



Island Investment Development Inc.
Rapport Annuel 2020-2021

TABLE DES MATIÈRES

Contenu

Message du ministre _____	1
Message du président _____	2
Message du directeur général _____	3
Vue d'ensemble de l'entité gouvernementale _____	4
Principaux indicateurs _____	12
Résumé du plan stratégique et des orientations futures _____	18
Faits saillants et réalisations _____	21
Conseil d'administration _____	25
Organigramme _____	26
États financiers _____	27
Coordonnées _____	68



Message du ministre



À L'HONORABLE ANTOINETTE PERRY

Lieutenante-gouverneure de l'Île-du-Prince-Édouard

Votre honneur,

Conformément au cadre de reddition annuelle de comptes de la *Financial Administration Act* (loi sur l'administration financière) régissant les sociétés d'État, j'ai le plaisir de vous présenter le rapport annuel de l'Island Investment Development Inc. pour l'exercice financier se terminant le 31 mars 2021.

Veuillez agréer l'expression de mes sentiments distingués.

Le ministre de la Croissance économique, du Tourisme et de la Culture,

A handwritten signature in black ink that reads "Matthew MacKay". The signature is written in a cursive, flowing style.

L'honorable Matthew MacKay

Le 1 septembre 2021

Message du président

À L'HONORABLE MATTHEW MACKAY

Ministre de la Croissance économique, du Tourisme et de la Culture

Île-du-Prince-Édouard

Monsieur le Ministre,

J'ai le plaisir de vous présenter notre rapport annuel pour l'exercice financier se terminant le 31 mars 2021.

Ce rapport annuel est déposé conformément à l'*Island Investment Development Act* (loi sur Island Investment Development).

Veillez agréer, Monsieur le Ministre, l'expression de mes sentiments distingués.

Le Président du conseil d'administration,



Johnny Flynn

Island Investment Development Inc.

Le 1 septembre 2021

Message du directeur général

À L'HONORABLE MATTHEW MACKAY

Ministre de la Croissance économique, du Tourisme et de la Culture

Île-du-Prince-Édouard

Monsieur le Ministre,

J'ai le plaisir de vous présenter notre rapport annuel pour l'exercice financier se terminant le 31 mars 2021.

Ce rapport annuel est déposé conformément à l'*Island Investment Development Act* (loi sur Island Investment Development).

Veillez agréer, Monsieur le Ministre, l'expression de mes sentiments distingués.

Le directeur général,



Jamie Aiken, CPA, CA

Island Investment Development Inc.

Le 1 septembre 2021

Vue d'ensemble de l'entité gouvernementale

Island Investment Development Inc. (IID) est une société d'État administrée par un conseil d'administration relevant du ministère de la Croissance économique, du Tourisme et de la Culture. Le mandat de l'IID est autorisé en vertu de l'Island Investment Development Act (1990, c.13 R.S.P.E.I. 1988, 1-10.1). Les responsabilités de l'IID sont les suivantes :

- Mobiliser des capitaux dans les marchés étrangers et nationaux;
- Fournir du financement à des projets grandement profitables pour l'économie de la province;
- Promouvoir la province comme étant propice aux placements à l'étranger;
- Attirer de l'expertise en entrepreneuriat et de la main-d'œuvre qualifiée dans la province.

Mission

La mission de l'IID est d'appuyer les immigrants qui choisissent de vivre et de travailler à l'Île-du-Prince-Édouard. L'IID continue de se concentrer là-dessus en travaillant avec les employeurs de l'Île et d'autres intervenants externes ainsi qu'en travaillant avec d'autres ministères pour promouvoir et mettre en œuvre des stratégies de rétention de la population.

Vision

La vision de l'IID est une population dynamique et en croissance, grâce à l'immigration, qui contribue à l'économie et à la culture dans l'ensemble de l'Î.-P.-É.

Mandat

L'IID est donc responsable de l'immigration, de l'établissement et de la rétention tout en travaillant en collaboration avec d'autres ministères à la croissance économique et démographique générale de l'Î.-P.-É. Les programmes et services de l'IID s'adressent également aux Insulaires, aussi bien à l'intérieur qu'à l'extérieur de la province, ainsi qu'aux Canadiens à la recherche de nouvelles perspectives à l'Île-du-Prince-Édouard.

L'IID est déterminé à concrétiser sa vision qui consiste à établir et à maintenir l'Île-du-Prince-Édouard comme étant une destination de choix pour les nouveaux arrivants et les résidents actuels. Notre engagement à l'égard de cette vision est la raison d'être de l'IID :

- Administrer le Programme des candidats de l'Île-du-Prince-Édouard et le Programme pilote d'immigration au Canada atlantique (PPICA) et sélectionner les immigrants qui répondent à un besoin du marché du travail et qui apporteront une contribution à l'économie de l'Î.-P.-É.;

Island Investment Development Inc.

- Élaborer, mettre en œuvre et offrir des programmes d'immigration qui encouragent l'intégration et la rétention des nouveaux arrivants;
- Promouvoir les relations et les services de soutien pour mettre en relation les employeurs avec des candidats de nationalité étrangère;
- Promouvoir toutes les voies d'immigration vers l'Île-du-Prince-Édouard et faire valoir l'Î.-P.-É. comme étant une destination d'immigration attrayante, tant pour les possibilités de travail que pour le développement de la vie communautaire;
- Assurer la coordination et le financement des parties prenantes qui offrent divers services aux nouveaux arrivants;
- Stimuler le développement économique par le truchement de prêts, afin de soutenir la croissance et les besoins du secteur privé de l'Î.-P.-É.;
- Soutenir les entrepreneurs immigrés dans la mise sur pied de leur entreprise.



Bureau de l'immigration de l'Île-du-Prince-Édouard

En tant que Bureau de l'immigration de l'Île-du-Prince-Édouard, l'IIDI est chargée de l'immigration provinciale, comme le prévoit l'Accord de collaboration Canada — Île-du-Prince-Édouard sur l'immigration. Cette responsabilité comprend l'exécution du Programme des candidats de l'Île-du-Prince-Édouard ainsi que la promotion, le recrutement, la sélection, l'établissement et l'intégration des immigrants dans la province. L'IIDI a également la responsabilité d'administrer le Programme pilote

Island Investment Development Inc.

d'immigration au Canada atlantique en collaboration avec Immigration, Réfugiés et Citoyenneté Canada (IRCC).

Vers la fin des années 1990, Immigration, Réfugiés et Citoyenneté Canada (IRCC), auparavant Citoyenneté et Immigration Canada, a mis sur pied des programmes de candidats provinciaux pour permettre aux provinces et territoires de désigner les ressortissants étrangers qui satisfont aux exigences liées à l'immigration économique et qui souhaitent s'établir sur leur territoire. L'Île-du-Prince-Édouard a signé l'accord en juin 2008. L'un des objectifs principaux des nouveaux accords était d'appuyer la réorientation des nouveaux arrivants vers les provinces plus petites, notamment l'Île-du-Prince-Édouard.

Le Programme des candidats de l'Île-du-Prince-Édouard propose des candidats pour la résidence permanente au gouvernement fédéral. Ils sont choisis en fonction de leur capacité à réussir leur établissement économique à l'Î.-P.-É. et leur intention d'y vivre et d'y travailler. Si le gouvernement fédéral donne son approbation, ils obtiennent la résidence permanente. En outre, la province a signé un accord sur trois ans avec IRCC visant la mise en œuvre du Programme pilote d'immigration au Canada atlantique (PPICA). Le PPICA est conçu pour aider le Canada atlantique à accueillir chaque année 2 500 nouveaux arrivants et leur famille. En 2018-2019, une prolongation de deux ans du programme pilote a été annoncée jusqu'en décembre 2021. Des négociations sont en cours entre les provinces et le gouvernement fédéral pour faire du PPICA un programme permanent.

Le processus d'obtention de la résidence permanente par la voie de l'immigration peut s'avérer long, avec des délais de traitement moyens allant de six mois à deux ans. Le *Bureau de l'immigration* accepte et examine les demandes dans le cadre du Programme des candidats de la province et, si celles-ci sont approuvées, les candidats sont alors proposés au gouvernement fédéral en vue d'obtenir la résidence permanente. Après l'approbation d'IRCC, les candidats (et les membres de leur famille) arrivent à l'Î.-P.-É. et sont inscrits comme ayant été admis à la résidence permanente à l'Î.-P.-É.

Programmes et initiatives

Déclaration d'intérêt

En 2018, l'IIDI a lancé un système de déclaration d'intérêt pour recevoir des candidatures. Tous les ressortissants étrangers qui souhaitent faire une demande de résidence permanente dans le cadre de la catégorie Impact sur les entreprises, d'Entrée express ou de la catégorie Impact sur la main-d'œuvre doivent d'abord créer un compte et un profil au moyen de notre système de déclaration d'intérêt en ligne.

Sur une base mensuelle, les candidats qui répondent aux critères de notre programme et qui atteignent le seuil minimal de points établi recevront une invitation à présenter une demande dans le cadre du Programme des candidats de l'Île-du-Prince-Édouard. Au cours de l'exercice financier 2020-2021, l'IIDI a

invité 234 demandeurs dans le cadre du programme Impact sur les entreprises et 1 922 demandeurs au programme Impact sur la main-d'œuvre (pour un total de 2 156).

Des renseignements sur les tirages de déclarations d'intérêt sont disponibles sur notre site Web : www.princeedwardisland.ca/fr/sujet/declaration-dinteret.

Catégories d'immigration

Impact sur les entreprises – Les ressortissants étrangers qui envisagent de créer une entreprise à l'Î.-P.-É. empruntent cette voie pour obtenir la résidence permanente. La catégorie Impact sur les entreprises vise à attirer les candidats qui disposent de ressources financières suffisantes, et d'un passé de propriétaire d'entreprise ou d'une expérience de gestion de haut niveau. Cette catégorie vise à stimuler le développement économique et à aider à diversifier les possibilités du marché en attirant de nouveaux propriétaires d'entreprises à l'Î.-P.-É.

Ce volet permet aux candidats de venir à l'Î.-P.-É. avec un permis de travail et d'acheter ou de démarrer leur entreprise avant d'être désignés par la province. La nomination pour la résidence permanente dépend alors du rendement du candidat.

Impact sur la main-d'œuvre – La catégorie des programmes de l'Î.-P.-É. axée sur les employeurs est la catégorie Impact sur la main-d'œuvre. La catégorie Impact sur la main-d'œuvre est conçue pour aider à combler les pénuries permanentes de main-d'œuvre et les lacunes en matière de compétences dans les entreprises de l'Î.-P.-É. qui ont épuisé tous les autres moyens de trouver un résident de l'Î.-P.-É., ou un autre Canadien, désireux et capable d'effectuer le travail. Cette catégorie fournit des voies de soutien vers la résidence permanente pour les ressortissants étrangers qui ont une offre d'emploi à long terme valide d'une entreprise située à l'Î.-P.-É. La catégorie Impact sur la main-d'œuvre permet aux entreprises de l'Île de trouver des employés adéquats en cas de pénurie de main-d'œuvre due aux compétences requises ou à la saisonnalité de l'emploi. Les trois volets parmi lesquels un demandeur peut choisir sont les suivants :

- I. **Travailleurs qualifiés** : Ce programme est conçu pour attirer et retenir les travailleurs hautement qualifiés qui possèdent la formation, l'expérience professionnelle et les compétences linguistiques appropriées pour combler les pénuries de main-d'œuvre déterminées par les employeurs. Ce volet est généralement employé par les secteurs de la technologie de l'information, de la restauration et du tourisme, de l'aérospatiale, de l'agriculture et des soins de santé pour aider à remédier aux pénuries de main-d'œuvre.
- II. **Travailleurs essentiels** : Ce programme est également conçu pour attirer et retenir les travailleurs afin de combler les pénuries à long terme sur le marché du travail dans des professions qui exigent généralement un diplôme d'études secondaires ou une formation en cours d'emploi ou les deux. Le transport et la logistique, la transformation

des fruits de mer et les soins de santé sont des secteurs qui recourent généralement à ce volet pour remédier à leur pénurie de main-d'œuvre.

- III. **Diplômés étrangers** : Ce programme est conçu pour permettre aux étudiants qui ont fréquenté une université ou un collège public de l'Î.-P.-É. d'obtenir le statut de résident permanent, à condition qu'ils trouvent un emploi à plein temps chez un employeur de l'Î.-P.-É.

L'Île-du-Prince-Édouard continue d'être une destination de choix pour les étudiants étrangers. Les établissements d'enseignement supérieur de l'Î.-P.-É. sont fréquentés chaque année par des milliers d'étudiants étrangers en raison de leur culture et de leur communauté. Il est impératif que nous nous assurions que ces jeunes gens talentueux et brillants aient la possibilité de rester à l'Î.-P.-É., d'y bâtir leur vie et de contribuer à la croissance de l'économie de l'Î.-P.-É. après l'obtention de leur diplôme.

Entrée express – IRCC dispose d'un système électronique de gestion des demandes, appelé Entrée express, qui a été mis en place en 2015. Le Programme des travailleurs qualifiés, le Programme des travailleurs de métiers spécialisés et la catégorie de l'expérience canadienne sont administrés au moyen de ce système. Les candidats sont classés en fonction d'un certain nombre de facteurs liés au capital humain et ceux ayant obtenu les meilleures notes sont ensuite invités à demander la résidence permanente. Les principaux objectifs du système Entrée express consistent à éliminer les arriérés qu'avait IRCC dans ces programmes, à supprimer l'obligation de traiter les dossiers selon le principe du premier entré, premier sorti, et à améliorer les délais de traitement en général. Grâce à ce système, seuls les candidats les mieux classés sont sélectionnés pour poser leur candidature. IRCC s'est engagé à ce que 80 % des demandes soient traitées dans un délai de six mois.

Chaque province reçoit une allocation améliorée à utiliser au moyen d'Entrée express afin de désigner les personnes qui ont l'intention de vivre et de travailler dans cette province. Dans ce contexte, les candidats doivent répondre aux critères d'au moins un des programmes fédéraux mentionnés ci-dessus qui sont administrés par le système, et exprimer leur intérêt à vivre et à travailler à l'Î.-P.-É. L'IIDI sélectionne ensuite les personnes qui répondent aux besoins particuliers du marché du travail de la province et les invite à présenter une demande officielle.

Programme pilote d'immigration au Canada atlantique – En juillet 2016, un partenariat entre le gouvernement fédéral et les quatre provinces canadiennes de l'Atlantique a été annoncé afin de lancer la Stratégie de croissance pour l'Atlantique. Ce partenariat visait à accroître les possibilités d'emploi et à stimuler le développement économique dans le Canada atlantique. Ce plan comprend un programme pilote d'immigration de trois ans qui vise à augmenter le nombre de nouveaux immigrants s'établissant dans la région atlantique de 2 000 familles supplémentaires par année. En raison du succès du programme, IRCC a prolongé le programme jusqu'en décembre 2021 et a augmenté l'allocation annuelle

Island Investment Development Inc.

à la région atlantique de 500. Les provinces sont actuellement en train de négocier la structure d'un programme permanent avec l'IRCC.

Le Programme pilote d'immigration au Canada atlantique (PPICA) est un programme pilote d'immigration fédéral conçu pour aider les entreprises de l'Î.-P.-É. à pallier les pénuries permanentes de main-d'œuvre et les lacunes dans les compétences en endossant des étrangers en vue d'une résidence permanente. Le PPICA comprend trois différents volets qui visent à répondre à différents besoins :

- i. **Programme des travailleurs hautement qualifiés du Canada atlantique** : Permet aux employeurs d'attirer des personnes hautement qualifiées
- ii. **Programme des travailleurs qualifiés intermédiaires du Canada atlantique** : Permet aux employeurs d'attirer des personnes semi-qualifiées
- iii. **Programme des diplômés étrangers du Canada atlantique** : Permet aux employeurs d'attirer de jeunes diplômés des établissements d'enseignement supérieur du Canada atlantique

PROGRAMME PILOTE D'IMMIGRATION AU CANADA ATLANTIQUE

Guide étape par étape

DÉSIGNATION DE L'EMPLOYEUR

1. Un employeur du Canada atlantique qui souhaite voir revenir au Programme pilote d'immigration au Canada atlantique (PPICA) pour répondre au besoin de main-d'œuvre qualifiée pour maintenir ses activités.
2. L'employeur communique avec un fournisseur de services d'établissement participant et s'engage à préparer son milieu de travail au sein d'établissements de ressources humaines.
3. L'employeur présente une demande à la province en vue de devenir un employeur désigné.
4. La province de l'Atlantique désigne l'employeur.
5. L'employeur trouve une personne qui répond aux critères du programme d'appas, son dossier est vérifié et lui offre un emploi.

PROGRAMMES*

- ✓ Programme des travailleurs qualifiés intermédiaires du Canada atlantique (ITQICA)
- ✓ Programme des travailleurs hautement qualifiés du Canada atlantique (THQICA)
- ✓ Programme des diplômés étrangers du Canada atlantique (PDECA)

* Les candidats doivent être inscrits au registre de candidats et passer une évaluation de leur niveau de compétence.

APPUI

6. L'employeur met en relation sa recrue et un fournisseur de services d'établissement participant.
7. Le candidat communique avec le fournisseur de services d'établissement de son choix pour obtenir une évaluation des besoins qui donnera lieu à un plan d'établissement pour lui et sa famille.
8. À la suite de l'évaluation des besoins, le fournisseur de services d'établissement met en contact le candidat et le plan d'établissement.
9. Le candidat envoie une copie du plan d'établissement à l'employeur.
10. L'employeur remplit la demande d'appui provincial, indiquant le programme approprié en fonction de l'expérience de travail du candidat et joignant l'offre d'emploi et le plan d'établissement, et l'envoie à la province.
11. Dans les cas où le poste doit être pourvu de façon urgente, les candidats peuvent être admissibles à un permis de travail temporaire. Certaines conditions s'appliquent, notamment obtenir une offre d'emploi valide et une lettre de recommandation de la province et s'engager à présenter une demande de résidence permanente. Veuillez consulter le site Web pour obtenir plus de renseignements.
11. La province vérifie et approuve la demande d'appui. La province envoie au candidat une lettre d'appui.

DEMANDE D'IMMIGRATION

12. Le candidat remplit sa demande de résidence permanente et l'envoie à Immigration, Réfugiés et Citoyenneté Canada (IRCC), avec sa lettre d'appui et tout autre document requis.
13. IRCC traite la demande - Les demandes seront traitées en six mois ou moins dans la majorité des cas.
14. Le candidat approuvé et sa famille se rendent au Canada atlantique.
15. L'employeur appuie l'établissement et l'intégration du candidat et de sa famille dans leur milieu de travail et leur communauté en partenariat avec le fournisseur de services d'établissement.

Pour de plus amples détails, consultez www.canada.ca/immigration-atlantique

Immigration, Réfugiés et Citoyenneté Canada / Immigration, Refugees and Citizenship Canada

Canada

Gestion de fonds, prêts et initiatives stratégiques

L'IIDI est aussi chargée de la prestation du Fonds Century 2000 de l'Île-du-Prince-Édouard, conçu pour appuyer la croissance et les besoins du secteur privé et stimuler le développement économique. Pour ce faire, l'IIDI prête des fonds dans les entreprises de l'Île en leur offrant du financement productif d'intérêts lorsque d'importantes retombées économiques entrent en jeu pour la province.

Les conditions générales associées aux prêts du Fonds Century 2000 de l'Île-du-Prince-Édouard sont les suivantes :

- Les prêts sont disponibles pour une durée de cinq ans;
- Les prêts portent intérêt à un taux annuel de **4 %**;
- Le Fonds Century 2000 de l'Île-du-Prince-Édouard cherche à obtenir des garanties similaires à celles qui seraient normalement demandées par une institution financière à charte traditionnelle;
- À la fin de l'exercice financier 2020-2021, le portefeuille de prêts s'élevait à **181 855 898 \$**.

Les activités de prêt du Fonds Century 2000 de l'Île-du-Prince-Édouard sont conformes aux priorités provinciales et aux secteurs stratégiques d'Innovation Î.-P.-É. À l'occasion, le Fonds Century 2000 de l'Île-du-Prince-Édouard peut également financer certains projets qui peuvent ne pas relever des secteurs stratégiques de l'Î.-P.-É. et qui ont des avantages économiques importants pour l'économie provinciale.

Dans de nombreux cas, le Fonds Century 2000 de l'Île-du-Prince-Édouard travaille en partenariat avec les institutions de prêt traditionnelles, les organismes du gouvernement fédéral et d'autres organismes locaux de développement économique pour compléter le financement global d'une variété de projets.

Slemon Park est une société privée détenue à 100 % par l'IIDI. L'IIDI travaille en collaboration avec la Slemon Park Corporation sur des initiatives clés visant à soutenir la croissance économique. Slemon Park Corporation est un parc commercial concurrentiel à l'échelle internationale dans les domaines de l'aérospatiale, de la fabrication et de la formation en sécurité publique. Slemon Park abrite également une communauté résidentielle florissante de plus de 230 familles et 700 personnes. Slemon Park dispose notamment d'un aéroport privé, d'un hôtel, d'un centre de conférence, de services de restauration, d'un centre de santé et d'un point de vente au détail. Slemon Park est une occasion unique de travailler, de vivre et d'apprendre pour les entreprises, les familles et les particuliers.

Principaux indicateurs

La province de l'Île-du-Prince-Édouard reçoit chaque année une allocation d'IRCC, qui est le nombre maximal de certificats de désignation de résident permanent que l'IIDI peut utiliser dans une année. Un certificat de nomination représente une unité familiale et est délivré sur la base d'une année civile. L'allocation de la province pour 2020 était de 1 150. L'allocation accordée à la province est ensuite répartie entre les volets du Programme des candidats de l'Î.-P.-É., l'« allocation de base » de 800, et le volet Entrée express, l'« allocation renforcée » de 350. Au cours de l'exercice 2020-2021, une allocation supplémentaire de 222 a eu lieu dans le cadre du Programme pilote d'immigration au Canada atlantique. Malgré les effets de la pandémie de COVID-19, nous avons été en mesure d'utiliser 87 % des nominations totales allouées par l'IRCC à la province pour l'année.

Il existe plusieurs facteurs de sélection qui sont utilisés par l'IIDI pour s'assurer que tous les candidats répondent aux critères des programmes et permettre aux candidats retenus d'avoir les meilleures chances de s'établir économiquement à l'Île-du-Prince-Édouard. L'âge, la formation, les compétences linguistiques, l'expérience professionnelle et les liens avec le monde du travail sont autant de facteurs clés qui influencent la réussite d'un nouvel arrivant après son arrivée. Les tableaux suivants donnent un aperçu des nominations de l'IIDI pour 2020-2021.

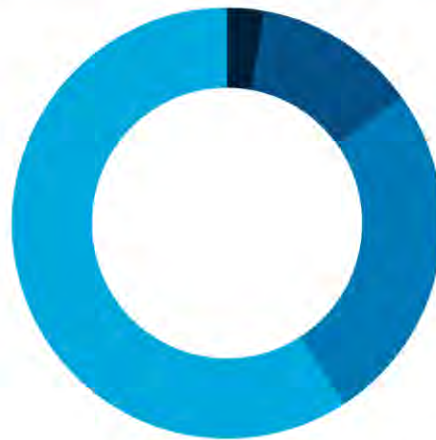
Island Investment Development Inc.

En 2020-2021, 97 % des nominations concernaient des programmes menés par les employeurs pour soutenir la main-d'œuvre de l'Île-du-Prince-Édouard. La diminution des nominations d'entrepreneurs est liée au passage du modèle d'entiercement (directement à la résidence permanente) au modèle de permis de travail (de la résidence temporaire à la résidence permanente). En tout, 74 lettres de soutien au permis de travail ont été délivrées à des candidats entrepreneurs en 2020-2021. Après l'achèvement des accords de rendement, les demandeurs de permis de travail seront invités par la province à solliciter auprès du gouvernement fédéral une résidence permanente.

Tableau 1 : Nominations de 2020-2021 selon le volet

Volet	Nombre	%
Programmes de main-d'œuvre	829	59 %
Programmes entreprises/entrepreneurship	33	3 %
Entrée express	363	26 %
Programme pilote d'immigration au Canada atlantique	<u>170</u>	<u>12 %</u>
Total	1 395	100 %

Nominations selon le volet



■ Programmes entreprises/
entrepreneurship - 3%

■ Entrée express - 26%

■ Programme pilote d'immigration
au Canada atlantique - 12%

■ Programmes de main-d'œuvre - 59%

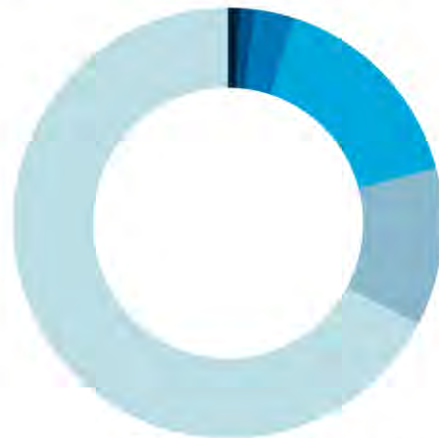
Island Investment Development Inc.

Le niveau de scolarité est l'un des facteurs que l'IIDI évalue pour déterminer la probabilité qu'un candidat s'établisse économiquement dans la province. Le tableau ci-dessous résume le plus haut niveau de scolarité atteint par les candidats de notre programme en 2020-2021.

Tableau 2 : Nominations de 2020-2021 selon le niveau de scolarité

Niveau de scolarité	Nombre	%
Doctorat	5	1 %
Maîtrise	53	3 %
Baccalauréat	224	16 %
Certificat/diplôme	932	67 %
Métier spécialisé/formation d'apprenti	10	1 %
Études secondaires	<u>171</u>	<u>12 %</u>
Total	1 395	100 %

Nominations selon le niveau de scolarité

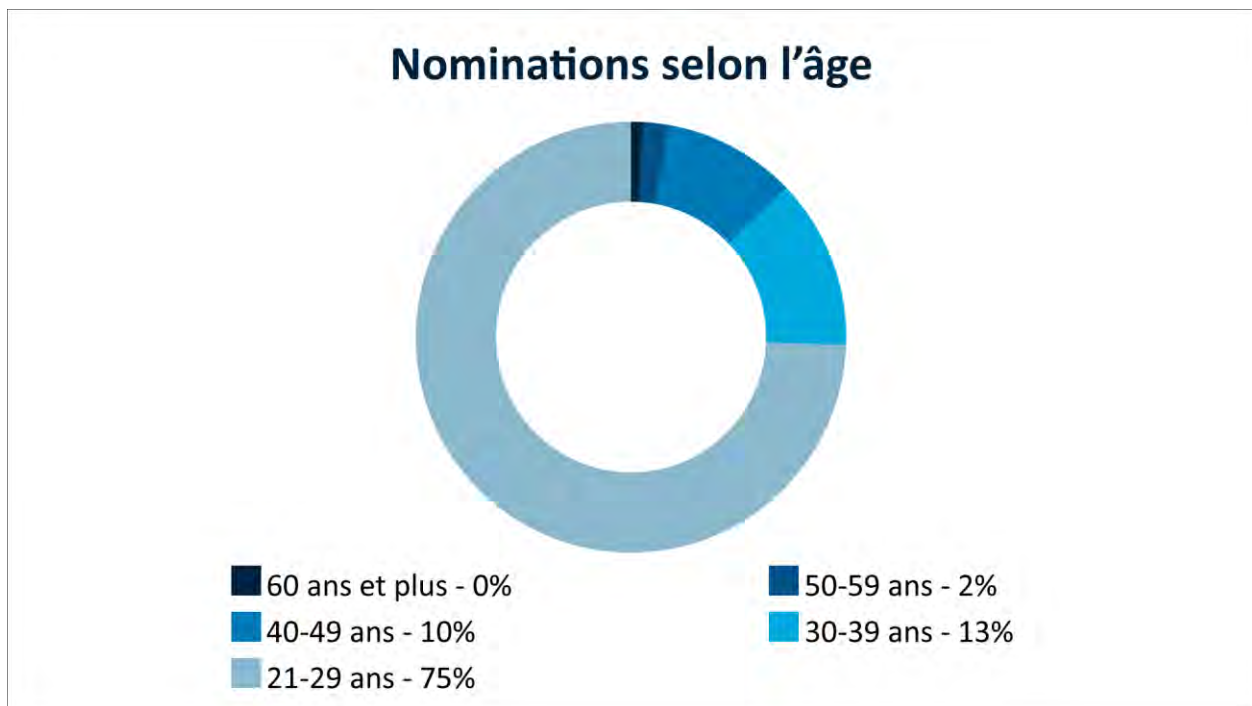


Remarque : Les études secondaires constituent la scolarité minimale requise dans le cadre du PPICA. Tous les candidats de ce volet sont inclus dans cette catégorie.

Le vieillissement de la population comporte une incidence sur l'économie et l'ensemble du marché du travail. Le tableau ci-dessous résume nos nominations selon l'âge pour tous nos volets d'immigration. En 2020-2021, 88 % de nos nominations avaient moins de 40 ans (84 % en 2019-2020). Ces pourcentages élevés de nouveaux arrivants de moins de 40 ans qui s'installent à l'Île-du-Prince-Édouard ont contribué à la baisse de l'âge médian de la province au cours des trois dernières années.

Tableau 3 : Nominations de 2020-2021 selon l'âge

Âge à la nomination	Nombre	%
21-29 ans	1 052	75 %
30-39 ans	175	13 %
40-49 ans	144	10 %
50-59 ans	23	2 %
60 ans et plus	<u>1</u>	0 %
Total	1 395	100 %



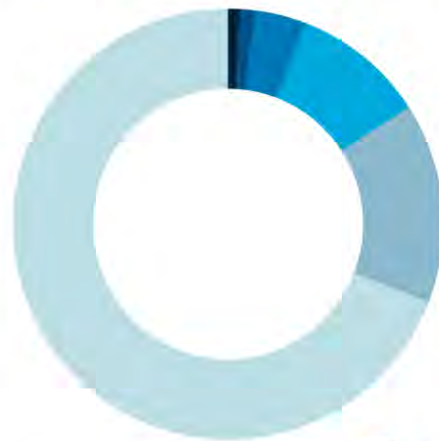
Island Investment Development Inc.

La création de communautés familiares et d'un environnement culturel solide pour les nouveaux arrivants est importante pour la réussite de l'établissement et la rétention des nouveaux arrivants à l'Î.-P.-É. Au cours des dernières années, les pays d'origine des nouveaux arrivants à l'Î.-P.-É. se sont diversifiés. Un total de 76 pays d'origine différents sont représentés par nos candidats dans le cadre des programmes.

Tableau 4 : Nominations de 2020-2021 selon le pays

Pays	Nombre	%
Inde	960	69 %
Philippines	134	10 %
Chine	55	4 %
Jamaïque	20	1 %
Mexique	19	1 %
Tous les autres pays	<u>207</u>	<u>15 %</u>
Total	1 395	100 %

Nominations selon le pays



Nos programmes d'immigration aident la province à accroître sa population, à réduire son âge médian et à offrir des avantages économiques à l'ensemble de la province. Les programmes d'immigration ont joué un rôle clé dans le développement régional et rural, car de nouvelles familles s'installent dans les communautés de l'Île-du-Prince-Édouard. Le tableau ci-dessous résume le pourcentage accru de nouveaux arrivants qui se sont installés dans les communautés rurales au cours des dernières années.

Tableau 5 : Pourcentage des établissements en région rurale

	2017	2018	2019	2020
Zone rurale	11 %	19 %	22 %	32 %
Zone urbaine (Charlottetown)	89 %	81 %	78 %	68 %

Le tableau ci-dessous indique le nombre d'immigrants admis (résidence permanente pour tous les membres de la famille) à l'Île-du-Prince-Édouard dans le cadre de tous les programmes d'immigration.

Tableau 6 : Arrivées à l'Île-du-Prince-Édouard

	2017	2018	2019	2020
Catégorie du regroupement familial	85	110	135	65
Immigration économique – fédéral	125	310	505	170
Immigration économique – provincial	2 050	1 630	1 725	1 005
Réfugiés (personnes protégées)	90	85	80	55
Total	2 350	2 135	2 445	1 295

En 2020, le virus de la COVID-19 a eu des répercussions sur l'immigration au Canada de manière significative avec seulement 184 625 arrivées au pays (2019 – 341 180). Les impacts de la pandémie sur les activités d'IRCC ont été importants et ont certainement affecté le nombre d'arrivées de nouveaux arrivants dans toutes les administrations, y compris à l'Î.-P.-É.

Même si les autorisations de résidence permanente étaient significativement plus basses que les niveaux de 2019, l'Î.-P.-É. a connu une importante croissance en immigration avec des niveaux de nomination plus élevés en 2020 qu'en 2019. Tout au long de la pandémie, la province a continué d'appuyer la main-d'œuvre à l'Î.-P.-É. en nommant des personnes pour la résidence permanente qui habitaient et travaillaient à l'Î.-P.-É., particulièrement dans les secteurs des services essentiels (par exemple, santé, camionnage, fabrication et transformation).

Résumé du plan stratégique et des orientations futures

L'IIDI continuera à fournir des programmes et des services adaptés qui facilitent et stimulent la croissance économique et sociale à l'Île-du-Prince-Édouard. L'immigration demeure un élément important nous permettant d'aborder les questions démographiques générales qui se posent pour notre province et notre région, comme le vieillissement de la population, la diminution de la main-d'œuvre et la réduction de la taille des familles.

L'immigration internationale représente environ 1,5 % de la croissance annuelle de la population pour chacune des cinq dernières années. L'Î.-P.-É. est reconnue pour son haut taux d'immigration qui contribue à la croissance de la population comparativement aux autres provinces canadiennes. L'objectif est de continuer à atteindre une forte attraction d'immigrants tout en travaillant fort sur l'amélioration continue et le succès dans l'intégration et la rétention d'immigrants.

L'Î.-P.-É. compte plusieurs histoires de réussite où des travailleurs et des entrepreneurs immigrants ont choisi l'Î.-P.-É. comme lieu où vivre et travailler. Nous visons à ce que ces histoires et d'autres réussites se poursuivent à l'avenir. Cela est essentiel pour la croissance de la population de l'Î.-P.-É. et l'enrichissement de notre économie et de notre culture.

L'IIDI reconnaît l'importance de continuer de faire correspondre le recrutement des immigrants aux besoins du marché du travail, de simplifier la navigation des volets vers la résidence permanente et de mettre en place, directement ou par l'intermédiaire de partenariats, des soutiens pour l'intégration réussie et la rétention des entrepreneurs, des travailleurs immigrants et de leurs familles.

IIDI et plus particulièrement le Bureau de l'immigration a cinq objectifs à atteindre au cours des trois prochaines années :

OBJECTIF 1 : S'harmoniser aux besoins sur le marché du travail des employeurs de l'Île

OBJECTIF 2 : Simplifier la navigation des volets vers la résidence permanente

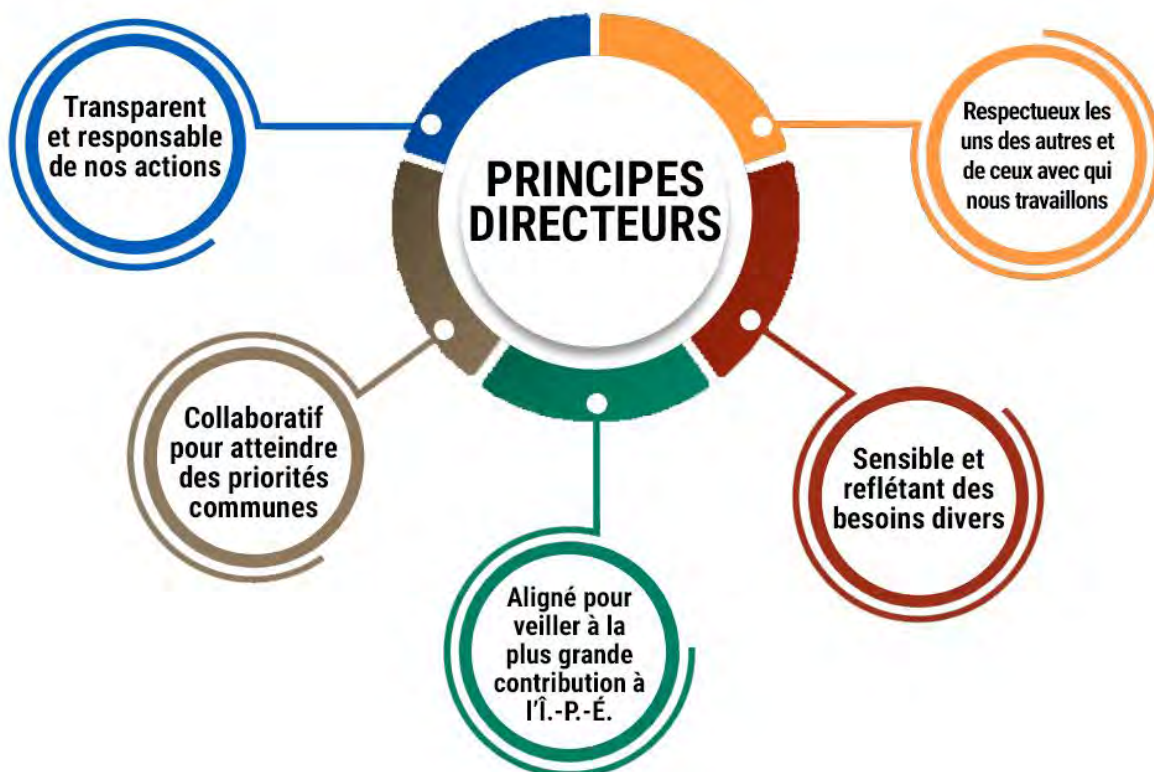
OBJECTIF 3 : Faire croître le succès des entrepreneurs immigrants à l'Î.-P.-É.

OBJECTIF 4 : Améliorer l'intégration et la rétention réussies des immigrants

OBJECTIF 5 : Renforcer notre culture interne

Island Investment Development Inc.

Cinq principes guident notre prise de décisions et nos actions :



Grâce à ces efforts, l'Î.-P.-É. continuera de profiter d'une population dynamique en croissance grâce à l'immigration qui contribue à l'économie et à la culture de l'Î.-P.-É.

Nous continuons à considérer l'immigration comme un facteur important de notre croissance économique et sociale dans les années à venir, car l'attribution par la province de certificats de désignation de résident permanent d'IRCC continue d'augmenter.

Tableau 7 : Allocations provinciales de résidence permanente

Volet	2020	2021
Programme des candidats de la province	800	860
Entrée express	350	350
Programme pilote d'immigration au Canada atlantique	222	240
Total	1 372	1 450

Le virus de la COVID-19 a eu un impact important sur l'immigration au Canada, entraînant de vastes fermetures au pays et ailleurs dans le monde. Ces fermetures concernent les frontières internationales, les centres de demande de visa, de nombreux services qui ont une incidence sur les flux migratoires (p. ex., biométrie, services d'évaluation linguistique, services d'orientation des réfugiés) ainsi que les services d'établissement. Les répercussions de la pandémie sur les activités d'IRCC sont importantes. Par conséquent, les taux d'immigration pour le Canada n'ont pas été atteints pour 2020, et certaines répercussions devraient perdurer jusqu'en 2021. Cela a certainement eu une incidence sur les arrivées d'immigrants à l'Î.-P.-É. dont les autorisations de résidence permanente sont significativement inférieures aux taux de 2019.

Bien que le nombre de nouveaux arrivants puisse être inférieur en raison des répercussions de la COVID-19 sur le traitement des demandes à l'échelle fédérale, la province continue de soutenir la main-d'œuvre de l'Î.-P.-É. en désignant des personnes qui vivent et travaillent à l'Î.-P.-É. comme résidents permanents, en particulier dans les secteurs des services essentiels (soins de santé, camionnage, fabrication et transformation). Nous prévoyons que nos taux de nomination annuels pour 2021 seront comparables à ceux des années précédentes.

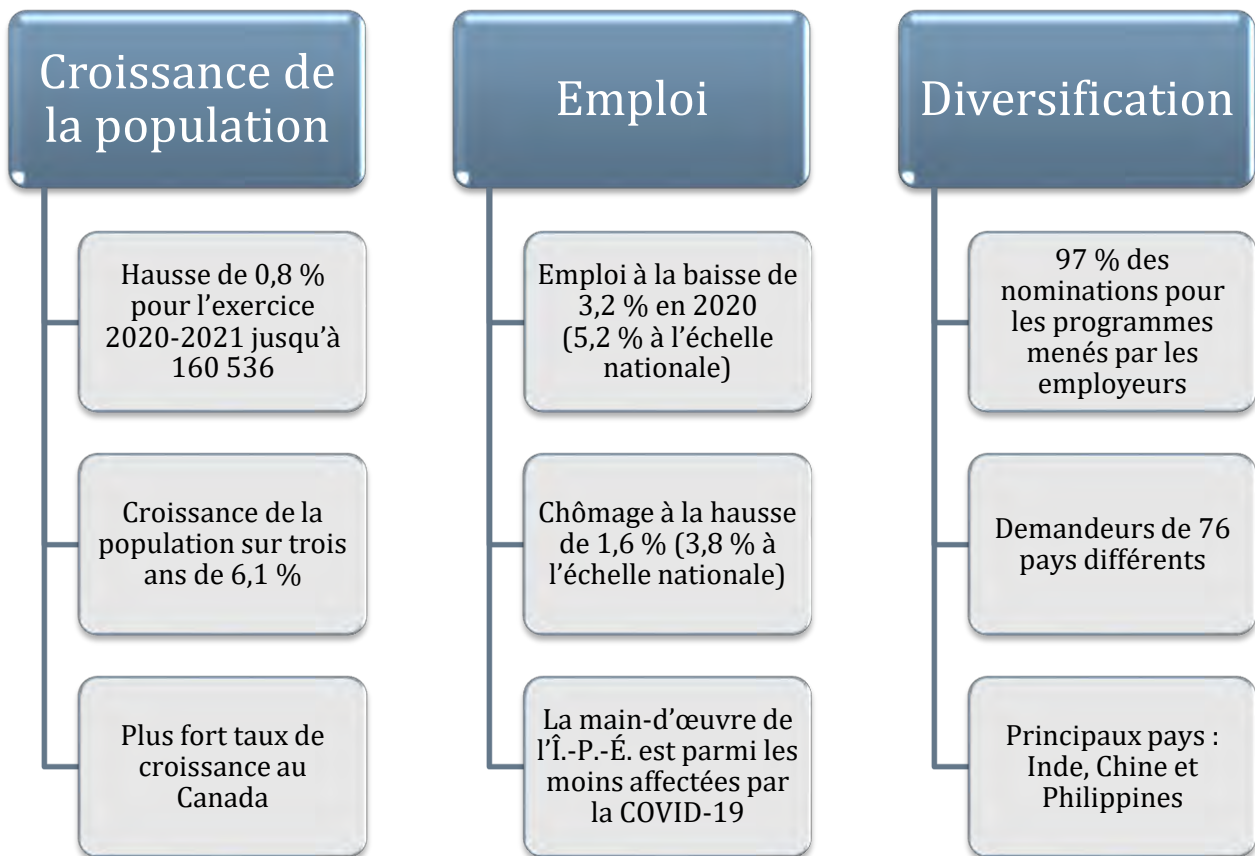
Faits saillants et réalisations

Avant le commencement de la pandémie de COVID-19 en mars 2020, la croissance économique à l'Î.-P.-É. était forte principalement en raison d'une population en croissance, d'une main-d'œuvre croissante et d'une forte demande pour les produits et services provenant de l'Île tant au pays qu'à l'étranger. En fait, l'économie de l'Î.-P.-É. a commencé à être chef de file de la nation en 2020 comme elle l'a été en 2019. Les effets de la pandémie de COVID-19 ont été généralisés et les restrictions sur les voyages qui en ont résulté ont eu d'importants impacts négatifs sur l'économie qui devraient persister pendant un certain temps.

Le début de la pandémie a initialement entravé l'activité économique sur l'Île; toutefois, la réponse de l'Île-du-Prince-Édouard à la pandémie a permis de garder le nombre de cas de COVID-19 dans la province faible, limitant le nombre de fermetures. La plupart des entreprises de l'Île ont pu s'adapter aux protocoles liés à la COVID-19 et ont pu redémarrer et, dans certains cas, ont noté une augmentation de leurs affaires. On estime que l'économie de l'Île-du-Prince-Édouard s'est contractée de 3,0 % en 2020, soit le plus faible déclin parmi les provinces alors qu'à l'échelle nationale, l'économie a connu une baisse de 5,4 % du PIB.

Au cours de l'exercice 2020-2021, la population de l'Î.-P.-É. devrait avoir augmenté de 0,8 % pour atteindre 160 536 habitants. Il s'agit de l'un des pourcentages les plus élevés parmi toutes les provinces au Canada. À l'échelle nationale, la population a crû de seulement 0,4 %. La croissance sur trois ans de l'Î.-P.-É. de 6,1 % est chef de file au pays et 160 536 personnes est la plus haute population dans l'histoire de la province.

En raison des restrictions liées à la COVID-19, l'emploi à l'Île-du-Prince-Édouard s'est contracté pour la première fois depuis 2016. Après avoir crû de 3,4 % en 2019, l'emploi a décliné de 3,2 % en 2020. Le taux de chômage annuel moyen a décliné de 2016 à 2019 pour atteindre le plus faible taux annuel à ce jour (depuis 1976) en 2019 de 8,8 %. En raison des restrictions liées à la pandémie, le taux a augmenté de 1,6 % jusqu'à 10,4 % en 2020.



Dans le cadre de son mandat, l'IIDI continue de fournir une aide à l'établissement aux entrepreneurs qui immigreront à l'Î.-P.-É. par le truchement de la catégorie Impact sur les entreprises. Une grande partie de ce soutien est fournie en interne par la division de l'intégration des entreprises. Le personnel de cette division rencontre les nouveaux arrivants dans le mois qui suit leur arrivée au Canada, il continue à les rencontrer et à répondre à leurs questions afin de s'assurer qu'ils respectent leurs accords d'entiercement ou de rendement.

L'IIDI est un partenaire financier de la Chambre de commerce du Grand Charlottetown pour le programme Liens Î.-P.-É. Ce programme offre des services de soutien aux entreprises dont les propriétaires-exploitants sont des immigrants. L'initiative met en relation les nouveaux Insulaires et les nouveaux diplômés avec les entreprises et les leaders de la communauté afin de faire croître les réseaux professionnels et d'élargir les possibilités de carrière à l'Île. Pour ce faire, ils organisent des rencontres individuelles, des ateliers d'affaires et des événements de réseautage. Liens Î.-P.-É. offre des services gratuitement en anglais, en français, en hindi, en mandarin, en cantonais et en persan, facilite les relations et fournit des ressources aux chercheurs d'emploi et aux entrepreneurs. Le programme Liens Î.-P.-É. a une présence dans les trois comtés et des bureaux à Charlottetown, Summerside et à Three

Island Investment Development Inc.

Rivers. La visée de Liens Î.-P.-É. est de faciliter l'intégration, la réussite et la rétention des personnes immigrantes à l'Île-du-Prince-Édouard.

L'IIDI a financé un poste de responsable de l'établissement auprès de l'Association pour nouveaux arrivants au Canada de l'Î.-P.-É. (ANC Î.-P.-É.). Cette personne est chargée de se déplacer dans toute la province pour visiter les entreprises et rencontrer les employeurs et les employés qui font partie du PPICA. Cette personne fait des présentations aux employeurs pour les aider à comprendre leur rôle et leurs responsabilités dans le cadre du PPICA et fournit des renseignements détaillés sur les programmes et services de l'ANC Î.-P.-É. ainsi que des références pour un soutien supplémentaire à l'établissement, des activités d'intégration, des aides à l'apprentissage de la langue, des questions sur le transport, etc.

En outre, l'IIDI finance le festival multiculturel DiverCité Î.-P.-É., un événement annuel, tenu à Alberton, Three Rivers, Summerside et Charlottetown, qui célèbre le multiculturalisme à l'Î.-P.-É. DiverCité est le plus grand festival de rue en plein air de l'Île-du-Prince-Édouard, gratuit et adapté aux familles. Il offre un lieu de rencontre multiculturel accessible à tous les habitants de l'Île – nouveaux et établis – et contribue à créer une communauté plus accueillante pour les immigrants.

L'IIDI finance également des cours de langue qui répondent aux besoins particuliers des clients entrepreneurs et travailleurs. Le niveau de base en anglais ou en français des candidats au Programme des candidats de l'Î.-P.-É. a augmenté au fil des années, et il a été déterminé qu'il était nécessaire de mettre en place une formation plus pointue liée à la langue des affaires et du travail. Des cours de langue sur le lieu de travail ont été financés par l'intermédiaire de l'école de langues Study Abroad Canada pour répondre à ce besoin.

Actuellement, près de 1 500 étudiants étrangers sont inscrits dans les établissements d'enseignement supérieur de l'Île-du-Prince-Édouard. La rétention des diplômés étrangers constitue une priorité pour la province de l'Î.-P.-É. L'IIDI dispose d'un personnel dévoué qui travaille en étroite collaboration avec le Collège Holland, l'UPEI et le Collège de l'Île pour aider les étudiants étrangers qui souhaitent rester à l'Î.-P.-É. pour y vivre et y travailler après l'obtention de leur diplôme.

Au plus fort de la pandémie de COVID-19, l'IIDI a travaillé en collaboration avec d'autres ministères, des organismes d'établissement et des groupes ethnoculturels afin de communiquer à notre population de nouveaux arrivants de l'information sur les aides gouvernementales, les changements dans les processus d'immigration et d'autres renseignements pertinents. En collaboration avec le ministère de la Croissance économique, du Tourisme et de la Culture, l'IIDI a financé un poste de conseiller familial à l'Association pour nouveaux arrivants au Canada de l'Î.-P.-É. (ANC Î.-P.-É.). Cette personne est responsable de fournir à la population immigrante à l'Î.-P.-É. du counselling proactif qui l'aidera à gérer certains des facteurs psychologiques, culturels et environnementaux qui ont un impact négatif sur leur établissement, leur adaptation et leur processus d'intégration à la suite de la pandémie de COVID-19.

Island Investment Development Inc.

Au cours de l'année, notre ministère a conclu un partenariat avec l'Association pour nouveaux arrivants au Canada de l'Î.-P.-É. (ANC Î.-P.-É.) pour appuyer le développement de l'application Newelcom pour aider avec les communications avec la population de nouveaux arrivants. L'application fournit de l'information dans 11 langues différentes, y compris le français, l'arabe, le chinois, le persan, l'espagnol et le vietnamien, et permet aux nouveaux arrivants de voir de l'information sur des sujets comme les événements locaux, les cliniques médicales, la météo locale et la collecte des déchets dans leur langue première.

L'Île-du-Prince-Édouard est fière de ses réalisations relatives à ses programmes d'immigration. Nous continuons à soutenir les efforts d'intégration, à mettre en valeur les succès obtenus et à travailler avec nos groupes et partenaires ethnoculturels pour soutenir les efforts d'intégration. Nous continuons à soutenir les efforts d'intégration, à mettre en valeur les succès obtenus et à travailler avec nos groupes et partenaires ethnoculturels pour soutenir les efforts d'intégration. On compte actuellement plus de vingt groupes ethnoculturels actifs ayant élu domicile à l'Île. Il est important de célébrer le succès de nos nouveaux arrivants et nous continuerons de présenter ces réussites sur notre site Web et sur notre chaîne YouTube.

Conseil d'administration

Johnny Flynn | Président
Membre à titre individuel

Brendon McCloskey
Membre à titre individuel

Leticia LaRosa
Membre à titre individuel

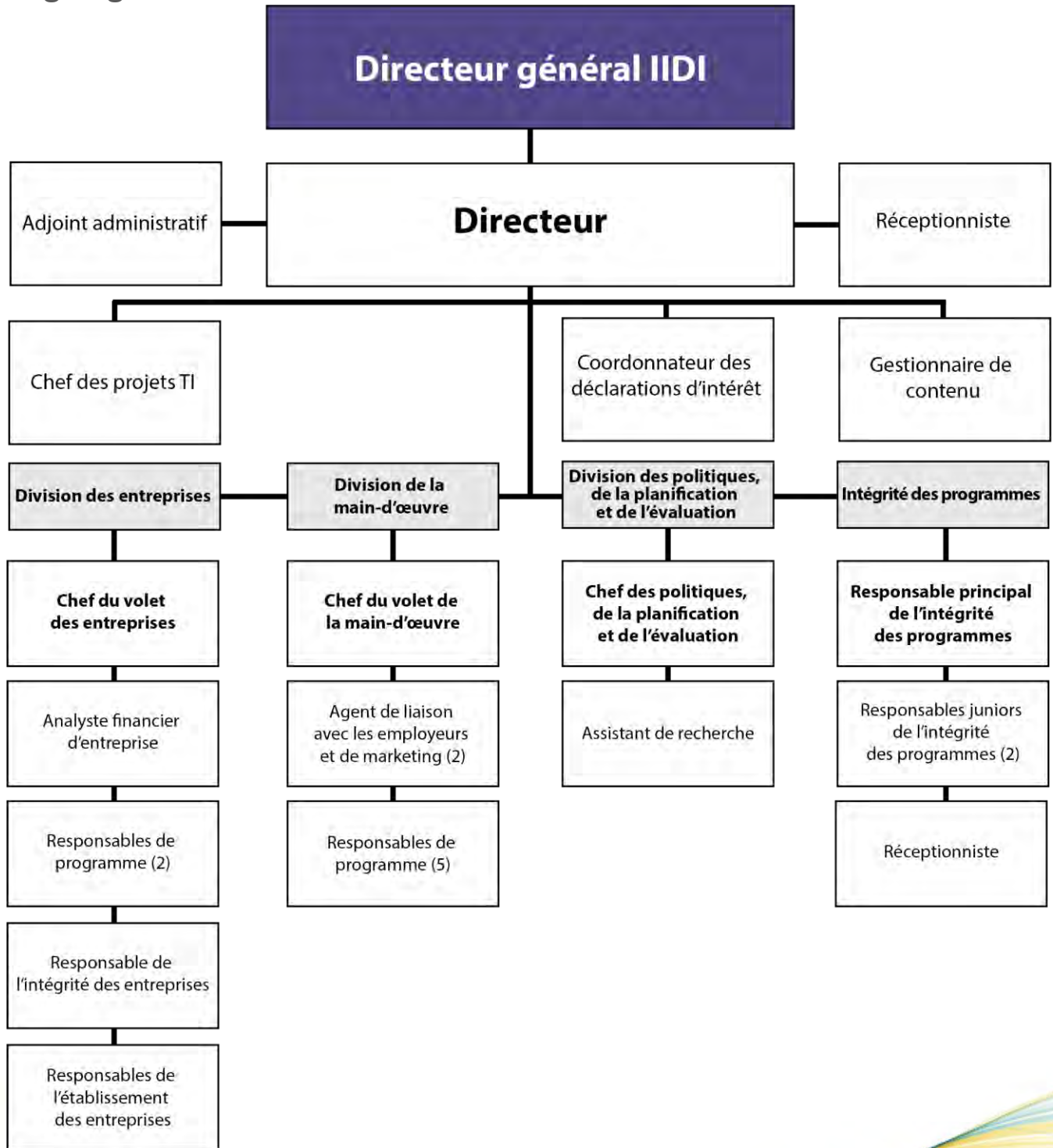
Pamela Montgomery
Membre à titre individuel

Erin McGrath-Gaudet
Sous-ministre | Ministère de la Croissance économique, du Tourisme
et de la Culture

Jamie Aiken
Directeur général | IIDI

Dan Campbell
Sous-ministre | Ministère des Finances

Organigramme



Island Investment Development Inc.

Consolidated Financial Statements
March 31, 2021

June 22, 2021

Independent Auditor's Report

To the Board of Directors of Island Investment Development Inc.

Opinion

We have audited the accompanying consolidated financial statements of Island Investment Development Inc., which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Island Investment Development Inc. as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Financial Reporting Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Island Investment Development Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, 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.

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

Those charged with governance are responsible for overseeing Island Investment Development Inc.'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 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 financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Island Investment Development Inc.'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 Island Investment Development Inc.'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 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 Island Investment Development Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Arsenault Best Cameron Ellis

Chartered Professional Accountants

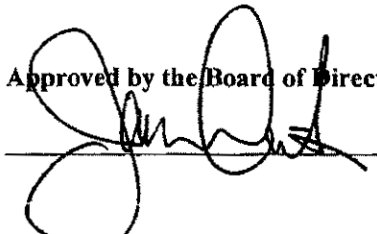
Island Investment Development Inc.

Consolidated Statement of Financial Position

As at March 31, 2021

	2021	2020
	\$	\$
Assets		
Cash	19,518,800	18,704,173
Marketable securities	13,331,443	5,562,756
Accounts receivable (notes 7 and 17)	7,310,285	6,985,131
Prepaid expense	377,947	44,104
Inventory (note 15)	119,466	121,272
Demand loan receivable (note 9)	6,998,482	7,007,465
Notes receivable (note 10)	145,522,391	144,580,842
Advances to related company (note 17)	7,152,986	2,119,298
Investment in private companies (note 11)	4,155,397	4,148,387
Deferred financing costs (note 12)	60,844	77,100
Investment properties (notes 8 and 15)	13,951,366	12,916,348
Property and equipment (Schedule and note 15)	3,569,864	3,049,115
Restricted funds (note 13)		
Cash and marketable securities	72,729,781	121,489,012
	<u>294,799,052</u>	<u>326,805,003</u>
Liabilities		
Accounts payable and accrued liabilities (notes 14 and 17)	3,214,712	2,895,037
Long-term debt (note 15)	5,825,439	7,920,859
Restricted funds (note 13)	72,729,781	121,489,012
	<u>81,769,932</u>	<u>132,304,908</u>
Commitments (note 18)		
Retained earnings	<u>213,029,120</u>	<u>194,500,095</u>
	<u>294,799,052</u>	<u>326,805,003</u>

Approved by the Board of Directors



Director



Director

Island Investment Development Inc.

Consolidated Statement of Changes in Equity

For the year ended March 31, 2021

	2021 \$	2020 \$
Retained earnings - Beginning of year	194,500,095	170,360,268
Net earnings for the year	<u>18,529,025</u>	<u>24,139,827</u>
Retained earnings - End of year	<u>213,029,120</u>	<u>194,500,095</u>

Island Investment Development Inc.

Consolidated Statement of Comprehensive Income

For the year ended March 31, 2021

	2021	2020
	\$	\$
Revenue		
Interest on notes and loan receivable (note 17)	7,155,058	6,474,181
Investment income	2,398,013	3,812,088
Provincial Nominee Program fees	1,923,401	1,767,112
Provincial Nominee Program defaults	10,553,179	16,600,000
Property operations (notes 16 and 17)	10,092,513	11,305,989
	<u>32,122,164</u>	<u>39,959,370</u>
Expenses		
Doubtful accounts	84,314	135,334
Education contribution	457,156	498,708
Equipment	1,109	29,755
Grants - private companies	461,558	501,338
Interest and bank charges	1,320	1,699
Interest on notes payable (note 17)	140,146	135,516
Management fees (note 17)	537,500	535,326
Meetings and conferences	1,620	59,857
Office	61,551	105,401
Professional fees	193,788	133,200
Promotion and advertising	803	9,124
Property operations (note 17)	7,818,766	8,465,253
Provision for possible losses	629,765	2,447,626
Rent (note 17)	113,260	64,582
Salaries (note 17)	2,004,905	1,678,678
Travel	17,055	31,926
Amortization	1,061,508	903,391
Amortization of deferred financing costs	16,256	63,165
	<u>13,602,380</u>	<u>15,799,879</u>
Operating earnings	<u>18,519,784</u>	<u>24,159,491</u>
Other income (expense)		
Gain on sale of property and equipment	9,241	5,336
Loss from hurricane damages	(1,142,704)	(513,051)
Insurance recovery from hurricane damages	1,142,704	488,051
	<u>9,241</u>	<u>(19,664)</u>
Net earnings for the year	<u>18,529,025</u>	<u>24,139,827</u>

Island Investment Development Inc.

Consolidated Statement of Cash Flows

For the year ended March 31, 2021

	2021	2020
	\$	\$
Cash provided by (used in)		
Operating activities		
Net earnings for the year	18,529,025	24,139,827
Items not affecting cash		
Amortization	1,061,508	903,391
Amortization of deferred financing costs	16,256	63,165
Gain on sale of property and equipment	(9,241)	(5,336)
Provision for possible losses	629,765	2,447,626
	<u>20,227,313</u>	<u>27,548,673</u>
Net change in non-cash working capital items		
Increase in accounts receivable	(325,154)	(4,563,059)
Decrease (increase) in prepaid expense	(333,843)	27,619
Decrease in inventory	1,806	27,618
Increase (decrease) in accounts payable and accrued liabilities	319,675	(222,787)
	<u>19,889,797</u>	<u>22,818,064</u>
Financing activities		
Decrease in long-term debt - net	(2,095,420)	(14,944,219)
Decrease (increase) in advances to related company	(5,033,688)	400,986
	<u>(7,129,108)</u>	<u>(14,543,233)</u>
Investing activities		
Increase in investment in private companies	(7,010)	(861,293)
Decrease (increase) in marketable securities - net	(7,768,687)	2,691,951
Decrease in restricted funds - cash and marketable securities	(48,759,231)	(51,917,524)
Decrease in restricted funds - liability	48,759,231	51,917,524
Increase in notes receivable - net	(1,571,314)	(7,999,677)
Decrease in demand loan receivable	8,983	2,084
Additions to property and equipment	(911,747)	(640,762)
Additions to investment properties	(1,959,491)	(2,036,909)
Capital grants received	253,963	156,057
Proceeds on disposal of property and equipment	9,241	5,336
Increase in deferred financing costs	-	(2,996)
	<u>(11,946,062)</u>	<u>(8,686,209)</u>
Increase (decrease) in cash	814,627	(411,378)
Cash - Beginning of year	<u>18,704,173</u>	<u>19,115,551</u>
Cash - End of year	<u>19,518,800</u>	<u>18,704,173</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

1 Reporting entity

The company is a provincial Crown corporation established under the provisions of the Island Investment Development Inc. Act and is therefore a non-taxable entity under the provisions of the Income Tax Act.

The company is the corporate administrator of government-administered venture capital funds in the Province of Prince Edward Island with its purpose to invest in active business operations. The investments are made in typically new or expanding companies. The company also develops and commercializes the real property assets of the former Canadian Forces Base Summerside. It rents real property to commercial and residential tenants and operates airport, accommodations, food and beverage and retail divisions.

The company administers the Prince Edward Island Provincial Nominee Program on behalf of the Province of Prince Edward Island, and charges applicants under the program various fees to process the applications received.

Island Investment Development Inc.'s head office is located in Charlottetown, Prince Edward Island.

Island Investment Development Inc. prepares its financial statements in compliance with Canadian International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been approved for issue by the Board of Directors on June 22, 2021.

2 Basis of presentation

(a) Basis of consolidation

These financial statements include the operations of Island Investment Development Inc. and its wholly-owned subsidiaries, Prince Edward Island Century 2000 Fund Inc. (Century 2000 Fund) and Slemon Park Corporation.

(b) Basis of measurement

These financial statements have been presented on the historical cost basis except for certain financial instruments as indicated in note 3(a).

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the company's functional currency.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

(d) Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses during the period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The judgments that have the most significant effect on the amounts recognized in the financial statements are detailed in note 5.

3 Summary of significant accounting policies

(a) Financial instruments

i) *Classification and measurement of financial assets*

The company applies IFRS 9 and classifies its financial assets into one of the following measurement categories:

- Amortized cost;
- Fair value through profit or loss (FVTPL); or
- Fair value through other comprehensive income (FVOCI).

Financial assets include both debt and equity instruments.

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

- i) the company's business model for managing the asset; and
- ii) the cash flow characteristics of the asset.

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The company's business model assessment is based on the following categories:

- Held to collect: The objective of the business model is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model.
- Held to collect and for sale: Both collecting contractual cash flows and sales are integral to achieving the objectives of the business model.
- Other business model: The business model is neither held-to-collect nor held-to-collect and for sale.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

The company assesses the business model at a portfolio level reflective of how groups of assets are managed together to achieve a particular business objective. For the assessment of a business model, the company takes into consideration the following factors:

- Whether the assets are held for trading purposes (ie. assets that the company acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking);
- The risks that affect the performance of assets held within a business model and how those risks are managed; and
- The revenue of prior periods and expectations about future revenue activity.

The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instrument due to repayments or amortization of premium/discount.

Interest is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs (liquidity risk and administrative costs), and a profit margin.

If the company identifies any contractual features that could significantly modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Based on these factors, the company classifies its debt instruments into one of the following three measurement categories:

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured in note 10. Interest income from these financial assets is included in 'Interest on notes and loans receivable' using the effective interest rate method.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the profit or loss statement within "Investment income" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in "Investment income". Interest income from these financial assets is included in "Investment income" using the effective interest method.

Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "Investment income". Interest income from these financial assets is included in "Investment income" using the effective interest rate method.

Equity instruments

The company subsequently measures all equity investments at FVTPL, except where the company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and reversals of impairment losses are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the company's right to receive payments is established.

Gains and losses on equity investments at FVTPL are included in "Investment income" in the statement of comprehensive income.

ii) *Classification and measurement of financial liabilities*

Financial liabilities are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through profit or loss (FVTPL);
- Designated at FVTPL.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

Financial liabilities measured at amortized cost

Long-term debt and restricted funds are accounted for at amortized cost. Interest on notes payable, calculated using the effective interest rate method, is recognized as interest expense.

Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL are held principally for the purpose of repurchasing in the near term, or form a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-making. Financial liabilities are recognized on a trade date and are accounted for at fair value, with changes in fair value and any gains or losses recognized in the Statement of Comprehensive Income as part of the non-interest income. Transaction costs are expensed as incurred.

Financial liabilities designated at FVTPL

Financial liabilities classified in this category are those that have been designated by the company upon initial recognition, and once designated, the designation is irrevocable. The FVTPL designation is only available for those financial liabilities for which a reliable estimate of fair value can be obtained.

Financial liabilities are designated at FVTPL when one of the following criteria is met:

- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- A group of financial liabilities are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- The financial liability contains one or more embedded derivatives which significantly modify the cash flows otherwise required.

Financial liabilities designated at FVTPL are recorded in the Statement of Financial Position at fair value and any changes in fair value are recognized in the Statement of Comprehensive Income.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

iii) *Determination of fair value*

Fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the company has access at the measurement date.

The company measures instruments carried at fair value under the following fair value hierarchy. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

iv) *Derecognition of financial assets and liabilities*

The derecognition criteria are applied to the transfer of part of an asset rather than the asset as a whole, only if such part comprises specifically identified cash flows from the asset, a fully proportionate share of the cash flows from the asset, or a fully proportionate share of specifically identified cash flows from the asset.

A financial asset is derecognized when the contractual rights to the cash flows from the asset has expired or the company transfers the contractual rights to receive the cash flows from the financial asset; or has assumed an obligation to pay those cash flows to an independent third-party, or the company has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risk and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the company has retained substantially all of the risks and rewards of ownership.

Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the company derecognizes the transferred asset only if it has lost control over the asset. Control over the asset is represented by the practical ability to sell the transferred asset. If the company retains control over the asset, it will continue to recognize the asset to the extent of its continuing involvement.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (i) the consideration received and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in the Statement of Comprehensive Income.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same counterparty on substantially different terms or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognized as a gain/loss in the Statement of Comprehensive Income.

v) *Impairment*

The company applied a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9 for the financial assets measured at amortized cost.

The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following 12 months or (ii) over the expected life of a financial instrument.

The impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – where there has not been a significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – when a financial instrument experiences a credit risk subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The probability of default (PD), exposure at default (EAD) and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio.

Details of these statistical inputs are as follows:

- PD – the probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life.
- EAD – the exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest from missed payments.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

- LGD – the loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

At each reporting date, the company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral and the impact of forward-looking macroeconomic factors. Common assessments for credit risk include management judgment, delinquency and monitoring.

When measuring expected credit loss, the company considers the maximum contractual period over which the company is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment and extension and rollover options.

The company considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- Significant financial difficulty of the borrower;
- Default or delinquency in interest or principal payments;
- High probability of the borrower entering a phase of bankruptcy or a financial recognition;
- Measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The company considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due.

The company writes off an impaired financial asset, either partially or fully, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier.

(b) Cash

Cash consists of cash held in banks and cash on hand. Bank indebtedness is considered to be a financing instrument.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

(c) Inventory

Inventories are valued at the lower of cost and net realizable value. Costs are assigned using the specific item formula for food inventory. Costs include all expenses directly attributable to the purchase and delivery of the product to the Company's location. Fuel oil inventory is valued at the lower of cost and net realizable value and is recorded at invoice cost on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(d) Deferred financing costs

The costs incurred in obtaining financing have been capitalized and are being amortized using the straight-line basis over the term of the notes payable, which is 60 months.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying assets are added to the cost of the assets until they are substantially ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

(f) Property and equipment

Property and equipment are recorded at the fair value on the transition date of April 1, 2015 to IFRS for Slemon Park Corporation, a subsidiary, as deemed cost, with additions since that time measured at historic cost. Subsequent to initial recognition, property and equipment is recorded at cost less accumulated amortization and accumulated impairment losses. The company allocates the amount recognized in respect of each item in property and equipment to its significant components and amortizes each component separately.

Amortization is recognized so as to write-off the cost less residual values over the useful lives of the assets. The estimated useful lives, residual values and amortization method are reviewed at each year-end with the effect of any changes in estimates accounted for on a prospective basis.

Amortization rates are as follows:

Sewer and water infrastructure	2% - 4%	declining balance
Runways and taxiways	8%	declining balance
Roads and parking areas	8%	declining balance
Buildings	4% - 20%	declining balance
Heavy equipment	20%	declining balance
Furniture and equipment	20%	declining balance
Motor vehicles	30%	declining balance
Computer equipment and software	30%	declining balance

As asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and the value in use. No property and equipment were identified as impaired as at March 31, 2021.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

(g) Investment properties

Investment properties include land and buildings, roads and paving held to earn rental income. Investment properties are recorded at the fair value on the transition date of April 1, 2015 to IFRS of Slemon Park Corporation, a subsidiary, as deemed cost, with additions since that time measured at historic cost. Subsequent to its initial recognition, investment properties are recorded at cost less accumulated amortization and accumulated impairment losses. The company allocates the amount recognized in respect of each item in investment properties to its significant components and amortizes each component separately.

Amortization is recognized so as to write-off the cost less residual values over the useful lives of the assets. The estimated useful lives, residual values and amortization method are reviewed at each year-end with the effect of any changes in estimates accounted for on a prospective basis.

Amortization rates are as follows:

Building	4%	declining balance
Building - roof/shingles	6%	declining balance
Building - equipment	8%	declining balance
Building - painting	10%	declining balance
Building - tenant improvements - based on lease term 1 - 5 years	20%	declining balance
Building - tenant improvements - based on lease term 6 - 15 years	10%	declining balance

Investment properties are derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on retirement or disposal of investment properties are recognized in the income statement in the year of retirement or disposal.

(h) Capitalization policy - property and equipment and investment properties

Acquisition, construction or development over time:

The cost of constructing a capital asset includes direct construction or development costs (such as materials and labour) and overhead costs directly attributable to the construction or development activity.

The cost of capital assets includes the purchase price and other acquisition costs such as installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

Betterment:

The cost incurred to enhance the service potential of a capital asset is a betterment. Service potential may be enhanced when there is an increase in the previously assessed physical output or service capacity, associated operating costs are lowered, the life or useful life is extended, or the quality of output is improved. The cost incurred in the maintenance of the service potential of a capital asset is a repair, not a betterment. If a cost has the attributes of both a repair and a betterment, the portion considered to be a betterment is included in the cost of the capital asset.

Government assistance:

Government assistance towards acquisition of capital assets is deducted from the related capital assets with any amortization calculated on the net amount.

Buildings and renovations:

All expenditures that provide future benefit beyond the annual operating period and which are an integral component of the building are classified as an addition to the building.

(i) Impairment of long-lived assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash generating unit level. The company tests long-lived assets for impairment on an annual basis or whenever events or changes in circumstances indicate that its carrying amount of the asset is not recoverable. An impairment loss is recognized when the carrying amount of the asset is not recoverable and exceeds its fair value. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its recoverable amount. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the higher of fair value less costs to disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows.

(j) Revenue recognition

Interest on notes and loans receivable is recognized as revenue in the period earned.

Investment income is recorded in the period earned.

Provincial Nominee Program fees are recorded as revenue when earned.

Provincial Nominee Program defaults are recorded as revenue in the year in which the deposit period ends and the applicant does not meet the conditions for repayment.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

Property operations revenue is recognized when all the following criteria have been met: transfer to the buyer of significant risks and rewards of ownership; the company does not retain any continuing managerial involvement; the revenue amount can be reliably measured; it is probable that the economic benefits will flow to the company; and costs incurred can be reliably measured.

Accommodation, food and beverage, sports centre, retail and airport operation revenues, included in property operations, are measured at the fair value of the consideration received or receivable less any trade discounts or volume rebates. Revenues are recognized when the goods or services have been provided to the customer, it is probable that the associated economic benefit will flow to the company and the amount of revenue can be reliably measured.

Revenue from commercial and residential rental operations, included in property operations, is recognized straight-line over the terms of the leases when collection is reasonably assured. The difference between the rental revenue recognized and the amounts contractually due under the lease agreements is recorded in trade receivables. The company retains substantially all of the benefits and risks of ownership of its income properties and, therefore, accounts for its leases with tenants as operating leases. Realty tax and operating cost recoveries, and other incidental income are recognized on an accrual basis.

Miscellaneous revenue is recognized in the period in which the transaction or events that give rise to the revenue occur and collection is reasonably assured.

(k) Government assistance and other grants

The Governments of Canada and Prince Edward Island have made grants to fund renovations to existing facilities of Slemon Park Corporation. Grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to the grant, and that the grant will be received. These funds, along with other grants received, are credited to the operating expenses or capital assets to which they relate. During the year, \$253,963 (2020 - \$156,057) in grants were received or receivable related to capital projects and credited to investment properties property and equipment.

(l) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable costs of meeting its obligations under the contract. No provisions meeting the criteria for recognition exist for the periods presented.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

4 Agent agreement

Prince Edward Island Century 2000 Fund Inc.

The Federal Minister of Citizenship and Immigration acts as an Agent for the company and Crown corporations of other participating provinces by receiving investments from immigrant investors and disbursing them to the provincial Crown corporations in accordance with the allocation formula set out in the federal Immigration Regulations, 1978. All monies received by the Agent pursuant to the issuance of debt obligations are held by the Agent in a separate account from the moment such monies are received, on behalf of the company and the provincial designates. Investments are subject to a commission agreement whereby a 5% commission is paid to the party that facilitates an investment. These commissions are paid out of the special account by the Agent on the first day of the second month following the issuance of a visa to the investor to the party that made the facilitated investment, and are recorded as deferred financing charges by the company.

The Agent disburses the provincial allocation, less applicable commissions, to the company at the beginning of the five-year allocation period. The Agent issues a promissory note to the investor on behalf of the company. The company is obligated to repay the note, bearing interest at 0%, within 30 days after the expiry of the allocation period.

The company is required to repay the investor, through the Agent, the investor's promissory note within 90 days of receipt by the Agent of a request by the investor to withdraw his/her application for permanent residence, or upon the refusal of the application by the Minister.

In the 2014 Federal Government Budget, it was disclosed that Citizenship Immigration Canada (CIC) would be terminating the Federal Immigrant Investor Programs during the 2014 calendar year. Subsequently, CIC has communicated to all provinces that there will be no accelerated repayment schedule for funds received through the Immigrant Investor Program.

5 Critical accounting estimates and judgments

The company makes estimates and assumptions concerning the future that will, by definition, seldom equal actual results. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the period the assumptions change. The principal areas involving a higher degree of judgment or complexity and/or area which require significant estimates is described below:

(a) Allowance for credit losses

The expected credit loss model requires the recognition of credit losses based on up to 12 months of expected losses for performing loans and the recognition of lifetime losses on performing loans that have experienced a significant credit risk since origination.

The determination of a significant increase in credit risk takes into account many different factors since origination, and certain other criteria, such as delinquencies. The assessment of a significant increase in credit risk requires experienced credit judgment.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

In determining whether there has been a significant increase in credit risk and in calculating the amount of expected credit losses, we must rely on estimates and exercise judgment regarding matters for which the ultimate outcome is unknown. These judgments include changes in circumstances that may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

(b) Fair value of financial instruments

Fair value measurement techniques are used to value various financial assets and financial liabilities and are used in impairment testing on certain non-financial assets.

The fair values of the company's financial instruments were estimated using the valuation methods and assumptions described below. Since many of the company's financial instruments lack an available trading market, the fair values represent estimates of the current market value of instruments, taking into account changes in interest rates that have occurred since their origination. Due to the use of subjective assumptions and uncertainties, the fair value amounts should not be interpreted as being realizable in an immediate settlement of the instruments.

Fair values of floating loans and deposits approximate book value as the interest rates on these instruments automatically re-price to market and the spread remains appropriate. Fixed rate loans are valued by discounting the contractual future cash flows at current market rates for loans with similar credit risks. Fixed rate deposits are valued by discounting the contractual future cash flows using market rates currently being offered for deposits with similar terms. A credit valuation adjustment is applied to the calculated fair value of uninsured deposits to account for the company's own risk.

The fair value for the company's investments as detailed in note 11 is determined as follows:

- Atlantic Canada Regional Venture Fund LP and Island Capital Partners Seed Investment Fund LP do not trade in a public market. Fair value is determined by using Level 3 indicators.

(c) Estimated useful lives of investment properties and property and equipment

Management estimates the useful lives of investment properties and property and equipment based on the period during which assets are expected to be available for use. The amounts and timing of recorded amortization expense of investment properties and property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, legal and other limits to use. It is possible that changes in these factors may cause changes in the estimated useful lives of the company's investment properties and property and equipment in the future.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

(d) Investment properties fair value

The fair market value of investment properties is disclosed on an annual basis as of the statement of financial position date. This fair value information is also used to identify potential impairment losses as of the statement of financial position date. The valuations are prepared using recognized valuation techniques and the principles of IFRS 13, Fair Value Measurement. The determination of the fair value requires the use of estimates and judgments on future cash flows from assets, discount rates applicable to those assets due to their nature and location, the unit of account, and assumptions with respect to highest and best use. These estimates are based on local market conditions existing at the statement of financial position date, including the impact of recent market transactions. The valuation techniques and significant unobservable inputs used in determining the fair value of investment properties are set out in note 8.

(e) Investment properties and property and equipment

The company's accounting policies related to investment properties and property and equipment are described in note 3. In applying these policies, judgment is applied to determine the significant components of each asset, including the useful lives over which componentized assets are to be amortized. Judgment is also required in determining what assets are classified as property, plant and equipment and what assets are classified as investment property.

(f) COVID-19

Since January 31, 2020, the outbreak of COVID-19 (coronavirus), has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruption to businesses globally resulting in an economic slowdown, and global equity markets have experienced significant volatility. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the outcome of government and central bank interventions.

The company has determined that these events have not had a material impact on the carrying value of assets and liabilities reported in these financial statements as at March 31, 2021. The duration and impact of the COVID-19 pandemic remains unclear at this time. Therefore, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

6 Financial instruments

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Fair level hierarchy	March 31, 2021		March 31, 2020	
		Carrying amount \$	Fair value \$	Carrying amount \$	Fair value \$
Financial assets					
Cash	Level 1	19,518,800	19,518,800	18,704,173	18,704,173
Marketable securities	Level 1	13,331,443	13,331,443	5,562,756	5,562,756
Accounts receivable	Level 2	7,310,285	7,310,285	6,985,131	6,985,131
Demand loan receivable	Level 2	6,998,482	6,998,482	7,007,465	7,007,465
Notes receivable	Level 2	145,522,391	145,522,391	144,580,842	144,580,842
Advance to related company	Level 2	7,152,986	7,152,986	2,119,298	2,119,298
Investments in private companies	Level 3	4,155,397	4,155,397	4,148,387	4,148,387
Restricted funds	Level 1	72,729,781	72,729,781	121,489,012	121,489,012
		<u>276,719,565</u>	<u>276,719,565</u>	<u>310,597,064</u>	<u>310,597,064</u>
Financial liabilities carried					
Accounts payable and accrued liabilities	Level 2	3,214,712	3,214,712	2,895,037	2,895,037
Long-term debt	Level 2	5,825,439	5,825,439	7,920,859	7,920,859
Restricted funds	Level 2	72,729,781	72,729,781	121,489,012	121,489,012
		<u>81,769,932</u>	<u>81,769,932</u>	<u>132,304,908</u>	<u>132,304,908</u>

7 Accounts receivable

	2021 \$	2020 \$
Trade	1,691,050	1,870,112
Related party (note 17)	6,646,408	6,405,260
Other	495,478	243,444
Less: Allowance for doubtful accounts	<u>(1,522,651)</u>	<u>(1,533,685)</u>
	<u>7,310,285</u>	<u>6,985,131</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

8 Investment properties

The fair market value of investment properties as of March 31, 2021 is \$37,240,000 (2020 - \$18,603,638). The investment properties have been valued by managing a capitalized net operating income method and a market approach. Under this method, capitalization rates are applied to net operating income (revenues less property operating expenses). The key assumption is the capitalization rate of 10% to 13% for commercial assets and 7% for residential assets (2020 - 10% to 14%). The rate was further calibrated by applying a 20% discount to reflect a recent orderly transaction occurring at arm's length under current market conditions. This discount is to reflect the nature of these specialized assets and their location. Management engaged a third party appraiser to value the entire portfolio of assets during the 2021 fiscal year, based on 2020 operating results, and have updated the valuation numbers for the year ended March 31, 2021 based on those appraisal numbers.

This valuation process is classified as Level 3 of the fair value hierarchy and represents the estimated price that would be received to sell the asset in an orderly transaction between market participants at the measurement dates. The fair value is based on each asset group's current use as a revenue generating investment property. The current use is considered to be the highest and best use. The company utilized capitalization and discount rates based on recent market transactions and past appraisals. To the extent that rates change from one reporting period to the next, or should another rate be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

	Land	Buildings, roads and paving	Total
	\$	\$	\$
Cost			
Balance - March 31, 2020	1,578,852	13,444,267	15,023,119
Additions	5,499	1,953,992	1,959,491
Grants received	-	(253,963)	(253,963)
Balance - March 31, 2021	1,584,351	15,144,296	16,728,647
Accumulated amortization			
Balance - March 31, 2020	(10,981)	(2,095,790)	(2,106,771)
Amortization expense	(12,510)	(658,000)	(670,510)
Balance - March 31, 2021	(23,491)	(2,753,790)	(2,777,281)
Net carrying value			
March 31, 2020	1,567,871	11,348,477	12,916,348
March 31, 2021	1,560,860	12,390,506	13,951,366

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

The future minimum lease payments to be received under non-cancelable operating leases in aggregate for each of the following periods:

	\$
Under 1 year	2,457,654
2 to 5 years	5,888,025
Over 5 years	<u>6,062,278</u>
Total	<u>14,407,957</u>

9 Demand loan receivable

	2021	2020
	\$	\$
Demand note receivable from Finance PEI	6,998,482	6,998,482
Accrued interest receivable	-	8,983
	<u>6,998,482</u>	<u>7,007,465</u>

The company entered into an agreement for Finance PEI, a provincial Crown corporation, to receive a \$15,000,000 revolving line of credit.

Interest is charged monthly at a rate equal to the Department of Provincial Treasury of Prince Edward Island's short-term lending rate and the total amount is repayable on demand.

The demand loan is secured by a promissory note for \$15,000,000 and a revolving credit agreement.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

10 Notes receivable

(a) Loans at amortized cost

	2021			2020		
	Gross loans	Allowance for credit losses	Net carrying amount	Gross loans	Allowance for credit losses	Net carrying amount
	\$	\$	\$	\$	\$	\$
Manufacturing and processing - general	51,308,551	13,624,187	37,684,364	53,987,632	13,140,488	40,847,144
Manufacturing and processing - steel	6,855,219	-	6,855,219	7,416,529	-	7,416,529
Information and communication technology	-	-	-	211,585	205,914	5,671
Aerospace	2,556,577	2,545,393	11,184	2,435,505	2,434,896	609
Tourism	28,408,281	2,197,325	26,210,956	26,653,323	2,113,329	24,539,994
General business	72,400,441	16,817,752	55,582,689	74,646,602	14,510,041	60,136,561
Agriculture	1,822,122	-	1,822,122	1,757,889	-	1,757,889
Fisheries/aquaculture	2,223,465	921,960	1,301,505	2,143,635	2,141,581	2,054
Residential	4,565,856	-	4,565,856	374,615	-	374,615
Bioscience	11,715,386	226,890	11,488,496	10,657,269	1,157,493	9,499,776
	<u>181,855,898</u>	<u>36,333,507</u>	<u>145,522,391</u>	<u>180,284,584</u>	<u>35,703,742</u>	<u>144,580,842</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

(b) Impaired loans

	2021			2020		
	Gross impaired loans \$	Allowance for credit losses \$	Net carrying amount \$	Gross impaired loans \$	Allowance for credit losses \$	Net carrying amount \$
Manufacturing and processing - general	27,704,320	13,236,815	14,467,505	13,265,019	12,711,251	553,768
Manufacturing and processing - steel	672,760	-	672,760	696,730	-	696,730
Information and communication technology	-	-	-	211,585	205,914	5,671
Aerospace	2,556,577	2,545,392	11,185	2,435,505	2,434,896	609
Tourism	28,408,281	2,197,325	26,210,956	15,506,915	1,988,316	13,518,599
General business	35,388,513	16,745,170	18,643,343	35,672,986	14,082,587	21,590,399
Agriculture	1,822,122	-	1,822,122	1,757,889	-	1,757,889
Fisheries/aquaculture	2,223,465	921,960	1,301,505	2,143,635	2,141,581	2,054
Bioscience	1,466,872	-	1,466,872	1,414,947	945,645	469,302
	<u>100,242,910</u>	<u>35,646,662</u>	<u>64,596,248</u>	<u>73,105,211</u>	<u>34,510,190</u>	<u>38,595,021</u>

(c) Allowance for credit losses

	2021			
	Balance as at April 1, 2020 \$	Provision for credit losses \$	Net write-offs \$	Net \$
Manufacturing and processing - general	13,140,489	483,695	-	13,624,184
Information and communication technology	205,914	(205,914)	-	-
Aerospace	2,434,897	110,496	-	2,545,393
Tourism	2,113,328	84,000	-	2,197,328
General business	14,510,041	2,307,711	-	16,817,752
Fisheries/aquaculture	2,141,580	(1,219,620)	-	921,960
Bioscience	1,157,493	(930,603)	-	226,890
	<u>35,703,742</u>	<u>629,765</u>	<u>-</u>	<u>36,333,507</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

	2020			
	Balance as at April 1, 2019 \$	Provision for credit losses \$	Net write-offs \$	Net \$
Manufacturing and processing - general	10,048,679	3,091,810	-	13,140,489
Information and communication technology	157,554	48,360	-	205,914
Aerospace	2,493,664	(58,767)	-	2,434,897
Tourism	3,657,497	(1,544,169)	-	2,113,328
General business	14,158,175	351,866	-	14,510,041
Fisheries/aquaculture	978,357	1,163,223	-	2,141,580
Bioscience	1,762,190	(604,697)	-	1,157,493
	33,256,116	2,447,626	-	35,703,742
As at March 31, 2021	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Manufacturing and processing - general	387,372	1,377,888	11,858,927	13,624,187
Aerospace	-	2,545,393	-	2,545,393
Tourism	-	681,277	1,516,048	2,197,325
General business	72,582	16,507,976	237,194	16,817,752
Fisheries/aquaculture	-	-	921,960	921,960
Bioscience	226,890	-	-	226,890
	686,844	21,112,534	14,534,129	36,333,507

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

As at March 31, 2020	Stage 1 \$	Stage 2 \$	Stage 3 \$	Total \$
Manufacturing and processing - general	429,237	1,650,007	11,061,244	13,140,488
Information and communication technology	-	-	205,914	205,914
Aerospace	-	2,434,896	-	2,434,896
Tourism	125,013	429,710	1,558,606	2,113,329
General business	427,454	13,823,586	259,001	14,510,041
Fisheries/aquaculture	-	2,051,730	89,851	2,141,581
Bioscience	211,848	-	945,645	1,157,493
	<u>1,193,552</u>	<u>20,389,929</u>	<u>14,120,261</u>	<u>35,703,742</u>

Loans past due but not impaired

	2021			2020		
	31 - 90 days	91+ days \$	Total \$	31 - 90 days \$	91+ days \$	Total \$
Manufacturing and processing - general	-	2,724,119	2,724,119	-	2,724,119	2,724,119

Related party notes:

Included in manufacturing and processing are unsecured notes receivable due from Finance PEI of \$3,660,992 (2020 - \$3,703,648).

Included in notes receivable is accrued interest of \$738,275 (2020 - \$739,177) from Finance PEI.

11 Investment in private companies

	2021 \$	2020 \$
Investment in private companies:		
Atlantic Canada Regional Venture Fund LP	2,273,044	2,148,387
Island Capital Partners Seed Investment Fund	1,882,353	2,000,000
	<u>4,155,397</u>	<u>4,148,387</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

12 Deferred financing costs

	2021		2020	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Commissions	752,857	692,013	60,844	77,100

13 Restricted funds

Restricted funds held in trust consist of the following amounts held under the Provincial Nominee Program:

	2021 \$	2020 \$
Good Faith deposits	79,073	104,073
Language deposits	21,665	21,665
Escrow deposits - business impact category	71,929,043	120,663,274
Intermediary deposits	700,000	700,000
	<u>72,729,781</u>	<u>121,489,012</u>

The company has internally restricted cash and marketable securities to meet or exceed the restricted funds payable.

14 Accounts payable and accrued liabilities

	2021 \$	2020 \$
Trade payables and accrued liabilities	1,882,768	1,674,833
Government remittances	67,821	75,866
Related entities	681,231	405,535
Other	582,892	738,803
	<u>3,214,712</u>	<u>2,895,037</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

15 Long-term debt

	2021	2020
	\$	\$
<u>Prince Edward Island Century 2000 Fund Inc.</u>		
Non-interest bearing notes payable, nominally dated with commencement dates ranging from April 1, 2016 to April 1, 2019, repayable in full in five years from the commencement date pursuant to the federally administered Immigrant Investor Program	654,463	2,032,751
<u>Island Investment Development Inc.</u>		
2.95% term loan, due August 2023, to the Province of Prince Edward Island, payable in quarterly payments of \$155,574 including interest, unsecured	3,668,499	4,173,233
2.46% term loan, due November 2022, to the Province of Prince Edward Island, payable in quarterly payments of \$47,962 including interest, unsecured	327,627	508,625
<u>Slemon Park Corporation</u>		
Non-interest bearing loan, payments of \$6,250, commenced on September 1, 2019 for 120 consecutive months	687,500	706,250
Non-interest bearing loan, payments of \$4,100, commencing on July 1, 2020, followed by payments of \$4,275 for all remaining periods	487,350	500,000
	<hr/>	<hr/>
	5,825,439	7,920,859
	<hr/>	<hr/>

Prince Edward Island Century 2000 Fund Inc.

All notes payable are pursuant to the Immigrant Investor Regulations.

The Province of Prince Edward has provided a guarantee of the notes payable to the Minister of Citizenship and Immigration (Agent) in the event of the failure of Prince Edward Island Century 2000 Fund Inc. to repay the notes payable to the Agent within 30 days following the end of the allocation period.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

Slemon Park Corporation

As additional security for certain long-term debt and an authorized operating line of credit of \$900,000, Slemon Park Corporation has provided a location specific general security agreement over all present and future personal property of certain buildings, a floating charge over inventory and appliances of the residential units, an assignment of residential rents, an assignment of specific commercial rents, a first fixed charge mortgage with cash value insurance coverage over the residential units, a collateral mortgage over certain properties and a general assignment of book debts.

The principal payments due on the long-term debt over the next five years are as follows:

	\$
Year ending March 31, 2022	1,191,373
2023	1,055,600
2024	2,782,516
2025	126,300
2026	126,300

16 Revenue from contracts with customers

The company has recognized the following amounts related to revenue in accordance with IFRS 15 on the statement of comprehensive income:

	2021	2020
	\$	\$
Accommodations	1,271,834	1,503,789
Food and beverage	940,302	1,906,831
Airport	481,638	513,008
Retail	245,897	300,488
	<hr/> 2,939,671	<hr/> 4,224,116

The company has recognized the following amounts related to revenue in accordance with IFRS 17 on the statement of income and comprehensive income:

	2021	2020
	\$	\$
Commercial rent	4,155,117	4,043,533
Residential rent	2,997,725	3,038,340
	<hr/> 7,152,842	<hr/> 7,081,873
	<hr/> 10,092,513	<hr/> 11,305,989

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

The revenue from contracts with customers is included in property operations on the Consolidated Statement of Comprehensive Income.

The above revenues recognized in accordance with IFRS 15 were derived from hotel, restaurant, airport and retail sites which are located at Slemon Park, Prince Edward Island. The company has not recognized any additional contract assets or liabilities associated with this revenue.

17 Related party transactions

Related parties

Finance PEI, Innovation PEI and Tourism PEI are Crown corporations of the Province of Prince Edward Island.

Related party balances

Included in accounts receivable is \$6,044,150 (2020 - \$5,818,648) from Finance PEI.

Included in accounts payable and accrued liabilities is \$85,445 (2020 - \$86,349) to Innovation P.E.I. and \$465,598 (2020 - nil) to the Province of Prince Edward Island.

Advances to related company:

	2021	2020
	\$	\$
Finance PEI	7,152,986	2,119,298

Advances to related company are non-interest bearing with no specific terms of repayment.

Transactions

Included in interest on notes and loan receivable is \$46,065 (2020 - \$164,904) from Finance PEI.

Included in property operations is revenue of \$4,034,394 (2020 - \$3,817,436) and purchases of \$584,311 (2020 - \$590,370) from enterprises controlled by the Province of Prince Edward Island.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

Included in expenses are management fees of \$537,500 (2020 - \$535,326) and rent of \$50,000 (2020 - \$50,000) to Finance PEI and interest on notes payable of \$138,313 (2020 - \$134,079) to the Province of Prince Edward Island.

Included in capital grants received is \$173,837 (2020 - \$156,065) from the Province of Prince Edward Island or enterprises controlled by the Province of Prince Edward Island.

As of March 31, 2021, Island Investment Development Inc. administered the Mandatory Isolation Support for Temporary Foreign Workers Program on behalf of the federal government for employers in Prince Edward Island. The company administered \$1,131,281 in funds for this program with \$465,598 to be paid to the Department of Finance to cover lodging costs and \$665,682 paid to employers to cover wage costs. As the company was acting as an agent for the federal government, these expenditures are not included as expenses of the corporation.

These transactions are in the normal course of operations and are measured at the amount of consideration established and agreed to by the two parties and approximate fair market value.

Compensation of directors and key management personnel

The remuneration of directors and key management personnel during 2021 and 2020 were as follows:

	2021	2020
	\$	\$
Salaries	778,540	636,588

Key management personnel consist of the executive director, directors and manager needed to administer the programs in Island Investment Development Inc. Certain members of key management are employed under Innovation PEI and the portion of their salary which pertains to the work performed for Island Investment Development Inc. is reflected in the \$537,500 (2020 - \$535,326) management fee paid to Finance PEI.

18 Commitments

Prince Edward Island Century 2000 Fund Inc. loans approved but not disbursed at March 31, 2021 amount to \$5,739,711 (2020 - \$14,301,198).

Island Investment Development Inc. has committed to, but not disbursed \$2,726,954 (2020 - \$2,851,611) in advances to private companies.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

19 Financial risk management objectives and policies

Island Investment Development Inc.'s principal business activities result in a statement of financial position that consists primarily of financial instruments. The principal financial risks that arise from transacting financial instruments include credit, liquidity, market and operational risk. Authority for all risk-taking activities rests with the Board of Directors (Board), which approves risk management policies, delegates' limits and regularly reviews management's risk assessments and compliance with approved policies. Qualified professionals throughout Island Investment Development Inc. manage these risks through comprehensive and integrated control processes and models, including regular review and assessment of risk measurement and reporting processes.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty of a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from the company's notes receivable and marketable securities.

The company's maximum exposure to credit risk at the statement of financial position date in relation to each class of recognized financial assets is the carrying amount of those assets indicated in the statement of financial position. The maximum credit exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

The company's maximum exposure to credit risk at the reporting date was:

	2021	2020
	\$	\$
Cash	19,518,800	18,704,173
Marketable securities	13,331,443	5,562,756
Accounts receivable	7,310,285	6,985,131
Demand loan receivable	6,998,482	7,007,465
Notes receivable	145,522,391	144,580,842
Advances to related companies	7,152,986	2,119,298
Investment in private company	4,155,397	4,148,387
Restricted funds	72,729,781	121,489,012
	<u>276,719,565</u>	<u>310,597,064</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

i) Notes receivable

For the notes receivable portfolio, the company uses risk modelling that is customer based rather than product based. The company reviews the borrowers capacity to repay the loan rather than relying exclusively on collateral, although it is an important component in establishing credit risk. Typically, collateral consists of capital assets held by the borrower but can extend to working capital such as inventory when warranted. Any shortfall in collateral as compared to the carrying value of the loan is considered when analyzing the loan for the provision that needs to be applied to it.

Credit is approved by staff and the company's Board of Directors with loans in excess of \$1 million requiring approval by Treasury Board. The company factors the financial strength of each borrower, the security which is available, their position in industry and past payment history when assessing all potential loans.

ii) Cash and marketable securities

Cash and marketable securities have a low credit risk exposure as the assets are high quality investments with low risk counterparties.

(b) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its financial obligations as they come due. Specifically, the company needs to ensure it has adequate resources to repay all accounts payable and accrued liabilities, notes payable and to pay back any deposits under the Provincial Nominee Program as they come due. The company's approach to manage liquidity risk is to closely monitor its cash flows and forecast the expected receipts and obligations.

The table below analyzes the company's financial liabilities into relevant groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

	2021				
	Under 1 year \$	Between 1 - 2 years \$	Between 2 - 5 years \$	Over 5 years \$	Total \$
Accounts payable and accrued liabilities	3,214,712	-	-	-	3,214,712
Long-term debt	1,191,373	1,055,600	3,035,116	543,350	5,825,439
Restricted funds	72,729,781	-	-	-	72,729,781
	<u>77,135,866</u>	<u>1,055,600</u>	<u>3,035,116</u>	<u>543,350</u>	<u>81,769,932</u>

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

	2020				
	Under 1 year \$	Between 1 - 2 years \$	Between 2 - 5 years \$	Over 5 years \$	Total \$
Accounts payable and accrued liabilities	2,895,037	-	-	-	2,895,037
Long-term debt	2,229,266	1,191,373	3,912,470	587,750	7,920,859
Restricted funds	121,489,012	-	-	-	121,489,012
	<u>126,613,315</u>	<u>1,191,373</u>	<u>3,912,470</u>	<u>587,750</u>	<u>132,304,908</u>

As at March 31, 2021, the company has \$105,580,024 (2020 - \$145,755,941) in cash and marketable securities that is readily available to be used to meet the cash outflows of the company's financial liabilities.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the company's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(i) Price risk

The company is exposed to price risk because of the marketable securities held by the company that are classified as fair value through profit or loss. This company is not exposed to commodity price risk. To manage its price risk arising from marketable security is the company diversifies its portfolio.

(ii) Interest rate risk

The following table sets out the assets and liabilities on the earlier of contractual maturity or repricing date. Use of the table to derive information about the company's interest rate risk position is limited by the fact that borrowers may choose to terminate their financial instruments at a date earlier than contractual maturity or repricing date. For example, notes receivable are shown at contractual maturity but could prepay earlier.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

	2021				
	Under 1 year \$	Over 1 to 5 years \$	Over 5 years \$	Not interest rate sensitive \$	Total \$
Assets					
Cash	19,518,800	-	-	-	19,518,800
Marketable securities	13,331,443	-	-	-	13,331,443
Accounts receivable	-	-	-	7,310,285	7,310,285
Prepaid expenses	-	-	-	377,947	377,947
Inventory	-	-	-	119,466	119,466
Demand loan receivable	6,998,482	-	-	-	6,998,482
Effective interest rate	1.53%				
Notes receivable (net of allowance for losses)	26,940,651	96,199,427	22,382,313	-	145,522,391
Effective interest rate	3.87%	4.07%	2.43%		
Advances to related company	-	-	-	7,152,986	7,152,986
Investment in private companies	-	-	-	4,155,397	4,155,397
Deferred financing costs	-	-	-	60,844	60,844
Property and equipment	-	-	-	3,569,864	3,569,864
Investment properties	-	-	-	13,951,366	13,951,366
Restricted funds	-	-	-	72,729,781	72,729,781
Total assets	66,789,376	96,199,427	22,382,313	109,427,936	294,799,052
Liabilities and surplus					
Accounts payable and accrued liabilities	-	-	-	3,214,712	3,214,712
Long-term debt	1,191,373	4,090,716	543,350	-	5,825,439
Effective interest rate	1.60%	1.51%	0.00%		
Restricted funds	-	-	-	72,729,781	72,729,781
Effective interest rate	0.94%				
Retained earnings	-	-	-	213,029,120	213,029,120
Total liabilities and retained earnings	1,191,373	4,090,716	543,350	288,973,613	294,799,052
Interest rate sensitivity gap	65,598,003	92,108,711	21,838,963	(179,545,677)	-

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

	2020				
	Under 1 year \$	Over 1 to 5 years \$	Over 5 years \$	Not interest rate sensitive \$	Total \$
Assets					
Cash	18,704,173	-	-	-	18,704,173
Marketable securities	5,562,756	-	-	-	5,562,756
Accounts receivable	-	-	-	6,985,131	6,985,131
Prepaid expenses	-	-	-	44,104	44,104
Inventory	-	-	-	121,272	121,272
Demand loan receivable	6,998,482	-	-	8,983	7,007,465
Effective interest rate	1.34%				
Note receivable (net of allowance for losses)	14,357,007	114,424,151	15,799,684	-	144,580,842
Effective interest rate	3.90%	4.15%	2.43%		
Advances to related company	-	-	-	2,119,298	2,119,298
Investment in private companies	-	-	-	4,148,387	4,148,387
Deferred financing costs	-	-	-	77,100	77,100
Property and equipment	-	-	-	3,049,115	3,049,115
Investment properties	-	-	-	12,916,348	12,916,348
Restricted funds	-	-	-	121,489,012	121,489,012
Total assets	45,622,418	114,424,151	15,799,684	150,958,750	326,805,003
Liabilities and surplus					
Accounts payable and accrued liabilities	-	-	-	2,895,037	2,895,037
Long-term debt	2,227,866	5,095,443	597,550	-	7,920,859
Effective interest rate	1.60%	1.51%	0.00%		
Restricted funds	-	-	-	121,489,012	121,489,012
Retained earnings	-	-	-	194,500,095	194,500,095
Total liabilities and retained earnings	2,227,866	5,095,443	597,550	318,884,144	326,805,003
Interest rate sensitivity gap	43,394,552	109,328,708	15,202,134	(167,925,394)	-

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

Island Investment Development Inc.

Notes to Consolidated Financial Statements

March 31, 2021

(e) Capital management

The primary objective of Island Investment Development Inc.'s capital management is to ensure that it maintains a healthy financial position in order to support its business. Island Investment Development Inc. manages its capital structure and makes changes to it in light of changes in economic conditions.

Island Investment Development Inc.

Schedule of Property and Equipment

For the year ended March 31, 2021

Schedule

	Cost 2021			Accumulated amortization 2021			2021	
	Beginning \$	Additions \$	Grants Received \$	Ending \$	Beginning \$	Amortization \$		Ending \$
Land	30,043	-	-	30,043	-	-	-	30,043
Buildings and improvements	1,052,086	220,621	-	1,272,707	243,246	42,680	285,926	986,781
Paving and water and sewer	1,501,984	153,753	-	1,655,737	272,983	83,955	356,938	1,298,799
Furniture and equipment	1,430,126	190,051	-	1,620,177	679,863	158,769	838,632	781,545
Motor vehicles	290,739	76,972	-	367,711	101,237	52,602	153,839	213,872
Computer equipment and software	127,681	270,350	-	398,031	86,215	52,992	139,207	258,824
	4,432,659	911,747	-	5,344,406	1,383,544	390,998	1,774,542	3,569,864

	Cost 2020			Accumulated amortization 2020			2020	
	Beginning \$	Additions \$	Grants Received \$	Ending \$	Beginning \$	Amortization \$		Ending \$
Land	30,043	-	-	30,043	-	-	-	30,043
Buildings and improvements	930,985	121,101	-	1,052,086	208,140	35,106	243,246	808,840
Paving and water and sewer	1,417,942	92,571	(8,529)	1,501,984	188,308	84,675	272,983	1,229,001
Furniture and equipment	1,151,826	278,300	-	1,430,126	540,626	139,237	679,863	750,263
Motor vehicles	163,733	127,006	-	290,739	62,162	39,075	101,237	189,502
Computer equipment and software	105,897	21,784	-	127,681	73,111	13,104	86,215	41,466
	3,800,426	640,762	(8,529)	4,432,659	1,072,347	311,197	1,383,544	3,049,115

Island Investment Development Inc.

Coordonnées

Island Investment Development Inc.
94, rue Euston, Charlottetown (Î.-P.-É.) C1A 7M8
Tél. 902-620-3628
Télé. 902-368-5886
www.immigratepei.ca

