

TRAVEL
NUNAVUT

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2023 – 2024

Annual Report



MANDATE

Travel Nunavut will support, build, and grow the travel sector to the benefit of people in Nunavut. Travel Nunavut will grow membership and develop the industry in collaboration with partners.

VISION

A thriving and sustainable travel sector that enriches the quality of life for Nunavummiut. We will grow the industry to \$1 billion and 5,000 jobs by 2030.

MISSION

Travel Nunavut engages with partners, communities, and people to support and develop a thriving and vibrant travel industry. We lead the travel industry through training, marketing, and advocacy.

VALUES

We will honour Nunavut and Inuit culture in our work.

We value the land, the wisdom, and the natural and cultural heritage of the communities we serve. We are committed to building a culture reflective of Inuit values.

We will work with kindness.

We build positive relationships and honour diversity and inclusion in all that we do.

We will grow the industry through support and mentorship.

We recognize our important role in helping to educate and inform our industry partners. We also recognize that building a sustainable tourism sector requires support and mentorship.

We will lead the way.

We acknowledge we are leaders in travel who work with partners, communities, and people to build our industry.

Message from the Board Chair

Dear Members,

The travel industry is the lifeline for all Nunavummiut, both for passengers and freight to and throughout Nunavut, and for Canadian and international visitors for leisure, business, meetings, conferences, personal reasons, and government services. The travel industry offers the greatest promise for sustainable economic development, jobs, income, and government revenues to benefit all Nunavummiut. You, our 153 members, have excelled in providing passenger and freight services to and within Nunavut. You saw the need and opportunity for travel services and have done your best to deliver excellent service.

2023-24 was a year of post-Covid recovery when the travel industry stepped up to ensure that the movement of passengers and freight to, from and throughout the Nunavut continued in spite of Covid and the restrictions placed on travellers. During this past year, our industry rebuilt much of its level of service and reinstated logistics to normalize the provision of leisure and hospitality services, deliver food and supplies, transport and accommodate workers to build homes and other buildings and infrastructure, mine and manage resources, and provide government and other services throughout the territory. You are to be recognized for a “job well done!”

In addition to the post-Covid recovery of our industry in 2023-24, we have achieved phenomenal growth through collaboration. I thank you all for your dedication and hard work in serving domestic and international travellers and providing income and employment in all Nunavut communities.

Our initiatives have reached new heights. We have improved our services and are positioning ourselves for future success. None of this would have been possible without continued support from our members and partners.

In March 2024, after 14 years with our organization, Kevin Kelly resigned to move on to another career opportunity. This spawned the hiring of two new professionals and the reorganization of the management team to grow the travel industry in Nunavut through enhancing services to our members and working even more closely with our public and private sector partners. As we look to the future, I am excited about travel industry opportunities to be the main driver for economic growth in Nunavut. The upcoming year promises to be a successful one, and I am confident that, together, we will continue to excel.

Thank you for your trust, your partnership, and your dedication to Travel Nunavut.



Ed Romanowski

Board Chair of Travel Nunavut

Message from the Executive Director of Operations

Dear Members, Partners, and Stakeholders,

As we reflect on the past year, I am filled with admiration and respect for our members who continue to run and grow their tourism businesses despite the challenges they face. Whether a longstanding enterprise struggling to find and retain personnel, a tour operator wrestling with the regulatory environment, or a family-run business working to reclaim cultural practices while at the same time wanting to share them with visitors hungry to learn about Inuit history and culture, we recognize how hard you work.

There are many challenges in our industry; many of them unique to Nunavut (like the access to our communities) but many of them not (like the insufficient tourism workforce across the country). We are not alone.

There are also immense opportunities for us ahead. Whether you live, work or play in Nunavut, you experience the travel industry. Let us work together to grow the industry in a way that is meaningful to Nunavummiut. As the second largest supplier of private employment (after mining), let us be a part of the conversations around infrastructure development, education, and career paths for youth. With devolution set to reach completion within a few years, let us be a part of the conversations around land use, management, protection, and sustainability.

Our commitment to work with all of you has never been stronger. Thank you for your trust, your feedback, your partnership, and your membership. I look forward to working with our new leadership team next year. Together, we look forward to serving you, our ever-expanding member community, better each year.



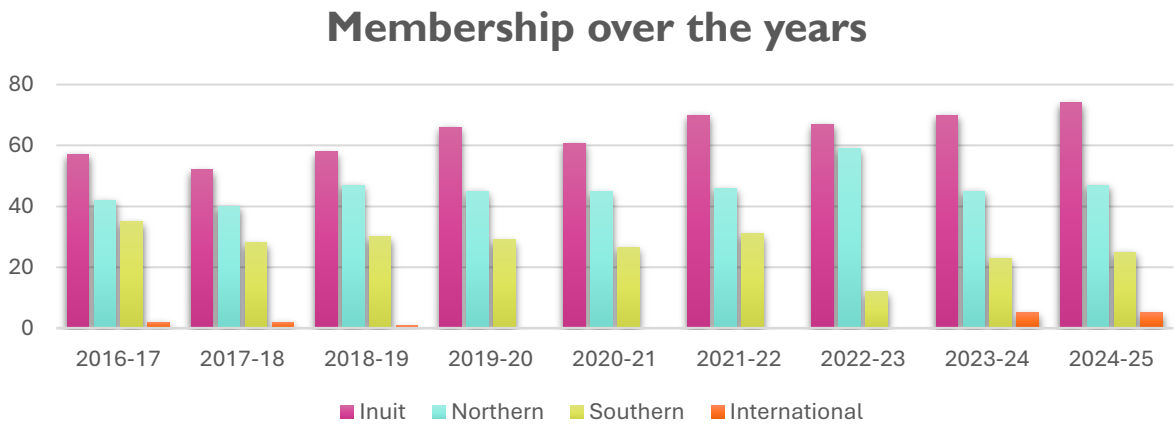
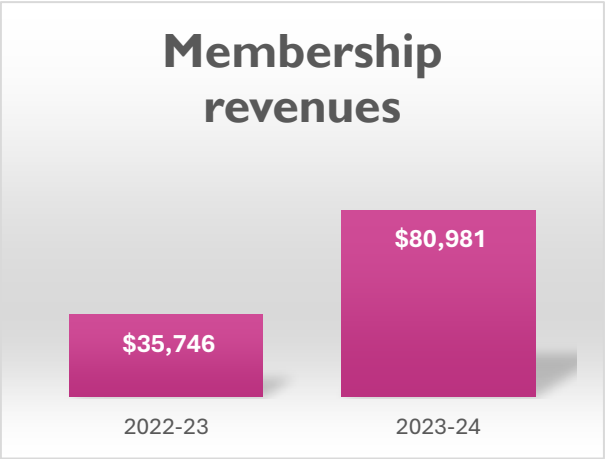
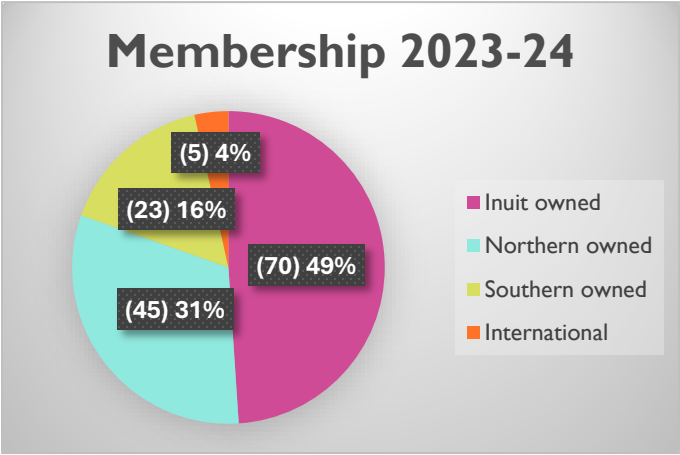
Norine Naguib

Executive Director of Operations

Highlights of 2023-24

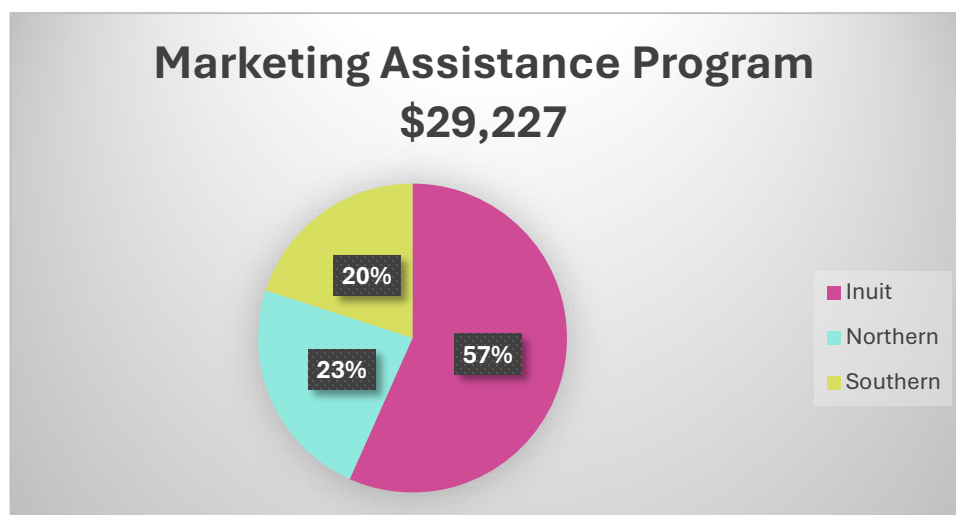
Membership

This year, we built our community to 153 members, continuing the growth of our Inuit-owned members and more than doubling membership revenues compared to 2022-23 (when we offered significant membership discounts to assist our members in recovering from the impacts of COVID-19 on the industry).



Member benefits delivered

- ✓ All members (153) are associate members of the Tourism Industry Association of Canada (TIAC)
- ✓ All Inuit-owned members (70) are included as basic members with the Indigenous Tourism Association of Canada (ITAC)
- ✓ Increased awareness of our members through digital and traditional marketing investments
- ✓ Over \$29,000 in support to 30 members through our annual Marketing Assistance Program
- ✓ Over 1,200 referrals through Check-In Canada to our member hotels, valued at \$669,000
- ✓ 13 visits to 12 communities (Rankin Inlet, Coral Harbour, Pond Inlet, Pangnirtung, Kimmirut, Resolute Bay, Arctic Bay, Kinngait, Clyde River, Igloolik, Qikiqtarjuaq, Sanikiluaq)
- ✓ 5 hotels using SimpleRez Solutions Inc. property management and online booking software
- ✓ 3 members were early adopters of our new legal advice program
- ✓ 7 members supported to participate in trade shows outside of Nunavut
- ✓ 7 hotel staff signed up for free online hotel cleaning course



Our Annual Conference & AGM, held at the Aqsarniit Hotel & Conference Centre from Nov 13-15, brought together 50 members, partners and government representatives engaging over two days of rich presentations and discussion. This included lively discussions between members and the new Federal Minister of Tourism, Soraya Martinez Ferrada about the unique challenges for Arctic and Nunavut infrastructure, air services and insurance. We were honoured to have Senator Dennis Patterson facilitate several panels in one of his final acts of service before retirement.



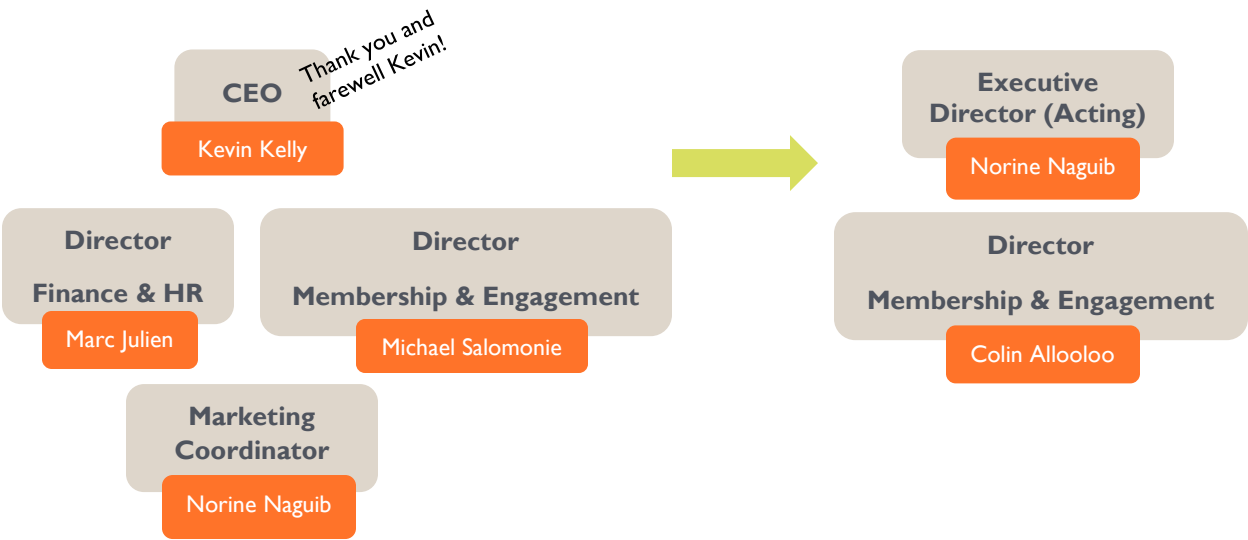
Our outreach initiatives, including community economic development visits, virtual gatherings, email campaigns and good old fashioned phone calls or drop-ins have fostered greater awareness of our services and our interest in how our members are doing. We are also always happy when members or potential members drop-in on us. We have resources to share, and visitors rarely leave empty handed.



Our Team

Travel Nunavut focuses on building a workplace that is attractive with its flexibility and exciting work. Nevertheless, it is not immune to staffing challenges like frequent turnover, high competition for workers, and shortage of housing in Iqaluit. This year was a year of change.

We welcomed Norine Naguib as Marketing Coordinator (April 2023) and Colin Allooloo as Director of Membership & Engagement (November 2023) and said farewell to colleagues seeking new opportunities: Marc Julien, Director of Finance & HR (June 2023), Michael Salomonie, Director of Membership & Engagement (October 2023), and long-serving CEO Kevin Kelly (March 2024).



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 this year. Further, with the addition of two new voting seats on our board (see below) with a view to increasing Inuit voices in our governance, we aim to attract more Inuit talent to our team.

Inuit Language Plan

Travel Nunavut has a language plan in place that is approved by the Language Commissioner. This plan captures our commitment to continually enhance our communications in the Inuit language.

Our Board of Directors:

At the 2023 AGM, the Board approved an update to the by-laws that created two new voting seats on the Board: Nunavut Tunngavik Inc. (NTI) representative and Indigenous Tourism Association of Canada (ITAC) representative. The goal is to increase Inuit representation and voice in our governance.

Ed Romanowski President, Nunastar Properties-Frobisher Inn	Accommodation Sector representative / Board Chair
Cynthia Ene Director, Illu Inc. & Founder, NunaFab	Kitikmeot Sector representative / Board Secretary & Treasurer
David Ningeongan Founder, Kivalliq Expediting & Tours	Hunting or Fishing sector representative / Vice-Chair
Jessica Kotierk Manager & Curator, Nunatta Sunakkutaangit Museum	Arts Sector Representative
Peter Garapick Director, External Relations, Quark Expeditions	Cruise Sector representative
Tara Elder-Young VP Business Development, Calm Air	Transportation Sector representative
Carole Gobeil Owner, Voyages Carole Gobeil Travel	Travel Trade Sector representative
Martine Dupont VP Operations & Head Guide, Inukpak Outfitting Inc.	Outdoor Adventure Sector representative
Allison Lennox Inns North Support Officer, Arctic Co-operatives Limited	Kivalliq Industry representative
Sarah McNair-Landry Adventurer, Polar Guide & Filmmaker, Northwinds Expeditions	Qikiqtani Industry representative
Vacant	Qikiqtani Inuit Association (QIA) representative
Vacant	Kitikmeot Inuit Association (KITIA) representative
Vacant	Kivalliq Inuit Association (KIVIA) representative
Tim Brown Assistant Director Policy, Nunavut Tunngavik Inc.	Nunavut Tunngavik Inc. (NTI) representative
Sheila Flaherty Founder, sijjakkut	Indigenous Tourism Association of Canada (ITAC) representative
David Monteith founding member of Travel Nunavut	Ex-officio board member at the pleasure of the Board

NEW VOTING SEAT

NEW VOTING SEAT

Advocacy

We continue to advocate to the Government of Nunavut (GN) for **standard and transparent business and outfitting licensing practices**. This includes advocating for transparency and feedback when a business is not issued a license. We also advocate to the GN to make available, in communities, the pre-requisite trainings and certifications businesses need to obtain their licenses.

We provided input on behalf of members into the **Territorial Parks consultation on the planned revision of the Territorial Parks Act** (not updated since Nunavut became a Territory) and invited the department to present the consultation process at our Annual Conference to generate further awareness among our members.

We continued as an **active member of the Tourism Industry Association of Canada** and our collaborating with our peer Provincial Territorial Tourism Industry Associations across Canada on issues of common concern. Through these channels, we raise the Nunavut perspective that is often not considered at the national level.

We attended the annual **Tourism Labour Market Forum** hosted by Tourism HR Canada where we discuss the challenges with the low availability of trained tourism personnel in Canada and what it means for the industry now and in the future. This includes assessing the impacts to industry in Nunavut of broader industry labour union strike action or changes to Federal Government programs that affect education or work in tourism (e.g. temporary foreign worker programs).

We remain committed to hearing from members on advocacy issues and raising them through the appropriate channels.

Marketing

Generating awareness and interest in our members products and services and ultimately sales.

This year we found success in marketing our members through **digital and traditional marketing** channels. While we don't expect to know the sales generated for each of our members (unless the information is shared with us!), we do follow various marketing performance metrics and use these to help us invest strategically year over year.

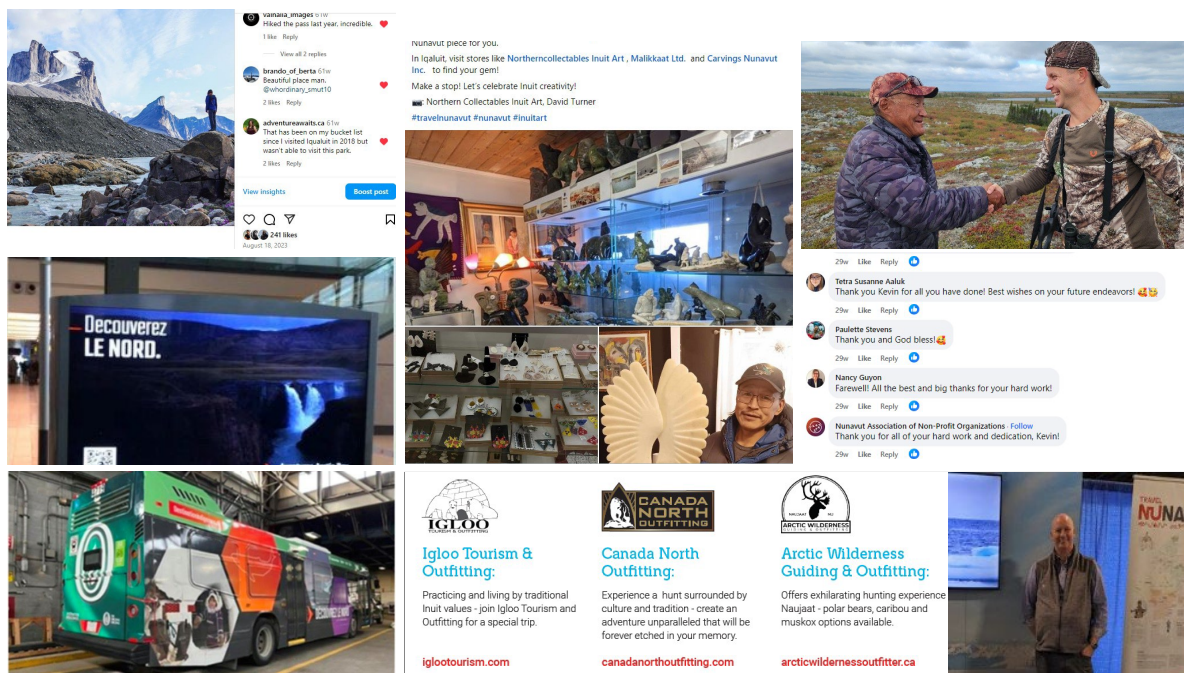


Digital Marketing

This year we maintained a consistent investment in paid media (paying to be found/seen/clicked online) and organic/earned media (actively managing and engaging to be found/seen/clicked) to continue to draw traffic to Travel Nunavut and members' various channels (e.g. websites, Facebook, Instagram, e-newsletters).

Travel Nunavut Annual Report 2023-2024

Campaign	Description	Investment	RESULTS
Paid media	Consistent and strategic investments on Travel Nunavut's channels to be found/seen/clicked online	\$150k over 12 months	<ul style="list-style-type: none"> ✓ 50% increase in click-through-rate on social media ads ✓ 20% improvement in budget utilization (more bang for buck) ✓ Paid search ads visible to 1 in 4 searchers
Earned media	Consistent and strategic management of Travel Nunavut's digital channels to be found/seen/clicked online	\$76k over 12 months	<ul style="list-style-type: none"> ✓ Grew e-newsletter subscribers by 110% to 3,958 ✓ Grew Facebook followers by 4.7% to 15,709 ✓ Grew Instagram followers by 5.2% to 7,559
Co-op "Discover the North"	Joint Ottawa-based campaign with ITAC promoting Nunavut with a bus wrap circulating downtown Ottawa and video displays in the Ottawa Airport	\$25k over 5 months	<ul style="list-style-type: none"> ✓ Est. 2.8 million impressions with the bus wrap ✓ 845,299 occasions delivered with video displays
Canada in the Rough	Filming a caribou hunt in Kivalliq, raising the profile of hunting in Nunavut.	\$25k over 2 months	<ul style="list-style-type: none"> ✓ 84% return on investment (bookings and a surge in inquiries for the tour operator, with spillover referrals for peer operators)



Traditional Marketing

As powerful as digital marketing is, there is still immense value in traditional marketing like trade shows and print advertising.

Rendez-Vous Canada is an annual trade show selling Canadian tourism experiences to the global travel trade. Five members joined Travel Nunavut in Quebec City to meet with 60+ “buyers” from global travel trade from 10+ countries over 3 days, helping them find the Nunavut experiences their clients are seeking.



At the **Toronto Outdoor Adventure show** we joined over 325 exhibitors promoting adventure travel around the world to more than 21,000 outdoor enthusiasts over 3 days. Under the Explore Canada pavilion, we were joined by four members in the Travel Nunavut booth giving enthusiasts a taste of how to get to Nunavut (Canadian North), where to stay (Aqsarniit Hotel & Conference Centre), tours available (Arctic Bay Adventures), what nature to explore (Territorial Parks & Special Places) and where to find more services and operators for their bucket-list outdoor adventure (Travel Nunavut).



Through **Regional Trade shows in Nunavut**, we generate awareness of our mandate and vision for the tourism industry, promote membership, and seek opportunities for new partnerships.

We published ads promoting Travel Nunavut and members in various publications to target key audiences and connect them with the experiences they are looking for.

- ✓ Ten thousand copies of the **Nunavut Visitor's Guide** are distributed each year across the territory, visitor's centers, and airports in Manitoba, Ontario and Quebec. It is also shared on nunavutnews.com and nnsi.com and with 30,000 social media followers.
- ✓ **Up Here** magazine circulates 20-50,000 copies of its seasonal publications across the north. You may have noticed its September 2023 return to Canadian North seatbacks.
- ✓ **Ontario Monster Whitetails** magazine's quarterly issues are distributed in Ontario convenience stores, gas stations, grocery stores, Chapter locations, and more.

Financial Overview

While overall revenue was down this year, we were more effective at using it for its intended purposes.

Highlights:

- ✚ Membership grew by 11% this year to 153 members while membership revenues more than doubled to \$80,981 as we returned to regular, non-discounted membership fees post-COVID-19.
- ✚ Overall revenue was down 25% this year, reflecting the return of the Destination Marketing Organization (DMO) mandate to the GN. However, at the same time, we did not incur expenditures associated with the DMO function.
- ✚ We spent 84% of the Board-approved budget (which had anticipated a DMO budget), 101% of actual revenues, and maintained a near perfect adherence to intended spending per budget category (e.g., no significant inter-category adjustments).
- ✚ To balance our operating budget, we had a draw on our Reserve Fund of only \$9,936.
- ✚ We nearly maximized CanNor funding (securing \$290k of the maximum possible \$300k)
- ✚ Our Reserve Fund balance remain stable closing at \$464,098, having drawn less than 8% of the reserves we used in the previous year. These reserves are important to managing our cash flow throughout the year. We aim to grow back to \$500 to \$600k as a more appropriate level for our organization at this time.

See Financial Statements in Annex.

Looking Ahead

As we move into 2024-25, we are excited about the opportunities that lie ahead. Our goals include:

- ✚ Engaging meaningfully with our members on their greatest priorities and expectations of us
- ✚ Offering relevant and accessible trainings to equip members with the skills and certifications needed to thrive
- ✚ Strengthening our relationships with communities, local governments and Inuit associations to advocate for policies that support responsible tourism growth
- ✚ Sharpening our digital presence to reach and engage our target audiences
- ✚ Rebuilding our reserve account by achieving an operating surplus in 2024/25.

NUNAVUT TOURISM
FINANCIAL STATEMENTS
MARCH 31, 2024

NUNAVUT TOURISM
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MARCH 31, 2024

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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 Society), which comprise the statement of financial position as at March 31, 2024, 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 Society as at March 31, 2024 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 Society 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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
October 24, 2024

A handwritten signature in black ink, reading "Lester Landau". The signature is fluid and cursive, with the first name "Lester" and last name "Landau" clearly distinguishable.

Chartered Professional Accountants
Lester Landau Accounting Professional Corp.

NUNAVUT TOURISM
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2024

	Association Operations & <u>Management</u>	CanNor Projects <u>(Schedule I)</u>	<u>2024</u>	<u>2023</u>
Revenues				
Government of Nunavut	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,421,667
Repayment	<u>(38,177)</u>	<u>-</u>	<u>(38,177)</u>	<u>-</u>
	961,823	-	961,823	1,421,667
Deferred government assistance (Note 8)	<u>361</u>	<u>-</u>	<u>361</u>	<u>699</u>
	962,184	-	962,184	1,422,366
Federal government funding	-	290,064	290,064	297,202
Memberships	80,981	-	80,981	35,746
Other revenue	<u>54,145</u>	<u>-</u>	<u>54,145</u>	<u>98,334</u>
	<u>1,097,310</u>	<u>290,064</u>	<u>1,387,374</u>	<u>1,853,648</u>
Expenses (Note 10)				
Administration	105,676	-	105,676	90,648
Board governance	70,629	-	70,629	97,380
Office rent and equipment	157,700	-	157,700	154,990
Human resources	268,231	-	268,231	349,210
Marketing	282,262	-	282,262	239,599
Member services	212,812	-	212,812	216,605
Project costs - direct	-	300,000	300,000	836,514
Project costs - allocated	<u>(132,931)</u>	<u>132,931</u>	<u>-</u>	<u>-</u>
	<u>964,379</u>	<u>432,931</u>	<u>1,397,310</u>	<u>1,984,946</u>
Excess expenses over revenues before other item	132,931	(142,867)	(9,936)	(131,298)
Transfer from O&M to projects	<u>(132,931)</u>	<u>132,931</u>	<u>-</u>	<u>-</u>
Excess expenses over revenues	<u><u>\$ -</u></u>	<u><u>\$ (9,936)</u></u>	<u><u>\$ (9,936)</u></u>	<u><u>\$ (131,298)</u></u>

NUNAVUT TOURISM
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2024

	General <u>Fund</u>	Invested in <u>Capital Assets</u>	Asset Replacement <u>Fund</u>	Total <u>2024</u>	Total <u>2023</u>
Balance, opening	\$ 409,623	\$ 20,867	\$ 43,544	\$ 474,034	\$ 605,332
Excess expenses over revenue	(9,936)	-	-	(9,936)	(131,298)
Amortization of government assistance	(361)	361	-	-	-
Amortization	<u>6,569</u>	<u>(6,569)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, closing	<u><u>\$ 405,895</u></u>	<u><u>\$ 14,659</u></u>	<u><u>\$ 43,544</u></u>	<u><u>\$ 464,098</u></u>	<u><u>\$ 474,034</u></u>

NUNAVUT TOURISM
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current		
Cash and cash equivalents (Note 3)	\$ 311,178	\$ 631,401
Accounts receivable (Note 4)	437,440	499,450
Prepaid expenses	<u>24,837</u>	<u>15,083</u>
	773,455	1,145,934
Capital assets (Note 5)	<u>16,102</u>	<u>22,671</u>
	<u><u>\$ 789,557</u></u>	<u><u>\$ 1,168,605</u></u>
<u>Liabilities</u>		
Current		
Accounts payable and accrued liabilities (Note 6)	\$ 300,914	\$ 672,007
Deferred revenue (Note 7)	<u>23,102</u>	<u>20,760</u>
	324,016	692,767
Deferred government assistance (Note 8)	<u>1,443</u>	<u>1,804</u>
	<u>325,459</u>	<u>694,571</u>
<u>Net assets</u>		
General fund	405,895	409,623
Invested in capital assets	14,659	20,867
Asset replacement fund	<u>43,544</u>	<u>43,544</u>
	464,098	474,034
	<u><u>\$ 789,557</u></u>	<u><u>\$ 1,168,605</u></u>

Commitments (Note 11)

APPROVED BY THE BOARD:

 Chairperson

November 2, 2024

  Secretary/Treasurer

November 3, 2024

NUNAVUT TOURISM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Operating Activities		
Excess expenses over revenue	\$ (9,936)	\$ (131,298)
Items not requiring (providing) cash:		
Amortization of capital assets	6,569	4,172
Amortization of deferred government assistance	<u>(361)</u>	<u>(699)</u>
	(3,728)	(127,825)
Cash provided by (used for) changes in non-cash working capital:		
Accounts receivable	62,010	(224,856)
Prepaid expenses	(9,754)	(3,009)
Accounts payable and accrued liabilities	(371,093)	380,579
Deferred revenue	<u>2,342</u>	<u>(7,013)</u>
	<u>(320,223)</u>	<u>17,876</u>
INVESTING ACTIVITIES		
Purchase of equipment	<u>-</u>	<u>(23,942)</u>
Decrease in cash and cash equivalents	(320,223)	(6,066)
Cash and cash equivalents, opening	<u>631,401</u>	<u>637,467</u>
Cash and cash equivalents, closing	<u><u>\$ 311,178</u></u>	<u><u>\$ 631,401</u></u>

NUNAVUT TOURISM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

NUNAVUT TOURISM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

3. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Cash in bank	\$ 311,178	\$ 580,901
Guaranteed investment certificate (GIC)	<u>0</u>	<u>50,500</u>
	<u>\$ 311,178</u>	<u>\$ 631,401</u>

The GIC is redeemable, earning interest at 1% per annum, matured April 2023.

4. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
Government of Nunavut	\$ 370,750	\$ 377,417
Government of Canada	53,806	82,380
Trade receivables	<u>12,884</u>	<u>39,653</u>
	<u>\$ 437,440</u>	<u>\$ 499,450</u>

5. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	Net Book Value <u>2024</u>	Net Book Value <u>2023</u>
Furniture and equipment	\$ 40,015	\$ 38,158	\$ 1,857	\$ 2,321
Computers and audio-visual equipment	3,292	1,333	1,959	2,798
Leasehold improvements	177,529	177,529	-	-
Media displays	<u>20,650</u>	<u>8,364</u>	<u>12,286</u>	<u>17,552</u>
	<u>\$ 241,486</u>	<u>\$ 225,384</u>	<u>\$ 16,102</u>	<u>\$ 22,671</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Government of Nunavut	\$ 87,278	\$ 49,100
Government of Canada	23,940	16,801
Trade payables	<u>189,696</u>	<u>606,106</u>
	<u>\$ 300,914</u>	<u>\$ 672,007</u>

Included in the trades payables balance is \$19,442 (2023 - \$43,378) of government remittances payable.

NUNAVUT TOURISM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

7. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
Membership fees	<u>\$ 23,102</u>	<u>\$ 20,760</u>

8. DEFERRED GOVERNMENT ASSISTANCE

	<u>2024</u>	<u>2023</u>
Deferred government assistance - beginning of year	\$ 1,804	\$ 2,503
Government assistance recognized during year	<u>(361)</u>	<u>(699)</u>
Deferred government assistance - end of year	<u>\$ 1,443</u>	<u>\$ 1,804</u>

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

9. 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.

NUNAVUT TOURISM
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

10. EXPENSE BY TYPE

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

	<u>2024</u>	<u>2023</u>
Amortization	\$ 6,569	\$ 4,172
Insurance	24,536	19,703
Marketing	350,113	719,386
Office	226,474	222,592
Professional fees	115,203	147,016
Salaries and benefits	466,159	504,150
Staff training and development	1,371	17,796
Telecommunications	56,282	37,436
Travel and accommodation	94,090	77,289
Workshops	<u>56,513</u>	<u>235,406</u>
	<u>\$ 1,397,310</u>	<u>\$ 1,984,946</u>

11. COMMITMENTS

The society signed a five-year lease agreement for office space expiring June 2027.

The society also has a two-year software licence that expires September 2024, with an option to renew.

The total of these commitments is as follows:

2025	\$ 140,831
2026	141,284
2027	145,240
2028	<u>36,558</u>
	<u>\$ 463,913</u>

12. COMPARATIVE AMOUNTS

Certain 2023 financial statement amounts have been reclassified to conform to the financial statement presentation adopted in the current year.

NUNAVUT TOURISM
CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY (CANNOR)
TOURISM INDUSTRY RECOVERY
FOR THE YEAR ENDED MARCH 31, 2024

	Budget (Unaudited)	2024
Revenues		
CanNor	\$ 300,000	\$ 300,000
Funded by others	-	132,931
Repayment of funding	-	(9,936)
Total project funding	<u>300,000</u>	<u>422,995</u>
Expenses		
Advertising	210,000	226,380
Contract / Professional fees	55,000	65,263
Capacity training	35,000	8,357
Funded by others	-	132,931
	<u>300,000</u>	<u>432,931</u>
 EXCESS EXPENSES	 <u>\$ -</u>	 <u>\$ (9,936)</u>