



www.bdic.ca | info@bdic.ca

Annual Report

2021-2022



5009 – 50th Avenue
P.O. Box 1320, Yellowknife NT X1A 2L9
Telephone: 867.767.9075 | Toll free: 1.800.661.0599 | Fax: 867.765.0652
info@bdic.ca

TABLE OF CONTENTS

MANDATE, VISION, MISSION, AND VALUES	4
MINISTER’S MESSAGE	5
MESSAGE FROM THE CHAIRPERSON AND CEO	6
BOARD OF DIRECTORS	8
2021-2022 AT A GLANCE	9
HIGHLIGHTS SINCE 2005	12
PROGRAMS AND SERVICES	15
Credit Facilities Program.....	15
Contribution Program – Business Development Project Fund (BDPF).....	16
Venture Investment Program.....	17
Subsidiary Program	18
Business Support Services	20
BDIC CLIENT SUCCESS STORIES	21
REPORTING ON THE 2021-2022 SCORECARD	24
WRITE-OFF AND FORGIVENESS	27
DISBURSEMENTS	29
LOOKING FORWARD	34
CONSOLIDATED FINANCIAL STATEMENTS	35



MANDATE

The BDIC's mandate, as established under the *Northwest Territories Business Development and Investment Corporation Act*, is to support the economic objectives of the Government of the Northwest Territories in a manner that benefits the people and the economy of the NWT by:



Encouraging the creation and development of businesses



Directly investing in businesses



Providing financial assistance to businesses



Providing information and support to businesses and members of the public

VISION

A stronger, more resilient business sector in the Northwest Territories.

MISSION

Promote business growth and diversification by providing flexible financing options and targeted programs and services that support businesses throughout their lifecycles.

VALUES

Driven to make a difference in the NWT

What we do matters. Through our work, we help enable and empower NWT businesses to succeed, thrive, and reach their potential. We are motivated by results; we help support the creation of jobs and opportunities in the NWT which builds strong and healthy communities.

Serve with integrity

We follow through on what we say we will do and take ownership of our work. We build and foster relationships by sharing information in an open and transparent manner. We abide by BDIC and GNWT legislation, regulations, policies, and processes.

Respectful and inclusive

We are considerate and ensure everyone is treated fairly and with dignity. We value diversity and create an environment where everyone feels important and included.

Innovative

We pursue new ideas and value different perspectives. We are creative, exploring and introducing new approaches and programs that provide solutions to make things better for each other, our clients, partners, and stakeholders.

MINISTER'S MESSAGE

Entrepreneurs and businesses are at the heart of a sustainable economy in the NWT. They enrich our local communities by providing products and services, creating jobs, and fueling the economic ecosystem.

The last couple of years have presented many challenges for businesspeople but their grit, ingenuity, and resourcefulness were most evident. Our entrepreneurs stepped up and are stepping forward to emerge and recover from the pandemic and build a prosperous future.

The BDIC, working closely with government departments and partners, was instrumental in providing flexible solutions and supports to assist the business community during these volatile times. Their client-focus, flexibility, and responsiveness will be assets as we rebuild and revitalize the NWT economy.

Recognizing that no one organization can be all things or do everything, partnerships and collaboration are vital. Only by working together, intergovernmental and across industry and business sectors, will we accelerate diversification and generate economic growth. The BDIC is focused on building strong partnerships and will continue its collaborative approach to achieve its strategic priorities and deliver its mandate.

The territorial government and the BDIC remain strongly committed to supporting businesses and entrepreneurs to meet the challenges and pursue new opportunities with confidence. We will continue to listen and understand the needs of our entrepreneurs and adapt to meet the future needs of the NWT economy.

Caroline Wawzonek

Minister Responsible for the Northwest Territories Business Development and Investment Corporation



MESSAGE FROM THE CHAIRPERSON AND CEO

During this second year of disruption and uncertainty, the BDIC kept focused on helping entrepreneurs face the challenges and supporting recovery.

We are pleased to share highlights, accomplishments, and the financial statements for the Northwest Territories Business Development and Investment Corporation (BDIC) in this annual report. We believe that it demonstrates the BDIC's unwavering commitment to the NWT business community and our clients and partners.

In 2021-2022, the BDIC disbursed almost \$8 million in new loans, contributions, ventures, and subsidies. The BDIC approved deferred loan payments for 24 businesses providing some relief during the ongoing pandemic crisis. Despite a slow recovery, the BDIC's subsidiary companies continued to operate and employed 6.8 staff and helped to support 53 arts and craft producers in the smaller communities.

Throughout the year, the BDIC sought to understand the evolving needs of its clients and offer practical solutions. In response to enhanced public health measures in fall 2021, the BDIC quickly made available additional funding from the Business Development Project Fund (BDPF) through a new initiative, BDPF Aftercare Relief. Fifteen businesses received relief funding of \$38,000 from this initiative with a total of \$206,000 disbursed through BDPF.



Denny Rodgers
Chairperson



Joyce Taylor
Chief Executive Officer

As the world emerges from a prolonged crisis, businesses will need to prepare for both growth and resilience. At the BDIC, we believe that we can help. The BDIC remains committed to its vision of a stronger, more resilient business sector in the Northwest Territories. This vision compels us to explore and embrace new and innovative approaches and partnerships to support businesses in meeting challenges and pursuing opportunities.

The BDIC has made great strides with planning and development that will enable and drive future changes to the organization and its programs and services. We look forward to many exciting developments on the horizon including supports for digital transformation and modernization of the organization and the BDIC Act.

As we close this year and embark on a new one, we would like to acknowledge and thank the staff, the Board, and our partners for their agility and dedicated efforts to support a thriving business community in the NWT.

Denny Rodgers

Chairperson

Joyce Taylor

Chief Executive Officer

BOARD OF DIRECTORS

The BDIC Board of Directors are appointed by the Minister responsible for the BDIC. The Board directs and manages the BDIC's affairs and establishes policies and operational guidelines for its programs and services.

Chairperson

Denny Rodgers, Inuvik

Directors

Onosen Adebo, Fort Smith

Matthew Bannister, Yellowknife (Vice Chairperson)

Ayanna Ferdinand Catlyn, Yellowknife

Charles Furlong, Aklavik

Lloyd Jones, Fort Smith

Marie-Soleil Lacoursiere, Yellowknife

Kenneth Ruptash, Yellowknife

(as of March 31, 2022)

2021-2022 AT A GLANCE

The BDIC provides debt and equity financing and contributions to NWT businesses. Additionally, the BDIC offers business support services to help entrepreneurs and businesses in the Northwest Territories.

In 2021-2022, BDIC disbursed approximately **\$8.0 million** in new loans, contributions, ventures, and subsidies.

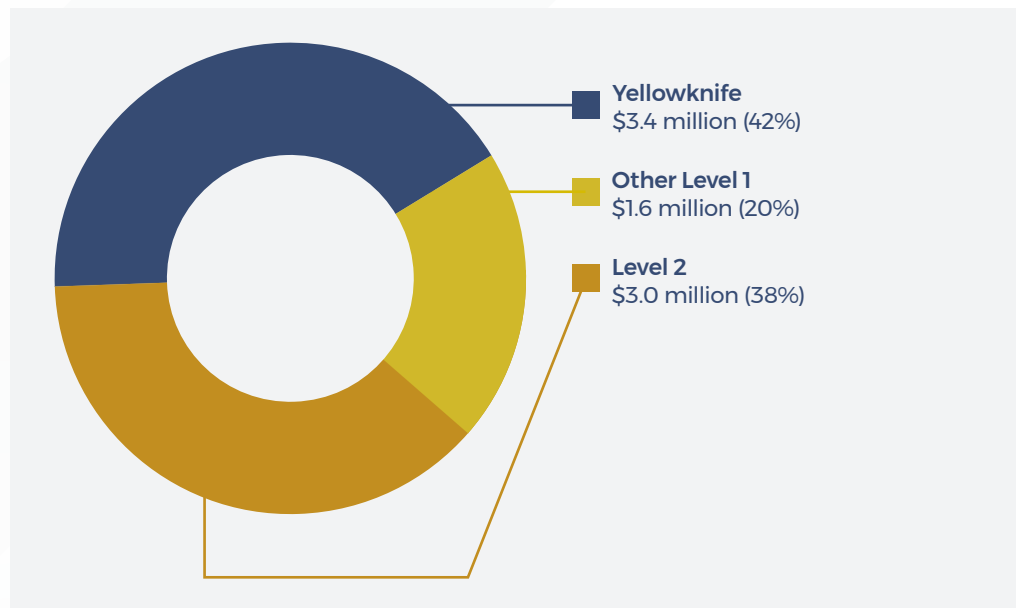
DISBURSED FINANCIAL ASSISTANCE BY COMMUNITY

Level 1 communities:

Communities with well developed business infrastructure and air/road transportation links; includes Fort Smith, Hay River, Inuvik, and Yellowknife (including Ndilo).

Level 2 communities:

Communities with less developed business infrastructure and air/road transportation links; includes all other NWT communities not listed as Level 1.



DISBURSED FINANCIAL ASSISTANCE BY REGION



Total Credit Facilities portfolio

\$50.6* MILLION



Credit Facilities

Total number of approved

15
APPLICATIONS



Total \$'s
APPROVED

\$4,072,000

Contribution Program

Total number of approved
APPLICATIONS



38

Total \$'s
APPROVED



\$239,000

** This amount includes \$2.7 million in accrued interest on impaired loans which is properly excluded from the financial statements.*

Due to ongoing challenges presented by COVID-19,

31 LOANS with a value of **\$11.9 million**

were approved for further deferment or reductions.

This created

\$700,000 in cash flows for **24 BUSINESSES.**

*** This amount excludes \$14,000 in other subsidiary income.*

Subsidiary Program

The BDIC operated five active subsidiaries which generated

\$593,000** in sales

The BDIC helped to support

 **53** ARTS AND CRAFT PRODUCERS

AND MAINTAINED

6.8 FULL-TIME EQUIVALENT JOBS

in small NWT communities



Business Support Services

BUSINESS SESSIONS HELD 115

255 NUMBER OF PARTICIPANTS (in business sessions)



HIGHLIGHTS SINCE 2005

Since 2005, the BDIC has disbursed approximately **\$119 million** to **593 businesses** in communities across the Northwest Territories.*

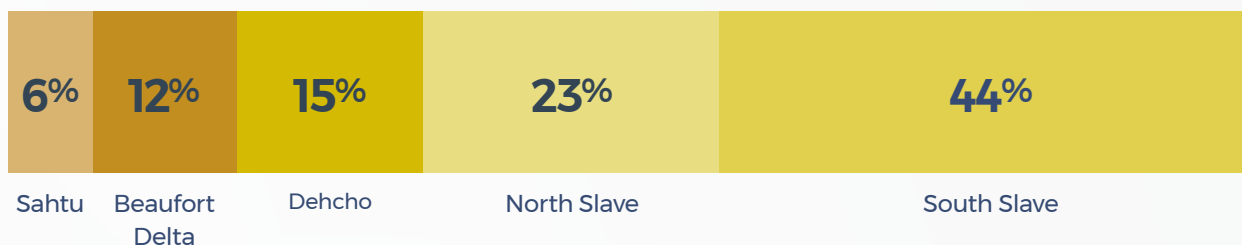
TOTAL FINANCIAL DISBURSEMENTS BY REGION

(from April 1, 2005 to March 31, 2022)

Region	Amount	Number of Businesses	Population Estimates**	Amount per Capita
Beaufort Delta	\$14,004,675	104	6,846	\$2,046
Dehcho	\$17,387,997	51	3,365	\$5,167
North Slave	\$28,013,132	269	25,198	\$1,112
Sahtu	\$7,660,253	24	2,668	\$2,871
South Slave	\$51,877,230	145	7,427	\$6,985
TOTAL	\$118,943,287	593	45,504	

% OF TOTAL FINANCIAL DISBURSEMENTS BY REGION

(from April 1, 2005 to March 31, 2022)



* from April 1, 2005 to March 31, 2022

** NWT Bureau of Statistics, population estimates as of July 1, 2021

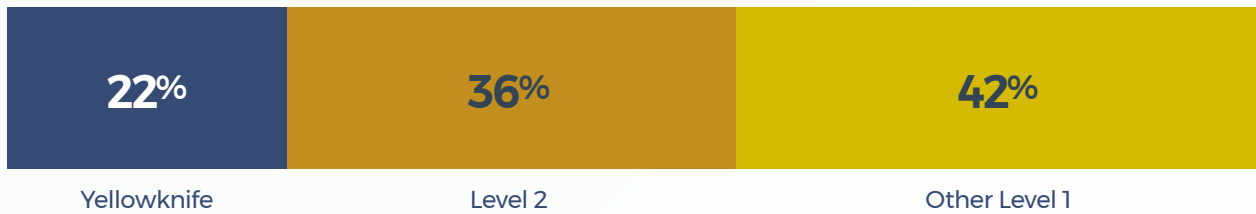
TOTAL FINANCIAL DISBURSEMENTS BY COMMUNITY LEVEL

(from April 1, 2005 to March 31, 2022)

Community Level	Amount	Number of Businesses	Population Estimates**	Amount per Capita
Level 2	\$42,610,807	192	13,502	\$3,156
Other Level 1	\$49,494,724	141	9,705	\$5,100
Yellowknife	\$26,837,756	260	22,297	\$1,204
TOTAL	\$118,943,287	593	45,504	

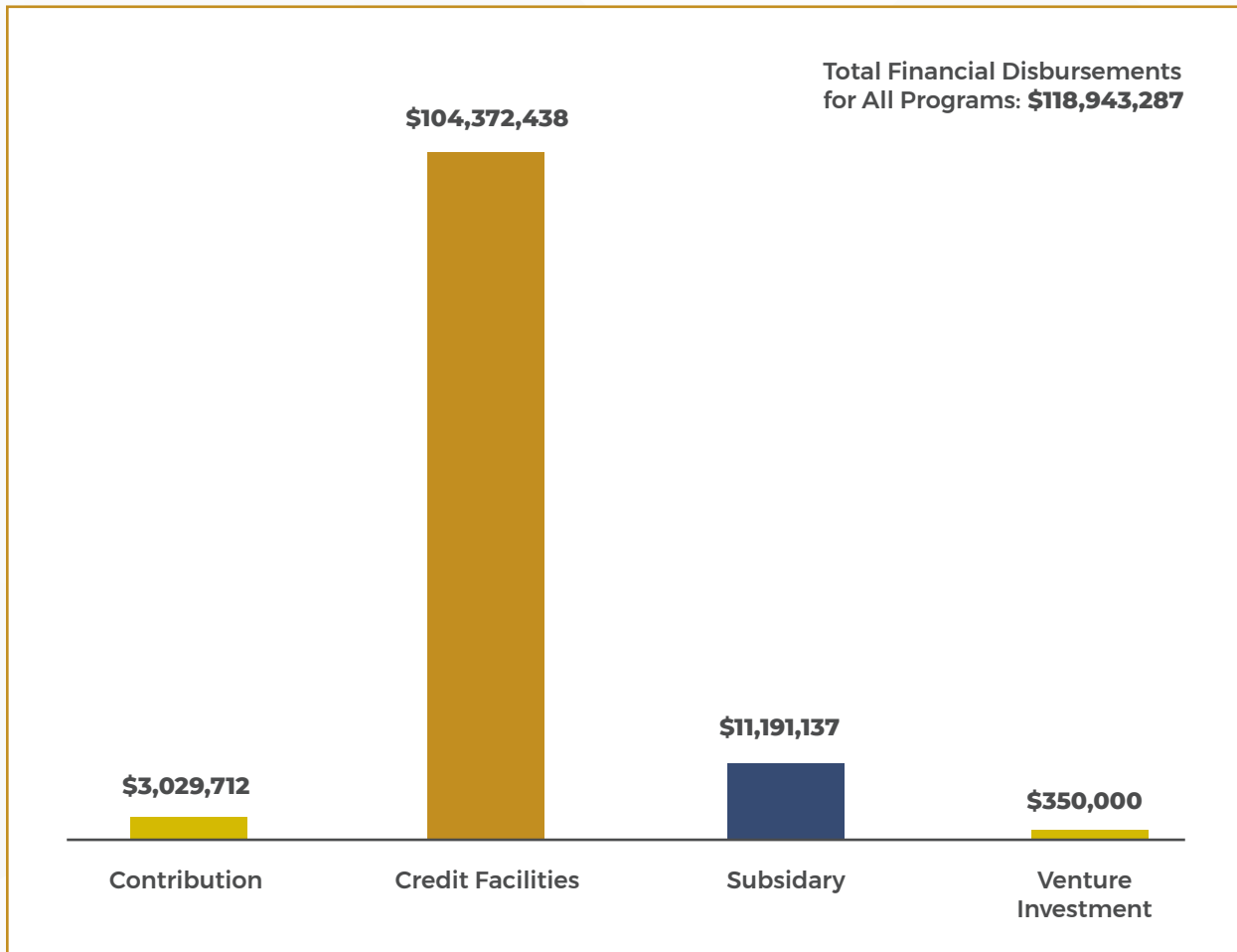
% OF TOTAL FINANCIAL DISBURSEMENTS BY COMMUNITY LEVEL

(from April 1, 2005 to March 31, 2022)



TOTAL FINANCIAL DISBURSEMENTS BY PROGRAM

(from April 1, 2005 to March 31, 2022)



PROGRAMS AND SERVICES

CREDIT FACILITIES PROGRAM

Loan Program

The BDIC supports entrepreneurs and business owners with loans. Repayment terms can be customized and interest rates (fixed or variable) are based on the risks.

Working Capital Guarantee

The BDIC can also provide guarantees to help entrepreneurs secure working capital from a conventional financial institution. Clients pay the BDIC an annual commission based on credit risks.

Standby Letter of Credit

A Standby Letter of Credit (SLC) gives a third party the assurance that the BDIC will make a payment in the event the client (who contracted the SLC) is unable to meet their obligations. Clients use a SLC to secure contract bids or provide security to suppliers.

Credit Risk Management

The BDIC applies sound risk management practices to assess clients accessing credit facilities to ensure they have demonstrated an ability to repay the BDIC and build sustainable businesses.

** This amount includes \$2.7 million in accrued interest on impaired loans which is properly excluded from the financial statements.*

*** This amount includes \$3.3 million for loans approved in prior years but disbursed in 2021-22 and \$3.6 million for loans approved and disbursed in 2021-22. It also includes a \$968,000 non-cash distribution and excludes \$61,000 incurred for other fees that are related to these loans. Of the \$4.1 million in loans approved in 2021-22, \$0.5 million is expected to be disbursed in 2022-23.*

**CREDIT FACILITIES
PORTFOLIO VALUE
\$50.6 MILLION***

15 CREDIT FACILITIES APPLICATIONS
APPROVED IN 2021-22

IN AMOUNT **\$4.1**
OF
MILLION

**DISBURSED IN 2021-22
\$6.9 MILLION****



BDPF

38 APPLICATIONS APPROVED

TOTAL AMOUNT APPROVED

\$239,000

TOTAL AMOUNT DISBURSED



\$206,000

(34 businesses)

15 BDPF
AFTERCARE RELIEF
APPLICATIONS APPROVED

TOTAL APPROVED AND DISBURSED AMOUNT FOR BDPF AFTERCARE RELIEF:

\$38,000

(15 businesses)

CONTRIBUTION PROGRAM- BUSINESS DEVELOPMENT PROJECT FUND (BDPF)

Entrepreneurs starting or expanding their business may be able to receive funding from the BDIC's contribution program, the Business Development Project Fund (BDPF), which had an allocation of \$250,000 in 2021-2022. This included an additional \$50,000 that was allocated for a special initiative, BDPF Aftercare Relief.

The three streams of BDPF in 2021-2022 included:

1. Core BDPF
2. BDPF Aftercare
3. BDPF Aftercare Relief (special short-term relief funding)

Core BDPF assists businesses by funding expenses that are related to start-up, expansion, and purchase of raw materials. Short-term projects that create employment can also be supported. Businesses with a maximum of \$500,000 in annual revenue are eligible to apply.

BDPF Aftercare can provide funding to businesses for them to purchase accounting software and services, to help undertake succession planning, and to attend business training programs.

A special initiative called BDPF Aftercare Relief was introduced in September 2021 in response to enhanced public health measures and restrictions from COVID-19. BDPF Aftercare Relief provided enhanced flexibility and short-term relief funding through BDPF Aftercare - up to \$2,500 for businesses in Level 1 communities and up to \$3,500 for businesses in all other communities.

VENTURE INVESTMENT PROGRAM

The BDIC invests in businesses in return for preferred shares in the business that offer annual dividends. Shares can be redeemed at any time. Businesses looking for a partner can receive support from the Venture Investment Program.

A wide range of job creation activities can be supported by the Venture Investment Program. The funds can also be used as leverage to obtain additional financing from the private sector. There were no new venture investments approved in 2021-2022, however, there was a disbursement of \$350,000 for one venture investment that was approved in the prior fiscal year.

The Venture Investment Program is currently under review and will be updated as part of the amendments being explored for the BDIC Act.

1



VENTURE
INVESTMENT DISBURSED
\$350,000



SUBSIDIARY PROGRAM

The BDIC invests in community initiatives and businesses that create employment and/or provide goods and services to the communities. Through the Subsidiary Program, the BDIC aims to facilitate community ownership and provides general assistance and support with marketing and accounting.

BDIC subsidiary companies continued to maintain community employment despite ongoing challenges presented by the COVID-19 pandemic.

In 2021-2022, the BDIC operated **five** subsidiaries that had combined total sales of **\$593,000***

The BDIC maintained

6.8 FULL-TIME EQUIVALENT JOBS WITHIN THE SUBSIDIARIES

And helped to support **53 Arts and Craft PRODUCERS**

**This amount excludes \$14,000 in other subsidiary income.*

913044 N.W.T. Ltd.
Fort McPherson Tent & Canvas
(FMTC)



Fort McPherson



5983 N.W.T. Ltd.
Ulukhaktok Arts Centre
(UAC)

Ulukhaktok



Arctic Canada Trading Co. Ltd.
(ACTCL)**

Yellowknife

Fort Providence

Fort Liard



Acho Dene Native Crafts Ltd.
(ADNC)



Dene Fur Clouds Ltd.
(DFC)

- Sales (000s)
- Direct Employment Positions (FTE)
- Arts and Craft Producers

** markets and promotes the subsidiaries and their products and has no employees or sales



SMALL BUSINESS WEEK WINNER:
Nelson Keeble

During Small Business Week in October, the BDIC ran a campaign that celebrated small businesses and promoted business support services. It offered 10 free online business sessions during the week of October 17-23, and anyone registered for three or more sessions could be entered for the opportunity to win a gift basket valued at \$250 of arts and crafts from the BDIC's subsidiaries.

BUSINESS SUPPORT SERVICES

The BDIC provides business services to help people start and grow their business in the Northwest Territories. For business services, the BDIC manages and delivers Canada Business NWT (CBNWT) in partnership with the Canadian Northern Economic Development Agency (CanNor).

CBNWT supports start-ups and small businesses by providing a wide range of information and resources about business and government services, programs, and regulations. Resources include weekly online learning sessions, a business library, and a comprehensive step-by-step guide to starting a business in the NWT. The BDIC also has a business centre with workstations and a printer and fax machine available to entrepreneurs. The services and resources provided by CBNWT are also available online and through community partners to residents across the NWT.

The online learning sessions, which cover a variety of topics for people who want to improve their business skills and knowledge, were by far the most popular service with 255 people attending 115 sessions during the year.

Bush Order Provisions Ltd.

Bush Order is a local food production and retail business operating in Yellowknife that includes a bakery, market garden, and farm store. The husband-and-wife team of Kyle Thomas and Marie-Christine Auger are the proud owners of this developing business. Together, they have the education and passion for growing and producing high-quality food while sharing their knowledge and experience with the community.

Bush Order was created from the merger of two separate small businesses – a bread and baked goods business that had sold products at the Yellowknife farmers market since 2013 and a start-up business focused on gardening, farming, and beekeeping. As Kyle Thomas remarks, “It seemed like a natural fit to combine the businesses since the products could complement each other by either being incorporated into the product or used as a composting option to reduce waste.”

The company takes great pride in its offering of local, quality products – sourcing organic flour from a mill that works directly with farmers; using natural forming yeast that avoids any use of chemicals or additives; and expanding into indoor growing through the development of soil-based microgreens which are nutrient dense, densely seeded young plants.

The BDIC was instrumental with Bush Order’s expansion with the purchase of a viable property and retrofit of a commercial kitchen, providing a term loan and contribution funding through the Business Development Project Fund. During the COVID-19 pandemic, the BDIC’s loan deferral program assisted the business as it faced delays





with the launch of the bakery and supply chain issues. As Marie-Christine Auger states, “When few options were available, the BDIC offered support and flexible solutions to keep us going.”

The business attributes its current success to having a solid business plan from the start and revisiting it constantly and being flexible. As Kyle Thomas shares, “Being flexible is critical at whatever stage your business is at. With the pandemic, Bush Order needed to switch back and forth between online sales, curbside pickups, deliveries, and retail store and wholesale distribution. Don’t be afraid to try new things or to pivot your business based on new challenges and opportunities.”



If you are thinking of starting a business, just do it. The North needs more entrepreneurs. It is undeniably difficult but incredibly rewarding.”

– Marie-Christine Auger

Northridge Contracting Ltd.

For over two decades, Northridge Contracting Ltd. or Northridge, has been a fixture in the community of Norman Wells since it started in July 2002. Since then, the company has grown to become a reputable leader in general contracting, project management, and construction services in the North with a number of employees ranging from 20 to 40 depending on the projects and season.

The company has branched out into a wide offering of services over the years that includes construction, trucking, land/real estate development, remediation, utilities, road building and maintenance, transportation, and rental and leasing of commercial space and vehicles. The BDIC has supported Northridge Contracting Ltd. over the years with various financing and business service supports.

As Pascal Audet shares, “Northridge engaged with the BDIC because they understand the special needs of northern businesses. NWT businesses face challenges that are unique to this region and having a partner who understands the North is really important.”



REPORTING ON THE 2021-2022 SCORECARD

The objectives were approved by the Board of Directors as part of the BDIC's 2021-2022 Corporate Plan.

OBJECTIVE 1

TARGETS



Deliver programs and tools to support NWT businesses, including targeted financial products and services

- Needs of entrepreneurs gathered through an online survey
- Evaluation of resources and materials
- A simplified loans application process implemented
- Enhanced business programming developed

STATUS



The BDIC completed an online survey and secondary research to evaluate and inform changes and enhancements to the BDIC's programs and tools and updates to legislation and regulations. An online application was assessed, and policies are being reviewed to support a simplified process.

OBJECTIVE 2

TARGETS



Enhance the BDIC's programs/services to support business recovery and growth in a post-COVID-19 economy

- Evaluation of the BDIC's Contribution Program
- Business-related outcome-based Key Performance Indicators (KPIs)
- Re-launch of the Venture Investment Program
- Digital platform for small loan requests

STATUS



The BDIC conducted research to evaluate and identify opportunities for the Contribution and Venture Investment Programs. Potential areas will be explored during public engagement to inform amendments to the BDIC Act and enable program changes and enhancements. For performance measurement, a logic model was developed and outcome-based KPIs identified with systems/processes requirements being defined.

OBJECTIVE 3

TARGETS



Continue to boost the performance of the BDIC subsidiaries

- Roll out inventory management system for ADNC
- Development of business plans for each operating subsidiary
- Assessment of the subsidiaries' product prices and cost structures
- New website for the Arctic Canada Trading Company
- Increased sales throughout Canada and internationally

STATUS



The BDIC implemented an inventory management system for ADNC and began assessing the pricing and cost structure for UAC. The development of business plans for operating subsidiaries is being undertaken which involves stakeholder engagement. Engagement was completed for FMTC. Any additional investment in the subsidiaries such as a new website and marketing activities to increase sales, will happen after the business plans are completed.

OBJECTIVE 4

TARGETS



Raise awareness of the BDIC and its activities

- Development of a corporate communications strategy
- Implementation of a social media strategy
- Enhanced business information available on BDIC's website
- Promotion of programs/services through social media and other channels

STATUS



The BDIC developed and began implementation of a new corporate communications plan and social media strategy. A refresh of the BDIC website was completed which improved navigation and enhanced business information. Several advertising and promotional campaigns were implemented throughout the year.

OBJECTIVE 5

TARGETS



Continue strengthening internal capacity and collaborating with other organizations to benefit the NWT business community

- Enhanced staff training and performance measures processes assessed
- Ongoing communication with community and business organizations
- Stronger collaboration with businesses, government, and other stakeholders
- Business information provided in collaboration with partners and stakeholders

STATUS



The BDIC significantly increased its outreach, collaboration, and partnership with key stakeholders to address emerging issues and pursue new opportunities in entrepreneurship and business development. Stakeholders consisted of government, academic institutions, industry, and the business community. Enhanced staff training and performance measures were completed.

OBJECTIVE 6

TARGETS



Strengthen corporate governance

- Implementation of the BDIC's Strategic Plan goals
- Ongoing alignment of BDIC corporate goals to the mandate of GNWT
- Board of directors' competency matrix developed
- Updated board of directors' terms and conditions

STATUS



The BDIC continued implementation of the four-year Strategic Plan and finalized the 2022-23 Corporate Plan with goals aligned to the mandate of the GNWT. The BDIC recruited several board members using a newly developed competency matrix and updated the board of directors' terms and conditions and orientation.

WRITE-OFF AND FORGIVENESS

The BDIC Board of Directors may approve debt write-offs in accordance with legislation. A debt written off can still be collected, however, is assigned a zero value in the BDIC's financial statements. The Financial Management Board may approve the forgiveness of debts. A forgiven debt is removed from the financial statements as the BDIC is no longer able to collect it.

In 2021-2022, five accounts were written off by the BDIC Board of Directors and 14 accounts were forgiven by the Financial Management Board.

DEBTS WRITTEN OFF

Business Name	Number of Accounts	Total Amount
After 8 Pub Incorporated	2	\$59,350
Alcantara Outfitting Ltd.	2	\$170,665
William Turner	1	\$6,079
TOTAL	5	\$236,094

DEBTS FORGIVEN

Business Name	Number of Accounts	Total Amount
4842 NT Ltd. (o/a AJ's Electrical)	1	\$26,694
953781 NWT Ltd. (o/a Twist & Shout)	2	\$544,839
Aurora World Corporation	3	\$1,819,992
Beaufort Delta Petroleum Ltd.	1	\$277,466
Charles Gauthier	1	\$3,385
Jones, Kenneth (o/a Elle Hair Salon)	2	\$63,637
Ortiz, Lana (o/a Off The Hook)	1	\$9,081
Quyta Holdings Ltd.	1	\$593,533
Thayavathy Sabanadesan (o/a Sew It All)	1	\$9,000
Video Palace Ltd.	1	\$125,755
TOTAL	14	\$3,473,382

DISBURSEMENTS

CREDIT FACILITIES PROGRAM

Business Name	Owners	Community	Amount
3119378 Canada Inc. (o/a South Nahanni Airways)	Harvey, Jacques and Martel-Harvey, Laverna	Fort Simpson	\$1,466,910
4928 N.W.T. Ltd. (o/a Poison Graphics)	Mundy, Derek	Hay River	\$312,864
507387 N.W.T. Ltd. (o/a C.A.B. Construction)	Browne, Michael	Fort Smith	\$297,000
507621 N.W.T. Inc.	Freud, Glen; Freud, Terry; Freud, Daniel and Freud, Christopher	Fort Smith	\$313,713
Boreal Cultivation Inc.	Healy, Damien; Harker, Jordan and Harker, Brooke	Yellowknife	\$526,188
Bullocks Bistro (2016) Ltd.	Martin, Jo-Ann and Elson, Mark	Yellowknife	\$368,700
Drummond, Reginald (o/a The Hungry Wolf)	Drummond, Reginald	Yellowknife	\$50,000
F.C. Services Ltd.	Grosco, Curtis; Grosco, Margaret; Grosco, Luke and Grosco, Angela	Behchokq	\$410,875
Goose Flying Corporation	Mjatelski, Sergei	Fort Simpson	\$155,000
Great Slave Fish Products Limited	Abbott, Brian	Yellowknife	\$25,000
Greenway Holdings Ltd.	Groenewegen, Jane and Groenewegen, Richard	Hay River	\$189,000
Lubansa, Bright and Lubansa, Norma (o/a Omankera General Contracting)	Lubansa, Bright and Lubansa, Norma	Yellowknife	\$30,000
Mackenzie Cabins Ltd.	Bertrand, Eric and Neal, Tammy	Enterprise	\$380,000
MJ's Express Services Ltd.	St. Louis, John	Yellowknife	\$1,125,000
NSIXTY Trading Company Ltd.	Westwell, Christian; Westwell, Joanna and Rothnie, Gordon	Fort Smith	\$467,500
Pierrot, Ronald (o/a Pierrot's Logistics)	Pierrot, Ronald	Fort Good Hope	\$10,000
Range Lake Developments Ltd.	Chakrabarty, Biswanath and Chakrabarty, Bula	Yellowknife	\$750,000
Yellowknife Tours Ltd.	Law, Angela; Law, Verda and Law, Chun Kwok	Yellowknife	\$30,000
TOTAL*			\$6,907,750

* This amount includes a \$968,000 non-cash distribution and excludes \$61,000 incurred for other fees that are related to these loans.

CONTRIBUTION PROGRAM

Business Name	Owners	Community	Amount
507063 N.W.T. Ltd. (o/a Harley's Hardrock Saloon)	Yuill, Scott	Yellowknife	\$2,500
6395 NT Inc. (o/a Silverback Smoke and Essentials)	Nadia, Lionel	Fort Simpson	\$19,181
Alappaa Inc.	Pokiak, Myrna	Yellowknife	\$10,000
Alietum Ltd.	Waugh, Jennifer	Yellowknife	\$1,000
Bella Dance Academy Inc.	Lewis, Lina	Yellowknife	\$2,500
Boreal Cultivation Inc.	Healy, Damien; Harker, Jordan and Harker, Brooke	Yellowknife	\$2,500
Break Away Fitness Ltd.	Lubansa, Bright and Lubansa, Norma	Yellowknife	\$2,500
Cetana Neurotherapy Ltd.	Austin, Bryan and Rentmeister, Tyler	Yellowknife	\$5,188
Cimon, Maxime (o/a CG Systems)	Cimon, Maxime	Yellowknife	\$2,500
CPOW Productions Ltd.	Freund, Colter	Fort Smith	\$9,990
Doherty, Jody (o/a Stick Built Construction)	Doherty, Jody	Fort Smith	\$10,000
Dunkin, Jessica (o/a Dunkin Creative)	Dunkin, Jessica	Yellowknife	\$1,600
Epic Studios Inc.	Mario, Roger	Yellowknife	\$8,298
F.C. Services Ltd.	Grosco, Curtis; Grosco, Margaret; Grosco, Luke and Grosco, Angela	Behchokq	\$3,500
Fishy People Inc.	Bihun, Jared and McKenzie, Nicole	Yellowknife	\$3,000
Gagnon, Sneha (o/a Namaste inStyle by Sneba)	Gagnon, Sneha	Yellowknife	\$11,500
Goose Flying Corporation	Mjatelski, Sergei	Fort Simpson	\$1,406
Kotchilea, Roxanne (o/a Tundra Beauty)	Kotchilea, Roxanne	Behchokq	\$5,558
Lubansa, Diana and Louis-Jean, Jonel (o/a LJJ Barbershop)	Lubansa, Diana and Louis-Jean, Jonel	Yellowknife	\$10,888
Mendoza, Raquel (o/a LC Bros Cleaning Services)	Mendoza, Raquel	Inuvik	\$8,957
Mohamed, Mohamed and Pema, Savannah (o/a Savannah's Restaurant)	Mohamed, Mohamed and Pema, Savannah	Yellowknife	\$2,500
Nahanni Butte General Store Ltd.	Nahanni Butte Dene Band	Nahanni Butte	\$2,000
Nitsiza, Charles (o/a Whati Bed and Breakfast)	Nitsiza, Charles	Whati	\$20,000
Norman, Sean (o/a Aurora Chaser)	Norman, Sean	Yellowknife	\$2,189

Business Name	Owners	Community	Amount
Rukunda, Winnifred (o/a Solid Touch Day Home)	Rukunda, Winnifred	Yellowknife	\$2,500
Shedden, Andrew (o/a Bell Rock Recording)	Shedden, Andrew	Fort Smith	\$9,777
Shoniwa, Judith (o/a Sapphire Day Home)	Shoniwa, Judith	Yellowknife	\$9,308
Van Stiphout, Sarah (o/a Cabin Snacks)	Van Stiphout, Sarah	Yellowknife	\$10,000
Wilkes, William (o/a Fort Simpson Kennels)	Wilkes, William	Fort Simpson	\$20,000
Yellowknife Racquet Club Ltd.	Hinchey, Kelli	Yellowknife	\$2,500
Yellowknife Tours Ltd.	Law, Angela; Law, Verda and Law, Chun Kwok	Yellowknife	\$2,500
TOTAL			\$205,840

VENTURE INVESTMENT PROGRAM

Business Name	Owners	Community	Amount
Great Slave Bottling Company Ltd.	Martin, Jo-Ann and Elson, Mark	Yellowknife	\$350,000
TOTAL			\$350,000

SUBSIDIARY PROGRAM

Business Name	Owners	Community	Amount
5983 NWT Ltd. (o/a Ulukhaktok Arts Centre)	BDIC	Ulukhaktok	\$110,000
913044 NWT Ltd. (o/a Fort McPherson Tent and Canvas)	BDIC	Fort McPherson	\$250,000
Acho Dene Native Crafts Ltd.	BDIC	Fort Liard	\$50,000
Dene Fur Clouds Ltd.	BDIC	Fort Providence	\$100,000
TOTAL			\$510,000

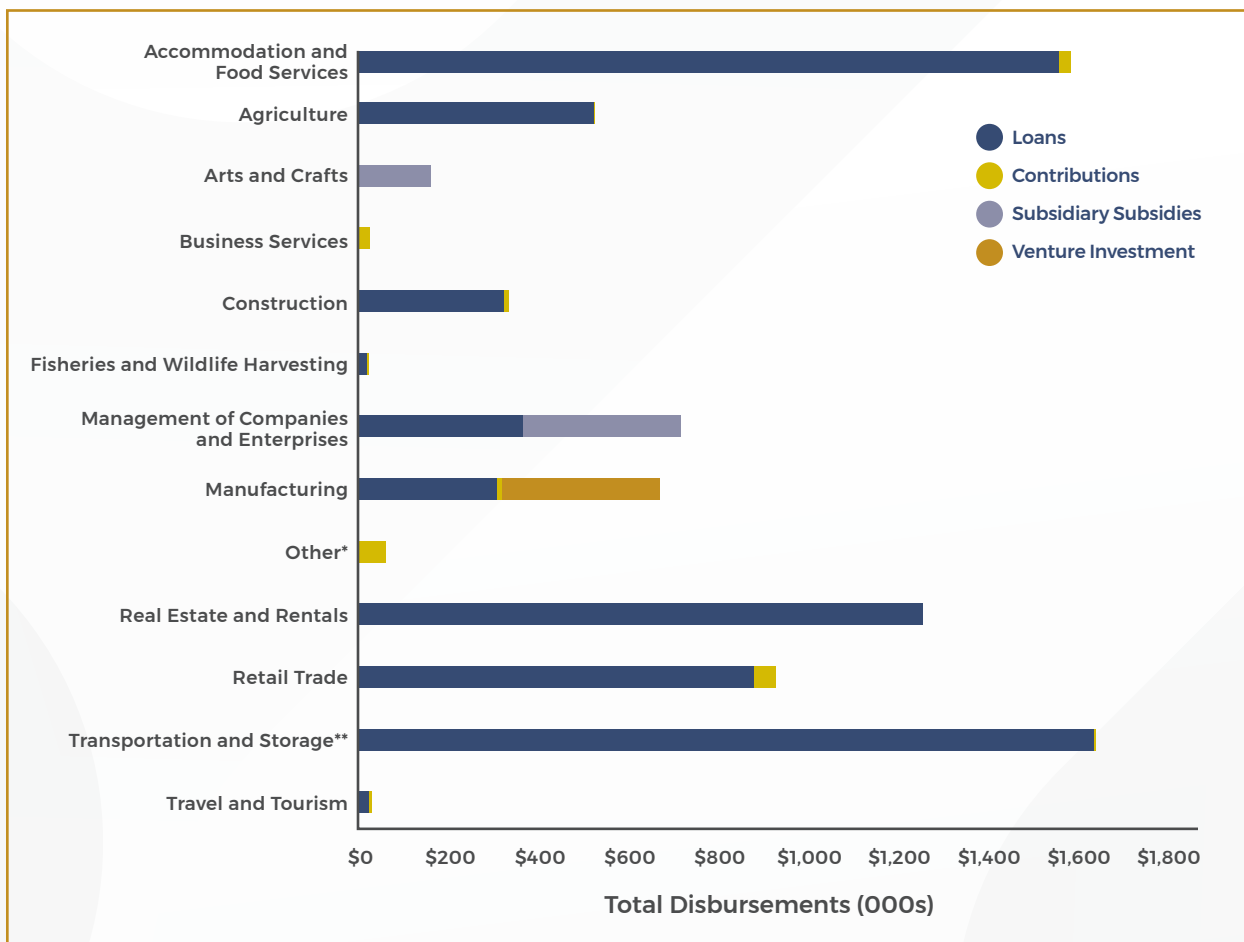
TOTAL FOR ALL PROGRAMS

\$7,973,590

DISBURSEMENTS BY INDUSTRY SECTOR

INDUSTRY SECTOR	LOANS		CONTRIBUTIONS		SUBSIDIARY SUBSIDIES		VENTURE INVESTMENT	
	#	(000s)	#	(000s)	#	(000s)	#	(000s)
Accommodation and Food Services	3	\$1,555	3	\$25	0	\$0	0	\$0
Agriculture	1	\$526	1	\$2	0	\$0	0	\$0
Arts and Crafts	0	\$0	1	\$6	2	\$160	0	\$0
Business Services	0	\$0	2	\$29	0	\$0	0	\$0
Construction	2	\$327	1	\$10	0	\$0	0	\$0
Educational Services	0	\$0	2	\$12	0	\$0	0	\$0
Entertainment and Recreation	0	\$0	1	\$3	0	\$0	0	\$0
Film	0	\$0	1	\$8	0	\$0	0	\$0
Fisheries and Wildlife Harvesting	1	\$25	1	\$3	0	\$0	0	\$0
Health care	0	\$0	1	\$5	0	\$0	0	\$0
Information and Cultural Industries	0	\$0	2	\$20	0	\$0	0	\$0
Management of Companies and Enterprises	1	\$369	0	\$0	2	\$350	0	\$0
Manufacturing	1	\$313	1	\$10	0	\$0	1	\$350
Other Services	0	\$0	2	\$12	0	\$0	0	\$0
Professional, Scientific and Technical Services	0	\$0	3	\$5	0	\$0	0	\$0
Real Estate and Rentals	3	\$1,253	0	\$0	0	\$0	0	\$0

INDUSTRY SECTOR	LOANS		CONTRIBUTIONS		SUBSIDIARY SUBSIDIES		VENTURE INVESTMENT	
	#	(000s)	#	(000s)	#	(000s)	#	(000s)
Retail Trade	2	\$878	6	\$50	0	\$0	0	\$0
Transportation and Storage**	3	\$1,632	1	\$1	0	\$0	0	\$0
Travel and Tourism	1	\$30	2	\$5	0	\$0	0	\$0
TOTAL	18	\$6,908	31	\$206	4	\$510	1	\$350



* consists of the following sectors: Educational Services; Entertainment and Recreation; Film; Health care; Information and Cultural Industries; Other Services; and Professional, Scientific and Technical Services

** includes aviation

LOOKING FORWARD

The last several years have emphasized the importance of flexibility, client focus, and partnerships. The COVID-19 pandemic challenged many of us, including the BDIC, to rethink how we do things. The BDIC aims to continue this practice as it looks ahead to support business development and generate positive impacts to the NWT economy.

For 17 years, the BDIC has had the privilege of helping NWT entrepreneurs plan, start, grow, and transition their businesses. While BDIC's focus on supporting entrepreneurs and businesses remains unchanged, its approach and activities will be taking some new and exciting directions.

The BDIC will be undertaking a modernization of the organization and introducing changes and enhancements to many of its programs and services over the next several years. To support and guide these efforts, the BDIC will be conducting engagement with key stakeholders and proposing amendments to the BDIC Act and its regulations. The organization will also be looking to support NWT businesses adopt digital technologies to stay competitive and grow in an ever-changing landscape.

At the core of this transformation will be partnerships. The BDIC will continue to strongly collaborate with others – bringing new and existing partners to the table in order to pursue new audiences, sectors, and opportunities to advance business and economic development.

We hope that you will join us on this exciting journey as we continue our work in building a stronger and more resilient business sector in the Northwest Territories.

Consolidated Financial Statements

Northwest Territories Business Development and Investment Corporation

Consolidated Financial Statements

For the year ended

March 31, 2022

Northwest Territories Business Development and Investment Corporation**Management's Responsibility for Financial Reporting**

The accompanying consolidated financial statements of the Northwest Territories Business Development and Investment Corporation (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by its board of directors.

Management is responsible for preparing these consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these consolidated financial statements.

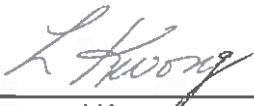
In discharging its responsibility for the integrity, fairness and quality of the consolidated financial statements, management is responsible for maintaining financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, 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. It exercises this responsibility through the Audit Committee, which is comprised of members who are not employees of the Corporation. The Audit Committee meets with management on a regular basis. The external auditors also have full and free access to the Audit Committee.

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



Joyce Taylor
Chief Executive Officer



Leonard Kwong
Director, Finance and Programs

August 25, 2022



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Business Development and Investment Corporation

Opinions

We have audited the consolidated financial statements of the Northwest Territories Business Development and Investment Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Qualified Opinion on the Results of Operations and Changes in Net Financial Assets

In our opinion, except for the possible effects on the comparative information of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated statement of operations and accumulated surplus and consolidated statement of change in net financial assets present fairly, in all material respects, the consolidated results of operations and consolidated changes in net financial assets of the Group for the year ended 31 March 2022 in accordance with Canadian public sector accounting standards.

Opinion on the Financial Position and Cash Flows

In our opinion, the accompanying consolidated statement of financial position and consolidated statement of cash flows present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022 and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinions, Including Basis for Qualified Opinion on the Results of Operations and Changes in Net Financial Assets

On 11 March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). As a result, measures were put in place that impacted our ability to observe the counting of physical inventories as at 31 March 2020. We were also unable to satisfy ourselves concerning those inventory quantities by alternative means. Since opening inventories affect the determination of the results of operations and changes in net financial assets, we were unable to determine whether adjustments to the results of operations and changes in net financial assets might have been necessary in the consolidated statement of operations and accumulated surplus and in the consolidated statement of change in net financial assets, respectively, for the year ended 31 March 2021. Our audit opinion on the consolidated financial statements for the year ended 31 March 2021 was modified accordingly because of the possible effects of this limitation in scope. As a result, our opinion on the current

year's consolidated financial statements is modified because of the possible effects of this matter on the comparability of the current year's figures and the comparative information.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's *Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 unmodified opinion on the financial position and cash flows and our qualified opinion on the results of operations and changes in net financial assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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.

A handwritten signature in cursive script that reads "David Irving".

David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
25 August 2022

Northwest Territories Business Development and Investment Corporation**Consolidated Financial Statements (March 31, 2022)**

	<u>Page</u>
Consolidated Statement of Financial Position	7
Consolidated Statement of Change in Net Financial Assets	8
Consolidated Statement of Operations and Accumulated Surplus	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11 – 30
Schedule A – Consolidated Schedule of Tangible Capital Assets	31

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Financial Position (000's)**

	March 31, 2022	March 31, 2021
	\$	\$
Financial Assets		
Cash (Notes 3 and 19)	15,473	18,229
Accounts receivable (Notes 4, 16 and 19)	2,195	130
Inventories for sale (Note 5)	257	340
Loans receivable (Notes 6, 7, 8 and 19)	44,184	43,511
Venture investments (Note 9)	350	-
	<hr/> 62,459	<hr/> 62,210
Liabilities		
Accounts payable and accrued liabilities	1,142	1,061
Post-employment benefits (Note 10)	286	297
Advances from the Government of the NWT (Notes 11 and 16)	26,067	26,798
Asset retirement obligations	34	31
	<hr/> 27,529	<hr/> 28,187
Net financial assets	<hr/> 34,930	<hr/> 34,023
Non financial assets		
Tangible capital assets (Schedule A)	172	244
Prepaid expenses	2	12
	<hr/> 174	<hr/> 256
Accumulated surplus	<hr/> 35,104	<hr/> 34,279

Contractual obligations and contingencies (Notes 14 and 15)

The accompanying notes and Schedule A are an integral part of these consolidated financial statements

Approved by:



Denny Rodgers
Chairperson of the Board of Directors

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Change in Net Financial Assets (000's)**

For the year ended March 31	Budget 2022	Actual 2022	Actual 2021
	\$	\$	\$
Annual surplus (deficit)	187	825	(358)
Amortization of tangible capital assets	77	72	74
Acquisition of prepaid expenses	-	(2)	(12)
Use of prepaid expenses	-	12	1
	-	10	(11)
Increase (decrease) in net financial assets	264	907	(295)
Net financial assets, beginning of year	34,023	34,023	34,318
Net financial assets, end of year	34,287	34,930	34,023

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Operations and Accumulated Surplus (000's)**

For the year ended March 31	Budget 2022	Actual 2022	Actual 2021
	\$	\$	\$
Revenues			
Interest on loans receivable	1,950	2,270	2,212
Sales and other income	706	607	468
Interest on pooled cash (Note 3)	301	102	139
	<hr/> 2,957	<hr/> 2,979	<hr/> 2,819
Government transfers (Note 12)	2,879	2,882	2,954
	<hr/> 5,836	<hr/> 5,861	<hr/> 5,773
Expenses (Note 13)			
Lending and investments	4,310	3,912	5,171
Retail and manufacturing	1,339	1,124	960
	<hr/> 5,649	<hr/> 5,036	<hr/> 6,131
Annual surplus (deficit)	187	825	(358)
Accumulated surplus, beginning of year	34,279	34,279	34,637
Accumulated surplus, end of year	34,466	35,104	34,279

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Cash Flows (000's)**

For the year ended March 31	2022	2021
	\$	\$
Operating transactions		
Cash received from:		
Governments	130	2,109
Customers	675	491
Interest	2,793	1,352
	<hr/>	<hr/>
	3,598	3,952
Cash paid for:		
Compensation and benefits	2,240	1,953
Payments to suppliers	914	743
Interest on advances from the Government of the NWT	633	-
Grants and contributions	206	199
	<hr/>	<hr/>
	3,993	2,895
Cash (used for) provided by operating transactions	<hr/>	<hr/>
	(395)	1,057
Investing transactions		
Loans receivable disbursed	(6,002)	(9,649)
Venture investment disbursed	(350)	-
Loans receivable repaid	4,358	1,885
	<hr/>	<hr/>
Cash (used for) investing transactions	<hr/>	<hr/>
	(1,994)	(7,764)
Financing transactions		
Repayment of advances from the Government of the NWT	(367)	-
Advances from the Government of the NWT	-	5,500
	<hr/>	<hr/>
Cash (used for) provided by financing transactions	<hr/>	<hr/>
	(367)	5,500
(Decrease) in cash	<hr/>	<hr/>
	(2,756)	(1,207)
Cash, beginning of year	18,229	19,436
Cash, end of year	<hr/>	<hr/>
	15,473	18,229

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

1. The Corporation

(a) Authority

The Northwest Territories Business Development and Investment Corporation (the Corporation) was established on April 1, 2005 pursuant to the *Northwest Territories Business Development and Investment Corporation Act* (the Act).

The Corporation is a territorial corporation of the Government of the Northwest Territories (Government of the NWT) named in Schedule B of the *Financial Administration Act* (the FAA). Accordingly, the Corporation operates in accordance with Part 3 of the FAA, the Act and its regulations, and any directives issued to it by the Minister responsible for the Corporation (the Minister) under Section 4 of the Act.

(b) Mandate

The mandate of the Corporation is to support the economic objectives of the Government by encouraging the creation and development of business enterprises in the Northwest Territories and by providing information and financial assistance to, and making investments in, such enterprises.

(c) Government of the NWT transfers and advances

In accordance with Section 30 of the Act, the Corporation must annually submit a corporate plan, operating budget and capital budget identifying the transfers requested from the Government of the NWT for approval by the Financial Management Board (the FMB) prior to the commencement of the fiscal year. The transfers received from the Government of the NWT are for the purposes of financing the Corporation's general operations; making capital investments in, and providing working capital advances and operating subsidies to, business enterprises based on need; providing transfers for business development projects; and purchasing tangible capital assets for the Corporation. The transfers are repayable to the Government of the NWT if not completely spent within the fiscal year in which they were provided.

The Corporation and its organizations are economically dependent upon the transfers received from the Government of the NWT for their ongoing operations (Note 18).

Section 26 of the Act also authorizes the Government of the NWT to advance to the Corporation an amount out of the Consolidated Revenue Fund not exceeding \$150 million for the purposes of providing financial assistance to, or making investments in, business enterprises. These advances are repayable to the Government of the NWT on demand.

(d) Taxes

The Corporation and its organizations are exempt from the payment of municipal and territorial taxes pursuant to Section 35 of the Act and federal income tax pursuant to Section 149(1)(d) of the *Income Tax Act* of Canada.

(e) Budget

The consolidated budget figures have been derived from the budgets approved by the FMB and the Corporation's board of directors. Other budgeted amounts have been approved by the Corporation's senior management.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

2. Summary of significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board (the PSAB).

(a) Measurement uncertainty

The preparation of the consolidated financial statements, in accordance with PSAS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although at the time of preparation of these consolidated financial statements, management believes the estimates and assumptions to be reasonable.

The more significant estimates relate to the determination of the valuation of loans receivables, impaired loans, venture investments, amortization, and the allowance for credit losses, the provision for termination and removal benefits, and services received without charge. A variation in the quality of the loan portfolio or economic conditions under which these estimates are made could result in significant changes in these management estimates.

The significant accounting policies followed by the Corporation in the preparation of these consolidated financial statements are summarized below:

(b) Principles of consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity, which includes the Corporation and the organizations it controls. All inter-entity transactions and balances have been eliminated upon consolidation. These consolidated financial statements include the accounts of the following organizations:

Organization	Location	Percentage Ownership	Incorporation Date
Light manufacturing			
913044 N.W.T. Ltd. (o/a Fort McPherson Tent & Canvas)	Fort McPherson, NT	100%	September 25, 1991
Aklavik & Tuktoyaktuk Furs Ltd.	Tuktoyaktuk, NT	100%	June 30, 1997
Dene Fur Clouds Ltd.	Fort Providence, NT	100%	December 18, 1997
Fine arts and crafts			
Acho Dene Native Crafts Ltd. 5983 N.W.T. Ltd. (o/a Ulukhaktok Arts Centre)	Fort Liard, NT Ulukhaktok, NT	100% 100%	October 15, 1992 February 12, 2008
Wholesale/retail stores			
Arctic Canada Trading Co. Ltd.	Yellowknife, NT	100%	June 28, 1997
Muskox Harvesting			
6355 N.W.T. Ltd.	Sachs Harbour, NT	100%	May 12, 2011

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

2. Summary of significant accounting policies (continued)**(c) Cash**

Cash is comprised of bank account balances (net of outstanding cheques). Surplus cash is pooled with the Government of the NWT's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets which can be withdrawn at any time, and are not restricted by maturity dates on investments made by the Government of the NWT. Cash also includes funds and reserves subject to restrictions as described in Note 3.

(d) Accounts receivable

Accounts receivable are recorded at cost. A valuation allowance is recorded when the collection of a receivable is considered doubtful.

(e) Inventories for sale

Inventories for sale consist of finished goods, work-in-process and raw material and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis.

(f) Loans receivable

Loans receivable are initially recognized at cost. Valuation allowances are used to adjust the carrying amount of loans receivable to the lower of cost and net recoverable value. Concessionary loans are recorded at net present value at issue, and related present value discounts are expensed. Loans are classified as impaired when, in management's opinion, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest.

Previously, loans were considered in default when payment was three months past due (unless the loan was fully secured), or six months past due (regardless of whether the loan was fully secured). However, under the COVID-19 economic relief programs, clients were able to obtain low interest loans and/or reduce or defer their loan payments for the 2020-2021 fiscal year without penalty or additional interest charges. Impairment for these loans were assessed differently. The Corporation conducted client surveys, reviewed loan extension and restructuring requests as well as loan payments received in 2021-2022 to determine whether loans were performing or impaired.

Loans receivable with concessionary terms are considered in part to be grants and are recorded on the date of issuance at face value discounted by the amount of the grant portion. The discounted value and the effective interest rate are determined using the prime rate adjusted for risk at the date of issuance. At the date of issue, the grant portion is calculated as the difference between the face and discounted value of the loan and recorded as interest expense. The grant portion is recognized as an expense at the date of issuance of the loan or when the concession is provided. These loans are carried at amortized costs with the discount being recorded as an increase in the loan balance and an increase to interest income over the term of the loan using the effective interest rate method.

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated net recoverable value through an adjustment to the allowance for credit losses. Subsequent changes in the estimated net recoverable value are also adjusted through the allowance for credit losses.

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e., recoveries) subsequent to a

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

2. Summary of significant accounting policies (continued)**(f) Loans receivable (continued)**

loan, or loan with concessionary terms, being classified as impaired are offset against the allowance for credit losses. The loan reverts to performing status when all provisions for credit losses are reversed and, in management's opinion, the ultimate collection of principal and interest is reasonably assured. At that time, previously non-accrued interest income is recognized as interest income.

In accordance to the FAA, the Corporation's board of directors may approve the write-off of debts owing to the Corporation. An account that has been written off is still subject to collection action. An account can only be approved for forgiveness by the board of directors (\$500 or less) or the FMB (over \$500). Once an account has been forgiven, no further collection action is possible.

(g) Allowance for credit losses

The allowance for credit losses represents management's best estimate of the probable credit losses existing in the loan portfolio. In determining the allowance for credit losses, management segregates probable credit losses into two components: specific and general.

The specific allowance is established on an individual loan basis to recognize credit losses. When a loan is considered impaired, the carrying amount of the loan is reduced to its estimated net recoverable value by discounting the expected future cash flows at the effective interest rate inherent in the loan. If the expected future cash flows cannot be reasonably determined, the fair value of the underlying security of the loan is used to determine net recoverable value.

The general allowance is established using management's best judgement to reflect the probable losses on performing loans which cannot yet be specifically identified as impaired. The general allowance is based on the Corporation's historical loan loss experience, aggregate exposure to particular industries or geographical regions and prevailing economic conditions.

The allowance for credit losses is an accounting estimate based on historical loan loss experience and an assessment of current economic conditions. Events may occur that render the underlying assumptions invalid and thus cause actual credit losses to vary significantly from management's best estimate.

The allowance is increased or decreased by changes in the estimated net recoverable values during the current period and is reduced by recoveries and loan write-offs.

(h) Venture investments

Venture investments are recognized at cost less any write-downs to reflect impairment in value.

Gains and losses on disposal are recognized in income when realized. Where there has been a significant and other than temporary decline in value, the investment is written down to recognize the loss. Dividends from venture investments are included in revenue when received. When they are received, they are deposited to the Venture Investment Fund to be used for additional investments in venture activities.

There is no active quoted market.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

2. Summary of significant accounting policies (continued)**(i) Accounts payable and accrued liabilities**

Accounts payable and accrued liabilities include trade payables and liabilities, accrued payroll and benefits and vacation pay payable. These liabilities are valued at cost.

(j) Asset retirement obligations

The fair value of an asset retirement obligation is recognized in the period in which the obligation is incurred and is discounted from the expected date of settlement back to its present value using the Corporation's credit-adjusted risk-free rate. The fair value of the estimated obligation is recognized as a liability, with a corresponding increase in the carrying amount of the related asset.

The costs capitalized to the related assets are amortized to earnings in a manner consistent with the amortization of the underlying asset. The liability amount is increased in each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of a retirement obligation are charged against the obligation to the extent of the liability recognized.

(k) Government transfers

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

The Government of the NWT provides certain services without charge to the Corporation. The estimated cost of these services is recognized as services received without charge, which is included in government transfers, and is included in the Corporation's expenses.

(l) Post-employment benefits

i) Pension benefits: Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

ii) Termination and removal benefits: Employees are entitled to termination benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recognized when employees are identified for lay-off. The cost of the benefits has been determined based on an actuary assessment.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

2. Summary of significant accounting policies (continued)

(m) Tangible capital assets

Tangible capital assets are carried at cost less accumulated amortization and write-downs. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 years
Vehicle and equipment	4 years
Leasehold improvements	4 years
Computer equipment	4 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

(n) Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, loans receivable, venture investments, accounts payable and accrued liabilities, and the advances from the Government of the NWT. These financial instruments are measured at cost.

(o) Non financial assets

Non financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non financial assets during the year, together with the excess revenues over expenses, provides the change net financial assets during the year.

(p) Segment disclosure

The Corporation presents segment information for lending and investment and retail and manufacturing activities. Lending and investment represent the activities of the Corporation and retail and manufacturing represents the activities of the organizations the Corporation controls. All revenues except for sales and other income are generated from lending and investment activities.

(q) Future accounting changes

The PSAB issued the following two new sections effective on or after April 2022 and 2023. The Corporation is currently assessing the impact of the two sections.

Section PS 3280, "Asset Retirement Obligation": This section establishes standards on how to account for and report for assets retirement obligations. This section is effective for fiscal year beginning on or after April 1, 2022 with earlier adoption permitted.

Section PS 3400, "Revenue": This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This section is effective for fiscal year beginning on or after April 1, 2023 with earlier adoption permitted.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

3. Cash

Cash is comprised of cash held by the Corporation for operations, in funds and reserves established under the Act, and for post-employment benefits, as well as cash held by the Corporation's organizations. Cash is pooled with the Government of the NWT's surplus cash that is invested in a diversified portfolio of high grade, short-term income producing assets. Cash can be withdrawn at any time and is not restricted by maturity dates on investments made by the Government of the NWT. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service Limited. The Corporation earned \$102,000 in interest at an average investment yield of 0.71% during the year (2021: \$139,000 at an average investment yield of 0.83%).

In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 10b).

	000's	
	2022	2021
	\$	\$
Cash held by the Corporation for operations	3,509	5,284
Cash held by the Corporation's organizations	2,105	1,924
Cash held for post-employment benefits	286	297
	5,900	7,505
Venture Investment Fund	3,805	4,190
Capital Fund	873	873
Subsidy Fund	559	435
Venture Reserve Fund	521	486
Loans and Bonds Fund	3,668	4,593
Capital Reserve Fund	147	147
	9,573	10,724
	15,473	18,229

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

4. Accounts receivable

	000's	
	2022	2021
	\$	\$
Receivables	182	218
Receivables from the Government of the NWT	2,079	9
Receivable from the Government of Canada	49	48
Less: provision for doubtful accounts	115	145
	2,195	130

5. Inventories for sale

	000's	
	2022	2021
	\$	\$
Arts and crafts	70	146
Canvas products	187	194
	257	340

During the year, \$60,000 of inventories were written down (2021: \$101,000) and no inventories were pledged as security. Also, during the year, the Corporation had \$99,000 recoveries on inventory that had been previously written down (2021: \$35,000). Inventory write-downs and recoveries are included in the cost of goods sold.

6. Impact of COVID-19

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic. Global business and investment markets were immediately and substantively affected. Within the Corporation's portfolio, industries have been impacted differently. In response to the pandemic, the Government of the NWT announced on March 20, 2020 certain economic relief measures through the Corporation effective April 1, 2020. The Corporation's interest rate reduction measure was considered to provide concessionary terms to qualified businesses.

Interest Rate Differential

The Corporation offered low interest working capital loans during the pandemic in 2021. Loans up to \$25,000 or higher in certain circumstances, were provided to qualified businesses at a rate of 1.75% on unsecured loans, which normally have an interest rate of 6.45% (prime + 4%). Two loans totalling \$55,000 approved in 2021, were disbursed under this measure (2021: Ninety-one loans totaling \$2,319,000). At March 31, 2022, allowance for credit losses on these loans totalled \$56,000 (2021: \$111,000).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

6. Impact of COVID-19 (continued)**Economic relief measure extended**

In 2021, the Corporation allowed clients that applied to have their loan repayments reduced or deferred until March 31, 2021 without penalty or additional interest charges. Approval was provided for interest and payment deferrals throughout the year for all qualified loans receivable.

With the continued impact of COVID-19 affecting the Northwest Territories' economy in 2022, the Corporation's Application Review Committee approved thirty-one loans (2021: thirty-two loans) additional deferral options March 31, 2022.

These deferrals have no concessionary terms and will include penalty and/or additional interest charges. Of these loans a total of \$6,645,000 have been classified as impaired (2021: \$4,491,000) due to the increased risk of default on account and \$2,029,000 (2021: \$1,220,000) are included in specific allowance.

7. Loans receivable

The Corporation provides variable and fixed rate loans for periods up to five years with the amortization period not to exceed twenty-five years.

The Corporation charges its clients prime plus 2%, 3%, or 4%, depending on the security provided, client's management ability, the client's investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, equipment, guarantees and general security agreements. Loans receivable are expected to mature as follows:

		000's			
		2022		2021	
		Rate Range	Balances	Rate Range	Balances
		%	\$	%	\$
Performing	1 year	4.70-7.95	6,305	4.70-7.95	7,657
loans due	1-2 years	5.45-7.45	3,636	4.70-6.70	7,857
within:	2-3 years	2.95-6.95	3,920	5.45-7.45	3,591
	3-4 years	1.75-6.95	9,881	2.95-6.95	4,501
	over 4 years*	1.75-6.45	12,173	1.75-6.95	12,790
			35,915		36,396
Accrued loan interest receivable			662		1,154
Impaired loans			11,200		11,160
			47,777		48,710
Less: allowance for credit losses (Note 8)			3,593		5,199
			44,184		43,511

* These loans receivable have been reduced by \$153,000 (2021: \$303,000) under the concessionary terms (Note 6)

In 2022, four accounts representing two borrowers totalling \$230,000 (including impaired interest of \$36,000 not recognized) were written off by the board of directors (2021: nil) and fourteen accounts

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2022

7. Loans receivable (continued)

representing ten borrowers totalling \$3,473,000 (including impaired interest of \$1,513,000 not recognized) were forgiven (2021: nil) by the FMB. The board of directors also wrote off a receivable unrelated to loans in the amount of \$6,000. Recoveries on loans previously written off from both loans receivable and allowance totalled \$18,000 (2021: \$38,000).

Concentration of credit risk

Concentration of credit risk may arise from exposure to groups of debtors having similar characteristics such that their ability to meet their obligations may be affected similarly by changes in economic or other conditions. The concentrations of performing loans and impaired loans by industry sector and geographic concentrations are displayed in the following tables:

Industry sector concentration

Sectors	000's			
	2022		2021	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Accommodations, food and beverage	6,852	1,207	5,493	1,791
Agriculture	276	2,333	1,715	388
Arts and craft	5	346	6	375
Business services	125	3	185	304
Communication	-	523	-	559
Construction	5,566	2,715	6,345	2,870
Educational services	31	-	25	-
Entertainment and recreation	18	-	39	58
Finance and insurance	296	-	318	-
Fisheries and wildlife	37	13	22	30
Forestry and logging	57	-	89	-
Health care	68	-	82	-
Information and cultural industries	69	-	84	-
Management of companies	1,555	-	1,232	-
Manufacturing	1,183	2	1,113	8
Mining	123	-	127	-
Oil and gas	-	359	-	359
Other services	1,852	38	2,073	82
Professional, scientific and technical services	331	-	385	-
Real estate	7,498	157	6,752	155
Retail	6,390	1,236	6,058	1,243
Transportation and storage	2,317	1,495	2,961	897
Travel and tourism	539	773	565	2,041
Wholesale	727	-	727	-
	35,915	11,200	36,396	11,160

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

7. Loans receivable (continued)

Geographic concentration

Regions	000's			
	2022		2021	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Beaufort-Delta	3,387	512	3,536	856
Dehcho	4,990	2,251	5,634	1,658
North Slave	7,893	4,465	6,920	4,185
Sahtu	2,071	67	2,176	133
South Slave	17,574	3,905	18,130	4,328
	35,915	11,200	36,396	11,160

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

Credit risk rating	000's	
	2022	2021
	\$	\$
Low	19,293	19,040
Medium	14,193	15,020
High	2,429	2,336
	35,915	36,396

The Corporation considers a loan past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of loans that are past due but not classified as impaired because they did not meet the criteria of impairment:

Loans past due but not impaired	000's	
	2022	2021
	\$	\$
31 – 60 days	22	-
61 – 90 days	-	-
Over 90 days	-	-
	22	-

The risk exposure relating to loans is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of the Northwest Territories. To mitigate this risk, the Corporation limits the concentration of loans with any individual client. Under its regulations, the maximum the Corporation can lend to or invest in any one business enterprise or group of related enterprises is \$2 million. Amounts greater than \$2 million must be approved by the FMB. There were no loans approved by the FMB in 2022 (2021: nil).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

7. Loans receivable (continued)

The table represents loans receivable with and without concessionary terms before allowance:

Concessionary loans	000's	
	2022	2021
	\$	\$
With no concessionary terms	45,278	45,846
With concessionary terms	1,837	1,710
Accrued loan interest receivable	662	1,154
	47,777	48,710

8. Allowance for credit losses

	000's	
	2022	2021
	\$	\$
Balance, beginning of year	5,199	3,490
Provision for credit losses	912	1,878
Loans written off and forgiven	(2,154)	-
Recoveries from repayments of allowance	(364)	(169)
Balance, end of year	3,593	5,199
Comprised of:		
Specific allowance*	2,875	4,471
General allowance	718	728
Balance, end of year	3,593	5,199

* The specific allowance includes \$56,000 (2021: \$111,000) for the economic relief working capital loans that were disbursed in 2021 (Note 6).

9. Venture investments

The Corporation's portfolio of venture investments is focused on providing financing in the form of preferred shares and debt to companies in the Northwest Territories. As at March 31, 2022, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2022 were \$943,000 (2021: \$593,000) with accumulated write-downs of \$593,000 (2021: \$593,000). In 2022, no venture investments were approved for write-off (2021: nil) by the board or for forgiveness by the FMB (2021: nil).

Preferred shares and dividends

Investments in preferred shares carry the right of conversion to common shares. This right, if exercised, may result in the holding of a controlling interest under certain circumstances. Preferred shares are

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

9. Venture investments (continued)**Preferred shares and dividends (continued)**

redeemable at the option of the Corporation and earn dividends at variable rates. Investment yields vary from year to year due to the amount and timing of the dividends received.

10. Post-employment benefits**(a) Pension benefits**

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(j)(i)). Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate is dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.01 times (2021: 1.01) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.0 times (2021: 1.0) the employee's contribution. Total contributions of \$154,000 (2021: \$126,000) were recognized as an expense in the current year. The Corporation's and employees' contributions to the Plan for the year were as follows:

	000's	
	2022	2021
	\$	\$
Corporation's contributions	154	126
Employees' contributions	154	125

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan and they are indexed to the increase in the Consumer Price Index.

(b) Termination, removal benefits and leave

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(l)(ii)). It also provides removal assistance, along with sick and special leave to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

The most recent actuarial valuation was completed in February 2022 and the information has been extrapolated to year-end. The values presented below are for the benefits under the severance, removal and compensated absences for the Corporation.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

10. Post-employment benefits (continued)**(b) Termination, removal benefits and leave (continued)**

Change in Obligation	000's	
	2022	2021
	\$	\$
Accrued benefit obligation, beginning of year	142	249
Current period benefit cost	11	11
Interest cost	4	5
Benefit payments	(21)	(58)
Actuarial loss (gain)	62	(65)
Accrued benefit obligation, end of year	198	142
Unamortized net actuarial gain	88	155
Accrued benefit liability*	286	297

*Total retirement, post-employment, and other leave benefits includes \$246,158 (2021 - \$262,922) related to severance and removal and \$31,955 (2021 - \$34,376) related to compensated absences.

Benefit Expense

	000's	
	2022	2021
	\$	\$
Current period benefit cost	11	11
Interest cost	4	5
Amortization of actuarial (gain) loss	(6)	(6)
Post-employment benefits	9	10

The discount rate used in determining the accrued benefit obligation is an average of 4.10% (2021: 3.30%). The assumed rate of compensation increase is 2% (2021: 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 10.3 years (2021: 8.3 years). No inflation was applied.

11. Advances from the Government of the NWT

For the purpose of providing financial assistance to or making investments in business enterprises, the Act authorizes the Corporation to borrow up to \$150 million from the Government of the NWT through advances. Increases to the outstanding balance of the advances must be approved by the FMB based on the needs of the Corporation. The balance was not to exceed \$45 million (2021: \$45 million) as at March 31, 2022.

Interest on the advances is based on the rate set during the last week of each month for the Government of Canada 3-year bonds, compounded annually. The rate varied from 0.48% to 2.31% (2021: 0.19% to 0.49%) during the year.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements
March 31, 2022

11. Advances from the Government of the NWT (continued)

	000's	
	2022	2021
	\$	\$
Balance, beginning of year	26,798	21,228
Interest charged on Advances (Note 13)	269	70
Repayment of Advances (Note 19)	(1,000)	
Advances received	-	5,500
Balance, end of year	26,067	26,798

During the year, no advances were provided to the Corporation (2021: \$5,500,000) to cover new loans and economic relief working capital loans (Notes 6 and 7). The \$1,000,000 paid during the year represents \$367,000 in principal and \$633,000 in interest.

12. Government transfers

	000's					
	2022		Total	2021		Total
Lending/ Invest- ments	Retail/ Manufac- turing	Lending/ Invest- ments		Retail/ Manufac- turing		
	\$	\$	\$	\$	\$	\$
Government of the NWT:						
Operations and maintenance	1,565	510	2,075	1,410	602	2,012
Services received without charge (Note 17)	710	-	710	845	-	845
	2,275	510	2,785	2,255	602	2,857
Federal programs	97	-	97	97	-	97
	2,372	510	2,882	2,352	602	2,954

A stipulation included in the agreement is for any unspent funds to be repaid to the Government of the NWT. There were no unspent amounts in 2022 (2021: nil).

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2022

13. Consolidated budgeted figures and expenses by object

The consolidated budgeted figures have been approved by the Minister and the FMB.

	Consolidated (000's)							
	2022			2021				
	Total Budget	Lending / In- vestments	Retail / Manufac- turing	Total	Total Budget	Lending / In- vestments	Retail / Man- ufacturing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Advertising and promotion	29	14	2	16	31	10	2	12
Amortization	77	53	19	72	77	52	22	74
Asset retirement	-	-	2	2	-	-	1	1
Bad debts	6	-	2	2	-	-	5	5
Bank charges and interest	29	2	26	28	26	18	21	39
Board members	48	14	2	16	52	37	2	39
Business Development Fund	200	206	-	206	200	199	-	199
Business Service Centre	233	246	-	246	240	223	-	223
Compensation and benefits	2,727	2,203	225	2,428	2,598	2,154	209	2,363
Computers and communications	128	81	21	102	133	102	21	123
Cost of goods sold	763	-	640	640	794	-	497	497
Insurance	24	-	28	28	27	-	23	23
Interest expense and cost of interest rate reduction*	225	269	-	269	425	373	-	373
Office and general Provision for (recovery of) credit losses (net)	77	50	10	60	70	44	11	55
Professional services	650	547	-	547	400	1,709	-	1,709
Rent	118	47	53	100	350	68	39	107
Repairs and maintenance	176	170	15	185	216	169	15	184
Training and workshops	15	-	19	19	10	-	29	29
Travel	-	7	-	7	-	13	-	13
Utilities	53	3	1	4	55	-	2	2
	71	-	59	59	59	-	61	61
	5,649	3,912	1,124	5,036	5,763	5,171	960	6,131

* Cost of interest rate reduction totalling \$303,000 as a result of concessionary terms was recorded in 2021 (Note 6). The unamortized balance of this reduction has been reduced to \$153,000 (2021: \$222,000).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

14. Contractual obligations

As at March 31, 2022, loans to businesses approved but not yet disbursed, totalled \$370,000 at a weighted average interest rate of 5.1% (2021: \$3,592,000 at a weighted average interest rate of 5.0%). These loans do not form part of the loans receivable balance until disbursed. Also, as at March 31, 2021, there were no approved ventures not disbursed (2021: \$350,000) and all contributions to businesses approved have been disbursed (2021: nil).

15. Contingencies**Loans**

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totalling \$296,000 (2021: one loan totalling \$318,000). Loans provided by this organization may be assigned to the Corporation when impaired. If assigned, the Corporation would then write off the Northern Community Futures organization loan balance and would attempt to recuperate its loss directly from the borrowers. In 2022, no accounts were assigned to the Corporation (2021: nil).

Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit in the amount of \$2,000,000 (2021: \$2,000,000) that expires in fiscal 2023. Payment by the Corporation is due from this letter in the event that the applicant is in default of the underlying debt. To the extent that the Corporation must pay third parties as a result of this agreement, this payment will be owed to the Corporation by the applicant. The letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payment was made (2021: nil).

16. Related party transactions

The Corporation is related in terms of common ownership to all Government of the NWT created departments, territorial corporations, public agencies, its board of directors and key management personnel and their close family members. The Corporation enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises except that certain services are provided without charge (Note 17).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2022

16. Related party transactions (continued)

Transactions with related parties during the year and balances at year end are as follows:

	000's	
	2022	2021
	\$	\$
Revenues		
Sales	15	3
Government of the NWT transfers (Note 12)	2,785	2,857
Expenses		
Purchases	208	225
Interest on advances from the Government of the NWT	269	70
Balances at year end		
Accounts receivable	2,079	9
Accounts payable and accrued liabilities	182	129
Advances from the Government of the NWT	26,067	26,798

17. Services received without charge

The Corporation records the estimated cost of services provided by the Government of the NWT without charge. Services received without charge from the Government of the NWT include regional and human resource services and office accommodation. The estimated cost of such services is as follows:

	000's	
	2022	2021
	\$	\$
Staff support	488	623
Accommodation	222	222
	710	845

18. Economic dependence

The Corporation received 47.5% (2021: 49.5%) of its revenues in the form of a contribution and services without charge from the Government of the NWT. The Corporation's continued operations are dependent on these arrangements.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2022**

19. Risk management

The Corporation is exposed to the following risks as a result of holding financial instruments:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations.

The risk associated with cash is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions.

Credit granting and loan management are based on established credit policies. The maximum exposure to credit risk from borrowers and investees is limited to the carrying amount of the loans and investments. The Corporation's management of credit exposures from borrowers and investees includes:

- a standardized credit risk rating classification system established for all loans;
- credit policies and directives, communicated to lending officers whose activities and responsibilities include credit granting and monitoring client performance;
- Application Review Committee (consisting of senior management) reviews and approves loans over \$500,000; and
- limiting the concentration of loans and investments with any one business enterprise or group of related enterprises to \$2 million. Amounts greater than \$2 million must be approved by the FMB.

The principal collateral held as security and other credit enhancements for loans include real property, equipment, guarantees; and general security agreement .

As at March 31, 2022, \$4,649,000 (2021: \$3,378,000) of the impaired loans are fully secured by assets the Corporation has the ability to sell in order to satisfy borrowers' commitments. There were no significant changes to the Corporation's credit risk management policies and practices from the prior year. However, under the economic relief that provided working capital loans to qualified businesses with a 1.75% interest rate creates an increase to credit risk as these loans did not require any security or financial support (Note 6).

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2022:

	000's	
	2022	2021
Cash	\$ 15,473	\$ 18,229
Accounts receivable	2,195	130
Loans receivable	44,184	43,511
Letters of credit	2,000	2,000

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2022

19. Risk management (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the future cash flows of the advances from the Government of the NWT, fluctuations in the fair value and future cash flows of loans receivable, and interest revenue from cash.

The Corporation's borrowing from the Government of the NWT is based on a variable market rate and it lends to the majority of its clients at fixed term rates. The Corporation's interest rate margin or spread widens when interest rates fall and it narrows when interest rates rise.

The Corporation manages its interest rate risk by paying down the advances from the Government of the NWT with cash available from the Loans and Bonds fund. During the year, \$1,000,000 (Note 11) were made to the Government (2021: nil).

Based on the Corporation's advances from the Government of the NWT as at March 31, 2022 and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by \$117,000 (2021: decrease of \$85,000). A 100-basis point decrease in interest rates would increase annual surplus by \$102,000 (2021: decrease of \$57,000).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows.

The advances from the Government of the NWT are due on demand with no fixed repayment terms. Repayment on advances is made whenever the Corporation has sufficient cash on hand which is not earmarked for lending purposes.

Accounts payable and accrued liabilities are expected to be settled within the next 12 months.

Northwest Territories Business Development and Investment Corporation

**Consolidated Schedule of Tangible Capital Assets
March 31, 2022**

Schedule A
000's

	Land	Buildings	Vehicle and Equipment	Leasehold Im- provements	Computer Equipment	March 31, 2022	March 31, 2021
Cost of tangible capital assets, opening	\$ 78	\$ 1,789	\$ 668	\$ 540	\$ 9	\$ 3,084	\$ 3,100
Acquisitions	-	-	-	-	-	-	-
Disposals	-	-	(10)	-	-	(10)	(16)
Cost of tangible capital assets, closing	78	1,789	658	540	9	3,074	3,084
Accumulated amortization, opening	-	1,698	654	479	9	2,840	2,782
Amortization expense	-	11	8	53	-	72	74
Disposals	-	-	(10)	-	-	(10)	(16)
Accumulated amortization, closing	-	1,709	652	532	9	2,902	2,840
Net book value	78	80	6	8	-	172	244

