

TRAVEL

NUNAVUT

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Travel Nunavut Industry Association
Association de l'industrie du voyage du Nunavut
Aulaqniq Nunavut Namminiqaqtunut Katimayingit
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2020 – 2021 ANNUAL REPORT







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Overview

MANDATE

Travel Nunavut's principal mandate is to build and serve its membership, provide workshops, increase member benefits and advocate on behalf of its members. Additionally, Travel Nunavut has a strategic framework in place to increase industry standards in the areas of training and product development in collaboration with the Government of Nunavut.

VISION

Supporting our membership by development and promoting excellence with the tourism trade and advocating on their behalf.

MISSION

Travel Nunavut is a not-for-profit membership association that encourages tourism development by providing specialized knowledge and expertise in four key areas:

- Member Marketing
- Research & Communication
- Market Readiness
- Advocacy

CEO'S REPORT

To say 2020-21 was a year like no other for Tourism would be an understatement. As the global pandemic hit as the year started, tourism was without doubt the hardest hit sector. While Nunavut is to be commended for keeping COVID out of the territory for many months and controlled when it did enter, it wasn't without consequences to the sector. Travel Nunavut wears the responsibility of advocating for the tourism industry. In a normal year this may be on key policy issues or increased funding for operators. In a pandemic year, that advocacy is for survival. We pivoted much of typical operations to be responsive and reflective of the current situation. This included taking the down time to build up members' digital marketing presence, redefining our marketing goals and objectives, offering unique marketing training to members. Without being able to offer actual trips, it was key to our members stay relevant to audiences who are seeking information about travel and activities in Nunavut.

Key deliverables this year included:

- 7 Inuit Operator websites developed
- Updated Marketing Plan
- 6 different training courses related to marketing and 2 new operations focused offered
- New content developed for the website (Stories that featured members)
- Digital Marketing including display and search advertising
- Support for small operators through ShopNU initiatives
- A hybrid model AGM which included in-person and online events

We have had many lessons learned from this past year and as such we have grown as an organization in our knowledge. In addition, we put supporting our members as a focus of the year, including waiving membership fees, running a Coop advertising program with no fees and providing training opportunities. We feel stronger and more ready to help our members weather the impacts of a global pandemic. We remain committed to the priorities we established for the year, as these are long term goals, aimed at supporting the sector as a whole. We are looking forward to seeing a return to a thriving sector in Nunavut in the coming years.

TOP PRIORITIES FOR TRAVEL NUNAVUT IN 2020-2021

- Member Market readiness – With 60 Inuit operators, the goal is to have 10% of them market or trade ready by the end of the fiscal year
- Member design and consultation services – Help members create a “brand” for their business. Logo design, business card, brochure, etc.
- Tourism Entrepreneurship – Introduce anyone interested in tourism to the opportunity to start their own business and what Travel Nunavut has to offer to help them with this transition



Marketing activities

Marketing operators in a year when borders were closed, and during the worst crisis to hit the tourism sector, is a delicate balance. It is important to ensure people know the operator but also that it's done in a respectful way sensitive to what's going on. Understanding this, Travel Nunavut developed an updated and comprehensive marketing plan reflective of the impacts of Covid. The plan outlined goals and objectives for the organization to undertake in their marketing for the year. This plan guided all marketing activities - and while the plans set up goals and objectives, it did not set specific KPIs because of the state of the industry and COVID. It did, however, include some recovery recommendations and approaches.

GOALS

- To build awareness and generate sales for Travel Nunavut members who offer tourism products and services in Nunavut.
- To offset losses in visitation and visitor revenues experienced from key domestic and international markets as a result of COVID-19.
- To increase the number of visitors from the domestic market once the Nunavut border reopens to other areas of Canada.
- To capitalize on new opportunities that have resulted from the COVID-19 crisis, including new marketing and funding programs.
- To form strategic partnerships that will leverage marketing funding and expand market reach.

OBJECTIVES

- To develop advertising promotions that target Nunavut residents, with a focus on digital marketing.
- To ensure Travel Nunavut has an active presence on all key digital platforms (Facebook, Instagram, TripAdvisor).
- To provide opportunities for members of Travel Nunavut to participate in cooperative marketing campaigns.
- To identify cooperative marketing opportunities with Destination Canada (DC), Destination Nunavut, and the Indigenous Tourism Association of Canada (ITAC) in an effort to promote Travel Nunavut members.
- To partner with other businesses, such as the airlines and hotels, to support the development of tourism packages.



ACTIVITIES

OPERATOR WEBSITE PROJECT

The work under this project was to create a cohesive approach to build 12 operator websites over two years, knowing each operator will have their own unique and specific needs.

In the first phase, we collaborated with Travel Nunavut to develop a checklist of criteria for operators to be considered for this project. While determining the first operators we will work with, the developers worked on the creation of an updated general site map that can be used as a template for each site and a recommendation on WordPress platform. This was the starting point for when we met with operators to assess their needs, anticipating roughly 75% of the site structures will be the same for each operator. Discovery Sessions were then scheduled with the Travel Nunavut team, the operators and Outcrop Developers to start gathering content.

In year one, we have been focusing on 7 Inuit- owned operator websites : Tikippugut Outfitting, Pirursiak Arctic Tours, Arctic Wilderness Guiding and Outfitting, Arctic Bay Adventures, Nuna Outfitting, Polar Ice Adventures and Uasau Soap.

USAU SOAP had an existing functional website. To add to their value, the focus was on developing a social media strategy, placing a search ad campaign and Google Analytics for 3 month, as well as a Facebook ad strategy and purchase.

TIKIPPUGUT OUTFITTING is a new operator based in Iqaluit. This required to build the website from scratch, with using as much content as possible from the operator. Photos, logo, content were provided, which was then polished by our copywriter. <https://tikippugut-outfitting.tno.ub9.outcrop.com/> This website is now live, and the final URL is : <https://tikippugut.com/>

PIRURSIK ARCTIC TOUR have their activity in Hall Beach. While they already had a website, it was not maintained anymore. As Tikippugut Outfitting, meetings were set to discuss content and develop packages with the help of the copywriter. Pirursiak website will be ready to go live once they have their outfitting license <https://pirursiak-arctic-tours.tno.ub9.outcrop.com/>

ARCTIC WILDERNESS GUIDING AND OUTFITTING are based in Nauyasat. Their current website has not been maintained, we rebuilt it, using the Wordpress template. Meetings were set to obtain content from the operator, photos and logo. Here again, packages were written by the copywriter. <https://arctic-wilderness.tno.ub9.outcrop.com/> This website is now live, and the final URL is : <https://arcticwildernessoutfitter.ca/>

ARCTIC BAY ADVENTURE did not need a website rebuilt at that time. To help the operator, we did upgrades on the backend.

NUNA OUTFITTING is a new operator based in Iqaluit. As they do not operate yet but in the process to, we built the website from scratch, including designing their logo. Nuna Outfitting website will be ready to go live once they have their outfitting license. <https://nuna-outfitting.tno.ub9.outcrop.com/>

POLAR ICE ADVENTURES is reactivating their business and has had their website updated accordingly. The site is completed and pending content and packages to load. <http://polar-ice-adventures.ub8.outcrop.com/>





CO-OP CAMPAIGN

Travel Nunavut runs a yearly co-op advertising campaign that is open to all members. The purpose of this is to leverage buying power so that members can take advantage of large market opportunities at affordable prices.

The search ads entered the market in July 2020 and after the first day, the click-through rate was continuously increasing with the drop of CPC. The search ads were highly optimized and targeted. The quarter two average cost per click was \$3.27, which declined to 36% in quarter three and recorded as \$2.27 per click.

In quarter two, 174,926 impressions and 4,735 clicks were recorded with an ad spend of \$12,060.

Quarter three performed 35% better than quarter two, which calculated 251,345 impressions and 9,756 clicks with the ad spend of \$12,707.

The click-through rate also increased by 41% in quarter three when we compared it to quarter two. The quarter two CTR was recorded at 2.54%, which inclined to 3.85% in the third quarter.

The fourth quarter budget was divided into search and display ads. Even after the change in budget, the cost per click was continuously decreasing. The average cost per click of fourth quarter was recorded as \$1.31. The highest click-through rate was recorded in the fourth quarter with the highest average rate of 4.39%. Despite a low budget, the fourth quarter recorded 20,050 clicks from 537,423 impressions.

In 2020, Travel Nunavut launched 7 ads on our website. The display ads entered the market in February. The performance of display ads continued to rise until the end of fourth quarter, around 3,493 clicks were recorded in two months. The CTR was increased by 31% in March as compared to February, which indicates a good signal for the future. After the ad spend of \$5,624, we were able to record 519,868 impressions with a cost per click of \$1.67.

DIGITAL MARKETING ACTIVITIES

The Travel Nunavut website is now a few years old and continues to adapt and attract potential tourists to our member operators. We continue to encourage our members to keep their profiles up to date with some exciting packages. As the COVID-19 pandemic had such an impact on tourism operators everywhere, we have added more quality content to our website to support our members and their businesses. The new training tab on the website gives members the opportunity to watch important webinars they may have missed to keep them informed and up to date on different areas of operations. Another new feature within training includes new programs that members as well as non-members can access through partnerships with Emerit and Clean It Right! We consistently strive to ensure the website is inviting, up to date and stocked with the amazing content of what our members have to offer.

Early into COVID response in an attempt to drive support for local operators, Travel Nunavut led the way on the development of

a quick staycations website. This included collecting and promoting all packages being offered by operators within Nunavut.

Extranet

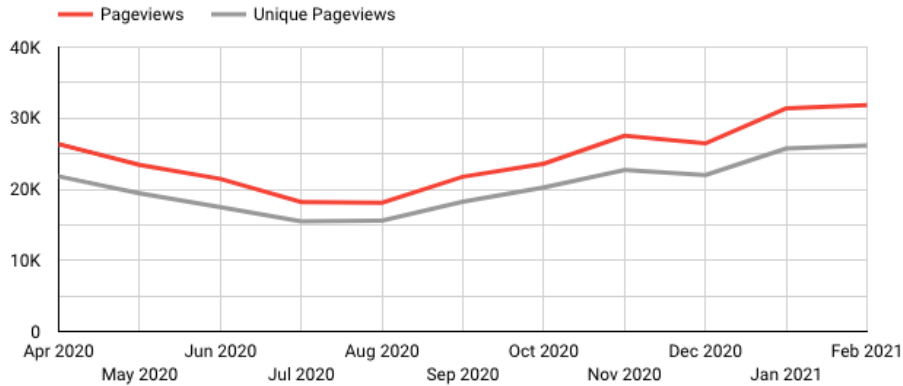
Since the launch of the database in June 2018, it has been a learning curve for not only members but our Travel Nunavut team. We continue to encourage members to update their accounts and upload any available packaging with as much information as possible. The database continues to be an advantageous tool for members providing the flexibility in updating listings any information any hour of the day or night.

Members can access things through the database such as membership certificates, receipts, and any information input for their business.

Website Results

Web Results is the measurement, collection, analysis, and reporting of web data to understand and optimize web usage. Web analytics/ web results is not just a process for measuring web traffic, it can be used to estimate how traffic to a website changes after launching a new advertising campaign. Web analytics provides information about the number of visitors to a website and the number of page views. It helps gauge traffic and popularity trends, which is useful for market research.

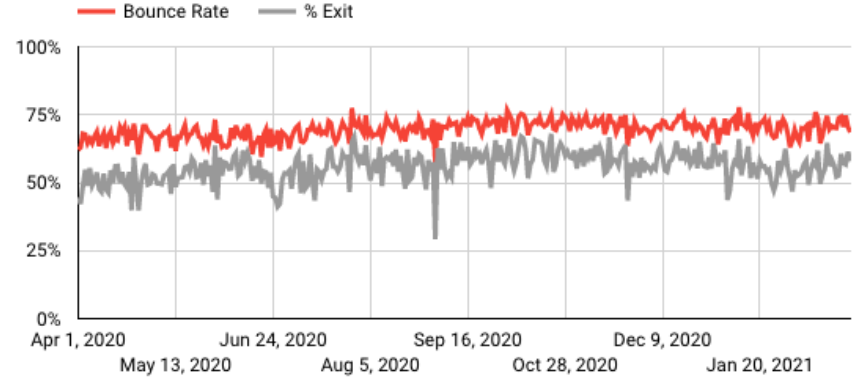
Traffic Overview



Pageviews
270,142

Unique Pageviews
224,937

Avg. Time on Page
00:02:20



Bounce Rate
69.60%

% Exit
55.31%

Pages / Session
1.81

GA>> Behaviour > Overview > April 1, 2020 - Feb 28, 2021

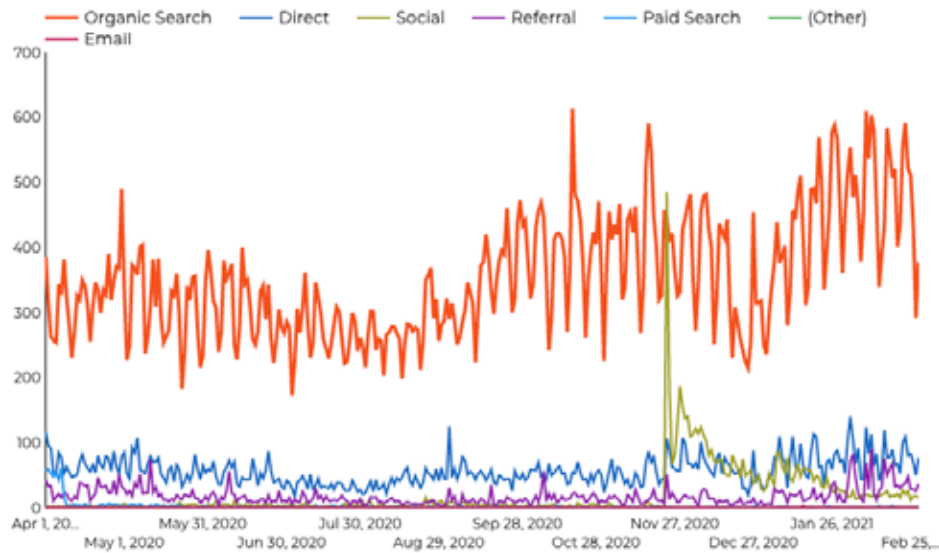
The first two quarters started with a small decline in traffic and recorded as low as 181904 pageviews in the month of August.

Despite a small decline in the first two quarters, the pageview continued to rise until the end of the year, around 16%

of users visited the same page twice in the year 2021, which considered a good retention rate for a website. The quarter fourth performed really well as it steadily increased from the beginning and was able to record the peak of 31848 pageviews in the month of February.

GA>> Behaviour > Overview > April 1, 2020 - Feb 28, 2021

The bounce rate and exit rate was steady in the whole year, The average bounce rate was 69% in all quarters with the highest touch point of 71% in the month of October. The page session was recorded as 1.81, which means the maximum users viewed more than one page at a same time.

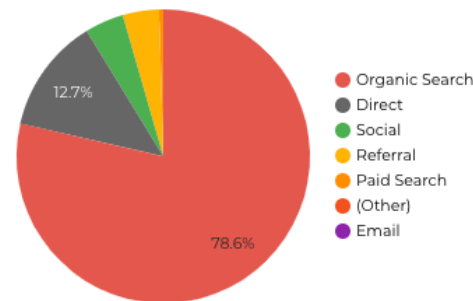


Organic channels had a big contribution in the overall traffic. Despite getting many fluctuations, organic traffic was quite active and was able to bring the highest number of traffic in February, 2021, around 12846 users were recorded. Overall, 113268 organic sessions were recorded in the year of 2020-2021 session.

Direct traffic was the second highest contributor after organic channels, which clearly illustrate the website value in the digital world. In the direct traffic analysis, the same kind of customer behavior is recorded, a small decline in traffic for the first four months, a big surge was reported after the month of August, which indicates high organic traffic in the coming months.

Social media was the third contributor in digital channels, around 6278 sessions were recorded in a year. Social media channels were not quite active in the first two quarters; only 621 sessions were recorded in the first six months. The third quarter began with a big surge in traffic and was able to record the peak of 1734 sessions in the month of December, overall 3798 sessions were calculated in the third quarter. After the biggest hit in December the fourth quarter started declining and calculated 1859 sessions until the end of February, 2021.

Except the beginning of the 1st quarter the paid search was not active; only 684 sessions were recorded and out of 684 sessions 391 sessions were recorded in the first quarter.



All the marketing channels made their contribution except email marketing.

The organic channel considered as a big contributor, around 78% traffic generated through organic on the other side, direct was 12.7%. Moreover, social media contributed 4%, which has high tendency to bring more traffic in the future.

| City | Sessions |
|-----------------|----------|
| 1. (not set) | 12,389 |
| 2. Toronto | 10,001 |
| 3. Calgary | 5,609 |
| 4. Ottawa | 4,947 |
| 5. Montreal | 4,060 |
| 6. Edmonton | 3,512 |
| 7. Iqaluit | 3,460 |
| 8. Winnipeg | 3,389 |
| 9. Vancouver | 1,929 |
| 10. London | 1,883 |
| 11. Mississauga | 1,813 |
| 12. Brampton | 1,571 |
| 13. Casablanca | 1,437 |

In keeping with trends, we saw last year, metro cities continue to be top geographic performers across all factors including traffic. The maximum number of sessions were recorded by the city of Toronto (10001 sessions). With the contribution of 5609 sessions, Calgary was able to acquire a second position in the list of top cities and Ottawa is third with 4947 sessions.

Discovering positive growth in Western Canada has been important, as it means we're expanding our reach, and connecting with our audience nation-wide.

Operations

BUSINESS RESOURCES

TN Website -You can find member benefits, membership applications as well as a place to promote packages.

Training Material -TN has a variety of guides, videos and books on operating a tourism business, sample policies/ procedures and sample packaging. We now offer online tourism industry training in partnership with Emerit and Clean It right. We have also been able to add Financial Support Services to our member benefits.

Members Newsletter -TN sends out a newsletter to members monthly. In addition to the monthly newsletters, we sent out updates throughout the COVID-19 pandemic to ensure our members had the most up to date information regarding the industry and any funding and program available to help keep tourism operators afloat at a time of uncertainty.

Workshops -TN was able to host workshop virtually in partnership with WSCC, Outcrop Nunavut, Twenty31. Workshop topics ranged from advertising, social media and target marketing. During the Annual General Meeting, we were able to have workshops around Culinary Tourism, Product Development and Packaging, Shoulder Season Tourism and Risk Management with hosts Margaret

Hollis as well as The Power of Customer Service with Terry O'Reilly. We were able to record most of these workshops and webinars and post them onto our website for anyone who missed it.

FAM Trips -TN offers members the opportunity to showcase their business by bringing in photographers, bloggers and journalists

Trade Shows -You can attend trade shows, conferences and consumer events geared to learning and promoting your business

ANNUAL GENERAL MEETING

This year Travel Nunavut hosted our AGM at the Frobisher Inn.

We had presentations on topics such as Culinary Tourism, Product Development and Packaging with Ron Ostrom from Outcrop, Shoulder/Winter season Tourism with Twenty31, Risk Management with Margaret Hollis and The Power of Customer Service with Terry O'Reilly.

The newly elected board and the new members were also introduced. Board members that attended in-person and virtually were Sarah McNair-Landry, Jason Edmunds, Carole Gobeil, Ed Romanowski, David Monteith, and Martine Dupont. We had a total of 24 members attend the AGM.

At this year's AGM, some changes were made to the Travel Nunavut By-Laws. Elected board members will now hold term for three (3) years instead of two (2) and the elected executives will hold term for two (2) years instead of one (1). These changes will come into effect during 2021-22 Elections.

ADVOCACY

Travel Nunavut has provided advocacy on issues like:

- COVID-19 funding and impacts
- Insurance costs increasing
- Resiliency and resurgence plan post pandemic

CEO AND STAFF TRAVEL

Due to COVID-19 pandemic, Travel Nunavut CEO and Staff did not travel this year.

BOARD NOMINATIONS

- (a) Be made in writing to the Nomination Committee at least forty-five (45) days in advance of the Annual General Meeting;
- (b) Be endorsed by at least two nominators who are members of the Corporation;
- (c) State the reasons why the nominee ought to be considered for election including a brief background of the nominee.

A nominee is a Travel Nunavut member who will stand for election to Travel Nunavut's Board of Directors.

A nominator is a Travel Nunavut member who endorses another member to stand for election to Travel Nunavut's Board of Directors. A nominator may either initiate the nomination process for a member, or be approached by a nominee to endorse their nomination.

Please note: Only fully paid members in good standing with Travel Nunavut may nominate, elect, appoint or be nominated, elected or appointed to the Board of Directors.

VOTING

Members voting in the election of Directors may vote by mail, email and fax. The mail, email and fax ballots will be sent to members who have requested them September 7th, 2019 and all ballots must be received no later than September 28th, 2019.

Please note:

- *Travel Nunavut will provide an independent option to use an electronic voting system*
- *All new Board positions will be in place before the AGM. No voting will take place at the AGM*

BOARD ELECTIONS

Call for nominations for open board positions went out on August 14th, 2020 and closed September 12th, 2020. We had 5 nominations for 5 positions. Voting opened on September 18th, 2020 and closed on October 10th, 2020.

Voted on to the board was:

- Travel Trade Sector-Carole Gobeil
- Outdoor Adventure Sector-Martine Dupont
- Transportation Sector-Patrick Akpalialuk
- Arts Sector-Alannah Johnston
- Qikiqtani Region Sector-Sarah McNair-Landry

The first meeting of the board was to elect the executive on November 3rd, 2020.

The following list shows the positions each person is filling:

- **Chairman – Patrick Akpalialuk**
Canadian North (Transportation Sector) term end 2022
- **Vice/Chair – Jason Edmunds**
Adventure Canada (Cruise Sector) term end 2021
- **Secretary/Treasurer – Ed Romanowski**
Frobisher Inn (Accommodations Sector) term ends 2021
- **Arts - Alannah Johnston**
Alianait Entertainment - term end 2022
- **Outdoor Adventure – Martine Dupont**
Inukpak Outfitting – term end 2022
- **Travel Trade – Carole Gobeil**
Far Horizons – term end 2022
- **Hunting & Fishing Sector – Levi Uttak**
Igloo Tourism and Outfitting – term end 2021
- **Qikiqtaaluk Region – Sarah McNair Landry**
Northwinds Arctic Expeditions – term end 2022
- **Kivalliq Region – Jack Ediger**
Arctic Co-operatives Limited – term end 2021
- **Kitikmeot Region – Peter Akkikungnaq**
Gjoa Haven Tours – term end 2021
- **Ex-officio – David Monteith**

INUIT EMPLOYMENT PLAN

Travel Nunavut has a priority hiring policy for Inuit who meet the qualifications of a position. This policy applies to all positions within the organization.

LANGUAGE PLAN

Travel Nunavut has a language plan in place that is provided by the Language Commissioner. This plan ensures that communication to members is translated into Nunavut's official languages.

MEMBERSHIP

46% INUIT OWNED BUSINESSES - These are member companies that are 51% Inuit owned, that live and work in the communities they call home.

34% NORTHERN OWNED BUSINESSES - These are member companies that are not Inuit owned, however they are headquartered in Nunavut and live in Nunavut.

20% SOUTHERN OWNED BUSINESSES - These are member companies that do not have a head office in Nunavut but do offer tourism related products in Nunavut. This includes adventure companies, cruise ship companies and hotels.

Travel Nunavut relies on its membership to participate and be engaged in the tourism industry in Nunavut. In 2020, Travel Nunavut had 60 Inuit owned businesses, 45 Northern owned businesses and 27 Southern owned businesses for a total of 132 members.

MARKETING ASSISTANCE PROGRAM

This year we had a total of 37 applicants for the Marketing Assistance Program. Of the 37, 44% were Inuit owned businesses, 35% were Northern owned businesses and 21% were Southern owned businesses.

NEW MEMBERSHIP BENEFITS

- Travel Nunavut now offers free online training for members through Emerit and Clean It Right!
- We have a new website development program where we have worked to develop/update 6 member websites. Another 6 will be developed/updates next year.







FINANCIAL STATEMENT

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LESTER LANDAU
Chartered Professional Accountants


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Independent Auditors' Report

To the Board of Directors of the Nunavut Tourism

Opinion

We have audited the financial statements of the Nunavut Tourism (the Organization), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Iqaluit, Nunavut
June 30, 2021


Chartered Professional Accountants

Nunavut Tourism
STATEMENT OF OPERATIONS
For the year ended March 31, 2021

| | <u>Association Operations & Management</u> | <u>CanNor Projects (Schedule I)</u> | <u>Total 2021</u> | <u>Total 2020</u> |
|--------------------------------------------|--------------------------------------------------------|---------------------------------------------|-----------------------|-----------------------|
| REVENUES | | | | |
| Government of Nunavut | \$ 1,000,000 | \$ - | \$ 1,000,000 | \$ 1,058,036 |
| Repayment | <u>(4,678)</u> | <u>-</u> | <u>(4,678)</u> | <u>(18,409)</u> |
| | 995,322 | - | 995,322 | 1,039,627 |
| Deferred government assistance (Note 7) | <u>856</u> | <u>-</u> | <u>856</u> | <u>1,098</u> |
| | 996,178 | - | 996,178 | 1,040,725 |
| Federal government funding | - | 138,971 | 138,971 | 138,072 |
| Memberships | 50,170 | - | 50,170 | 66,150 |
| Other revenue | <u>27,694</u> | <u>-</u> | <u>27,694</u> | <u>35,574</u> |
| | <u>1,074,042</u> | <u>138,971</u> | <u>1,213,013</u> | <u>1,280,521</u> |
| EXPENSES (Note 9) | | | | |
| Administration | 54,550 | - | 54,550 | 48,098 |
| Board governance | 73,667 | - | 73,667 | 95,238 |
| Office rent and equipment | 149,131 | - | 149,131 | 144,086 |
| Human resources | 247,252 | - | 247,252 | 279,728 |
| Marketing | 336,512 | - | 336,512 | 310,344 |
| Member services | 212,930 | - | 212,930 | 195,638 |
| Project costs | <u>-</u> | <u>138,971</u> | <u>138,971</u> | <u>202,956</u> |
| | <u>1,074,042</u> | <u>138,971</u> | <u>1,213,013</u> | <u>1,276,088</u> |
| EXCESS REVENUES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,433</u> |

Nunavut Tourism
STATEMENT OF CHANGES IN
FUND BALANCE

For the year ended March 31, 2021

| | General <u>Fund</u> | Invested in <u>Capital Assets</u> | Asset Replacement <u>Fund</u> | Total <u>2021</u> | Total <u>2020</u> |
|---------------------------------------|--------------------------|--------------------------------------|----------------------------------|--------------------------|--------------------------|
| BALANCE, OPENING | \$ 568,904 | \$ 4,465 | \$ 43,544 | \$ 616,913 | \$ 612,480 |
| Excess revenues | - | - | - | - | 4,433 |
| Amortization of government assistance | (856) | 856 | - | - | - |
| Amortization | <u>1,817</u> | <u>(1,817)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| BALANCE, CLOSING | <u><u>\$ 569,865</u></u> | <u><u>\$ 3,504</u></u> | <u><u>\$ 43,544</u></u> | <u><u>\$ 616,913</u></u> | <u><u>\$ 616,913</u></u> |

Nunavut Tourism
STATEMENT OF
FINANCIAL POSITION

As at March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------------------|---------------------|-------------------|
| <u>ASSETS</u> | | |
| CURRENT | | |
| Cash and cash equivalents | \$ 516,589 | \$ 659,678 |
| Accounts receivable (Note 3) | 490,358 | 246,953 |
| Prepaid expenses | <u>13,736</u> | <u>16,724</u> |
| | 1,020,683 | 923,355 |
| CAPITAL ASSETS (Note 4) | <u>6,677</u> | <u>8,494</u> |
| | <u>\$ 1,027,360</u> | <u>\$ 931,849</u> |
| <u>LIABILITIES</u> | | |
| CURRENT | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 367,246 | \$ 263,419 |
| Deferred revenue (Note 6) | <u>40,028</u> | <u>47,488</u> |
| | 407,274 | 310,907 |
| DEFERRED GOVERNMENT ASSISTANCE (Note 7) | <u>3,173</u> | <u>4,029</u> |
| | <u>410,447</u> | <u>314,936</u> |
| <u>NET ASSETS</u> | | |
| GENERAL FUND | 569,865 | 568,904 |
| INVESTED IN CAPITAL ASSETS | 3,504 | 4,465 |
| ASSET REPLACEMENT FUND | <u>43,544</u> | <u>43,544</u> |
| | <u>616,913</u> | <u>616,913</u> |
| | <u>\$ 1,027,360</u> | <u>\$ 931,849</u> |

Commitments (Note 10)

APPROVED BY THE BOARD:



Chairperson



Secretary/Treasurer

Nunavut Tourism
STATEMENT OF CASH FLOWS
For the year ended March 31, 2021

| | <u>2021</u> | <u>2020</u> |
|------------------------------------------------------------------|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess revenues | \$ - | \$ 4,433 |
| Items not requiring (providing) cash: | | |
| Amortization of capital assets | 1,817 | 2,334 |
| Amortization of deferred government assistance | <u>(856)</u> | <u>(1,098)</u> |
| | 961 | 5,669 |
| Cash provided by (used for) changes in non-cash working capital: | | |
| Accounts receivable | (243,405) | (41,137) |
| Prepaid expenses | 2,988 | 30,531 |
| Accounts payable and accrued liabilities | 103,827 | (72,224) |
| Deferred revenue | <u>(7,460)</u> | <u>34,391</u> |
| | <u>(143,089)</u> | <u>(42,770)</u> |
| DECREASE IN CASH AND CASH EQUIVALENTS | (143,089) | (42,770) |
| CASH AND CASH EQUIVALENTS, OPENING | <u>659,678</u> | <u>702,448</u> |
| CASH AND CASH EQUIVALENTS, CLOSING | <u>\$ 516,589</u> | <u>\$ 659,678</u> |

Nunavut Tourism
NOTES TO THE FINANCIAL
STATEMENTS

For the year ended March 31, 2021

1. NATURE OF THE ORGANIZATION

Nunavut Tourism is a not-for-profit organization whose mission is to facilitate tourism marketing for Nunavut and to provide support and services to the membership resulting in an increase in tourism visitation to Nunavut. The organization commenced operations on September 15, 1995 and is incorporated under the *Societies Act* of Nunavut.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable and the estimated useful life of property and equipment. Actual results could differ from those estimates.

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short term highly liquid investments that are readily convertible to cash.

(c) Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are measured at fair value.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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

(d) Fund Accounting

The General Fund accounts for the organization's general operating and administrative activities. Invested in Capital Assets contains all the organization's capital asset transactions. The Asset Replacement Fund represents the net appropriation of surplus amounts set aside by the Board of Directors for specific purposes.

Nunavut Tourism
NOTES TO THE FINANCIAL
STATEMENTS

For the year ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

| | |
|--------------------------------------|-----------------------------------|
| Furniture and equipment | 20% declining balance |
| Computers and audio-visual equipment | 30% declining balance |
| Media displays | 30% declining balance |
| Leasehold improvements | straight-line over the lease term |

(f) Deferred Government Assistance

Deferred government contributions represent restricted contributions for the purchase of capital assets and are amortized at the same rates as the assets to which they relate.

(g) Revenue Recognition

The organization follows the deferral method of revenue recognition for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized 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. Revenue from merchandise sales is recognized at the point of sale.

(h) Expense Allocations

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

(i) Contributed services

Volunteers contribute time to the organization in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. ACCOUNTS RECEIVABLE

| | <u>2021</u> | <u>2020</u> |
|-----------------------|-------------------|-------------------|
| Government of Nunavut | \$ 476,913 | \$ 231,591 |
| Government of Canada | 12,815 | 12,864 |
| Trade receivables | <u>630</u> | <u>2,498</u> |
| | <u>\$ 490,358</u> | <u>\$ 246,953</u> |

4. CAPITAL ASSETS

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value 2021</u> | <u>Net Book Value 2020</u> |
|-----------------------------------------|-------------------|-------------------------------------|------------------------------------|------------------------------------|
| Furniture and equipment | \$ 247,924 | \$ 242,072 | \$ 5,852 | \$ 7,316 |
| Computers and audio-visual equipment | 161,173 | 160,842 | 331 | 473 |
| Leasehold improvements | 177,529 | 177,529 | - | - |
| Media displays | <u>88,876</u> | <u>88,382</u> | <u>494</u> | <u>705</u> |
| | <u>\$ 675,502</u> | <u>\$ 668,825</u> | <u>\$ 6,677</u> | <u>\$ 8,494</u> |

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in the accounts payable and accrued liabilities balance is \$24,575 (2020 - \$16,319) of government remittances payable.

6. DEFERRED REVENUE

| | <u>2021</u> | <u>2020</u> |
|-----------------|------------------|------------------|
| Membership Fees | \$ 39,000 | \$ 47,488 |
| CanNor Funding | <u>1,028</u> | <u>0</u> |
| | <u>\$ 40,028</u> | <u>\$ 47,488</u> |

7. DEFERRED GOVERNMENT ASSISTANCE

| | <u>2021</u> | <u>2020</u> |
|----------------------------------------------------|-----------------|-----------------|
| Deferred government assistance - beginning of year | \$ 4,029 | \$ 5,127 |
| Government assistance recognized during year | <u>(856)</u> | <u>(1,098)</u> |
| Deferred government assistance - end of year | <u>\$ 3,173</u> | <u>\$ 4,029</u> |

Government contributions for capital assets are recognized into income at the same rate as the assets to which they relate are amortized.

Nunavut Tourism
NOTES TO THE FINANCIAL
STATEMENTS

For the year ended March 31, 2021

8. FINANCIAL DEPENDENCE

The organization receives the majority of its funding from the Government of Nunavut. Without the continuing support of the government, the organization would be required to find additional financial support or change the operational structure in order to continue operations.

9. EXPENSE BY TYPE

The following is a summary of the expenses reported on the Statement of Operations by the type.

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|---------------------|---------------------|
| Amortization | \$ 1,817 | \$ 2,334 |
| Bad debt | 638 | 3,300 |
| Insurance | 16,724 | 15,777 |
| Marketing | 122,551 | 168,229 |
| Office | 198,147 | 180,435 |
| Professional fees | 156,562 | 79,229 |
| Salaries and benefits | 483,178 | 514,214 |
| Staff training and development | 16,511 | 18,291 |
| Telecommunications | 39,232 | 34,443 |
| Travel and accomodations | 27,190 | 153,267 |
| Workshops | <u>150,463</u> | <u>106,569</u> |
| | <u>\$ 1,213,013</u> | <u>\$ 1,276,088</u> |

10. COMMITMENTS

The organization has signed an agreement for a three year lease of office space ending on June 30, 2022, with an option to renew for an additional 2-year term. Annual payments, including O&M charges are as follows:

| | |
|------|-------------------|
| 2022 | \$ 126,448 |
| 2023 | <u>31,844</u> |
| | <u>\$ 158,292</u> |

11. COVID-19 IMPLICATIONS

The COVID-19 pandemic has developed rapidly during the year and continues to affect businesses in Nunavut and throughout the world. At this stage, the impact on our organization and results has not been significant and based on our experience to date we expect this to remain the case. Consequently, at the time of issuance of these financial statements, the effect that the unexpected, abrupt decline in economic activity will have on the Organization's operations, assets, liabilities, net assets, revenues, and expenses is not yet known.

Nunavut Tourism
CANADIAN NORTHERN
ECONOMIC DEVELOPMENT
AGENCY (CANNOR)

For the year ended March 31, 2021

Schedule 1

| | <u>Website</u> <u>Development</u> | <u>Total</u> <u>2021</u> |
|------------------------|----------------------------------------------------|-------------------------------------------|
| Revenues | | |
| CanNor | \$ 138,971 | \$ 138,971 |
| Expenses | | |
| Project costs | <u>138,971</u> | <u>138,971</u> |
| EXCESS EXPENSES | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

