplus for the year	1,171,234	(25,931)	1,145,303
Additions, Tangible capital assets	(88,336)	(206,542)	(294,878)
Amortization, Tangible capital assets	142,159	11,473	153,632
Tangible capital assets total	53,823	(195,069)	(141,246)
Change in net financial assets for the year	1,174,161	(221,000)	953,161
Net financial assets, end of the year	14,305,306	(221,000)	14,084,306
<b>Consolidated Schedule of Tangible Capital Assets Schedule A</b>			
Additions, Cost of Tangible capital assets	88,336	206,542	294,878
Closing balance, Cost of Tangible capital assets	10,682,075	206,542	10,888,617
Amortization allocated to S&A expenses	(37,157)	(11,473)	(48,630)
Closing balance, Accumulated Amortization	(9,896,893)	(11,473)	(9,908,366)
Net book value	931,530	195,069	1,126,599
<b>Consolidated Schedule of Selling and administration expenses, Schedule D</b>			
Amortization	37,157	11,473	48,630
Accretions	-	14,458	14,458
Total selling and administration expenses	3,219,834	25,931	3,245,765

#### 4. Cash and cash equivalents

	<b><u>Mar 31, 2024</u></b>	<b><u>Mar 31, 2023</u></b>
Cash and cash equivalents held by:		
Parent company	\$10,526,284	\$9,444,274
Subsidiaries	<u>2,917,622</u>	<u>2,834,646</u>
	<b><u>\$13,443,906</u></b>	<b><u>\$12,278,920</u></b>

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. In 2024, the parent company earned interest income of \$522,814 (2023 - \$290,691) with an average yield of 5.24% (2023 – 3.23%).

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

	<b><u>Mar 31, 2024</u></b>	<b><u>Mar 31, 2023</u></b>
Venture Investment Fund	\$4,872,501	\$4,364,296
Capital Fund	1,368,901	1,340,507
Capital Reserve fund	583,705	565,379
Subsidy Fund	189,000	189,000
Venture Reserve Fund	<u>77,800</u>	<u>87,800</u>
Total fund balances	<b><u>\$7,091,907</u></b>	<b><u>\$6,546,982</u></b>

As at March 31, 2024, Kivalliq Arctic Foods Ltd had a short-term deposit consisting of fixed rate, redeemable Guaranteed Investment Certificates totaling \$100,000 bearing 3.30% interest rate per annum maturing on August 7, 2024.

#### 5. Accounts receivable

	<b><u>Mar 31, 2024</u></b>	<b><u>Mar 31, 2023</u></b>
Related parties		
Government of Nunavut - Departments	\$241,382	\$122,891
Non-controlling interests	<u>28,635</u>	<u>75,693</u>
	<u>\$270,017</u>	<u>\$198,584</u>
Third parties	<u>862,058</u>	<u>942,840</u>
Total accounts receivable	\$1,132,075	\$1,141,424
Less: Valuation allowance (Note 12(a))	<u>(258,174)</u>	<u>(274,149)</u>
Net accounts receivable	<b><u>\$873,901</u></b>	<b><u>\$867,275</u></b>



## 6. Inventories

### (a) For resale

	<b><u>Mar 31, 2024</u></b>	<b><u>Mar 31, 2023</u></b>
Arts & Crafts	\$2,128,893	\$2,402,245
Meat & Fish	<u>77,313</u>	<u>16,438</u>
Total inventories for resale	\$2,206,206	\$2,418,683
Less: Inventory valuation allowance	<u>(761,437)</u>	<u>(873,940)</u>
Net inventories for resale	<b><u>\$1,444,769</u></b>	<b><u>\$1,544,743</u></b>

During the year, inventories of \$126,941 (2023 - \$17,269) were written-off or marked-down, requiring disclosure per the *FAA* of Nunavut.

### (b) For use

	<b><u>Mar 31, 2024</u></b>	<b><u>Mar 31, 2023</u></b>
<b>Raw materials and work-in-process</b>		
Arts & Crafts	\$308,926	\$218,871
Meat & Fish	<u>1,010,488</u>	<u>1,085,851</u>
	<u>\$1,319,414</u>	<u>\$1,304,722</u>
<b>Processing and packaging supplies</b>		
Arts & Crafts	\$84,737	\$42,803
Meat & Fish	<u>111,296</u>	<u>125,635</u>
	<u>\$196,033</u>	<u>\$168,438</u>
Total inventories for use	\$1,515,447	\$1,473,160
Less: Inventory valuation allowance	<u>(268,139)</u>	<u>(277,033)</u>
Net inventories for use	<b><u>\$1,247,308</u></b>	<b><u>\$1,196,127</u></b>

## 7. Portfolio investments

	<b><u>Mar 31, 2024</u></b>	<b><u>Mar 31, 2023</u></b>
Preferred Shares Investment in –		
(a) Arctic UAV Inc.	\$143,000	\$143,000
(b) Tukumaaq Inc	-	100,000
(c) Arctic Fisheries Alliance Limited Partnership	250,000	250,000
(d) CHOU Consulting and Development Inc.	125,000	125,000
(e) Sudliq Developments Ltd.	375,000	375,000
	<u>893,000</u>	<u>993,000</u>
Provision for venture investment loss (Note 7(e))	<u>(375,000)</u>	<u>(375,000)</u>
	<b><u>\$518,000</u></b>	<b><u>\$618,000</u></b>



## 7. 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 2024, TI (Clyde River) bought back (redeemed) 100,000 of their preferred shares held by the Corporation, at face value. Until redemption, the Corporation was 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 was entitled to receive a fixed cumulative preferential distribution of 6.5% per annum, which were payable in monthly instalments on the first day of each month by TI to the Corporation.

### **(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) 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.

## 7. Portfolio investments (cont'd)

### (e) 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 zero by recording a provision for venture investment loss of \$375,000 in 2020.

## 8. Accounts payable and accrued liabilities

	<u>Mar 31, 2024</u>	<u>Mar 31, 2023</u>
Related parties - Government of Nunavut		
Petroleum Products Division	\$107,591	\$45,181
Territorial corporations	43,074	29,459
Departments	11,419	17,577
Non-controlling interests	<u>4,141</u>	<u>-</u>
	166,225	92,217
Third parties	534,818	263,325
Vacation pay and lieu time	<u>226,896</u>	<u>257,062</u>
Total accounts payable and accrued liabilities	<u><b>\$927,939</b></u>	<u><b>\$612,604</b></u>

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

## 9. Employee future benefits

	<u>Mar 31, 2024</u>	<u>Mar 31, 2023</u>
Severance	\$305,691	\$271,749
Sick leave	32,583	49,279
Relocation assistance	<u>15,000</u>	<u>15,000</u>
	<u><b>\$353,274</b></u>	<u><b>\$336,028</b></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.



## 9. Employee future benefits (cont'd)

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, 2024</u>	<u>Mar 31, 2023</u>
Employee future benefits,		
beginning of year	\$336,028	\$351,090
Cost of benefits for the year	60,989	26,948
Benefits paid during the year	<u>(43,743)</u>	<u>(42,010)</u>
Employee future benefits, end of year	<u><b>\$353,274</b></u>	<u><b>\$336,028</b></u>

## 10. Asset retirement obligations

The Corporation recognizes asset retirement obligations as a result of legal obligations to remove asbestos and other hazardous substances from the equipment and buildings owned by the Corporation and its subsidiaries. Asset retirement obligation consists of remediation costs for safe removal, packaging and disposal to southern facilities and/or local landfill of the hazardous materials, such as asbestos, lead paint, lead-acid batteries, mercury containing articles, PCB<sub>2</sub> containing light ballasts, ozone depleting substances, etc.

Asset retirement obligations are measured initially at fair value based on the qualified abatement services professional's best estimates, with the resulting amount capitalized into the carrying amount of the equipment and buildings. The capitalized asset retirement cost is amortized on a straight-line basis over the capital assets' useful life. The amortization expenses are included in the expenses under the Consolidated Statement of Operations and Accumulated Surplus. The asset retirement cost for assets not in productive use have been expensed.

#### 10. Asset retirement obligations (cont'd)

The estimated total undiscounted expenditure on which the liability is based, is \$430,975 and is detailed below. Each expenditure is to be incurred over two or four years ending, as indicated in brackets.

Buildings / Fish plants – Asbestos abatement /	
Lead-based paint removal	130,000 (March 2025)
Buildings / Fish plants –	
Removal of hazardous materials	192,475 (March 2028)
Fish plants – Removal of Ozone depleting substances	108,500 (March 2028)

The Corporation has recorded asset retirement obligations for the removal of asbestos in buildings as well as other removal of lead paint, lead-acid batteries, mercury containing articles, PCB2 containing light ballasts, ozone depleting substances, etc. Changes in asset retirement obligations during the year are as follows:

	<u>Mar 31, 2024</u>	<u>Mar 31, 2023</u> (Restated – Note 3)
Liability, beginning of year	\$221,000	\$ -
Liability recognized in the year	258,267	206,542
Accretion of the liability during the year	34,572	14,458
Liability discharged during the year	(161,704)	-
Liability, end of year	<u>\$352,135</u>	<u>\$221,000</u>

A discount rate of 7% has been used in determining the present value of the obligations. No long-term inflation rate has been used for determining the present value of the obligations.

#### 11. Government contributions

	<u>2024</u>	<u>2023</u>
<b>Subsidy payments from Government of Nunavut</b>		
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>
<b>Other contributions from Government of Nunavut</b>		
Other direct contributions to subsidiaries	<u>343,300</u>	<u>231,844</u>
	<u>\$3,701,300</u>	<u>\$3,589,844</u>

## **12. 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.

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, 2024, 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 did not meet the criterion of impairment.



**(a) Credit risk (cont'd)**

	<u>Mar 31, 2024</u>	<u>Mar 31, 2023</u>
31-60 days	\$63,847	\$90,056
61-90 days	66,528	78,920
Over 90 days	188,236	286,662
Total	<u>\$318,611</u>	<u>\$455,638</u>

The decrease in the balance of accounts receivable past due, but not impaired, is due to the Corporation's collection efforts on receivables past due during 2023-24.

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:

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.

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## 12. Financial instruments (cont'd)

### (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, 2024 (2023 - \$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, 2024 (2023 - \$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, 2024 (2023 - \$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, 2024 was \$35,000 (2023 - \$55,000).

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 \$350 (2023 - \$550).

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.

## 12. Financial instruments (cont'd)

### (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 forecasts 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.

## 13. 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:

2025	\$146,420
2026	152,268
2027	158,392
2028	53,488
2029	-
	<u>\$510,568</u>

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:

2025	\$2,496
2026	2,496
2027	2,496
2028	2,496
2029	2,496
	<u>\$12,480</u>

Thereafter, annually      \$2,496

#### 14. 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:

2025	\$42,145
2026	7,500
2027	<u>4,375</u>
Total	<u>\$54,020</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".

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
2025	\$115,368	\$3,600	\$28,000	\$146,968
2026	115,368	3,600	28,000	146,968
2027	115,368	3,600	28,000	146,968
2028	115,368	3,600	28,000	146,968
2029	<u>115,368</u>	<u>3,600</u>	<u>28,000</u>	<u>146,968</u>
Total	<u>\$576,840</u>	<u>\$18,000</u>	<u>\$140,000</u>	<u>\$734,840</u>
Thereafter, annually	<u>\$115,368</u>	<u>\$3,600</u>	<u>\$28,000</u>	<u>\$146,968</u>

#### 14. Contractual rights (cont'd)

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.

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

	QINIQ Internet 4G-CSP
2025	\$3,600
2026	3,600
2027	3,600
2028	3,600
2029	<u>3,600</u>
Total	<u>\$18,000</u>
Thereafter, annually	<u>\$3,600</u>

#### 15. 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  
Consolidated Schedule of Tangible Capital Assets (TCA)  
As at 31 March

Schedule A

	Buildings	Equipment	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	Automotive Equipment	2024 Total	2023 Total
<b>Cost of tangible capital assets</b>								
Opening balance	\$ 7,591,385	\$ 2,134,402	\$ 658,735	\$ 207,195	\$ 133,526	\$ 163,374	\$ 10,888,617	\$ 11,546,799
Reclassifications	-	(73,797)	-	73,797	-	-	-	-
Additions	146,326	203,209	-	9,173	5,564	-	364,272	294,878
Disposal of fully depreciated assets	-	-	-	-	-	(39,430)	(39,430)	(953,060)
Closing balance	7,737,711	2,263,814	658,735	290,165	139,090	123,944	11,213,459	10,888,617
<b>Accumulated amortization</b>								
Opening balance	\$ (6,786,183)	\$ (2,063,291)	\$ (655,730)	\$ (177,177)	\$ (128,493)	\$ (97,492)	\$ (9,908,366)	\$ (10,707,794)
Reclassifications	-	73,797	-	(73,797)	-	-	-	-
Disposal of fully depreciated assets	-	-	-	-	-	39,430	39,430	953,060
Amortization allocated to COGS	(82,073)	(76,414)	-	(1,359)	-	(848)	(160,694)	(105,002)
Amortization allocated to S&A	(33,930)	-	(941)	(8,644)	(3,892)	(13,006)	(60,413)	(48,630)
Closing balance	(6,902,186)	(2,065,908)	(656,671)	(260,977)	(132,385)	(71,916)	(10,090,043)	(9,908,366)
<b>Work-in-progress</b>								
Opening balance	\$ 51,007	\$ 95,341	\$ -	\$ -	\$ -	\$ -	\$ 146,348	\$ 146,348
Closing balance	51,007	95,341	-	-	-	-	146,348	146,348
<b>Net book value</b>	\$ 886,532	\$ 293,247	\$ 2,064	\$ 29,188	\$ 6,705	\$ 52,028	\$ 1,269,764	\$ 1,126,599

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**

	<b>Arts &amp; Craft</b>	<b>Meat &amp; Fish</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
<b>Sales</b>				
Arts & Craft	1,908,847	-	1,908,847	1,895,154
Meat & Fish	76,076	2,337,259	2,413,335	2,049,811
Supplies	3,140	-	3,140	3,140
<b>Total</b>	<b>1,988,063</b>	<b>2,337,259</b>	<b>4,325,322</b>	<b>3,948,105</b>

**Sales - By Category of Customers**

Government of Nunavut - Departments	11,184	171,824	183,008	35,986
District Education Authority	9,110	25,585	34,695	5,881
Nunavut Arctic College	491	8,009	8,500	9,269
Non-controlling interests	-	106,642	106,642	116,483
Third parties	1,967,278	2,025,199	3,992,477	3,780,486
<b>Total</b>	<b>1,988,063</b>	<b>2,337,259</b>	<b>4,325,322</b>	<b>3,948,105</b>

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

**Schedule C**

	<b>Arts &amp; Craft</b>	<b>Meat &amp; Fish</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
<b>Cost of goods sold</b>				
Opening inventory	\$ 1,641,274	\$ 1,099,596	\$ 2,740,870	\$ 2,966,686
Purchases				
Government of Nunavut - Departments	1,785	3,126	4,911	37,379
Third parties	999,691	884,039	1,883,730	1,800,761
Direct labour	332,336	518,593	850,929	784,692
Utilities				
Government of Nunavut - Territorial Corp.	36,238	300,297	336,535	303,506
Petroleum Products Division	61,139	77,559	138,698	109,755
Freight and packaging	65,399	683,572	748,971	606,143
Commission	47,188	-	47,188	78,856
Amortization	14,659	146,035	160,694	105,002
Food safety and productivity expenses	-	19,223	19,223	19,189
Product repair and development	1,697	-	1,697	3,840
Closing inventory	(1,492,980)	(1,199,097)	(2,692,077)	(2,740,870)
<b>Total</b>	<b>\$ 1,708,426</b>	<b>\$ 2,532,943</b>	<b>\$ 4,241,369</b>	<b>\$ 4,074,939</b>

Cost of goods sold includes decrease in the valuation allowance for inventories totalling \$121,397, and write-downs of inventories totalling \$126,941 (2023 - increase of \$249,629 and \$17,269 respectively)

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

Schedule D

			2024 Actual	2023 Actual (Restated - Note 3)
<b>Selling and administration expenses</b>	<b>Arts &amp; Craft</b>	<b>Meat &amp; Fish</b>		
Salaries and benefits	1,830,588	233,086	2,063,674	1,932,344
Professional fees	402,640	97,648	500,288	152,072
Project expenses	262,075	-	262,075	260,065
Rent	132,444	-	132,444	121,539
Office supplies	91,718	27,234	118,952	143,626
Pangnirtung Post Office expenses	108,987	-	108,987	120,233
Travel	104,946	-	104,946	117,641
Repairs and maintenance	53,160	44,848	98,008	121,042
Advertising and promotion	92,081	-	92,081	75,947
Bank charges and interest	61,467	11,278	72,745	67,527
Amortization	33,058	27,626	60,684	48,630
Telephone	46,465	11,539	58,004	61,023
Board expenses	56,280	-	56,280	66,240
RBC Agency expenses	51,351	-	51,351	49,884
Insurance	46,321	-	46,321	24,498
Asset retirement obligations	-	43,226	43,226	-
Licenses and lease	19,985	15,157	35,142	10,630
Accretions	17,547	17,025	34,572	14,458
Vehicle expenses	2,056	26,140	28,196	21,652
Utilities				
Petroleum Products Division	24,984	-	24,984	19,525
Govt. of Nunavut-Territorial Corp.	10,910	-	10,910	9,836
Bad debts (reversals and recoveries) (Note 12(a))	(20,628)	4,653	(15,975)	(251,990)
Trade shows	13,484	-	13,484	30,331
Miscellaneous	9,205	-	9,205	13,996
Translating	6,147	-	6,147	1,884
Fisheries and Oceans Canada sampling costs	-	2,800	2,800	4,200
Freight and postage	1,380	-	1,380	4,932
Training expenses	-	-	-	3,238
Legal fees	-	-	-	762
<b>Total</b>	<b>3,458,651</b>	<b>562,260</b>	<b>4,020,911</b>	<b>3,245,765</b>











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