

### ***Basic Lending Parameters***

Canadian banks across the country, and particularly in Nunavut, generally do not provide lending services for start-ups or companies without a history of successful operation. This underscores the ongoing need for alternative financing institutions in Nunavut such as NBCC and its strategic partners. NBCC lends money within the following parameters:

The maximum level of support to any one enterprise or to a group of related enterprises is \$1 million;

The maximum term for a credit facility is five years and its amortization is generally 25 years; and

A business enterprise is eligible to apply for a credit facility if it is unable to obtain a credit facility with reasonable terms and conditions from a financial institution and is Nunavut-based.

## *Lender of Northern Opportunity*



***Nunavut Business Credit Corporation***

*will be the*

*financial solutions provider of choice*

*to Nunavut's business community.*

From NBCC Strategic Plan 2010-2015, September 2009, p. 1.

# **NUNAVUT BUSINESS CREDIT CORPORATION**

## **FINANCIAL STATEMENTS**

For the year ended March 31, 2011



**NUNAVUT BUSINESS CREDIT CORPORATION**  
**FINANCIAL STATEMENTS**  
**March 31, 2011**

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## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements for Nunavut Business Credit Corporation (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by the Board of Directors.

The accompanying financial statements were prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements also include some amounts, such as the allowance for losses on impaired loans and the provision for employee future benefits, which are based on management's best estimates and judgment.

In discharging its responsibility for the integrity, fairness and quality of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper records are maintained, and the Corporation complies with applicable laws and conflict of interest rules. These controls and practices help to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of financial information, and adherence to the Corporation's policies and statutory requirements.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The external auditors have full and free access to the Board of Directors.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and financial statements of the Corporation and for issuing his report thereon.



Sherri Rowe  
Chief Executive Officer  
15 December 2011







## INDEPENDENT AUDITOR'S REPORT

To the Minister Responsible for the Nunavut Business Credit Corporation

### Report on the Financial Statements

I have audited the accompanying financial statements of the Nunavut Business Credit Corporation, which comprise the balance sheet as at 31 March 2011, and the statement of operations, comprehensive income and deficit and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

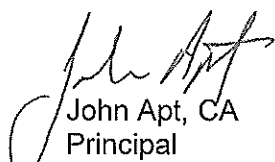
In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nunavut Business Credit Corporation as at 31 March 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

## Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* of Nunavut, I report that, in my opinion, Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Nunavut Business Credit Corporation and the financial statements are in agreement therewith. In addition, the transactions of the Nunavut Business Credit Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Nunavut Business Credit Corporation Act*, and the bylaws of the Nunavut Business Credit Corporation with the exception that the Nunavut Business Credit Corporation did not meet its statutory deadline for submitting its annual report as described in the following paragraph.

Under section 100(1) of the *Financial Administration Act* of Nunavut, the Nunavut Business Credit Corporation is required to submit its annual report to the appropriate Minister no later than 90 days after the end of its financial year, or an additional period, not exceeding 60 days that the Minister of Finance may allow. The Nunavut Business Credit Corporation did not meet its statutory deadline for submitting its annual report.



John Apt, CA  
Principal  
for the Auditor General of Canada

15 December 2011  
Ottawa, Canada