

**NUNAVUT BROADBAND
DEVELOPMENT CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2011**

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
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MARCH 31, 2011

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INDEPENDENT AUDITORS' REPORT

Members
Nunavut Broadband Development Corporation
Iqaluit, Nunavut

We have audited the accompanying consolidated financial statements of the Nunavut Broadband Development Corporation, which comprise the consolidated statement of financial position as at March 31, 2011, and the consolidated statements of operations, changes in fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Nunavut Broadband Development Corporation as at March 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Iqaluit, Nunavut
July 22, 2011

CHARTERED ACCOUNTANTS

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
REVENUE		
Amortization of deferred capital contributions	\$ 293,683	\$ 422,107
Infrastructure Canada - NSI I contribution (Note 4)	990,000	990,000
Infrastructure Canada - NSI II contribution (Note 4)	2,365,440	1,881,600
Infrastructure Canada - Tools, capacity and other	1,332,327	2,715,872
Canadian Northern Economic Development Agency (CanNor)	82,442	100,000
Government of Nunavut	425,000	440,000
Network licence fees - NSI matching funds (Note 4)	3,797,440	3,093,600
Network licence fees - Tools, capacity and other	1,152,705	2,083,224
Network licence fees - debt recovery	400,514	400,514
Recovery on interest on long term debt	0	82,456
Qikiqtaaluk Information Technology Corporation	14,118	0
Other	<u>3,429</u>	<u>3,013</u>
	10,857,098	12,212,386
EXPENSES (Page 4)	<u>10,765,713</u>	<u>12,123,646</u>
EXCESS REVENUES	<u>\$ 91,385</u>	<u>\$ 88,740</u>

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
EXPENSES		
Application Development		
Computer hardware	\$ 0	\$ 1,590
Design and development	3,280	0
Marketing and promotion	24,205	37,907
Research	348	0
Training	495	1,395
Web site development	<u>7,070</u>	<u>1,236</u>
	<u>35,398</u>	<u>42,128</u>
General and Administrative		
Bad debts	3,771	5,764
Bank charges and interest	14,881	12,194
Freight	743	406
Insurance	2,970	2,920
Interest on long term debt	152,012	182,747
Rent	21,689	15,389
Repairs and maintenance	90	6,978
Miscellaneous	<u>3,374</u>	<u>11,421</u>
	<u>199,530</u>	<u>237,819</u>
Office		
Office supplies	3,848	4,651
Telephone and internet	7,743	5,476
Translation	<u>8,225</u>	<u>7,093</u>
	<u>19,816</u>	<u>17,220</u>
Professional Fees		
Audit	36,569	40,631
Audit - other	2,450	19,225
Legal	10,414	30,139
Management	<u>409,233</u>	<u>738,048</u>
	<u>458,666</u>	<u>828,043</u>
Salaries and Wages		
Sub-contractors	<u>150</u>	<u>6,360</u>
Travel and meetings	<u>58,787</u>	<u>83,199</u>
Depreciation	<u>446,388</u>	<u>629,416</u>
Satellite space segment services		
NSI satellite space segment services (Note 4)	7,152,880	5,965,200
Classroom and generic tools projects	<u>2,394,098</u>	<u>314,261</u>
	<u>9,546,978</u>	<u>6,279,461</u>
Capital service units	<u>0</u>	<u>4,000,000</u>
	<u>\$ 10,765,713</u>	<u>\$ 12,123,646</u>

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
BALANCE, OPENING	\$ (2,217,946)	\$ (2,306,686)
Excess revenues	<u>91,385</u>	<u>88,740</u>
BALANCE, CLOSING	<u>\$ (2,126,561)</u>	<u>\$ (2,217,946)</u>

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 795,981	\$ 261,904
Accounts receivable (Note 3)	247,304	3,316,812
Current portion of satellite space segment services (Notes 2(f) and 4)	<u>8,261,146</u>	<u>7,152,880</u>
	9,304,431	10,731,596
QINIQ NETWORK AND OFFICE EQUIPMENT (Notes 2(e) and 5)	1,634,721	2,081,109
SATELLITE SPACE SEGMENT SERVICES (Notes 2(f) and 4)	<u>6,028,032</u>	<u>14,289,178</u>
	<u>\$ 16,967,184</u>	<u>\$ 27,101,883</u>
<u>LIABILITIES</u>		
CURRENT		
Notes payable (Note 6)	\$ 81,447	\$ 188,500
Accounts payable and accrued liabilities	227,989	452,233
Due to SSI Micro Ltd. (Note 7)	1,751,693	3,953,002
Current portion of contributions received in advance (Notes 2(f) and 4)	8,261,146	7,152,880
Current portion of long term debt (Note 8)	<u>2,065,482</u>	<u>593,344</u>
	12,387,757	12,339,959
LONG TERM DEBT (Note 8)	0	1,719,054
CONTRIBUTIONS RECEIVED IN ADVANCE (Notes 2(f) and 4)	6,028,032	14,289,178
DEFERRED CAPITAL CONTRIBUTIONS (Note 9)	<u>677,956</u>	<u>971,638</u>
	19,093,745	29,319,829
<u>NET DEFICIT</u>		
UNRESTRICTED FUND	<u>(2,126,561)</u>	<u>(2,217,946)</u>
	<u>\$ 16,967,184</u>	<u>\$ 27,101,883</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Excess revenues	\$ 91,385	\$ 88,740
Items not requiring (providing) cash:		
Amortization of deferred capital contributions	(293,683)	(422,107)
Depreciation	446,388	629,416
	<u>244,090</u>	<u>296,049</u>
Cash provided by (used for) changes in non-cash working capital:		
Accounts receivable	3,069,509	8,374,086
Accounts payable and accrued liabilities	<u>(224,244)</u>	<u>(838,977)</u>
	<u>3,089,355</u>	<u>7,831,158</u>
FINANCING ACTIVITIES		
Long term debt repaid	(246,916)	(299,723)
Advances from (to) SSI Micro Ltd.	(2,201,309)	(6,869,257)
Notes payable repaid	<u>(107,053)</u>	<u>(577,734)</u>
	<u>(2,555,278)</u>	<u>(7,746,714)</u>
INCREASE IN CASH	534,077	84,444
CASH, OPENING	<u>261,904</u>	<u>177,460</u>
CASH, CLOSING	<u>\$ 795,981</u>	<u>\$ 261,904</u>

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

1. NATURE OF THE ORGANIZATION

The Nunavut Broadband Development Corporation was incorporated under the *Canada Corporations Act - Part II* on November 1, 2002. The purpose of the Company is to facilitate the development, growth and availability of communication technology (broadband) within Nunavut for the public, including, without limitation, for the use by local governments, community groups, non-governmental organizations, private sector businesses and individual residents of Nunavut.

The Company is a not-for-profit organization and is exempt from income tax under Sec. 149(1)(l) of the *Income Tax Act* (Canada).

NBDC Inc., a wholly owned subsidiary, owns the assets as described in Note 5 and owes the associated trade payable to SSI Micro Ltd. and long term debt to Nunavut Business Credit Corporation and Atuqtuarvik Corporation.

NBDC Inc. has entered into a National Satellite Initiative ("NSI I") agreement with Infrastructure Canada and SSI Micro Ltd. to ensure funding for the cost of satellite space segment services purchased indirectly from Telesat Canada.

As well, NBDC Inc. has entered into a Network Agreement with SSI Micro Ltd. whereby Network licence fees are earned sufficient to cover principal and interest payments on long term debt and required NSI matching funds. Also, under the agreement SSI Micro Ltd. is contracted to provide services to maintain and upgrade the Qiniq Network as required.

Qiniq Inc., a wholly owned subsidiary, is the operating company. It provides services to Nunavut Broadband Development Corporation and others to assist in facilitating the development, growth and availability of broadband to the residents, businesses and organizations of Nunavut.

Qiniq Inc. has entered into a National Satellite Initiative ("NSI II") agreement with Infrastructure Canada and SSI Micro Ltd. to ensure funding for the cost of satellite space segment services purchased indirectly from Telesat Canada.

As well, Qiniq Inc. has entered into a Network Agreement with SSI Micro Ltd. whereby Network licence fees are earned sufficient to cover the required NSI matching funds.

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

(a) Use of Estimates

The preparation of the financial statements of the Company requires management to make estimates and assumptions based on information available as of the date of the financial statements. Therefore, actual results could differ from those estimates.

(b) Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, notes payable, due to SSI Micro Ltd., and long term debt.

Cash, accounts receivable, accounts payable and accrued liabilities and notes payable are reported at their fair values on the balance sheet. The fair values are the same as the carrying values due to their short-term nature.

The fair value of due to SSI Micro Ltd. has not been determined as the timing of repayment is not known and therefore the cash flow stream is not determinable. The fair value of long term debt has not been determined as renewal terms are not known and therefore the cash flow stream is not determinable. These amounts have been reported at cost.

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

(c) Investments

These consolidated financial statements include the accounts of Nunavut Broadband Development Corporation and its wholly owned subsidiaries, NBDC Inc. and Qiniq Inc. All significant inter-company balances and transactions have been eliminated in these consolidated financial statements.

(d) Revenue Recognition

The Company follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions in kind are recorded at their estimated fair value at the date of contribution, where the value can be reasonably estimated.

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Qiniq Network And Office Equipment

Qiniq network and office equipment are recorded at cost. Depreciation is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Broadband network	30% declining balance
Structures	4% declining balance
Equipment	20% declining balance
Computer equipment	45% declining balance
Furniture and fixtures	20% declining balance

One-half of the annual rate of depreciation is taken in the year of acquisition.

(f) Satellite Space Segment Services

Satellite space segment services incurred in the development of satellite capacity and the related contributions received in advance are amortized over the term of the agreement.

(g) Capital Contributions

Capital contributions towards capital projects are recorded as deferred capital contributions. Deferred capital contributions are amortized into revenue on a declining balance basis at the same rate as the corresponding capital asset is depreciated.

(h) Expense Allocations

The Company allocates expenses using the following method. Expenses which are wholly attributable to a particular project are charged directly to the appropriate project. Expenses that are attributable to more than one particular project are allocated based on a percentage method at a rate deemed appropriate by management.

3. ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
SSI Micro Ltd.	\$ 0	\$ 1,399,885
Infrastructure Canada	105,449	1,740,691
CanNor	82,442	111,236
Government of Nunavut	55,000	65,000
Goods and Services Tax	<u>4,413</u>	<u>0</u>
	<u>\$ 247,304</u>	<u>\$ 3,316,812</u>

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

4. SATELLITE SPACE SEGMENT SERVICES

The Canada-Nunavut Broadband Infrastructure I Agreement was re-profiled so the remaining funds available for the four fiscal years beginning April 1, 2009 through to March 31, 2013 were paid up front by Infrastructure Canada and SSI Micro Ltd.

The Canada-Nunavut Broadband Infrastructure II Agreement was negotiated so the funding for satellite capacity was received up front for the five fiscal years beginning April 1, 2008 through to March 31, 2013. The amounts contributed were \$9,331,129 from both Infrastructure Canada and SSI Micro Ltd.

The costs associated with these contributions were also paid out in advance to SSI Micro Ltd. The revenues and costs are to be matched and amortized into income as outlined in the terms of the agreements.

	<u>2011</u>	<u>2010</u>
<u>Satellite space segment services:</u>		
Balance, opening	\$ 21,442,058	\$ 27,407,258
Amortization	<u>(7,152,880)</u>	<u>(5,965,200)</u>
	14,289,178	21,442,058
Less: current portion	<u>(8,261,146)</u>	<u>(7,152,880)</u>
Balance, closing	<u>\$ 6,028,032</u>	<u>\$ 14,289,178</u>
<u>Contributions received in advance:</u>		
Balance, opening	\$ 21,442,058	\$ 27,407,258
NSI I and II Contributions:		
Infrastructure Canada - NSI I	(990,000)	(990,000)
Infrastructure Canada - NSI II	(2,365,440)	(1,881,600)
Network licence fees - SSI Micro Ltd.	<u>(3,797,440)</u>	<u>(3,093,600)</u>
	14,289,178	21,442,058
Less: current portion	<u>(8,261,146)</u>	<u>(7,152,880)</u>
Balance, closing	<u>\$ 6,028,032</u>	<u>\$ 14,289,178</u>

Contributions received in advance and satellite space segment services are expected to be amortized as follows:

2012	\$ 8,261,146
2013	<u>6,028,032</u>
	<u>\$ 14,289,178</u>

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

5. QINIQ NETWORK AND OFFICE EQUIPMENT

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Qiniq Network				
Broadband network	\$ 7,430,130	\$ 6,472,195	\$ 957,935	\$ 1,368,478
Structures	846,750	183,950	662,800	690,417
Equipment	15,496	11,434	4,062	5,078
Computer Equipment				
Computer hardware	205,938	197,905	8,033	14,604
Office Equipment				
Computer equipment	13,798	13,502	296	538
Furniture and fixtures	<u>6,761</u>	<u>5,166</u>	<u>1,595</u>	<u>1,994</u>
	<u>\$ 8,518,873</u>	<u>\$ 6,884,152</u>	<u>\$ 1,634,721</u>	<u>\$ 2,081,109</u>

6. NOTES PAYABLE

	<u>2011</u>	<u>2010</u>
Baffin Business Development Corporation term loan, unsecured. The loan is repayable in monthly installments of interest only with interest at 10%. Due March, 2011.	\$ 81,447	\$ 151,000
SSI Micro Ltd. promissory note and assignment of GST refund. Non-interest bearing, unsecured. Due April 30, 2010.	<u>0</u>	<u>37,500</u>
	<u>\$ 81,447</u>	<u>\$ 188,500</u>

7. DUE TO SSI MICRO LTD.

SSI Micro Ltd. has agreed to carry the amounts due to SSI Micro Ltd. until long term debt or other financing is utilized. These amounts are due on demand, unsecured and non-interest bearing.

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

8. LONG TERM DEBT

	<u>2011</u>	<u>2010</u>
Nunavut Business Credit Corporation term loan, secured by specific Qiniq Network equipment, a general security agreement and guarantee by the Company. The loan is repayable in blended monthly installments of \$9,924 with interest at 5.75% per annum. Due June, 2011.	\$ 346,484	\$ 442,882
Nunavut Business Credit Corporation term loan, secured by specific Qiniq Network equipment, a general security agreement and guarantee by the Company. The loan is repayable in blended monthly installments of \$5,315 with interest at 8.0% per annum. Due May, 2011.	7,425	68,003
Atuqtuarvik Corporation fixed term loan, secured by specific Qiniq Network equipment, a general security agreement, assignment of accounts receivable and revenues related to the Qiniq Network, and unlimited guarantee by the Company. For the first year, the loan was repayable in monthly installments of interest only at 7.25% per annum. Starting October, 2007 the loan is repayable in blended monthly installments of \$18,137 with interest at 7.25% per annum. Due September, 2011.	<u>1,711,573</u>	<u>1,801,513</u>
	2,065,482	2,312,398
Less: current portion	<u>2,065,482</u>	<u>593,344</u>
	<u>\$ 0</u>	<u>\$ 1,719,054</u>

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

9. DEFERRED CAPITAL CONTRIBUTIONS

		<u>2011</u>			<u>2010</u>
		<u>Original</u> <u>Cost</u>	<u>Accumulated</u> <u>Amortization</u>	<u>Unamortized</u> <u>Balance</u>	<u>Unamortized</u> <u>Balance</u>
Qiniq Network					
Industry Canada	30%	\$ 3,885,000	\$ 3,427,934	\$ 457,066	\$ 652,952
SSI Micro Ltd.	30%	280,365	163,593	116,772	166,817
2.5 GHz Upgrade					
Indian and Northern					
Affairs Canada	30%	346,719	305,928	40,791	58,273
Government of					
Nunavut	30%	250,000	220,588	29,412	42,017
Hamlets	30%	220,000	194,118	25,882	36,975
Computer Equipment					
Indian and Northern					
Affairs Canada	45%	186,422	179,150	7,272	13,220
Government of					
Nunavut	45%	<u>19,516</u>	<u>18,755</u>	<u>761</u>	<u>1,384</u>
		<u>\$ 5,188,022</u>	<u>\$ 4,510,066</u>	<u>\$ 677,956</u>	<u>\$ 971,638</u>

10. INCOME TAXES

NBDC Inc., a wholly owned subsidiary, has non-capital losses carried forward of \$2,076,013. The tax benefits related to these losses expire as follows:

2016	\$ 414,761
2027	777,469
2028	557,416
2029	244,375
2030	<u>81,992</u>
	<u>\$ 2,076,013</u>

The tax benefits related to the non-capital losses carried forward have not been included in these financial statements.

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

11. ECONOMIC DEPENDENCE

The Company receives the majority of its funding from the Governments of Canada and Nunavut. Without continued funding from the Governments of Canada and Nunavut, it is unlikely the Company's operations would be able to continue.

12. COMMITMENTS

The Company has signed a share purchase option agreement. The agreement grants SSI Micro Ltd. the sole and exclusive option, irrevocable until the expiry or other termination of the Network Agreement, which is the earlier of March 31, 2019 and the end of the commercially useful life of the Network Property, to purchase all, but not less than all, of the issued shares in the capital stock of the Company's wholly owned subsidiary, NBDC Inc., which currently consists of 100 common shares, for an aggregate price equal to the amount of all debts and other obligations of the Company and NBDC Inc., including without limitation, all obligations secured by Permitted Encumbrances, as defined pursuant to the Network Agreement, plus one dollar (\$1.00). Provided that any such purchase will not contravene any term, condition or restriction, express or implied, of any Permitted Encumbrances, the IC Contribution Agreement, or the NSI Contribution Agreement as such terms are defined by the Network Agreement.

13. GOING CONCERN ISSUE IN NBDC INC.

The financial statements of NBDC Inc., a wholly owned subsidiary, have been prepared in accordance with Canadian generally accepted accounting principles that are applicable to a going concern, meaning that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, there is uncertainty about the Company's ability to realize its assets and discharge its liabilities. The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, because management believes that the measures it intends to take will mitigate the conditions that raise doubt about the appropriateness of the going concern assumption.

14. COMPARATIVE AMOUNTS

Certain 2010 financial statement amounts have been reclassified to conform to the financial statement presentation adopted in the current year.

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
SCHEDULE OF OPERATIONS BY ACTIVITY
FOR THE YEAR ENDED MARCH 31, 2011

	Infrastructure I - Qiniq Assets/Debt	Infrastructure I NSI	Infrastructure II INFC	Infrastructure II EDT	Infrastructure II CanNor	Core Operations
REVENUES						
Infrastructure Canada	\$ 0	\$ 990,000	\$ 90,934	\$ 0	\$ 0	\$ 0
CanNor	0	0	0	0	82,442	0
Government of Nunavut	0	0	0	125,000	0	285,882
Network licence fees	400,514	1,432,000	0	0	0	0
Other	0	0	0	0	0	1,429
Deferred capital contributions	293,683	0	0	0	0	0
	694,197	2,422,000	90,934	125,000	82,442	287,311
EXPENSES						
Application Development						
Marketing and promotion	0	0	0	8,680	0	7,128
Research	0	0	0	0	0	348
Training	0	0	0	0	0	495
Web site development	0	0	0	0	0	2,165
	0	0	0	8,680	0	10,136
General and Administrative						
Bad debts	0	0	0	0	0	3,771
Bank charges and interest	0	0	0	0	0	14,881
Freight	0	0	0	0	0	743
Insurance	0	0	0	0	0	2,970
Interest on long term debt	152,012	0	0	0	0	0
Rent	0	0	0	0	0	21,689
Repairs and maintenance	0	0	0	0	0	90
Miscellaneous	0	0	0	1,985	0	1,389
	152,012	0	0	1,985	0	45,533
Office						
Office supplies	0	0	0	84	0	3,764
Telephone and internet	0	0	0	0	0	7,743
Translation	0	0	160	1,107	0	4,354
	0	0	160	1,191	0	15,861
Professional Fees						
Audit	0	0	10,313	0	0	26,256
Audit - other	0	0	2,450	0	0	0
Legal	0	0	0	0	0	10,414
Management	0	0	61,743	87,435	79,885	169,120
	0	0	74,506	87,435	79,885	205,790
Salaries and Wages						
Sub-contractors	0	0	0	0	0	150
Travel and meetings	0	0	16,268	25,940	2,557	14,022
Depreciation	446,388	0	0	0	0	0
Satellite space segment services	0	2,422,000	0	0	0	0
	598,400	2,422,000	90,934	125,231	82,442	291,492
EXCESS REVENUES (EXPENSES)	\$ 95,797	\$ 0	\$ 0	\$ (231)	\$ 0	\$ (4,181)

NUNAVUT BROADBAND DEVELOPMENT CORPORATION
SCHEDULE OF OPERATIONS BY ACTIVITY
FOR THE YEAR ENDED MARCH 31, 2011

	Classro Satellite Capacity INFC	Generic Tool Satellite Capacity INFC	Qiniq 2000 Satellite Capacity INFC	Shared Recruiting	Total
REVENUES					
Infrastructure Canada	\$ 88,688	\$ 1,152,705	\$ 2,365,440	\$ 0	\$ 4,687,767
CanNor	0	0	0	0	82,442
Government of Nunavut	0	0	0	14,118	425,000
Network licence fees	0	1,152,705	2,365,440	0	5,350,659
Other	0	0	0	16,118	17,547
Deferred capital contributions	0	0	0	0	293,683
	88,688	2,305,410	4,730,880	30,236	10,857,098
EXPENSES					
Application Development					
Design and development	0	0	0	3,280	3,280
Marketing and promotion	0	0	0	8,397	24,205
Research	0	0	0	0	348
Training	0	0	0	0	495
Web site development	0	0	0	4,905	7,070
	0	0	0	16,582	35,398
General and Administrative					
Bad debts	0	0	0	0	3,771
Bank charges and interest	0	0	0	0	14,881
Freight	0	0	0	0	743
Insurance	0	0	0	0	2,970
Interest on long term debt	0	0	0	0	152,012
Rent	0	0	0	0	21,689
Repairs and maintenance	0	0	0	0	90
Miscellaneous	0	0	0	0	3,374
	0	0	0	0	199,530
Office					
Office supplies	0	0	0	0	3,848
Telephone and internet	0	0	0	0	7,743
Translation	0	0	0	2,604	8,225
	0	0	0	2,604	19,816
Professional Fees					
Audit	0	0	0	0	36,569
Audit - other	0	0	0	0	2,450
Legal	0	0	0	0	10,414
Management	0	0	0	11,050	409,233
	0	0	0	11,050	458,666
Salaries and Wages					
Sub-contractors	0	0	0	0	150
Travel and meetings	0	0	0	0	58,787
Depreciation	0	0	0	0	446,388
Satellite space segment services	88,688	2,305,410	4,730,880	0	9,546,978
	88,688	2,305,410	4,730,880	30,236	10,765,713
EXCESS REVENUES (EXPENSES)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 91,385