

**Application for Standing and Funding at
the
Commission of Inquiry Respecting the Muskrat Falls Project**

The Applicant: **NunatuKavut Community Council Inc.**

Name: Todd Russell, President

Address: [REDACTED]
Happy Valley-Goose Bay
NL, [REDACTED]

Introduction

Please accept this application by NunatuKavut Community Council ("NCC") for funding and full standing in the Commission of Inquiry Respecting the Muskrat Falls Project ("Inquiry"). Part A of this application explains why NCC should be granted full standing to participate in the Inquiry. Part B outlines why NCC should be granted funding in order to adequately participating in the Inquiry process.

NCC acknowledges that this application is being submitted after the specified deadline. The factors generally considered in deciding to accept a late filing are:

- a) Whether there is good faith intention to continue with the application;
- b) Whether there is a reasonable excuse for the late filing;
- c) The merits of the application; and
- d) Whether any prejudice will arise from the delay.¹

The good faith intention underlying this application by NCC is to contribute to the Inquiry to insure that that the Commission has all relevant information and perspectives in order to make the appropriate findings and recommendations. NCC fully intends to participate in each Phase of the Inquiry.

This application is delayed as a result of mere inadvertence on the part of NCC; it has always been our intention to apply for standing. Our attention has been focused on building capacity amongst our members to address issues such as this very Inquiry (see paragraphs 2-3 and 6 of the attached Affidavit of Todd Russell).

The sole purpose of this application is to make sure the Inquiry has the opportunity to hear from all relevant parties and consider the firsthand evidence of NCC. Part A of this application, below, canvasses the merits behind this application; by detailing the nature of the relationship between NCC, Nalcor, and the Muskrat Falls Project.

Given that a decision has been reserved for Indigenous applicants seeking standing, and that Phase 1 of the Inquiry is not scheduled to begin until September 2018, no parties will be prejudiced if NCC is granted standing in the Inquiry.

¹ See *Tizzard v Tizzard*, 2017 NLCA 51; see also *Canada (Attorney General v Hennelly*, 1999 CarswellNat 967 (FC Appeal Division).

We are confident that after considering the interconnectedness between the Muskrat Falls Project and NCC and Nalcor, along with NCC being the Indigenous group most affected by the Muskrat Falls Project, standing will be granted.

Part A – Standing

Who we are

NunatuKavut means "Our Ancient Land." It is the territory of the Inuit of NunatuKavut, the Southern Inuit, who reside primarily in southern and central Labrador. Our people lived in Labrador long before Europeans plowed our waters and set foot on our traditional lands. As it was in times of old, and still today, we are deeply connected to the land, sea, and ice that make up NunatuKavut, our home.

The NunatuKavut Community Council is the representative governing body for the approximately 6,000² Inuit of south and central Labrador. One of NCC's primary functions is to ensure the land, ice and water rights and titles of its people are recognized and respected.

NCC has been involved in environmental assessments and permitting processes for a number of projects that impact on our rights. These include the trans-Labrador Highway, the Labrador-Island Transmission Link, a number of mining projects, offshore oil exploration projects and the Muskrat Falls Project.

Standing

In determining whether an organization may be granted standing, the Rules of Procedure for the Inquiry adopts section 5(2) of the *Public Inquiries Act*, which provides that:

5(2) A commission shall determine whether a person may participate in an inquiry, and how he or she may participate, after considering

(a) whether the person's interests may be adversely affected by the findings of the commission;

(b) whether the person's participation would further the conduct of the inquiry; and

² This is approximately 20% of the entire population of Labrador.

(c) whether the person's participation would contribute to the openness and fairness of the inquiry.

The Muskrat Falls Project ("MFP") is located in NunatuKavut; on our land in which our members harvest country foods, fish, trap, and utilize for other cultural purposes. Further, the land flooded by the MFP is land within NCC's land claim area; a loss of which NCC will be seeking compensation for.³ It is unfortunate, yet obvious, that the effects of the MFP will directly impact NunatuKavut and our members.

Of all the Applicants seeking standing in the Inquiry, NCC is well suited to speak to the lived reality and consequences the MFP has had, and will have, on the environment and the inhabitants of NunatuKavut. NCC is of the view that without its participation in the Inquiry its interest will certainly be adversely affected by the findings of the Commission.

The *Interpretation of the Terms of Reference for the Muskrat Falls Inquiry* ("*Interpretation of Terms*") is of assistance in demonstrating that NCC's participation in the Inquiry will further the conduct of the Inquiry. The *Interpretation of Terms* provides that "thoroughness" is a guiding principle of the Inquiry; and that achieving thoroughness will require the Inquiry to "examine all relevant issues within its mandate proportionate to their level of importance or significance to the ultimate findings and recommendations to be made".

The relationship between NCC and Nalcor will assist the Commissioner in painting a complete picture in order to adequately inquire into the lengthy list of issues found within the Terms of Reference.

For example, in relation to paragraph 4(a)(ii) of the Terms of Reference, NCC can positively add to the Inquiry; and provide details on alternative energy options that could have served the electricity needs of Labrador. Also, as a result of the evolving relationship between NCC and Nalcor, NCC is in a position to elaborate on other options for the electricity needs that are currently being considered, post-Project sanctioning.

Further, NCC and Nalcor have recently reached an agreement which provides that NCC will play a role in environmental monitoring, reporting, and mitigation as it relates to the MFP, including the North Spur. The *Interpretation of Terms*

³ In the fall of 2016, the Government of Canada initiated an Engagement Table process with NCC to work cooperatively on ensuring the acceptance of the NunatuKavut Land Claim for negotiations.

acknowledges that the Government has decided that the MFP will continue to completion. This means that NCC's participation in these environmental processes is guaranteed.

Granting NCC full standing will facilitate the Inquiry in fully addressing paragraph 4(b)(v)(A) and (C) of the Terms of Reference.

The *Interpretation of Terms* also provides that the Inquiry will be considering whether appropriate consideration was given, and actions taken, regarding the environment and human safety related to the stability of the North Spur and methylmercury contamination. NCC has firsthand experience on these topics and is able to provide insight on these issues; such participation would further the conduct of the inquiry.

In October 2016, NCC was a party to extensive meetings held with the Government of Newfoundland and Labrador, where an agreement on methylmercury mitigation was reached. Part of this agreement was the formation of an Independent Expert Advisory Committee, which would recommend options for reducing the health risks from methylmercury contamination.

The "Role of Indigenous People" in the Inquiry is discussed in the *Interpretation of Terms*. In this section it provides that it was the intention of the Lieutenant Governor-in-Council that established Indigenous leadership would play a part in the Inquiry. NCC is of the view that its participation would contribute to the openness and fairness of the inquiry.

NCC and Nalcor have been involved in numerous judicial proceedings relating to the Project, the Project's impacts on NCC's Aboriginal lands, and NCC's protesting of the Project.

In a 2014 decision the Court of Appeal dissolved an injunction that was previously granted to Nalcor. While the Inquiry will not be considering what transpired as a result of NCC protests, or the Department of Justice reaction to protests, the Inquiry does intend to consider the impact of the protests on the costs and scheduling of the Project. Further, in that Court of Appeal decision the Court discussed the relationship between Nalcor and the Crown and NCC, explaining how the need for consultation and accommodation infuses that relationship because of NCC's Aboriginal rights.⁴ Given that reported Court

⁴ *Nalcor Energy v NunatuKavut Community Council Inc.*, 2014 NLCA 46.

decisions do not provide complete insight into the actions of all parties involved, NCC's participation will invaluablely contribute to this aspect of the Inquiry.

Without the perspective of NCC and the information we are able to contribute, we are of the view that the Inquiry will face the risk of not being able to fully investigate the very limited consultation that occurred between NCC and Nalcor and the Government, both pre and post-sanctioning of the MFP. NCC is the Indigenous group most impacted by the MFP, and is the Indigenous group that will be most affected by the findings of this Inquiry.

For centuries, our way of life sustained us, and today many of the traditions of our ancestors and Elders are still followed or are experiencing a revival. Many of these traditions are dependent on a healthy environment. To name but a few examples, most of NunatuKavut's people follow at least some of the most important traditions of our ancestors, including the harvesting of fish and seals; including our revival of the Kullik (a traditional seal oil lamp). Nearly everyone in NunatuKavut eats country foods from our local fisheries and hunts on a regular basis, which means the protection and nurturing of habitat in harvesting areas is essential.

On this note, NCC has played a role in the risk assessments and reports concerning the impact on us as Indigenous peoples, and we are best suited to provide the Inquiry with further information as to whether appropriate assessments and mitigation measures were taken with respect to our Indigenous rights.

Granting NCC standing will contribute to another Guiding Principle of the Inquiry; that the Inquiry proceeds in an expeditious manner. NCC's participation will assist in preventing the Inquiry from having to piece together puzzles, or fill in the gaps, with respect to the role the Indigenous people of NunatuKavut have had in the MFP and the adverse effects of the MFP on NunatuKavut.

Conclusion

Based on the location of the MFP, and the impacts that have and will occur on NunatuKavut, NCC needs to fully participate in the Inquiry. While not always in a harmonious manner, NCC has been involved in the MFP process since its public announcement. Further, the relationship between NCC and Nalcor has given rise to vital information that will contribute to the openness and fairness of the Inquiry.

Finally, paragraph 5 of the Terms of Reference provides that in carrying out the Terms of Reference, the Inquiry shall consider the participation of the established leadership of Indigenous peoples with settled or asserted Aboriginal rights to areas adversely affect by the MFP. NCC, as the Indigenous group whose rights will be most impacted by the MFP, clearly falls within these parameters.

Part B – Funding

As outlined above in Part A, NunatuKavut Community Council (“NCC”) represents all Southern Inuit as a unified voice. NCC is a non-profit organization responsible for a variety of programs and services. NCC members are provided assistance and support with employment, education, skills and training and many other needs. NCC currently has over 25 full-time and seasonal staff members.

The Affidavit of Todd Russell, at paragraphs 5-6, explains that the bulk of NCC's financing is tied to specific programs and services, thereby preventing most of NCC's existing financing from being allocated to fund participation in the Inquiry. The Financial Statements for NCC, attached as Exhibit “A” to the Affidavit of Todd Russell, provides a detailed account of the cost of these programs and services.

The internal capacity of NCC continues to strengthen, however, the fact remains that NCC is a non-profit organization devoted to improving the well-being of the 6000 Inuit of south and central Labrador. This dedication requires the staff of NCC to operate at maximum capacity; in turn, tying up the majority of NCC funding to carry out its mandate (the list of which can be seen at page 9 of Exhibit “A”).

Further, there is no membership fee, NCC requires only a one-time \$20.00 processing fee (see the membership application at Exhibit “B” attached to the Affidavit of Todd Russell). NCC is not in the business of making money off of its constituents; rather, NCC exists to serve and advance the rights of those in NunatuKavut.

NCC is aware, as per the Rules of Procedure, that the Commissioner may make a recommendation to the Government of Newfoundland and Labrador with respect to funding. Based on NCC's current financial position, and given that participation in the Inquiry by NCC will be prevented if funding is not received; we

hereby request that a recommendation be made for NCC to receive adequate participation funding.

Yours very truly,

BURCHELLS LLP



D. Bruce Clarke, Q.C.

Halifax, N.S. [REDACTED]

Tel: (902) [REDACTED] 361

Fax: (902) [REDACTED] 326

Counsel to NunatuKavut Community
Council

**IN THE MATTER OF APPLICATION FOR STANDING AND FUNDING AT THE
COMMISSION OF INQUIRY RESPECTING THE MUSKRAT FALLS PROJECT**


AFFIDAVIT

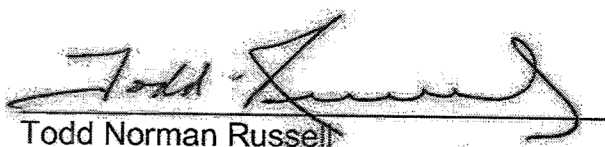
I, **Todd Norman Russell**, of the NunatuKavut Community Council of Happy Valley-Goose Bay, Labrador, in the Province/Territory of Newfoundland and Labrador, **SWEAR** the following:

1. **THAT** I am, on behalf of the NunatuKavut Community Council Inc., making an application for Standing and Funding at the Commission for Inquiry Respecting the Muskrat Falls Project (the "Inquiry");
2. **THAT** the reason we, NunatuKavut Community Council, are submitting this Application and Affidavit after the deadline is mainly due to inadvertence on the part of NunatuKavut Community Council;
3. **THAT** it was immediately after we, NunatuKavut Community Council, became aware of the dates set for Applications for standing that action was taken on the part of NunatuKavut Community Council to prepare this Application;
4. **THAT** I have attached to this Affidavit the requisite information required pursuant to the Commission of Inquiry Respecting the Muskrat Falls Project – Rules of Procedure, for an application for funding;
5. **THAT** we, NunatuKavut Community Council, have an interest which is directly and substantially affected by the subject matter of Terms of Reference outlined in the *Commission of Inquiry Respecting the Muskrat Falls Project* Order-in-Council and the companion *Interpretation of the Terms of Reference for the Muskrat Falls Inquiry*;
6. **THAT** NunatuKavut Community Council would not otherwise be able to participate in the Inquiry without such funding because NunatuKavut Community Council has funding restricted to specific programs and activities that do not include intervention/participation in the Inquiry;
7. **That** NunatuKavut Community Council's financial situation and need for funding to participate in the Inquiry is demonstrated by the attached Exhibits including:
 - a. **That** NunatuKavut Community Council's financing, most of which is of either federal or provincial sources, precludes the diversion of funds from targeted funding to the cause of participation in the Inquiry (see Exhibit "A": 2017 Financial Statements); and

- b. **THAT** NunatuKavut Community Council represents the 6,000 Inuit of south and central Labrador, and membership in NunatuKavut Community Council requires a one-time \$20.00 processing fee (see Exhibit "B": Application for Membership);
8. **THAT** I have not contacted other groups or individuals so that we can seek standing or funding as a collective group with single party standing;
9. **THAT** the funds will be used as follows:
 - a. NunatuKavut Community Council legal counsel to review evidence in preparation of Inquiry hearings, evidence presentation and cross-examination; and
 - b. Travel and accommodation to participate in the planned hearings of the Inquiry for elected NunatuKavut Community Council representatives and legal counsel.
10. **THAT** I will account for the funds through a preliminary un-audited financial statement of expenditures;
11. **THAT** we, NunatuKavut Community Council, will contribute our own funds by \$5,000 in disbursements and time in lieu of costs in personnel investments to participate in the Inquiry;
12. **THAT** Ms. Dorothy Earle will, as Chief Executive Office of the NunatuKavut Community Council, will ensure that the funds are disbursed for the purposes of the Inquiry.

SWORN BEFORE ME, at the Happy Valley-Goose Bay, in the Province / Territory of Newfoundland & Labrador, this 13th day of April, 2018.


 Commissioner of Oaths, or Notary Public


 Todd Norman Russell

DARLENE WALL
 A Commissioner for Oaths
 in and for Newfoundland and Labrador
 My Commission Expires December 31, 2022
 Appointee #0750842

This is **Exhibit "A"** referred to in the affidavit of
Todd Norman Russell, sworn before me on
April 13, 2018.



Commissioner of Oaths in and for the
Province of Newfoundland & Labrador

DARLENE WALL

A Commissioner for Oaths

in and for Newfoundland and Labrador

Commission Expires December 31, 2022

Appointee #0750842



Financial Statements

NunatuKavut Community Council Inc.

March 31, 2017

NUNATUKAVUT COMMUNITY COUNCIL INC.

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March 31, 2017

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Independent auditors' report

To the members of NunatuKavut Community Council,

We have audited the accompanying financial statements of NunatuKavut Community Council Inc., which comprise the statement of financial position as at March 31 2017, the statements of operations, changes in net assets and cash flow for the year ended March 31, 2017 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NunatuKavut Community Council Inc. as at March 31, 2017, and the results of its operations and its cash flows for the year ended March 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

Other matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The schedules on pages 17 - 28 are presented for purposes of additional information and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

September 9, 2017
Happy Valley-Goose Bay, NL

Grant Thornton LLP

Chartered Professional Accountants

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Operations - General
Year ended March 31

2017

2016

Revenue:

Program administration and recoveries
Gain on sale of property and equipment
Amortization of deferred capital grants
Partnership income
Unrealized gain on fair value of investments
Vehicle Rent
Other - grants/contributions

\$

Expenses:

Advertising
Amortization
Bad debt (recovery)
Communications
Donations
Interest and bank charges
Meeting
Office supplies, furniture and equipment
Other
Professional fees
Repairs and maintenance
Rent
Travel and accommodation
Wages and benefits

Excess of revenue over expenses

\$

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Operations - Rental
Year ended March 31

2017

2016

Revenue:

Rental

\$

Expenses:

Insurance

Janitorial supplies

Mortgage interest

Municipal taxes

Office and other

Professional fees

Repairs and maintenance

Snow and garbage removal

Travel

Utilities

Excess (deficiency) of revenue over expenses

\$

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.

Statement of Operations - Shrimp

Year ended March 31

2017

2016

Revenue:

Commissions

\$

Interest

Expenses:

Licenses and fees

Legal fees

Other

Excess of revenue over expenses

\$

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.**Statement of Changes in Net Assets****Year ended March 31****2017****2016**

Surplus (deficit)

Balance, beginning

Excess (deficiency) of revenue over expenses:

General (Page 3)

Rental (Page 4)

Shrimp (Page 5)

Other Projects (Schedule 1)

ASETS (Schedule 2)

Core (Schedule 3)

Governance and accountability (Schedule 4)

Economic development (Nunacor) (Schedule 5)

Community Governance and Sustainability (Schedule 6)

Enhancing OH&S (Schedule 7)

Information Management and Research (Schedule 8)

Land Claims Reconciliation (Schedule 9)

Balance, ending

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Financial Position
March 31

2017

2016

Assets

Current assets:

Cash

 Restricted (Note 3)

 Non-Restricted

Receivables - funding agencies

 - HST

Prepaid expenses

\$

Investments

Due from NDC Fisheries Limited (Note 4)

Property and equipment (Note 5)

\$

Liabilities and Net Assets

Current liabilities:

Payables and accruals (Note 6)

Deferred revenue (Note 7)

Due to Service Canada (Note 8)

Current Portion of long-term debt (Note 10)

\$

Callable debt (Note 9)

Long-term

Long-term debt (Note 10)

Deferred capital grant (Note 11)

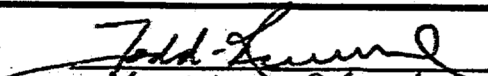

Net assets, per accompanying statement

Unrestricted

Restricted

\$

Approved:

Director

Director

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Cash Flow
Year ended March 31

2017

2016

Cash flow:

Operations:

Excess of revenue over expenses

\$

Amortization expense

Unrealized gain on fair value of investments

Gain on sale of property and equipment

Changes in:

Receivables

Due from NDC Fisheries

Payables and accruals

Deferred revenue

Deferred capital grant

Prepaid expenses

Investing:

Increase of investments

Purchase of property and equipment

Proceeds from disposition of property and equipment

Financing:

Proceeds from vehicle loans

Principal repayments - Due to Service Canada

Principal repayments - Vehicle

Principal repayments - Mortgage

Net increase in cash and cash equivalent

Cash, beginning of year

Cash, end of year

\$

Cash consists of:

Restricted

\$

Unrestricted

\$

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

1. Nature of operations

NunatuKavut Community Council Inc. is a non-profit organization devoted to honouring its Inuit history, culture and traditions.

Its mandate is as follows:

- a. To participate in all of the legal, civil and constitutional Aboriginal rights and liberties enjoyed in the Province of Newfoundland and Labrador and in Canada;
 - b. To preserve the traditional culture of the membership and to demonstrate pride and self-respect in the Inuit heritage and language;
 - c. To maintain hunting, fishing, trapping and land rights of the membership and the right to pursue traditional activities;
 - d. To use research, disseminate information and sponsor directly or indirectly the development of viable economic projects and programs;
 - e. To improve the well-being of the members;
 - f. To self-govern;
 - g. To have an agreed upon map of its own territory;
 - h. To use negotiated funds to compensate the people for any losses for disruption to their lifestyle or destruction of resources; and
 - i. To set up a business development corporation to enhance the financial well-being of the NunatuKavut communities.
-

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) and include the following significant accounting policies:

Basis of presentation

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

Special projects

The Organization is responsible for a number of special projects, under taken in the capacity as project sponsor, in accordance with various agreements entered into with the Federal and Provincial Governments. In circumstances where the funding for these projects covers a period other than the fiscal period of the Organization, any surplus or deficit is recognized in the year of project completion. In addition, the Organization charges various projects an administration fee based upon budget allocation, space and time requirements and supply usage. The fees charged to each project is intended to cover financial management, co-ordination, telephone, equipment, supplies, rent and general administration and consultation.

Deferred capital grants

These grants relate to the acquisition or construction of property and equipment and are being amortized on the same basis as the assets to which they relate. The amortization of these capital grants is reflected in the Statement of Operations - General.

NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

2. Significant accounting policies (continued)

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the year they become known. Items subject to significant management estimates include the allowance for doubtful accounts and amortization of property and equipment.

Property and equipment

Property and equipment are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is put into use. Contributed assets are recorded at fair value at the date of contribution. The cost, less residual value, of the property and equipment is amortized on a straight-line basis over their estimated useful lives as follows:

Land	Indefinite
Buildings	25 years
Vehicles	3 years
Boat and motor	6 years
Furniture and equipment	5 years
Computers	3 years

Revenue recognition

The Organization follows the deferral method of accounting for grants. Under this method, grants received for future period expenses are deferred and recognized as revenue in the year in which the related expenses are incurred.

All other revenues are recognized when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair market value, except for certain non-arm's length transactions. All financial assets and financial liabilities are subsequently measured at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include payables and accruals, deferred revenue and long-term debt.

NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

2. Significant accounting policies (continued)

Impairment

The amount of write-down is recognized in the excess of revenues over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

3. Restricted funds

Restricted funds are the funds designated by the organization for defense of its rights and titles. The Organization often participates in protests and other advocacy matters for which these funds may be utilized. At year end, [REDACTED] has been allocated [REDACTED]

4. Due from NDC Fisheries

This is an unsecured, non-interest bearing receivable with no fixed terms from a related party. This receivable is a result of purchasing a fishing license and transferring the license to NDC Fisheries. During fiscal 2017, the Company received \$120,000 from NDC Fisheries.

5. Property and equipment

		<u>2017</u>	<u>2016</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	[REDACTED]		
Buildings			
Vehicles			
Boat and motor			
Furniture and equipment			
Computers			

6. Payables and accruals

	<u>2017</u>	<u>2016</u>
Trade	[REDACTED]	
Payroll deductions		
Other		

NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

7. Deferred revenue

2017

2016

Projects:

Aboriginal Fishing Strategy
 Capacity Support Program
 Celebrate Canada
 Community Employment Project
 Community Vitality Index Project
 Transportation Fund
 Mealy Mountain National Park
 MNSI - Economic Development
 Youth: Our Leadership Conference

\$

ASETS - Employment Insurance

\$

8. Due to Service Canada

There is an amount of \$35,091 (2016 - \$45,091) owing to Service Canada in relation to overpayments of funding in previous years. During the year, there were payments made totalling \$10,000. There are no specified terms of repayment.

9. Callable debt

2017

2016

RBC non-revolving term loan at 4.25%, repayable in monthly instalments of \$6,269 including interest, secured by land and building with a net book value value of \$1,185,176, maturing September 2030.

\$

During the year, this amount was refinanced and renegotiated. See Note 10, long-term debt note.

NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

10. Long-term debt

2017

2016

RBC non-revolving term loan at 3.62%, repayable in monthly instalments of \$5,045 including interest, secured by land and building with a net book value of \$1,213,609, maturing September 2018.

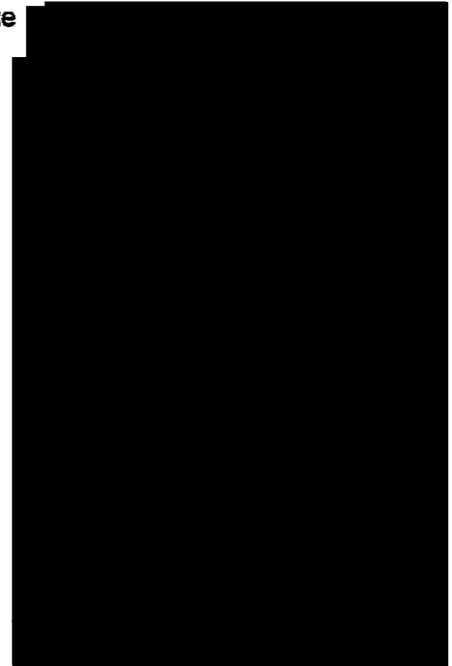
RBC loan at 0.60%, repayable in monthly instalments of \$1,260 including interest, secured by a vehicle with a net book value of \$55,367 maturing August 2021.

RBC 0% loan, repayable in monthly instalments of \$1,184, secured by vehicle with a net book value of \$55,778, maturing August 2021

Less current portion

Estimated principal repayments are as follows:

2018
2019
2020
2021
2022



11. Deferred capital grant

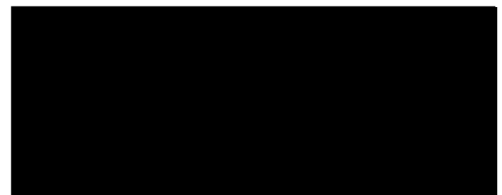
2017

2016

Beginning balance

Additions (net)

Less: amortized during the year



NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

12. Control of not-for-profit entity

Nunacor Development Corporation was incorporated in 2003 by NunatuKavut Community Council Inc. (NCC) for the purpose of pursuing economic and business opportunities for the members of NCC. The Organization controls Nunacor due to the fact that Nunacor is governed by a Board of Directors who are appointed by NCC.

The following financial information contains the consolidated accounts of Nunacor Development Corporation, NDC Fisheries Limited as well as Komatik Real Estate Corporation, Komatik Training Solutions Inc. and Komatik Support Services Inc.

Nunacor Development Corporation is a corporation without share capital under the Corporations Act of Newfoundland and Labrador, and is considered a not-for-profit entity under the Income Tax Act.

The above entities have not been consolidated in NCC's financial statements. A financial summary for these non-consolidated entities as at March 31, 2017 and 2016 and for the years then ended are as follows:

	<u>2017</u>	<u>2016</u>
Financial Position		
Total assets		
Total liabilities		
Total net assets		
Results of Operations		
Total revenue		
Total expenditures		
Excess of revenue over expenditures		
Cash Flows		
Cash from operations		
Cash used in financing and investing activities		
Increase (decrease) in cash		

NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

13. Related party transactions

The following expenses were paid to Nunacor Development Corporation, Komatik Real Estate, Komatik Training Solutions and Komatik Supporting Services Inc.:

	<u>2017</u>	<u>2016</u>
Communications		
Contracts		
Meetings		
Maintenance/Janitorial		
Other		
Professional fees		
Rent		
Training		
Travel		
Wage subsidy		

These amounts are recorded at the exchange amount, which is the amount established and agreed to by the related parties. At March 31, 2017, there is a balance included in the payables and accruals balance for amounts owing to related parties in the amount of \$327,927.

14. Revenue and expenses of Annual General Assembly:

	<u>2017</u>	<u>2016</u>
Revenue:		
AANDC		
Donations		
Expenses:		
Travel		
Meeting		
Office expenses		
Professional fees		
Other		
Excess of revenue over expenses		

15. Financial Instruments

Risks

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2017.

NUNATUKAVUT COMMUNITY COUNCIL INC.
Notes to the Financial Statements
March 31, 2017

15. Financial Instruments (continued)

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 discharge an obligation. The Organization's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of its operations. The Organization reduces its exposure to credit risk by following up on all outstanding balances on a timely basis, taking further steps when deemed necessary and creating an allowance for bad debts when applicable. There was no significant change in exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its account payables. There Organization manages liquidity risk by monitoring its cash flows and ensuring it has sufficient cash available to meet its obligations and liabilities. There was no significant change in exposure from the prior year.

16. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Operations by Project
Year ended March 31

Schedule 1

	Aboriginal Cultural Heritage Program	AFS Contribution	Black Tide Fuel	Canada NL John Grant	CAP - PTO's Grass Roots Indigenous Engagement ASSETS	Colostrato Canada Program	Community Development and Medical Program	Community Capacity Support Program	Community Employment Project	Community Vitality Project	DFC Change Initiative Data	DFO Chart Monitoring	DFO Research	Drug Prevention Program
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Revenue:

Federal grants
Provincial grants
Other
Deferred revenue - beginning
Deferred revenue - ending
Adjustment to deferred revenue

Expenses:

Wages and benefits
Travel
Wellness
Meeting
Telecommunications
Advertising
Rent
Insurance
Interest and bank charges
Repairs and maintenance
Professional fees
Office expenses
Vehicle expenses
Equipment rental and maintenance
Training
Contracts
Administration
Client costs
Other

Capital assets purchased in the year

Revenue:

Federal grants
Provincial grants
Other
Deferred revenue - beginning
Deferred revenue - ending
Adjustment to deferred revenue

Expenses:

Wages and benefits
Travel
Wellness
Meeting
Telecommunications
Advertising
Rent
Insurance
Interest and bank charges
Repairs and maintenance
Professional fees
Office expenses
Vehicle expenses
Equipment rental and maintenance
Training
Contracts
Administration
Client costs
Other

Capital assets purchased in the year

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Revenue and Expenditures -
Aboriginal Skills and Employment Training Strategy
Year ended March 31

Schedule 2

2017

2016

Revenue:

Consolidated Revenue Fund
Employment Insurance Fund

Expenses:

Administration
Core Program Services
Programs
Partnership Development

Excess of revenue over expenses

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Aboriginal Skills and Employment Training Strategy
Expenditures - CRF
Year ended March 31

Schedule 2A

2017

2016

Administration:

Wages and benefits
Travel
Rent
Other
Contracts

Core Program Services:

Wages and benefits
Contracts
Office
Client - Other
Other
Professional fees
Travel

Programs:

Wages and benefits
Tuition
Participant allowances
Client travel
Cultural Skills
Contracts

Partnership Development:

Wages and benefits
Rent
Office

Total Expenditures CRF

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Aboriginal Skills and Employment Training Strategy
Expenditures - EI
Year ended March 31

Schedule 2B

2017

2016

Administration:

Wages and benefits
Contracts
Professional fees
Travel
Communications
Office
Rent
Interest and bank charges
Capacity building
Other

Core Program Services:

Rent
Contracts
Communications
Office
Travel
Capacity building
Other

Programs:

Tuition
Participant allowances
Contracts
Client travel
Wages and benefits
Capacity building
Other

Partnership Development:

Wages and benefits
Communications
Professional fees
Office
Travel
Capacity building
Other

Total Expenditures EI

During the year, there was furniture and equipment purchased in the amount of \$1,860 (2016- \$2,757) that has been capitalized. As a result, the amount received has been recorded as a deferred capital grant to be amortized over the life of the asset.

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Aboriginal Skills and Employment Training Strategy
Revenue and Expenditures by Funding Source
Year ended March 31, 2017

Schedule 2C

	<u>CRF</u>	<u>EI</u>	<u>TOTAL</u>
Revenue:			
Deferred from prior year			
Consolidated Revenue Fund			
Employment Insurance Fund			
Deferred to 2017-2018			
Deferred capital grant			
Expenses:			
Administration			
Core program services			
Programs			
Partnership development			
Excess of expenses over revenue			

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Operations - Core
Year ended March 31

Schedule 3
2016

2017

Revenue:

AANDC
Donations

Expenses:

Wages and benefits
Travel and accommodations
Marketing/communications/media equipment
Rent
Capacity building
Office expenses
Professional fees
Meeting expense
Other

Excess of revenue over expenses

Note: Revenue and expenses for the Annual General Assembly included in this schedule are detailed in Note 14.

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Operations - Governance and Accountability
Year ended March 31

Schedule 4
2016

2017

Revenue:

MNSI relations

Expenses:

Professional Fees

Administration

Excess of revenue over expenses

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.

Statement of Operations - Economic Development (Nunacor)

Year ended March 31

2017

Schedule 5

2016

Revenue:

MNSI relations

Deferred to subsequent year

Expenses:

Salaries

Travel

Meeting expense

Consultant fees

Administration

Excess of revenue over expenses

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.

Statement of Operations - Community Governance and Sustainability
Year ended March 31

Schedule 6
2016

2017

Revenue:

MNSI relations

Expenses:

Salaries, benefits and professional fees

Travel and meetings

Administration

Excess of revenue over expenses

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Operations - Enhancing OH&S
Year ended March 31

2017

Schedule 7
2016

Revenue:

MNSI relations

Expenses:

Repairs and maintenance

Consulting Fees

Training

Capacity

Administration

Excess of revenue over expenses

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.**Statement of Operations - Information Management and Research
Year ended March 31****Schedule 8****2017****2016****Revenue:**

MNSI relations

Expenses:

Salaries, benefits and professional fees

Travel and meetings

Communication

Rent

Office and other direct project costs

Capacity

Consulting Fees

Administration

Excess of revenue over expenses

During the year, there was furniture and equipment purchased in the amount of \$6,522 that has been capitalized. As a result, the amount received has been recorded as a deferred capital grant to be amortized over the life of the asset.

See accompanying notes to the financial statements

NUNATUKAVUT COMMUNITY COUNCIL INC.
Statement of Operations - Land Claims Reconciliation
Year ended March 31

Schedule 9
2016

2017

Revenue:

MNSI relations

Expenses:

Salaries

Travel

Meeting expense

Communication

Professional Fees


Office Expenses

Administration

Excess of revenue over expenses

See accompanying notes to the financial statements

This is **Exhibit "B"** referred to in the affidavit of
Todd Norman Russell, sworn before me on
April 13, 2018.

A handwritten signature in dark ink, appearing to read "Darlene Wall". The signature is fluid and cursive, with the first name "Darlene" written in a larger, more prominent script than the last name "Wall".

Commissioner of Oaths in and for the
Province of Newfoundland & Labrador

DARLENE WALL

A Commissioner for Oaths
in and for Newfoundland and Labrador
My Commission Expires December 31, 2022
Appointee #0750842



Dear Applicant:

Thank you for expressing an interest in NunatuKavut Community Council (known as NunatuKavut). There are three categories of membership: Full Member – Resident; Full Member – Non-Resident; and Alliance Member.

A Full Member is defined as a person of Inuit decent who is ordinarily a resident in one of the designated areas of Labrador (six months or more) and will be entitled to all of the rights, benefits and privileges NunatuKavut and cannot be a full member in any other Aboriginal organization.

A Full Member – Non-Resident is a person of Inuit descent who does not live in any of the designated areas of Labrador, but maintains contact with members living in any of the designated areas and cannot be a full member in any other Aboriginal organization.

An Alliance Member is defined as an Aboriginal person, ordinarily a resident in Labrador, who supports the objectives of NunatuKavut but who does not qualify for Full Membership. Alliance Members may benefit from Aboriginal representation, affirmative action, various government-sponsored services and programs (i.e. human resources development) and entrepreneurial business opportunities and cannot be a full member in any other Aboriginal organization.

It is important that all sections of the application form are filled out; an incomplete application cannot be considered by the Membership Committee; and may be returned to the applicant. Please include the following:

- Copy of a piece of identification, such as a driver's license, passport or school ID;
- A long form copy of your birth certificate **OR** your short form birth certificate combined with a baptism certificate;
- Confirmation of your current residency, such as a driver's license or old phone/hydro bill, must be included with the application;
- A non-refundable \$20.00 processing fee (made out to NunatuKavut);
- A digital photo (waist up against a light background in Landscape) is required to prepare a photo ID membership card; it is necessary to have this photo in a good quality digital format. You can submit the photo with your application, through email or have it taken at a NunatuKavut office.

Please note we do not require original copies of supporting documents (photocopies are strongly encouraged). Applications may be scanned & emailed, faxed, dropped off or mailed.

If you have any questions or concerns, or require assistance with the application process, please contact me at 709-██████92 Ext. ██████ or by email at membership ██████

Sincerely,

Sonya Blake
Membership Clerk

Enclosure(s)

