

**SUNAVUT BROADBAND DEVELOPMENT  
CORPORATION  
FINANCIAL STATEMENTS  
MARCH 31, 2004**

**NUNAVUT BROADBAND DEVELOPMENT CORPORATION**  
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**MARCH 31, 2014**

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## AUDITORS' REPORT

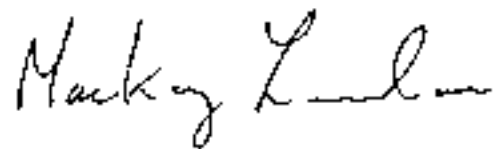
To the Members of

Nanavut Broadband Development Corporation

We have audited the statement of financial position of the Nanavut Broadband Development Corporation as at March 31, 2016 and the statements of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the Corporation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Corporation, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2016 and the results of its operations and financial flows for the year then ended in accordance with Canadian generally accepted accounting principles.



CHARTERED ACCOUNTANTS

Town of Nanavut  
14, 15, 2016

**NU SAUVU BROADBAND DEVELOPMENT CORPORATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
<b>REVENUE</b>		
DIAN/DI/N/0/31	\$ 36,856	\$ 35,000
Excess - Canada	0	30,000
Department of Sustainable Development	50,000	0,000
Contributions to AMO	14,502	15,000
Other Revenue	3,597	0
	<u>115,955</u>	<u>117,598</u>
<b>EXPENSES</b>		
Communications	0	4,806
Consulting fees	173,990	15,000
Interest and bank charges	299	24
Office rent	46,367	0
Translators	3,400	0
Office	3,138	673
Professional fees	8,800	4,300
Rent	8,000	1,000
Travel	62,270	20,000
Telecommunications	12,112	308
Other	3,324	3,000
	<u>441,694</u>	<u>80,108</u>
<b>EXCESS REVENUES (EXPENSES)</b>	<b>\$ (325,839)</b>	<b>\$ (31,610)</b>

**NUNAVUT BROADBAND DEVELOPMENT CORPORATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31, 2007**

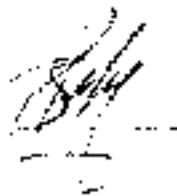
	<u>2006</u>	2005
<b>BALANCE, OPENING</b>	\$ 31,167	\$ 0
Excess revenues (expenses)	1,256,850	<u>31,167</u>
<b>BALANCE, CLOSING</b>	\$ <u>1,288,017</u>	\$ <u>31,167</u>

**NUNAVUT BROADBAND DEVELOPMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2014

	<u>2014</u>	2013
<b><u>ASSETS</u></b>		
<b>CURRENT</b>		
Cash	\$ 1,412	\$ 1,056
Accounts receivable	<u>22,968</u>	<u>34,726</u>
	<u>\$ 24,380</u>	<u>\$ 35,782</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<u>\$ 11,928</u>	<u>\$ 4,645</u>
<b><u>NET ASSETS</u></b>		
<b>UNRESTRICTED FUND</b>	(9,718)	41,137
	<u>\$ 14,662</u>	<u>\$ 35,812</u>

**APPROVED BY THE BOARD:**

\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

**NUNAVUT BROADBAND DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

**1. NATURE OF THE ORGANIZATION**

The Nunavut Broadband Development Corporation was incorporated under the *Canada Corporations Act* on November 1, 2012. The purpose of the Corporation is to facilitate the development, growth and availability of satellite based communication technology throughout the 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 Corporation is a not for profit organization and is exempt from income tax under Sec. 149(1) of the *Income Tax Act* (Canada).

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for the year involves the use of estimates and approximations that have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality within the framework of the accounting policies summarized below:

**(a) Fund accounting**

The General Fund represents unrestricted resources and accounts for the Corporation's general operating and administrative activities.

**(b) Revenue Recognition**

Contributions are recognized in the General Fund in the year 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.

**(c) Financial Instruments**

The Corporation's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying value.

**SUNAVIT BROADBAND DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2004**

**3. DIAND COMPREHENSIVE FUNDING ARRANGEMENT**

The Corporation entered into a funding arrangement on February 3, 2004 with the Minister of Industry, Innovation and Northern Development. The following expenses have been applied to the arrangement:

	<u>2004</u>	<u>2003</u>
Construction fees - managerial	\$ 30,461	\$ 15,178
Consulting fees - technical	2,122	8,960
Professional fees - legal	3,619	1,822
Contingency	<u>65,000</u>	<u>0</u>
	<u>\$ 101,202</u>	<u>\$ 25,960</u>

**4. RELATED PARTY TRANSACTIONS**

During the year, the Corporation entered into the following transactions with officers and directors of the company:

	<u>2004</u>	<u>2003</u>
Consulting fees and subsistence expense	<u>\$ 154,256</u>	<u>\$ 0</u>

At March 31, 2004, \$144,098 (2003 - \$0) was due to officers and directors of the company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established by the related parties.

**5. STATEMENT OF CASH FLOWS**

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

**6. ECONOMIC DEPENDENCE**

The Corporation receives the majority of its funding from the Government of Canada. Without continued funding from the Government of Canada, it is unlikely that the Corporation's operations will not be able to continue.

**NUNAVUT BROADBAND DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2014

**7. SUBSEQUENT EVENTS**

Subsequent to year-end, Nunavut Broadband Development Corporation incorporated a wholly owned subsidiary, NBDC Inc. The corporation entered into the following contracts subsequent to March 31, 2014:

**1)** A contribution agreement to a maximum of \$3,588,000 was signed with Industry Canada. These funds will be used for the development and installation of a broadband network in Nunavut.

Kakivak Association provided a loan, amounting of up to \$22,000 to match funds with the Industry Canada contribution agreement.

**2)** Financing was secured from Aniqtauvik Corporation comprising of a term loan of \$2,000,000 and an equity investment of \$1,000,000.

Interest only payments are required on the term loan for the first year, thereafter blended monthly payments of \$18,117 are required for the remainder of the 5 year term. Interest is calculated at 7.28% per annum.

The equity portion of financing consists of redeemable shares with semi-annual cumulative dividends. The dividend rate is set at the Board of Directors to plus 2%, but will not exceed 5%. At the end of the 5 year financing agreement, Aniqtauvik Corporation has the right to require NBDC Inc. to redeem all or part of the purchased shares at their subscription price.

**3)** An application for a loan from Nunavut Business Credit Corporation was approved for \$777,000. The loan will be used to repay and cancel the loan guarantee from Kakivak Association. The remaining funds will be used to develop the broadband network in Nunavut.

**4)** An agreement was signed between NBDC Inc. and an outside contractor to maintain and provide network services for Nunavut's broadband network. The agreement will end the earlier of March 31, 2014 or the effective date of NBDC Inc. assets.

**5)** An agreement was signed between NBDC Inc. and a third party to purchase assets to support the development of a broadband network. The anticipated purchase price is \$1,000,000.