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March 31, 2021



Dear Minister Akeeagok,

I am pleased to present the Nunavut Development Corporation 2020-21 Annual Report.

Like most organizations and businesses in Nunavut - 2020 was a year of unprecedented challenges and outcomes. As the 2020 fiscal year ended, NDC and all eight of its subsidiaries promptly closed to the public in late March based on government directions to prevent the virus's spread. They remained closed at various times throughout 2021. NDC has again proven how adaptable we are by demonstrating that we are here for Nunavummiut when they need us most. What has not changed is

our commitment to investing in Nunavut to ensure Employment, Income and Business.

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

During a year when so many people were working from home and trying to stay positive, our commitment to purchase arts, jewellery and crafts items from hundreds of artists and producers across Nunavut remained strong. In addition we worked closely with our subsidiaries and local artists to respond to the COVID-19 crisis through the development of mitten kits for isolation hubs, masks for Frontline workers, and supporting harvesting activities.

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 lever additional debt financing which in turn helps support growth and expansion of Nunavut businesses.



*Sincerely*  
**Donald Havioyak**



# BOARD OF DIRECTORS

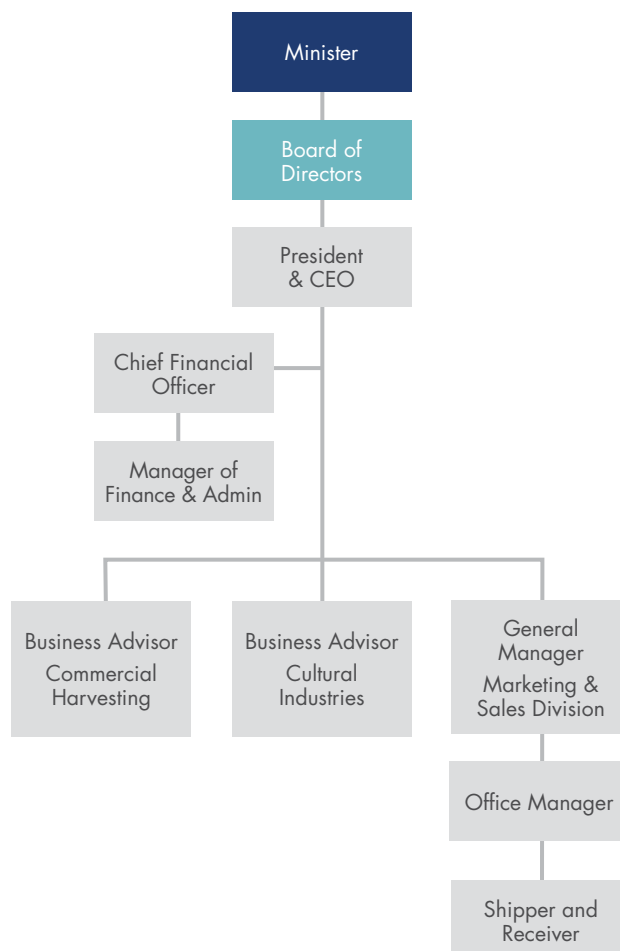
The Minister responsible for the Nunavut Development Corporation was the Honourable David Akeegok. NDC Board Members are appointed to three-year terms by the Government of Nunavut and represent a strong cross section of Nunavut's diverse population.

The NDC Board met three times in 2020-21; and the executive met twice.

Section 20 of the Act establishes three subcommittees as follows:

- Investment Committee
- Audit Committee
- Personnel Committee

The NDC Board has elected to establish a single Executive Committee that in 2020-21 consisted of Chairperson Donald Havioyak, Vice-Chairperson Zacharias Kunuk and Secretary Sakiasie Sowdloopik to undertake the responsibilities of the three committees set out in the Act. A new board was elected in early 2021 for the 2021-22 year and is reflected below.



## BOARD

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

# 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 (“FAA”) and operates in accordance with Part IX of the FAA, the Nunavut Development Corporation Act (the “Act”) and the Business Corporations Act. The Act sets out the parameters under which the Corporation operates.

## OUR MANDATE (THE “ACT”)

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

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

To invest in business enterprises in order to:

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

## OUR VISION

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

## OUR MISSION

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



# NDC HEADQUARTERS



**Interim President  
& Business Advisor  
(Cultural Industries)**  
*Goretti Kakuktinniq*

**Chief Financial Officer**  
*Balaji Ramamani*  
*CF, CMA, CPA, FIPA (AUS);  
CGAP, CFSA, CIA, CMA,  
CRMA (USA), FCMA; FCA (IN),  
FAIA, MCSI (UK), MBA*

**Finance Officer**  
*Brenda Tagalik*

**Business Advisor  
(Commercial Harvesting)**  
*Vacant*

	2021	2020
Total Revenues	\$2.01 million	\$2.08 million
Total Expenses	\$1.09 million	\$1.77 million
Annual Surplus	\$926,300	\$305,200
Jobs Created or Maintained	3.00	5.00
Core Funding - Operations*	\$1.45 million	\$1.45 million
Core Funding - Capital*	\$1000	\$57,900

*\*(Capital Funding included in revenues)*



# JOB CREATION

The following Nunavut jobs were created or maintained during the 2020-21 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 2021	TOTAL JOBS 2020
<b>Subsidiaries</b>					
Kivalliq Arctic Foods Ltd.	8.35	12.11	-	20.46	15.77
Kitikmeot Foods Ltd.	5.21	2.53	-	7.74	10.22
Ivalu Ltd.	1.77	3.66	-	5.43	4.08
Jessie Oonark Ltd.	4.83	1.02	-	5.85	6.75
Kiluk Ltd.	2.88	2.10	-	4.98	4.28
Taluq Designs Ltd.	1.16	0.81	-	1.97	1.96
Uqqurmiut Arts & Crafts Ltd.	10.35	2.88	-	13.23	14.58
<b>Venture Investments</b>					
Arctic Fishery Alliance Ltd.	-	-	-	-	29.06
Sudliq Developments Ltd.	-	-	4.56	4.56	6.19
Tukumaaq Inc.	-	-	2.45	2.45	2.59
NunaVet Animal Hospital Inc.	-	-	1.55	1.55	2.22
CHOU Consulting & Dev Inc.	-	-	2.18	2.18	1.60
Arctic UAV	-	-	2.70	2.70	2.11
<b>Projects</b>					
WAG @ Forks	-	-	1.70	1.70	2.80
Nunavut Qiviut Inc	-	-	0.60	0.60	0.09
<b>Sub-total</b>	<b>34.55</b>	<b>25.11</b>	<b>15.74</b>	<b>75.4</b>	<b>104.3</b>
Nunavut Development Corporation	<b>3.00</b>	<b>7.00</b>	-	<b>10.00</b>	<b>19.00</b>
<b>Total</b>	<b>37.55</b>	<b>32.11</b>	<b>15.74</b>	<b>85.4</b>	<b>123.3</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.



## VENTURE EQUITY INVESTMENTS

**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

**Tukumaaq Inc.**      **\$250,000**  
**Clyde River, Nunavut**  
 Non-Voting, Preferred Share Interest

**NunaVet Animal Hospital Inc.**      **\$126,500<sup>2</sup>**  
**Iqaluit, Nunavut**  
 Non-Voting, Preferred Share Interest

**CHOU Consulting and Development Inc.**      **\$125,000**  
**Cambridge Bay, Nunavut**  
 Non-Voting, Preferred Share Interest

**Arctic UAV Inc.**      **\$443,000**  
**Iqaluit, Nunavut**  
 Non-Voting Preferred Shares Interest

<sup>1</sup> 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.

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

# SALES DIVISION

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

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

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

This year the Sales Division like many had to change their approach to service during the COVID-19 Pandemic. This included selling more online and switching days staff were in the office.

Nonetheless, through the operations of the Sales Division, the Nunavut Development Corporation directly supported over 150 Nunavummiut by purchasing arts and crafts, and represented Inuit art worldwide by distributing to over 40 galleries and retailers in 4 countries. This was down from last year largely due to the COVID-19 pandemic.

	2021	2020
Total Revenues	\$0.40 million	\$1.02 million
Total Expenses	\$0.61 million	\$1.82 million
Annual Surplus / (Deficit)	\$(211,000)	\$(800,900)
Jobs Created or Maintained	7.00	14.00
Core Funding - Operations*	\$200,000	\$200,000
Core Funding - Capital*	\$3,500	\$1,400

\*(Capital Funding included in revenues)

**General Manager:**

*Yusan Ha*

**Office Manager:**

*Teresa Silva*

**Shipper Receiver:**

*Jhon Diaz*

**Tel:**

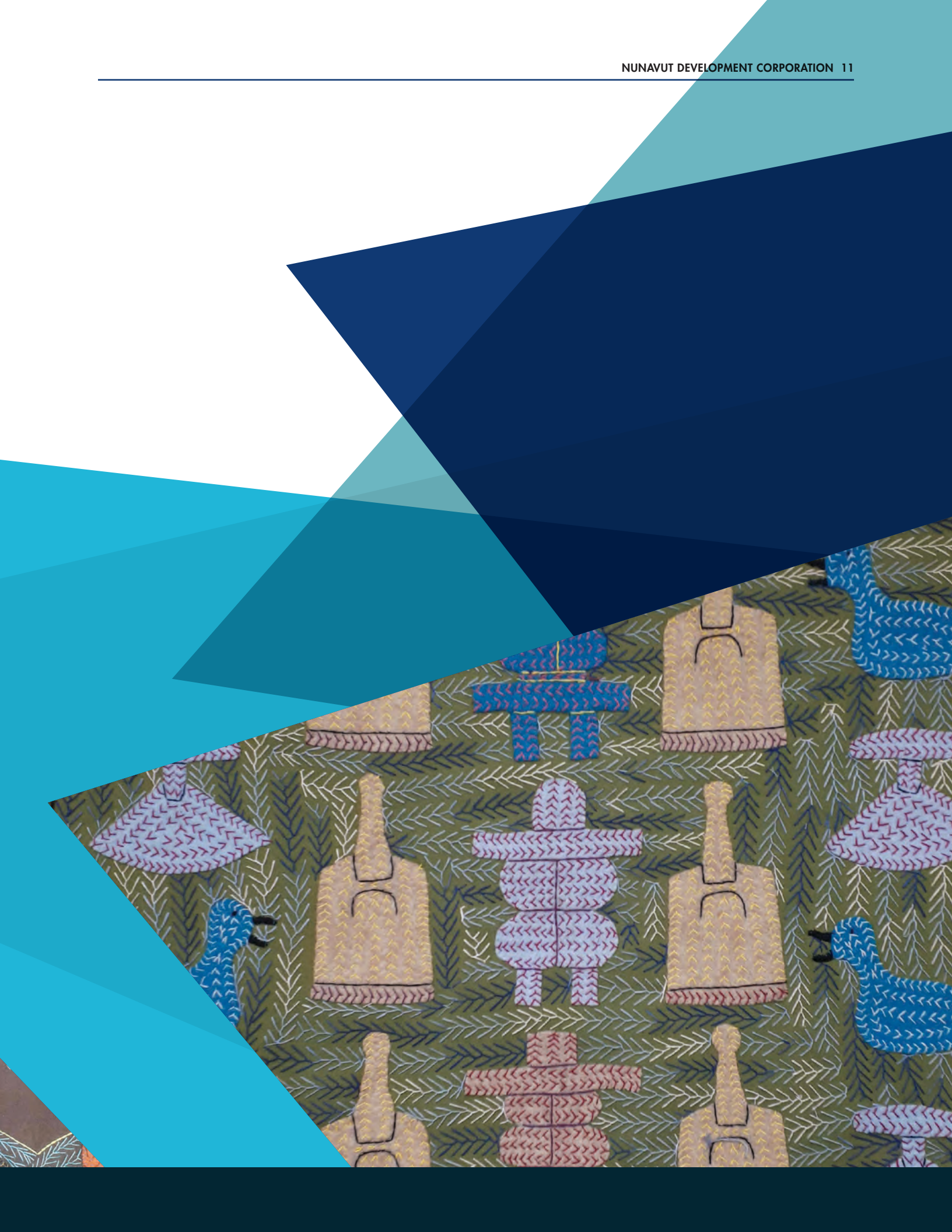
*1-800-509-9153*

**Email:**

*yha.ndcorp@gmail.com*

# SUBSIDIARY OPERATIONAL SUMMARY





# IVALU LTD.

	2021	2020
Total Revenues	\$605,269	\$772,862
Total Expenses	\$582,995	\$748,133
Annual Surplus	\$22,274	\$24,729
Jobs Created or Maintained	5.43	4.08
NDC Capital Fund Contributions*	\$0	\$0

\*(Capital Funding included in revenues)

## ADDRESS

P.O. Box 599  
Rankin Inlet, NU  
X0C 0G0

## GENERAL MANAGER

Sandra Nuviyak  
Tel: 867-645-3400  
ivalu@ndcorp.nu.ca

## BOARD OF DIRECTORS

Goretti Kakuktinniq  
Brian Zawadski  
Tommy Bruce



## TOTAL REVENUES

**\$605,269**  
2021

**\$772,862**  
2020



## JOBS CREATED

**5.43**  
2021

**4.08**  
2020

# JESSIE OONARK LTD.

	2021	2020
Total Revenues	\$314,645	\$362,850
Total Expenses	\$369,593	\$380,129
Annual Deficit	\$(54,948)	\$(17,200)
Jobs Created or Maintained	5.85	6.75
NDC Subsidy Fund Contributions*	\$165,000	\$165,000
NDC Capital Fund Contributions*	\$18,300	\$5,000

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

## ADDRESS

Box 280  
Baker Lake, NU  
XOC 0A0

## GENERAL MANAGER

David Ford  
Tel: 867-793-2428  
[jessie\\_ndc@qiniq.com](mailto:jessie_ndc@qiniq.com)

## BOARD OF DIRECTORS

Bernadette Tutanuak  
Hugh Tularialik  
Sarah Arhniq  
Nathan Annanuat  
Elizabeth Aupaluktuq



## TOTAL REVENUES

**\$314,645**

2021

**\$362,850**

2020



## JOBS CREATED

**5.85**

2021

**6.75**

2020

# KILUK LTD.

	2021	2020
Total Revenues	\$433,455	\$408,540
Total Expenses	\$423,394	\$399,407
Annual Surplus	\$10,061	\$9,133
Jobs Created or Maintained	4.98	4.28
NDC Subsidy Fund Contributions*	\$140,000	\$140,000
NDC Capital Fund Contributions*	\$0	\$17,800

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

## ADDRESS

Box 366  
Arviat, NU  
XOC 0E0

## GENERAL MANAGER

Sherlyn Kadjuk  
Tel: 867-857-2713  
[Kiluk\\_ltd@qiniq.com](mailto:Kiluk_ltd@qiniq.com)

## BOARD OF DIRECTORS

Hattie Alagalak  
Eva Arnalukjuaq  
Goretti Kakuktinniq  
Cecile Gibbons  
Jackie King



## TOTAL REVENUES

**\$433,455**  
2021

**\$408,540**  
2020



## JOBS CREATED

**4.98**  
2021

**4.28**  
2020



# KITIKMEOT FOODS LTD.

	2021	2020
Total Revenues	\$957,697	\$1.14 million
Total Expenses	\$806,465	\$1.01 million
Annual Surplus	\$151,232	\$129,814
Jobs Created or Maintained	7.74	10.22
NDC Subsidy Fund Contributions*	\$330,000	\$330,000
NDC Capital Fund Contributions*	\$47,800	\$33,100

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

## ADDRESS

Box 2268  
Cambridge Bay,  
NU  
X0B 0C0

## GENERAL MANAGER

Stephen Lacasse  
Tel: 867-983-2881  
[kitikmeot@qiniq.com](mailto:kitikmeot@qiniq.com)

## BOARD OF DIRECTORS

Bill Lyall  
Jim MacEachern  
Wilf Wilcox  
Brian Zawadski  
Kyle Tattuinee  
Jamie Maghagak



## TOTAL REVENUES

**\$957,697**  
2021

**\$1.14m**  
2020



## JOBS CREATED

**7.74**  
2021

**10.22**  
2020



# KIVALLIQ ARCTIC FOODS

	2021	2020
Total Revenues	\$1.71 million	\$1.35 million
Total Expenses	\$1.23 million	\$1.05 million
Annual Surplus	\$482,183	\$300,435
Jobs Created or Maintained	20.46	15.77
NDC Subsidy Fund Contributions*	\$260,000	\$260,000
NDC Capital Fund Contributions*	\$35,500	\$77,795

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

**ADDRESS**

Box 329  
Rankin Inlet, NU  
XOC 0G0

**GENERAL  
MANAGER**

Scott Sadler  
Tel: 867-645-3137  
[tundra@qiniq.com](mailto:tundra@qiniq.com)

**BOARD OF  
DIRECTORS**

Brian Zawadski  
Kyle Tattuinee  
Tommy Bruce



**TOTAL  
REVENUES**

**\$1.71m**  
2021

**\$1.35m**  
2020



**JOBS  
CREATED**

**20.46**  
2021

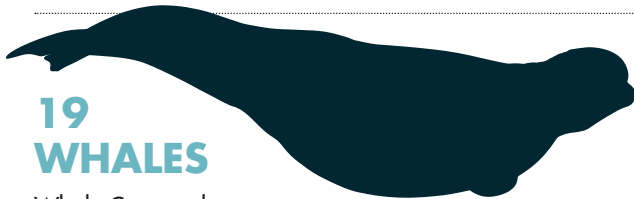
**15.77**  
2020



## 2020-21 HARVESTING SUMMARY

Nunavut Development Corporation employs harvesters 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 WHALES



**19 WHALES**

Whale Cove and Rankin Inlet combined

### ARCTIC CHAR FISH



**8,500 LBS** Whale Cove

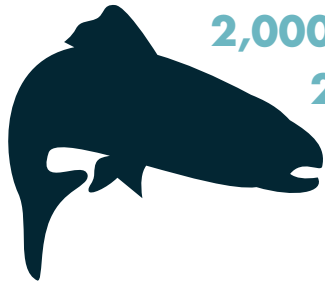
**1,000 LBS** Chesterfield Inlet

**35,284 LBS**

Qikiqtarjuaq, Pond Inlet, Pangnirtung and Gjoa Haven



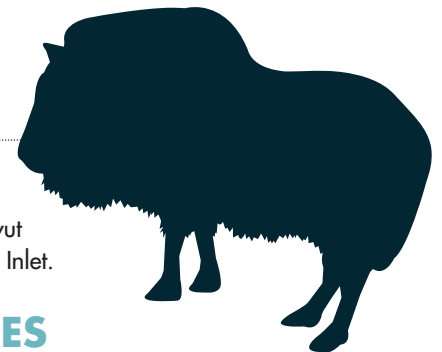
### TROUT & WHITE FISH



**2,000 LBS** Trout

**2,000 LBS** White fish

### MUSKOX



**32 HIDES**

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

**8 HIDES**

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

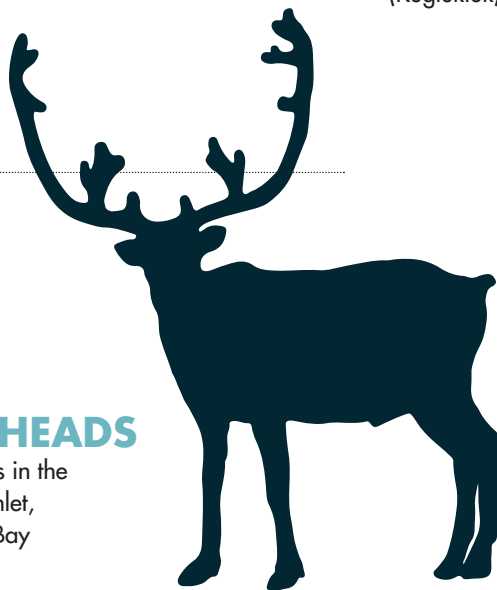
### CARIBOU

**900 HIDES**

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

**250 CARIBOU HEADS**

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





# PAPIRUQ FISHERIES

	2021	2020
Total Revenues	-	-
Total Expenses	\$11,810	\$11,790
Annual Deficit	\$(11,810)	\$(11,790)
NDC Capital Fund Contributions*	\$0	\$0

*\*(Capital Fund contributions are included in revenues)*

## ADDRESS

Box 329  
Rankin Inlet, NU  
X0C 0G0

## GENERAL MANAGER

Scott Saddler  
Tel: 867-645-3170  
[tundra@qiniq.com](mailto:tundra@qiniq.com)

## BOARD OF DIRECTORS

Tommy Bruce

## ANOTHER SUCCESSFUL SEWING MACHINE REPAIR WORKSHOP



What happens when a sewing machine breaks in the middle of the Arctic? Getting it serviced or even picking up parts to fix it yourself usually isn't an option.

This is why Taluq continues to provide sewing machine repair workshops. The skills shared by Roger Fraser from Yellowknife to the 13 participants means people will be able to repair their own machines and help others.

# TALUQ DESIGNS LTD.

	2021	2020
Total Revenues	\$264,811	\$193,986
Total Expenses	\$220,965	\$187,039
Annual Surplus	\$43,846	\$6,947
Jobs Created or Maintained	1.97	1.96
NDC Subsidy Fund Contributions*	\$70,000	\$70,000
NDC Capital Fund Contributions*	\$0	\$14,000

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

## ADDRESS

Box 174  
Taloyoak, NU  
XOB 1B0

## GENERAL MANAGER

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

## BOARD OF DIRECTORS

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



## TOTAL REVENUES

**\$264,811**

2021

**\$193,986**

2020



## JOBS CREATED

**1.97**

2021

**1.96**

2020

## HANDS UP FOR A GREAT PROJECT!



While in-person shopping and get-togethers may have been limited in 2020, this didn't stop Taluq from finding ways to connect Nunavummiut with our culture.

Taluq produced 300 mitten kits for the Nunavut Isolation Hubs. These kits contained everything needed to make a pair of mittens and were distributed to Nunavummiut who were isolating while waiting to return to Nunavut.

Isolation was mandatory for two weeks and while Nunavummiut's needs like food were taken care of - it was important to find ways to help Nunavummiut stay busy in the hubs. Each kit contained thread, felt, fur and leather to complete a set of mitts plus instructions. Feedback from people who received a kit was it was helpful to have a project to help pass the time.

# UQQURMIUT ARTS & CRAFTS LTD.

	2021	2020
Total Revenues	\$717,010	\$869,421
Total Expenses	\$646,367	\$847,590
Annual Surplus	\$70,643	\$21,831
Jobs Created or Maintained	13.23	14.58
NDC Subsidy Fund Contributions*	\$238,000	\$238,000
NDC Capital Fund Contributions*	\$60,000	\$16,500

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

## ADDRESS

Box 453  
Pangnirtung, NU  
XOA ORO

## GENERAL MANAGER

Elena Akpalialuk  
Tel: 867-473-8669  
[inuitart@qiniq.com](mailto:inuitart@qiniq.com)

## BOARD OF DIRECTORS

Jacopie Maniapik  
Towkie Karpik  
Geetee Maniapik  
Manasie Noah  
Brian Zawadski  
Johnelee Nakashook  
Jaco Newkingak  
Jimmy Uniukshagak



## TOTAL REVENUES

**\$717,010**

2021

**\$869,421**

2020



## JOBS CREATED

**13.23**

2021

**14.58**

2020



# CONTRACT, PROCUREMENT AND LEASING ACTIVITY REPORTING

## 2020-21 Contracting Activity Report

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	2020-21 VALUE	2019-20 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Rankin Inlet	Dean Food Safety Strategies	Food Safety Consulting HACCP / QMP	None	\$20,775	\$60,000	-	-
Rankin Inlet	Gowling Lafleur Henderson	Legal Counsel	None	\$20,835	\$13,295	-	-
Rankin Inlet	R&T Cleaning Enterprises	Janitorial	None	\$12,075	\$12,600	-	✓
Iqaluit	Outcrop Nunavut	Communications	None	\$46,540	\$63,312	-	✓
Rankin Inlet	Lester Landau Chartered Accountants	Subsidiaries Audit	SOA	\$50,000	\$44,450	-	✓
<b>Total</b>				<b>\$150,225</b>	<b>\$193,657</b>		

## 2020-21 Leasing Activity Report

COMMUNITY	VENDOR	PROJECT	AWARD METHOD	START DATE	EXPIRY DATE	RENEWAL OPTIONS	2020-21 VALUE	2019-20 VALUE	INUIT FIRM STATUS	NUNAVUT BUSINESS STATUS
Mississauga	GWL Reality	Warehouse Lease	SS	2017-01-08	2022-07-31	nil	\$91,706	\$88,392	-	-
<b>Total</b>							<b>\$91,706</b>	<b>\$88,392</b>		

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, 2021.**

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# Nunavut Development Corporation

## Management's Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements of the Nunavut Development Corporation, for the year ended March 31, 2021, and all information contained in this annual report are the responsibility of the Corporation's management and have been reviewed and approved by the Board of Directors. The consolidated financial statements include some amounts, such as the allowance for doubtful accounts receivable, employee future benefits and the valuation of inventories, which are based on management's best estimates and judgment.

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

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

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

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



**Gorette Kakuktinniq**

Interim President

Rankin Inlet, Canada  
August 23, 2021



**Balaji Ramamani**, CF, CPA, CMA, FIPA(AUS);  
CIA, CMA, CRMA, CGAP, CFSA(USA);  
FAIA, MCSI(UK), FCA, FCMA, MBA(IND)  
Chief Financial Officer



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## 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 2021, 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 2021, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *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-laws of the Nunavut Development Corporation.

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

#### *Responsibilities of Management for Compliance with Specified Authorities*

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

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

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

A handwritten signature in black ink, appearing to read "Michael Robichaud". The signature is fluid and cursive, with the first name "Michael" and last name "Robichaud" clearly distinguishable.

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

Ottawa, Canada  
23 August 2021

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

	2021	2020
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	\$ 8,981,292	\$ 7,380,449
Accounts receivable (Note 4)	623,524	654,317
Inventories for resale (Note 5(a))	2,114,255	2,209,302
Portfolio investments (Note 6)	1,168,000	1,369,500
<b>Total financial assets</b>	<b>\$ 12,887,071</b>	<b>\$ 11,613,568</b>
<b>Liabilities</b>		
Debt (Note 10)	\$ 60,000	\$ 65,678
Accounts payable and accrued liabilities (Note 7)	657,061	583,138
Employee future benefit liabilities (Note 8)	150,475	118,493
Deferred revenue	12,711	12,711
<b>Total liabilities</b>	<b>\$ 880,247</b>	<b>\$ 780,020</b>
<b>Net Financial Assets</b>	<b>\$ 12,006,824</b>	<b>\$ 10,833,548</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (TCA - Schedule A)	\$ 1,015,813	\$ 969,822
Inventories for use (Note 5(b))	1,335,170	1,113,258
Prepaid expenses	15,208	27,632
<b>Total non-financial assets</b>	<b>\$ 2,366,191</b>	<b>\$ 2,110,712</b>
<b>Accumulated surplus</b>	<b>\$ 14,373,015</b>	<b>\$ 12,944,260</b>

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**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues</b>			
Sales (Schedule B)	\$ 2,431,648	\$ 3,001,701	\$ 3,779,867
Interest and other income	266,470	335,458	310,289
Preference dividend on venture investment	77,500	100,920	97,896
<b>Total revenues</b>	<b>\$ 2,775,618</b>	<b>\$ 3,438,079</b>	<b>\$ 4,188,052</b>
<b>Expenses</b>			
Cost of goods sold (Schedule C)	\$ 2,410,431	\$ 2,952,093	\$ 4,146,586
Selling and administration (Schedule D)	3,406,165	2,655,638	3,359,049
Provision for venture investment loss (Note 6(d) and 6(f))	-	126,500	375,000
<b>Total expenses</b>	<b>\$ 5,816,596</b>	<b>\$ 5,734,231</b>	<b>\$ 7,880,635</b>
<b>Deficit before Government contributions</b>	<b>(3,040,978)</b>	<b>(2,296,152)</b>	<b>(3,692,583)</b>
Government contributions (Note 9)	\$ 3,546,935	\$ 3,724,907	\$ 3,663,805
<b>Surplus (deficit) for the year</b>	<b>505,957</b>	<b>1,428,755</b>	<b>(28,778)</b>
<b>Accumulated surplus, beginning of the year</b>	<b>12,944,260</b>	<b>12,944,260</b>	<b>12,973,038</b>
<b>Accumulated surplus, end of the year</b>	<b>\$ 13,450,217</b>	<b>\$ 14,373,015</b>	<b>\$ 12,944,260</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**

	2021 Budget	2021 Actual	2020 Actual
<b>Surplus (deficit) for the year</b>	\$ 505,957	\$ 1,428,755	\$ (28,778)
<b>Tangible capital assets (Schedule A)</b>			
Additions	\$ (112,000)	\$ (226,246)	\$ (166,861)
Amortization	107,500	180,255	183,106
	\$ (4,500)	\$ (45,991)	\$ 16,245
Additions of inventories for use	\$ -	\$ (746,261)	\$ (586,769)
Consumption of inventories for use	-	524,349	426,381
Change due to prepaid expenses	-	12,424	(627)
	\$ -	\$ (209,488)	\$ (161,015)
<b>Change in net financial assets for the year</b>	\$ 501,457	\$ 1,173,276	\$ (173,548)
<b>Net financial assets, beginning of the year</b>	10,833,548	10,833,548	11,007,096
<b>Net financial assets, end of the year</b>	\$ 11,335,005	\$ 12,006,824	\$ 10,833,548

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**

	2021	2020
<b>Cash provided by (used for) operating activities</b>		
Received through contributions from the Government of Nunavut	\$ 3,702,103	\$ 3,551,771
Received from customers	3,047,303	3,763,369
Dividends received	78,420	91,521
Received through other Contributions	63,500	76,083
Interest received	49,138	117,949
Paid to employees	(2,191,113)	(2,659,762)
Paid to suppliers	(2,121,516)	(2,924,151)
Other operations (Note 14)	(731,214)	(1,082,508)
Used in face masks project and seamstress workshop (Note 14)	(182,301)	(38,632)
Cash lost in RBC Agency (Note 10(b) and Note 14)	(10,118)	(25,530)
<b>Cash provided by operating activities</b>	<b>1,704,202</b>	<b>870,110</b>
<b>Cash provided by financing activities</b>		
Loan from RBC for Agency operations	60,000	65,678
Contribution from RBC for setting up Agency	-	7,500
<b>Cash provided by financing activities</b>	<b>60,000</b>	<b>73,178</b>
<b>Cash provided by (used for) investing activities</b>		
Redemption of venture equity investment	75,000	75,000
Venture equity investment	-	(143,045)
Investment in Guaranteed Investment Certificates	-	(100,000)
Endowment from Estate of Houston Gwynne Jones	-	12,711
<b>Cash provided by (used for) investing activities</b>	<b>75,000</b>	<b>(155,334)</b>
<b>Cash used for capital activities</b>		
Tangible capital asset acquisitions	(226,246)	(166,861)
Capital expenditure repairs	(12,113)	-
Expenses for setting up RBC Agency	-	(7,500)
<b>Cash used for capital activities</b>	<b>(238,359)</b>	<b>(174,361)</b>
<b>Increase in cash and cash equivalents</b>	<b>1,600,843</b>	<b>613,593</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>7,380,449</b>	<b>6,766,856</b>
<b>Cash and cash equivalents - end of the year</b>	<b>\$ 8,981,292</b>	<b>\$ 7,380,449</b>

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, 2021**

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**1. Authority and operations**

**(a) Authority**

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

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

**(b) Operations**

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

In accordance with Sections 16 and 17 of the Act, the Corporation has established accounts called Capital Reserve Fund, Venture Reserve Fund, Subsidy Fund, Capital Fund, and Venture Investment Fund. These funds are recorded within cash and cash equivalents within the 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.

## 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
<b>Meat &amp; Fish:</b>			
Kivalliq Arctic Foods Ltd.	Rankin Inlet	100%	October 2, 1992
Kitikmeot Foods Ltd.	Cambridge Bay	98%	April 9, 1992
Papiruiq 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 Papiruiq 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, 2021 are \$640,288 (March 31, 2020 - \$690,600).

## **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 and short term highly liquid deposits that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

### **(e) Accounts receivable**

Accounts receivable are valued at the lower of cost or 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 replacement cost and are recorded as an expense within the Statement of Operations and Accumulated Surplus.

### **(g) Portfolio investments**

Portfolio investments are 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. 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, which is included on the Statement of Operations and Accumulated Surplus. Dividend income is recognized as it is declared, and gains and losses on sales of portfolio investment are 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:

<b>Asset Category</b>	<b>Amortization Period</b>
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 benefit liabilities

#### **Severance, termination and relocation costs**

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

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

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

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

### **(i) Employee future benefit liabilities (cont'd)**

#### **Severance, termination and relocation costs (cont'd)**

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

The Corporation also provides to its employees, financial assistance in moving themselves, their dependents and their household effects when they resign or retire and certifies their intent of moving from their community of employment back to their initial point of appointment. The expected cost is recognized in the period when the employee is removed from its community of employment when they resign or retire.

Included in employee future benefit liabilities is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements 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 its discount rate, employee demographics and 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 salaries and benefits in Schedule D. During the year, these contributions totaled \$30,868 (2020 - \$48,303)

### **(j) Government contributions**

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

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

### (k) Revenues

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

### (l) Financial instruments

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

<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. An impairment that has been written-down or written-off is not reversed following a subsequent increase in value.

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

### (m) Related party transactions

#### Inter-entity transactions

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

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

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

### (m) Related party transactions (cont'd)

#### Other related party transactions

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

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

### (n) Segmented information

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

### (o) Change in accounting standards

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

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

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

**3. Cash and cash equivalents**

	<u>Mar 31, 2021</u>	<u>Mar 31, 2020</u>
Cash held by:		
Parent company	\$6,907,684	\$5,847,431
Subsidiaries	<u>2,073,608</u>	<u>1,533,018</u>
	<b><u>\$8,981,292</u></b>	<b><u>\$7,380,449</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. Cash from the parent company's operating and fund bank accounts accumulates interest at rates ranging from 2.3% to 2.45% (2020 – 0.80% to 2.30%) per annum on the daily average of the daily closing credit balances. Net investment income of \$100,920 (2020 - \$97,896) has been recognized in the Statement of Operations and Accumulated Surplus within Interest and other income.

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

	<u>Mar 31, 2021</u>	<u>Mar 31, 2020</u>
Venture investment fund	\$3,067,584	\$2,641,539
Capital fund	1,185,406	1,138,221
Capital reserve fund	537,660	521,040
Subsidy fund	189,000	189,000
Venture reserve fund	<u>145,450</u>	<u>152,950</u>
Total fund balances	<b><u>\$5,125,100</u></b>	<b><u>\$4,642,750</u></b>

**4. Accounts receivable**

	<u>Mar 31, 2021</u>	<u>Mar 31, 2020</u>
Related parties		
Government of Nunavut - Departments	\$248,152	\$139,072
Non-controlling interests	<u>58,563</u>	<u>22,051</u>
	\$306,715	\$161,123
Third parties	<u>834,402</u>	<u>947,681</u>
Total Accounts receivable	\$1,141,117	\$1,108,804
Less: Valuation allowance (Note 10)	<u>(517,593)</u>	<u>(454,487)</u>
Net accounts receivable	<b><u>\$623,524</u></b>	<b><u>\$654,317</u></b>

During the year, accounts receivable totaling \$0 (2020 - \$71,425) were written-off, requiring disclosure per the *Financial Administration Act* of Nunavut.

**5. Inventories****(a) For resale**

	<b><u>Mar 31, 2021</u></b>	<b><u>Mar 31, 2020</u></b>
Arts & Crafts	\$2,672,786	\$2,670,116
Meat & Fish	<u>32,609</u>	<u>68,826</u>
Total inventories for resale	\$2,705,395	\$2,738,942
Less: Inventory valuation allowance	<u>(591,140)</u>	<u>(529,640)</u>
Net inventories for resale	<b><u>\$2,114,255</u></b>	<b><u>\$2,209,302</u></b>

During the year, inventories of \$19,515 (2020 - \$17,588) were written-off or marked-down, requiring disclosure per the *FAA* of Nunavut.

**(b) For use**

	<b><u>Mar 31, 2021</u></b>	<b><u>Mar 31, 2020</u></b>
<b>Raw materials and work-in-process</b>		
Arts & Crafts	\$180,919	\$206,829
Meat & Fish	<u>1,061,857</u>	<u>841,082</u>
	<b><u>\$1,242,776</u></b>	<b><u>\$1,047,911</u></b>
<b>Packaging supplies</b>		
Arts & Crafts	\$60,187	\$48,234
Meat & Fish	<u>118,269</u>	<u>102,175</u>
	<b><u>\$178,456</u></b>	<b><u>\$150,409</u></b>
Total inventories for use	\$1,421,232	\$1,198,320
Less: Inventory valuation allowance	<u>(86,062)</u>	<u>(85,062)</u>
Net inventories for use	<b><u>\$1,335,170</u></b>	<b><u>\$1,113,258</u></b>

**6. Portfolio investments**

	<u>Mar 31, 2021</u>	<u>Mar 31, 2020</u>
Preferred Shares Investment in –		
(a) Arctic UAV Inc.	\$443,000	\$443,000
(b) Tukumaaq Inc	250,000	325,000
(c) Arctic Fisheries Alliance Limited Partnership	250,000	250,000
(d) NunaVet Animal Hospital Inc.	126,500	126,500
(e) CHOU Consulting and Development Inc.	125,000	125,000
(f) Sudliq Developments Ltd.	375,000	375,000
	<u>1,569,500</u>	<u>1,644,500</u>
(g) Non-redeemable GICs	<u>100,000</u>	<u>100,000</u>
Provision for venture investment loss (Note 6(d) and 6(f))	(501,500)	(375,000)
	<u><b>\$1,168,000</b></u>	<u><b>\$1,369,500</b></u>

**(a) Arctic UAV Inc. (UAV)**

The Corporation is a registered holder of 300,000 Class A non-voting preferred shares and 143,000 Class C Preferred non-voting shares in UAV. The rights of both, Class A and Class C 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 be payable in arrears by UAV to the Corporation annually. Class A shares are redeemable in March 2022 at face value. Class C shares are redeemable in March 2025 at face value.

**(b) Tukumaaq Inc. (TI)**

In March 2021, TI (Clyde River) bought back (redeemed) \$75,000 of their preferred shares, out of \$325,000 preferred shares held by the Corporation. The Corporation is a registered holder of 250 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, and be payable in arrears by TI to the Corporation annually. The shares are redeemable in March 2024 at face value.

## 6. Portfolio investments (cont'd)

### **(c) Arctic Fisheries Alliance Limited Partnership (AFL)**

The Corporation is a registered holder of 250 Class D Preferred Limited Partnership Units in AFL. The rights of a holder of these Units are governed by a Partnership Agreement between Masiliit Corporation as general partner and the limited partners. The Corporation is entitled to receive a fixed cumulative preferential distribution of 6.25% per annum, which 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 which were redeemable in March 2020 at face value, had not been redeemed as at 31 March 2021.

### **(d) NunaVet Animal Hospital Inc. (NAHI)**

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

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

### **(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. The shares are redeemable in March 2022 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.

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



## 6. Portfolio investments (cont'd)

### (g) Non-redeemable GICs

As at March 31, 2021, Kivalliq Arctic Foods Ltd has a term deposit over 90 days consisting of fixed rate non-redeemable Guaranteed Investment Certificates (GICs) of \$100,000 bearing 0.20% interest rate per annum and maturing in July 2021.

## 7. Accounts payable and accrued liabilities

	<u>Mar 31, 2021</u>	<u>Mar 31, 2020</u>
Related parties - Government of Nunavut		
Petroleum Products Division	\$109,353	\$77,582
Territorial corporations	30,456	29,672
Departments	17,223	19,210
Related parties – Non-controlling interests	<u>7,380</u>	<u>25,931</u>
	164,412	152,395
Third parties	283,824	272,949
Vacation pay and lieu time	<u>208,825</u>	<u>157,794</u>
Total accounts payable and accrued liabilities	<u><b>\$657,061</b></u>	<u><b>\$583,138</b></u>

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

## 8. Employee future benefit liabilities

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 72 weeks of salary depending on the eligible employee.

The Corporation also provides sick leave to its eligible employees. Sick leave is accumulated monthly based upon days worked during the month. Accumulated sick leave is not eligible for liquidation in cash and is not bought out in the event of termination.

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

**8. Employee future benefit liabilities (cont'd)**

The liability for these benefits is as follows:

	<u>2021</u>	<u>2020</u>
Employee future benefit liabilities, beginning of year	\$118,493	\$229,672
Cost of benefits for the year	59,297	18,273
Benefits paid during the year	<u>(27,315)</u>	<u>(129,452)</u>
Employee future benefits, end of year	<u><b>\$150,475</b></u>	<u><b>\$118,493</b></u>

**9. Government contributions**

	<u>2021</u>	<u>2020</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><b>\$3,358,000</b></u>	<u><b>\$3,358,000</b></u>
<b>Other contributions from Government of Nunavut</b>		
Other direct contributions to subsidiaries	<u>366,907</u>	<u>305,805</u>
	<u><b>\$3,724,907</b></u>	<u><b>\$3,663,805</b></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:

## 10. Financial instruments (cont'd)

### (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 and in the non-redeemable GICs in the portfolio investments, the maximum exposure to credit risk is the carrying amount on the Consolidated Statement of Financial Position. The risk associated with cash and cash equivalents and in the non-redeemable GICs is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions. As at March 31, 2021, there were no known relevant concentrations of credit risk by type of deposit or institution.

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

At March 31, 2021, the accounts receivable are aged as follows:

	<u>2021</u>	<u>2020</u>
Current	\$378,071	\$132,318
31-60 days old	55,485	129,297
61-90 days old	35,334	109,525
Over 90 days old	<u>154,634</u>	<u>283,177</u>
Total accounts receivable	<u><b>\$623,524</b></u>	<u><b>\$654,317</b></u>

With respect to accounts receivable past due but not impaired, based on credit history and credit ratings, there are no indications that customers will not be able to meet their obligations. As at March 31, 2021, there were no known relevant concentrations of credit risk by type of customer or geography. Instead, the credit risk exposure is mainly influenced by individual customer characteristics.

## 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, 2021</u>	<u>Mar 31, 2020</u>
Balance, beginning of year	\$454,487	\$216,451
Additional allowance recorded during the year	63,106	309,461
Write-offs during the year	<u>-</u>	<u>(71,425)</u>
Balance, end of year	<u>\$517,593</u>	<u>\$454,487</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 31 March, 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). At the end of 2021, 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, 2021 (2020 - \$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, 2021 (2020 - \$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, 2021 (2020 - \$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 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 balance in RBC Agency cash control account should match RBC Agency Loan received from RBC Montreal, unless otherwise cash is lost due to any reasons. The outstanding operating loan as at March 31, 2021 was \$60,000 (2020 - \$65,678). During the year, \$10,118 (2020 - \$25,530) cash was lost. The balance in RBC Agency cash control account as at March 31, 2021 was \$53,820 (2020 - \$40,148).

The variable interest rate on the RBC Agency loan subjects the Corporation to interest rate cash flow risk. For each 1% change in the rate of interest, the change in annual interest expense would be \$600 (2020 - \$657).

The Corporation is 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 2023. Future minimum payments by fiscal year are due as follows:

2022	\$89,940
2023	29,980
	<u>\$119,920</u>

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

2022	\$2,496
2023	2,496
2024	2,496
2025	2,496
2026	2,496
	<u>\$12,480</u>

Thereafter, annually	<u>\$2,496</u>
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## 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 six venture investments are as follows:

2022	\$96,045
2023	78,045
2024	62,955
2025	41,080
2026	-
	-----
Total	<u>\$278,125</u>
	=====

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

## 12. Contractual rights (cont'd)

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

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

## 13. COVID-19 IMPLICATIONS

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

During the year and subsequent to year-end, the pandemic has had and will continue to have a significant impact on the Corporation's operations. Office closures, resulting from the pandemic, impacted the sale of goods and collection of receivables. Management is also monitoring the impact of the pandemic on its portfolio investments. The duration and impact of the COVID-19 pandemic still remain unclear at this time. It is not possible to reliably estimate the full effect of the outbreak on the Corporation's results of operations and financial position at this time.

Management is actively monitoring the effect on the Corporation's consolidated financial statements and probing ways to address any potential future impacts on its operations.

## 14. COMPARATIVE INFORMATION

Certain comparative figures from the previous year have been reclassified to conform to the current year's presentation.

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

							2021	2020
	Buildings	Equipment	Leasehold Improvements	Office Furniture and Equipment	Computer Equipment	Automotive Equipment	Total	Total
<b>Cost of tangible capital assets</b>								
Opening balance	\$ 7,504,459	\$ 2,224,475	\$ 690,913	\$ 458,678	\$ 209,609	\$ 224,082	\$ 11,312,216	\$ 11,145,355
Additions	91,444	31,681	-	1,030	6,750	-	130,905	166,861
Closing balance	7,595,903	2,256,156	690,913	459,708	216,359	224,082	11,443,121	11,312,216
<b>Accumulated amortization</b>								
Opening balance	(6,765,634)	(2,109,823)	(646,890)	(406,774)	(190,847)	(222,426)	(10,342,394)	(10,159,288)
Amortization allocated to COGS	(65,850)	(44,207)	(8,717)	-	-	(848)	(119,622)	(115,971)
Amortization allocated to S&A	(30,059)	(2,176)	(7,919)	(9,051)	(11,428)	-	(60,633)	(67,135)
	(95,909)	(46,383)	(16,636)	(9,051)	(11,428)	(848)	(180,255)	(183,106)
Closing balance	(6,861,543)	(2,156,206)	(663,526)	(415,825)	(202,275)	(223,274)	(10,522,649)	(10,342,394)
<b>Work in progress</b>								
Additions	-	95,341	-	-	-	-	95,341	-
Closing balance	-	95,341	-	-	-	-	95,341	-
<b>Net book value</b>	<b>\$ 734,360</b>	<b>\$ 195,291</b>	<b>\$ 27,387</b>	<b>\$ 43,883</b>	<b>\$ 14,084</b>	<b>\$ 808</b>	<b>\$ 1,015,813</b>	<b>\$ 969,822</b>



**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>2021 Actual</b>	<b>2020 Actual</b>
<b>Sales</b>				
Meat & Fish items	\$ 36,393	\$ 1,700,553	\$ 1,736,946	\$ 1,638,460
Arts & Craft items	1,132,994	-	1,132,994	2,133,037
Face masks	77,660	-	77,660	-
Mitten making kits for isolation hubs	50,000	-	50,000	-
Supplies	4,101	-	4,101	5,568
Management fee	-	-	-	2,802
<b>Total</b>	<b>\$ 1,301,148</b>	<b>\$ 1,700,553</b>	<b>\$ 3,001,701</b>	<b>\$ 3,779,867</b>
<b>Sales - By Category of Customers</b>				
Government of Nunavut - Departments	154,612	108,013	262,625	85,498
District Education Authority	3,921	59,549	63,470	25,119
Nunavut Arctic College	3,627	14,796	18,423	16,814
Non-controlling interests	-	106,584	106,584	85,266
Third parties	1,138,988	1,411,611	2,550,599	3,567,170
<b>Total</b>	<b>\$ 1,301,148</b>	<b>\$ 1,700,553</b>	<b>\$ 3,001,701</b>	<b>\$ 3,779,867</b>

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

Schedule C

	Arts & Craft	Meat & Fish	2021 Actual	2020 Actual
<b>Cost of goods sold</b>				
Opening inventory	\$ 2,310,477	\$ 1,012,083	\$ 3,322,560	\$ 3,595,381
Purchases				
Government of Nunavut - Departments	5,580	3,200	8,780	3,176
Third parties	658,257	610,582	1,268,839	1,948,153
Direct labour	478,673	386,798	865,471	856,268
Utilities				
Government of Nunavut - Territorial Corp.	41,822	277,812	319,634	333,087
Petroleum Products Division	66,908	66,234	133,142	114,506
Freight and packaging	21,617	273,160	294,777	372,473
Commission	48,961	-	48,961	101,140
Amortization	18,436	101,186	119,622	115,971
Food safety and productivity expenses	-	17,132	17,132	20,687
Product repair and development	2,600	-	2,600	8,304
Closing inventory	(2,236,690)	(1,212,735)	(3,449,425)	(3,322,560)
<b>Total</b>	<b>\$ 1,416,641</b>	<b>\$ 1,535,452</b>	<b>\$ 2,952,093</b>	<b>\$ 4,146,586</b>

Included in 2020-21 Cost of goods sold are valuation allowances of \$59,000 and write-downs of \$19,515 (\$485,000 and \$17,588, respectively, in 2019-20)

Certain comparative information has been reclassified to conform with current year presentation.

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

Schedule D

	Arts & Craft	Meat & Fish	2021 Actual	2020 Actual
<b>Selling and administration expenses</b>				
Salaries and benefits	\$ 1,154,751	\$ 277,754	\$ 1,432,505	\$ 1,679,514
Project expenses	275,925	23,950	299,875	195,990
Office supplies	91,168	33,621	124,789	146,491
Rent	91,706	-	91,706	87,495
Professional fees	52,148	29,700	81,848	86,445
Repairs and maintenance	39,888	36,833	76,721	152,187
Advertising and promotion	72,025	2,769	74,794	114,202
Telephone	59,992	11,709	71,701	65,401
Board expenses	63,642	-	63,642	103,869
Bad debts	65,759	(2,653)	63,106	327,046
Amortization	38,114	22,519	60,633	67,135
Travel	53,424	-	53,424	141,000
Bank charges and interest	44,060	9,004	53,064	88,202
Vehicle expenses	-	27,664	27,664	12,842
Insurance	18,504	-	18,504	15,366
Utilities				
Petroleum Products Division	15,286	-	15,286	15,846
Govt. of Nunavut-Territorial Corp.	8,100	-	8,100	9,316
Training	8,705	-	8,705	1,541
Legal fees	8,495	-	8,495	13,496
Miscellaneous	6,168	-	6,168	7,335
Licenses and lease	715	5,373	6,088	11,860
Fisheries and Oceans Canada sampling costs	-	5,600	5,600	7,000
Translating	2,875	-	2,875	3,140
Freight and postage	345	-	345	4,739
Expenses for RBC Agency	-	-	-	1,591
<b>Total</b>	<b>\$ 2,171,795</b>	<b>\$ 483,843</b>	<b>\$ 2,655,638</b>	<b>\$ 3,359,049</b>



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NUNAVUT DEVELOPMENT CORPORATION  
LA CORPORATION DE DÉVELOPPEMENT DU NUNAVUT  
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