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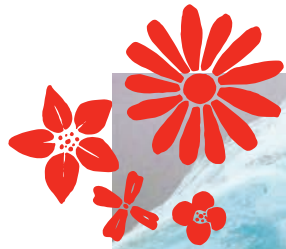


Photo: Frank Wolf

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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



Photo: Sean Scott

CEO'S REPORT

I am pleased to be wrapping up another year supporting and advocating for tourism businesses and the actors in Nunavut. 2021-22 saw us slowly start to emerge COVID but still experiencing the side effects from the global pandemic. As stated by many in the sector, Tourism was the first hit, hardest hit and will take the longest to recover. This is especially true in Nunavut where we had longer lock downs and more barriers to travel.

This is not to say we still didn't do a lot of activities during this period to support the resiliency of our members. We continued to use this time to evaluate what we could do to support our members and put into place activities to support them, especially in their marketing and training endeavors. In addition, Travel Nunavut wears the responsibility of advocating for the tourism industry. In a normal year this focus may be on key policy issues or increased funding for operators. In pandemic years, that advocacy is for survival. We continued to pivot 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, capturing content that will help with member's marketing and promoting products to Nunavummiut.

As with last year, we learned many lessons but what remains steadfastly true is the resiliency of our members. As we also increase capacity as an organization and explore new opportunities that will help support our members, we feel stronger and more ready to help you. 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.

Looking ahead, we want to continue to priorities we had established in previous years and expand to others.



TOP PRIORITIES FOR TRAVEL NUNAVUT IN 2021-2022

- 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.

We currently have 3 that trade ready need 3 more at a minimum Market ready we have 4 we need 2 more at a minimum.

- 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 tourism to the opportunity to start their own business and what Travel Nunavut has to offer to help them with this transition.

ADDITIONAL PRIORITIES FOR 2021-2022

- Package Development: Create and support packages with multiple members that are trade ready.
- Destination Marketing: Collaborate with the Government of Nunavut on the destination marketing function as it transitions from being held in house to our organization.



Photo: Sean Scott.

Marketing

MARKETING GOALS

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 last year to run through to 2022 that is reflective of the impacts of Covid. The plan outlines 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. This is the plan that guided our marketing efforts this year. Looking ahead, we want to continue the priorities we had established in previous years and expand to others.

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.





Photo: Frank Wolf.

ACTIVITIES

OPERATOR WEBSITE PROJECT - YEAR 2

Year 2 of the operator's website development work continued in the 2021-22 year with more websites being developed. In addition work was done to develop marketing plans to support the new websites for some of the operators who were ready to manage the leads that come from digital marketing.

This project, which was completed in 2022 and has helped a number of our operators increase their digital presence which is essential to business operations. 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 developed a checklist of criteria for operators to be considered for this project. While determining the first operators, the contracted 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 undertaken with the operator, ourselves and the development and marketing team from Outcrop.

In year one, seven Inuit- owned operator websites were developed. Tikippugut Outfitting, Pirursiak Arctic Tours, Arctic Wilderness Guiding and Outfitting, Arctic Bay Adventures, Nuna Outfitting, Polar Ice Adventures and Uasau Soap.

In 2021-22, year two an additional 5 Inuit owned operators had websites developed. Nattilik Heritage Centre, Peter's Expediting, Nunavut Experience Outfitting, Sikujuut and Attii Tourism all had websites developed. As with any website project, content is key to the success of any website and developing content for many of these sites is still needed. In year 2, some operators were also provided with a marketing plan to support their new digital presence.

DIGITAL MARKETING TRAINING

Thanks to funding provided by CanNor, operators had the opportunity to undergo an audit of their digital marketing presence. Each audit included a deep dive into website based on SEO practices, social media accounts and overall digital presence. Seven operators participated in this program which included training and recommendations and implementation of some of these recommendations. Thanks to funding provided by CanNor, operators had the opportunity to undergo an audit of their digital marketing presence. Each audit included a deep dive into website based on SEO practices, social media accounts and overall digital presence. Seven operators participated in this program which included training and recommendations and implementation of some of these recommendations.

Marketing

CONTENT MARKETING

The Travel Nunavut website 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. We continue to add more quality content to our website to support our members and their businesses. In 2021-22 the website did undergo a needed technical update to update some expired modules.

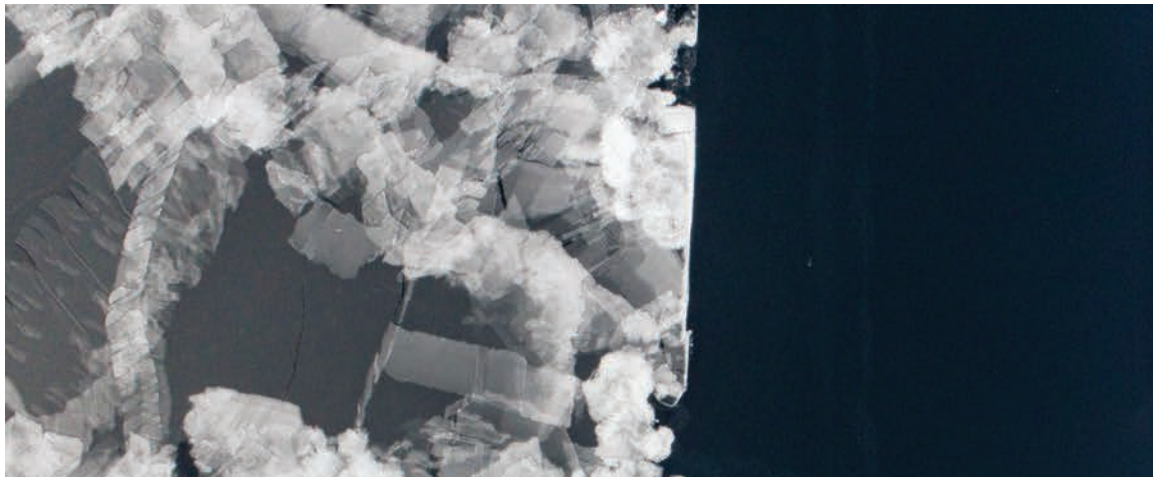
A content audit was undertaken in 2021 on the Travel Nunavut website. The audit looked at the content currently on the website, the website's top keywords and potential keywords to rank for. Content has been developed to support the audit findings and more content work is planned for 2022-23 as the travelers search journey has changed.

In addition, a landing page for Iqaluit was developed in advance of the new Toronto – Iqaluit flight in late 2022.

SIMPLEVIEW CRM

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.

Photo: Sean Scott.



WEBSITE STATISTICS

151,287 Users

181,398 Sessions

306,325 Pageviews

Average Session Duration 1 min. 26 seconds

SOCIAL MEDIA GROWTH

Grew +493 followers on Facebook and Instagram

Achieved an engagement rate of 2.5% on Facebook

Achieved an engagement rate of 4.7% on Instagram

FOLLOWERS

14,269 Followers on Facebook

6,443 Followers on Instagram



Outside of a small drop in traffic in August 2021 due to website redevelopment and testing, the first two quarters of 2021-22 averaged 10,000 users per month onto the website. In the third quarter, traffic increased by 20% compared to the previous quarters and averaged 12,000 users per month. The fourth quarter steadily increased and was able to record 32,297 users in the month of March 2022. The fourth quarter performance was overall really good, averaging 21,413 users per month.

The bounce rate and exit rate remained steady during the year. The average bounce rate was 75% in all quarters with the highest touch point of 81% in the month of March 2022. The page session was recorded as 1.69, which means users viewed more than one page at a time.

Organic channels had a big contribution in the overall traffic. Despite fluctuations, organic traffic was quite active and was able to bring the highest number of traffic in 2021-2022. Overall 112,293 organic sessions were recorded in the 2021-22 year.

Paid search was the second largest contributor after organic channels. 19,207 users entered through the paid search channel and 18,816 out of 19,207 users were new users who had never heard of Travel Nunavut.

Paid search advertising is considered to be the best marketing channel for Travel Nunavut as paid search channel received clicks from the keywords like Canada Destinations (2380 Clicks), Canadian Tourist Attractions (878 Clicks), Nunavut Attractions (847 Clicks), Canada Places to Visit (689 clicks), travel to Nunavut (547 clicks), beautiful places in Canada (5490 clicks) and much more.

Direct traffic was the third highest contributor after paid search channels, which clearly illustrate the website popularity and retention rate. The direct channel recorded 18,674 users in the year 2021-2022 and contributed 12% in the overall website traffic. The display traffic was consistent for the 2021-202 year.

Display advertising channel has emerged as the fourth largest contributor in the year 2021-2022. It recorded 11,247 users even though it was launched only in February and March of 2022.



Social media was the fifth contributor in digital channels, around 2,699 users were recorded in the year 2021-22. Social media channels were not quite active in the first three quarters; only 1,691 users were recorded in the first nine months. The fourth quarter began with a big surge in traffic and was able to record the peak of 1,010 users in the fourth quarter.

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 (14,293 sessions). With the contribution of 6491 sessions, Calgary was able to acquire a second position in the list of top cities and Montreal is third with 6,165 sessions. About 42% of the traffic originated from Ontario. Discovering positive growth in Western Canada has been important, as it means we're expanding our reach, and connecting with our audience nation-wide.

During 2021-22, Travel Nunavut also introduced more video content and frequent social media posting. During this time period, Travel Nunavut's Facebook following increased by +111 while Instagram increased by +381, an increase of 6.6%.

TIKTOK

This year, Travel Nunavut partnered with destination Nunavut on a co-branded TikTok Channel as a pilot project to share content on this platform. All the content on this platform was developed by Inuit content creators following a specific content strategy that aligns with our marketing plan.

Within 12 hours of the first video being posted, the video went viral and received 12K video views. The account also grew 1K followers within the first 24 hours.

In its pilot year, the following was achieved:

- 36.2K video views
- 3,400 profile views
- 2782 likes
- 40 comments
- Current follower count 1323

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 - Travel Nunavut was able to host workshops on the following subjects:

- Product Development
- Wilderness First Aid
- Business Market Trade Ready
- Financial literacy
- Emerit
 - Customer Service
 - Professionalism
 - Tourism Business Builder

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.

CEO TRAVEL

Tourism Industry Association of Canada Congress

November 29th – December 3rd

The Westin Ottawa

STAFF TRAVEL

Finance Officer: workshops held in each of the communities listed below.

- Rankin Inlet
- Clyde River
- Qikiqtarjuaq
- Pond Inlet
- Baker Lake
- Pangnirtung

Membership Coordinator Travel

- Pangnirtung - September 14th – 18th

ANNUAL GENERAL MEETING

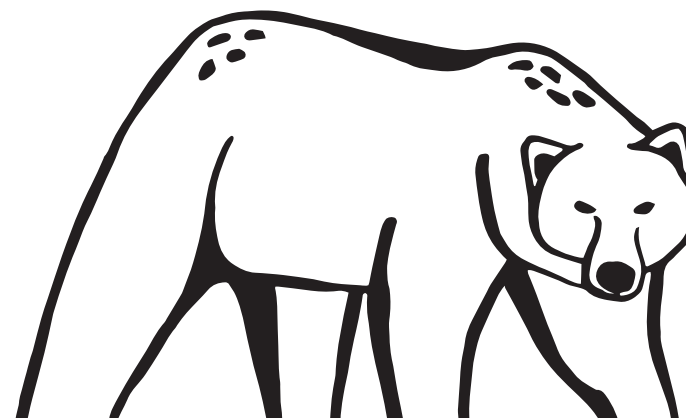
The 2021–22 Travel Nunavut hosted our AGM at the Aqsarniit Hotel and Conference Center.

We had presentations from TIAC, Destination Canada, ITAC along with a packaging discussion. 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 52 members/stakeholders attend the AGM.

ADVOCACY

Travel Nunavut has provided advocacy on issues like:

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



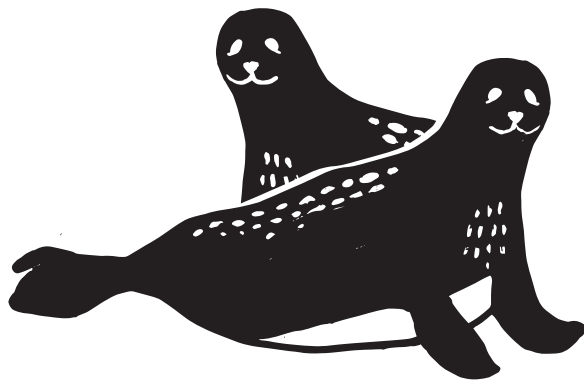
BOARD NOMINATIONS

- (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.

- 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 31st, 2021 and closed September 27th, 2021. We had 5 nominations for 5 positions. Voting opened on September 20th, 2021 and closed on October 8th, 2021.

Voted on to the board was:

- Hunting Fishing – Shane Black (Canada North Outfitting) 2 Year term.
- Cruise Sector – Jason Edmunds (Adventure Canada) 2 Year term.
- Accommodation Sector – Ed Romanowski (Frobisher Inn) 3 year term.
- Kivalliq Region Sector Rep – Jack Ediger (Inns North) 3 year term.
- Kitikmeot Region Sector – Cynthia Enne (Illu Inc) 3 year term.

The first meeting of the board was to elect the executive on October 27th, 2021.

The following list shows the positions each person is filling:

- Chair person – Patrick Akpalialuk Canadian North (Transportation Sector) term end 2022.
- Vice/Chair – Jason Edmunds Adventure Canada (Cruise Sector) term end 2023.
- 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 - Shane Black (Canada North Outfitting) term end.
- Qikiqtaaluk Region – Sarah McNair Landry Northwinds Arctic Expeditions – term end 2022.
- Kivalliq Region – Jack Ediger Arctic Co-operatives Limited – term end 2024.
- Kitikmeot Region – Cynthia Enne (Illu Inc)– term end 2024.
- Ex-officio – David Monteith.

Operations

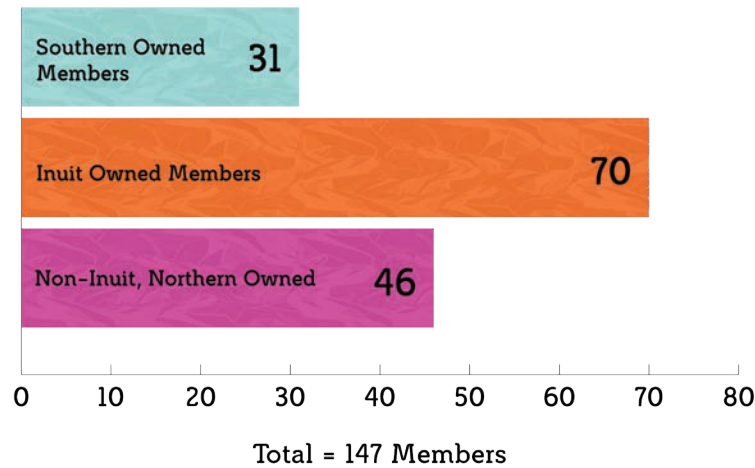
INUIT EMPLOYMENT PLAN

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. We are pleased to share that we had 1 Inuk join our team in the 2021-22 year.

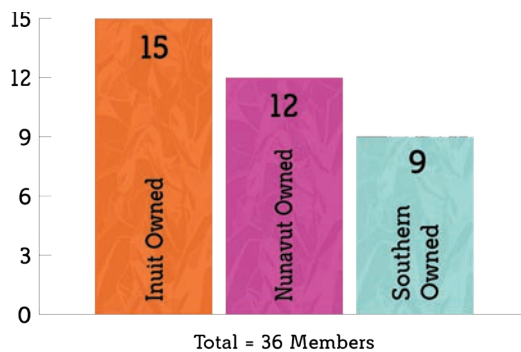
LANGUAGE PLAN

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



Marketing Assistance Program, 36 members participated and a total of \$36,000 was granted.



We have teamed up with Check In Canada is an online booking platform created by the accommodation sector that aims to enhance the guest experience while driving economic prosperity for Canada's tourism and hospitality industry. The platform drives direct bookings by connecting consumers directly to listed properties' online reservation systems, improving guest experience, reducing acquisition costs, and enabling properties to build a direct one-on-one relationship with guests.

We have 44 member business listed.

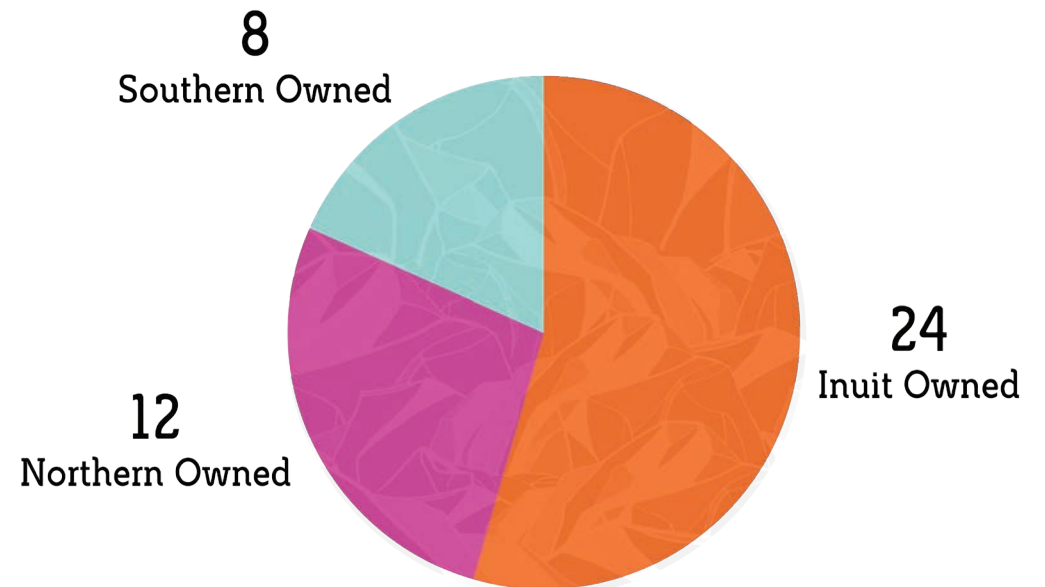
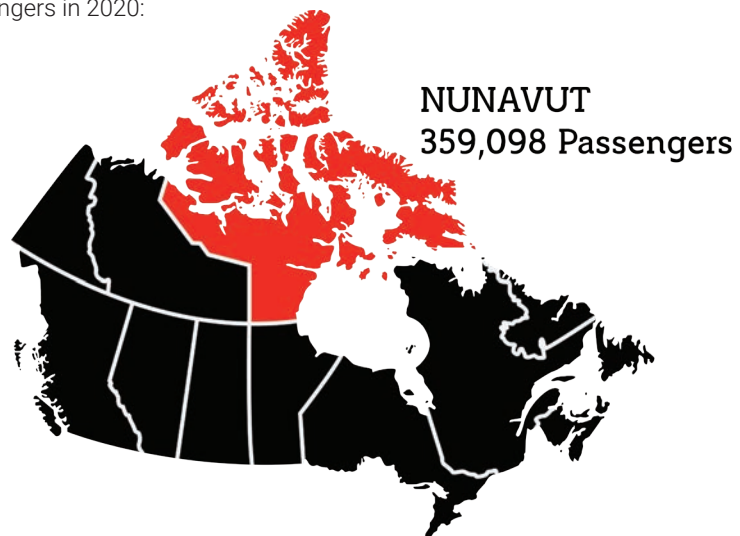




Photo: Frank Wolf.

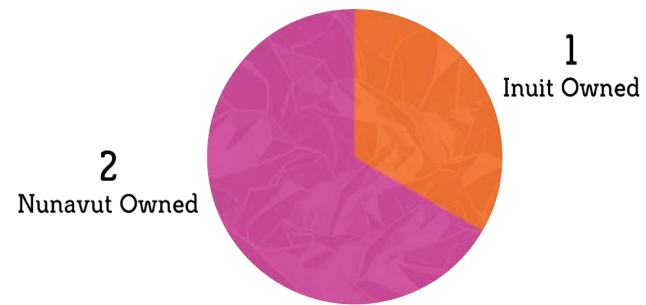
AIR MOVEMENTS

Passengers in 2020:



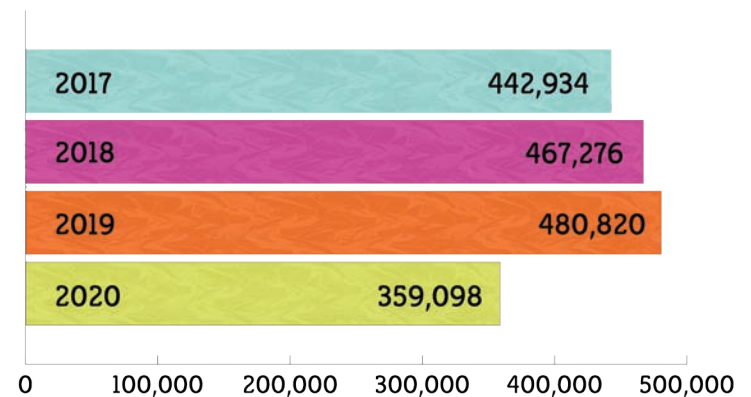
Simple-Rez Solutions software is a cloud-based suite of products that can be purchased individually or as an integrated system. It is designed to generate more revenue for lodging facilities while simultaneously automating critical management functions to reduce time, energy, and labour costs. Our solution is ideal for smaller hotels, motels, B&Bs, lodges, vacation rentals, and campgrounds.

We have three member business listed.



With more in the process of registering.

Air Passenger Traffic by sector: Nunavut



Financial Reporting

**NUNAVUT TOURISM
FINANCIAL STATEMENTS
MARCH 31, 2022**

**NUNAVUT TOURISM
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MARCH 31, 2022**

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Financial Reporting

NUNAVUT TOURISM STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2022

	Association Operations & <u>Management</u>	CanNor Projects <u>(Schedule I)</u>	Total <u>2022</u>	Total <u>2021</u>
Revenues				
Government of Nunavut	\$ 1,137,919	\$ -	\$ 1,137,919	\$ 1,000,000
Repayment	<u>(44,422)</u>	<u>-</u>	<u>(44,422)</u>	<u>(4,678)</u>
	1,093,497	-	1,093,497	995,322
Deferred government assistance (Note 7)	<u>670</u>	<u>-</u>	<u>670</u>	<u>856</u>
	1,094,167	-	1,094,167	996,178
Federal government funding	-	141,028	141,028	138,971
In-kind revenue	-	35,412	35,412	35,394
Memberships	43,175	-	43,175	50,170
Other revenue	<u>12,458</u>	<u>-</u>	<u>12,458</u>	<u>27,694</u>
	<u>1,149,800</u>	<u>176,440</u>	<u>1,326,240</u>	<u>1,248,407</u>
Expenses (Note 9)				
Administration	111,470	-	111,470	54,550
Board governance	88,635	-	88,635	73,667
Office rent and equipment	150,026	-	150,026	149,131
Human resources	296,834	-	296,834	247,252
Marketing	262,237	-	262,237	336,512
Member services	240,598	-	240,598	212,930
Project costs	<u>-</u>	<u>188,021</u>	<u>188,021</u>	<u>174,365</u>
	<u>1,149,800</u>	<u>188,021</u>	<u>1,337,821</u>	<u>1,248,407</u>
Excess expenses over revenues	<u>\$ -</u>	<u>\$ (11,581)</u>	<u>\$ (11,581)</u>	<u>\$ -</u>

NUNAVUT TOURISM
STATEMENT OF CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED MARCH 31, 2022

	<u>General Fund</u>	<u>Invested in Capital Assets</u>	<u>Asset Replacement Fund</u>	<u>Total 2022</u>	<u>Total 2021</u>
Balance, opening	\$ 569,865	\$ 3,504	\$ 43,544	\$ 616,913	\$ 616,913
Excess expenses over revenue	(11,581)	-	-	(11,581)	-
Loss on disposal of capital assets	2,359	(2,359)	-	-	-
Amortization of government assistance	(670)	670	-	-	-
Amortization	<u>1,417</u>	<u>(1,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, closing	<u>\$ 561,390</u>	<u>\$ 398</u>	<u>\$ 43,544</u>	<u>\$ 605,332</u>	<u>\$ 616,913</u>

Financial Reporting

**NUNAVUT TOURISM
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current		
Cash and cash equivalents	\$ 637,467	\$ 516,589
Accounts receivable (Note 3)	274,594	490,358
Prepaid expenses	<u>12,074</u>	<u>13,736</u>
	924,135	1,020,683
 Capital assets (Note 4)	 <u>2,901</u>	 <u>6,677</u>
	<u>\$ 927,036</u>	<u>\$ 1,027,360</u>
<u>Liabilities</u>		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 291,428	\$ 367,246
Deferred revenue (Note 6)	<u>27,773</u>	<u>40,028</u>
	319,201	407,274
 Deferred government assistance (Note 7)	 <u>2,503</u>	 <u>3,173</u>
	<u>321,704</u>	<u>410,447</u>
<u>Net assets</u>		
 General fund	 561,390	 569,865
Invested in capital assets	398	3,504
Asset replacement fund	<u>43,544</u>	<u>43,544</u>
	<u>605,332</u>	<u>616,913</u>
	<u>\$ 927,036</u>	<u>\$ 1,027,360</u>

NUNAVUT TOURISM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u>	<u>2021</u>
Operating Activities		
Excess expenses over revenue	\$ (11,581)	\$ -
Items not requiring (providing) cash:		
Amortization of capital assets	1,417	1,817
Amortization of deferred government assistance	(670)	(856)
Loss on disposal of capital assets	<u>2,359</u>	<u>-</u>
	(8,475)	961
 Cash provided by (used for) changes in non-cash working capital:		
Accounts receivable	215,764	(243,405)
Prepaid expenses	1,662	2,988
Accounts payable and accrued liabilities	(75,818)	103,827
Deferred revenue	<u>(12,255)</u>	<u>(7,460)</u>
	<u>120,878</u>	<u>(143,089)</u>
 Increase (decrease) in cash and cash equivalents	 120,878	 (143,089)
 Cash and cash equivalents, opening	 <u>516,589</u>	 <u>659,678</u>
 Cash and cash equivalents, closing	 <u>\$ 637,467</u>	 <u>\$ 516,589</u>

Financial Reporting

NUNAVUT TOURISM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. NATURE OF THE SOCIETY

Nunavut Tourism is a not-for-profit society 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 society commenced operations on September 15, 1995 and is incorporated under the *Societies Act* of Nunavut.

The society 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 society initially measures its financial assets and financial liabilities at fair value. The society 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 society 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 society's general operating and administrative activities. Invested in Capital Assets contains all the society'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.

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NUNAVUT TOURISM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 society 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 society 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 society 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>2022</u>	<u>2021</u>
Government of Nunavut	\$ 205,578	\$ 476,913
Government of Canada	69,016	12,815
Trade receivables	<u>0</u>	<u>630</u>
	<u>\$ 274,594</u>	<u>\$ 490,358</u>

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NUNAVUT TOURISM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value <u>2022</u>	Net Book Value <u>2021</u>
Furniture and equipment	\$ 40,015	\$ 37,114	\$ 2,901	\$ 5,852
Computers and audio-visual equipment	-	-	-	331
Leasehold improvements	177,529	177,529	-	-
Media displays	-	-	-	494
	<u>\$ 217,544</u>	<u>\$ 214,643</u>	<u>\$ 2,901</u>	<u>\$ 6,677</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in the accounts payable and accrued liabilities balance is \$14,046 (2021 - \$24,575) of government remittances payable.

6. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Membership Fees	\$ 27,773	\$ 39,000
CanNor Funding	0	1,028
	<u>\$ 27,773</u>	<u>\$ 40,028</u>

7. DEFERRED GOVERNMENT ASSISTANCE

	<u>2022</u>	<u>2021</u>
Deferred government assistance - beginning of year	\$ 3,173	\$ 4,029
Government assistance recognized during year	(670)	(856)
Deferred government assistance - end of year	<u>\$ 2,503</u>	<u>\$ 3,173</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, 2022

8. FINANCIAL DEPENDENCE

The society receives the majority of its funding from the Government of Nunavut. Without the continuing support of the government, the society 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>2022</u>	<u>2021</u>
Amortization	\$ 1,417	\$ 1,817
Bad debt	0	638
Loss on disposal of capital assets	2,359	0
Insurance	18,460	16,724
Marketing	159,272	157,945
Office	259,271	198,147
Professional fees	193,380	156,562
Salaries and benefits	440,740	483,178
Staff training and development	10,630	16,511
Telecommunications	39,510	39,232
Travel and accommodations	57,417	27,190
Workshops	<u>155,365</u>	<u>150,463</u>
	<u>\$ 1,337,821</u>	<u>\$ 1,248,407</u>

10. COMMITMENTS

During the year, the society signed a five-year lease agreement for office space expiring June 30, 2027.

The society also signed a three-year software licence that expires June 30, 2024, with an option to renew for another three-year period.

The total of these commitments is as follows:

2023	\$ 140,274
2024	143,916
2025	137,436
2026	141,284
2027	145,240
Thereafter	<u>36,558</u>
	<u>\$ 744,708</u>

Financial Reporting

NUNAVUT TOURISM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

11. COVID-19 IMPLICATIONS

The COVID-19 pandemic continues to affect businesses in Nunavut and throughout the world. At this stage, the impact on our society 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 Society's operations, assets, liabilities, net assets, revenues, and expenses is not yet known.

SCHEDULE I

NUNAVUT TOURISM
CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY (CANNOR)
 FOR THE YEAR ENDED MARCH 31, 2022

	<u>Website Development</u>	<u>Total 2022</u>
Revenues		
CanNor	\$ 141,028	\$ 141,028
Contributions in kind	<u>35,412</u>	<u>35,412</u>
Total project funding	<u>176,440</u>	<u>176,440</u>
Expenses		
Contract / Professional fees	131,910	131,910
In-kind contract / professional fees	23,583	23,583
In-kind translation	2,101	2,101
In-kind travel	9,728	9,728
Travel and accommodations	<u>20,699</u>	<u>20,699</u>
	<u>188,021</u>	<u>188,021</u>
EXCESS EXPENSES	<u>\$ (11,581)</u>	<u>\$ (11,581)</u>

TRAVEL
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Travel Nunavut Industry Association
Association de l'industrie du voyage du Nunavut
Aulaqniq Nunavut Nanminiqagtunut Katimayingit
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