



Grant Thornton

Financial Statements

Torngat Wildlife, Plants and Fisheries Secretariat

March 31, 2015



## Torngat Wildlife, Plants and Fisheries Secretariat

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## Independent Auditors' Report

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To the Directors of

Torngat Wildlife, Plants and Fisheries Secretariat

We have audited the accompanying financial statements of Torngat Wildlife, Plants and Fisheries Secretariat ("the Organization"), which comprise the statement of financial position as at March 31, 2015, and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting 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.

### **Auditors' responsibility**

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

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



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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Torngat Wildlife, Plants and Fisheries Secretariat as at March 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards..

*Grant Thornton LLP*

Happy Valley - Goose Bay, Canada

June 18, 2015

Chartered Accountants





**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**  
**Statement of Operations and Accumulated Surplus**  
Year ended March 31

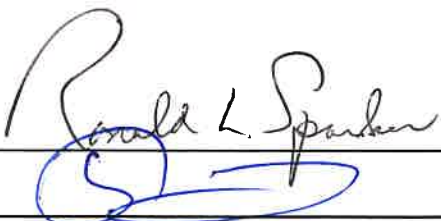

	2015	2014
<b>Revenue</b>		
Government of Canada	\$ 373,006	365,026
Government of Newfoundland and Labrador	373,006	355,506
Nunatsiavut Government	373,006	365,025
Government of Canada - Caribou Study	47,125	200,000
Miscellaneous	<u>7,688</u>	<u>78,967</u>
	<u>1,173,831</u>	<u>1,364,524</u>
<b>Expenses</b>		
Joint Secretariat (Schedule 3)	637,396	635,072
Members honoraria	29,953	34,598
Employers share of CPP and EI	1,278	1,005
Airfare and car rental	42,135	33,244
Meals and incidentals	10,464	8,483
Accommodations	12,887	13,492
Meeting site rental	1,525	2,442
Other Board costs	31,638	24,079
Research	354,004	540,832
Professional fees and insurance	17,732	17,927
Legal fees	59	3,195
Audit fees	9,168	13,410
Amortization	<u>31,042</u>	<u>37,550</u>
	<u>1,179,280</u>	<u>1,365,329</u>
Deficiency of revenue over expenses	(5,449)	(805)
Accumulated surplus, beginning of year	<u>121,924</u>	<u>122,729</u>
Accumulated surplus, end of year	\$ <u>116,475</u>	<u>121,924</u>

See accompanying notes to the financial statements.



**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**  
**Statement of Financial Position**  
As at March 31

	2015	2014
<b>Financial assets</b>		
Cash	\$ 178,524	347,848
Accounts receivable	320	9,980
HST receivable	<u>25,402</u>	<u>33,475</u>
Total financial assets	<u>204,245</u>	<u>391,303</u>
<b>Liabilities</b>		
Payables and accrued liabilities (Note 4)	156,212	300,223
Due to the Government of Newfoundland and Labrador (Note 5)	8,311	25,812
Due to other entities	-	3,336
Deferred revenue:		
Government of Canada (Note 5)	8,312	25,812
Nunatsiavut Government (Note 5)	8,312	25,812
Miscellaneous (Note 5)	<u>10,000</u>	<u>-</u>
	<u>26,624</u>	<u>51,624</u>
Total liabilities	<u>191,147</u>	<u>380,995</u>
<b>Net Debt</b>	<u>\$ 13,098</u>	<u>10,308</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 3)	\$ 86,992	92,441
Prepaid expenses	<u>16,385</u>	<u>19,175</u>
Total non-financial assets	<u>103,377</u>	<u>111,616</u>
<b>Accumulated Surplus</b>	<u>\$ 116,475</u>	<u>121,924</u>

Approved:  \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

See accompanying notes to the financial statements.



**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**  
**Statement of Changes in Net Debt**  
Year ended March 31

	<b>2015</b>	<b>2014</b>
Excess (deficiency) of revenue over expenses	\$ <u>(5,449)</u>	<u>(805)</u>
Acquisition of tangible capital assets	(25,593)	(28,523)
Amortization of tangible capital assets	31,042	37,550
Decrease in prepaid expenses	<u>2,790</u>	<u>3,941</u>
	<u><b>8,239</b></u>	<u><b>12,968</b></u>
Change in net debt	<b>2,790</b>	12,163
Net debt (surplus), beginning of the year	<u><b>10,308</b></u>	<u>(1,855)</u>
Net debt, end of year	\$ <u><b>13,098</b></u>	<u><b>10,308</b></u>

See accompanying notes to the financial statements.



**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT****Statement of Cash Flow**

Year ended March 31

	2015	2014
Cash flow:		
Operations:		
Deficiency of revenue over expenses	\$ (5,449)	(805)
Amortization of capital assets - net	<u>31,042</u>	<u>37,550</u>
	<b>25,593</b>	<b>36,745</b>
Changes in:		
Accounts receivable	9,660	(9,721)
HST receivable	8,073	(9,031)
Prepaid expenses	2,790	3,941
Payables and accruals	(144,011)	118,468
Due to the Government of Newfoundland and Labrador	(17,501)	12,182
Due to other entities	(3,336)	3,336
Deferred revenue - Government of Canada	(17,500)	(7,151)
Deferred revenue - Nunatsiavut Government	(17,500)	(7,151)
Deferred revenue - Miscellaneous	<u>10,000</u>	<u>(19,332)</u>
	<u>(143,732)</u>	<u>122,286</u>
Investing:		
Purchase of tangible capital assets	<u>(25,593)</u>	<u>(28,523)</u>
Net (decrease) increase in cash	<b>(169,325)</b>	<b>93,763</b>
Cash:		
Beginning	<u>347,848</u>	<u>254,084</u>
Ending	<u>\$ 178,524</u>	<u>347,848</u>

See accompanying notes to the financial statements.





# TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

## Notes to the Financial Statements

March 31, 2015

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### 1. Nature of operations:

The Secretariat provides administrative support for the Torngat Wildlife and Plants Co-Management Board and the Torngat Joint Fisheries Board. The expenditures for this secretariat is shared equally between each Board.

The Torngat Wildlife and Plants Co-Management Board is responsible for recommendations to the responsible Minister for the conservation and management of Wildlife, Plants and Habitat in the Labrador Inuit Settlement Area and is composed of members appointed by the Federal, Provincial and Nunatsiavut Governments.

The Torngat Joint Fisheries Board is responsible for recommendations to the responsible Minister for the conservation of species and stocks of fish, aquatic plants and fish habitat and the management of fisheries in the Labrador Inuit Settlement area, other than the Inuit Domestic Fishery and the Inuit Domestic Harvest Level and is composed of members appointed by the Federal, Provincial and Nunatsiavut Governments.

### 2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector. Outlined below are the significant policies for the Secretariat.

#### (a) Revenue

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

#### (b) Tangible capital assets

Tangible capital assets are recorded at cost. Depreciation is provided annually at rates calculated to write off the assets over their estimated useful life as follows, except in the year of acquisition when one half of the rate is used.

Computer equipment	3 year straight line
Furniture and equipment	20% diminishing balance
Vehicles	30% diminishing balance

#### (c) Use of estimates

In preparing the financial statements in conformity with Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditures during the year. Items requiring the use of significant estimates include the useful life of capital assets, rates of amortization and impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.



# TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

## Notes to the Financial Statements

March 31, 2015

### (d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus (deficit), provides the change in net debt for the year.

### (e) Financial Instruments

#### *Measurement of financial instruments*

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

Financial assets measured at amortized cost include cash and accounts receivables.

Financial liabilities measured at amortized cost include payables and accrued liabilities and deferred revenue.

#### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### *Transaction costs*

The Secretariat recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

### 3. Tangible capital assets:

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 154,761	133,024	21,737	23,845
Furniture and equipment	209,891	147,925	61,966	63,897
Vehicle	32,902	29,612	3,290	4,700
	<u>\$ 397,554</u>	<u>310,561</u>	<u>86,992</u>	<u>92,441</u>

During the year, the Secretariat purchased equipment in the amount of \$25,593 from operating funds provided by the three funding governments. There was no purchase greater than \$5,000 that required approval by the Implementation Committee prior to purchasing.

### 4. Payables and accrued liabilities:

	2015	2014
Trades	\$ 132,833	276,573
Payroll deductions	16,187	16,857
Pension plan payable	-	480
Accrued wages	7,192	6,313
	<u>\$ 156,212</u>	<u>300,223</u>



# TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

## Notes to the Financial Statements

March 31, 2015

### 5. Reconciliation of deferred revenue:

	<u>2015</u>	<u>2014</u>
Deferred revenue - beginning balance:		
Government of Canada	\$ 25,812	32,963
Government of Newfoundland and Labrador	-	19,332
Nunatsiavut Government	25,812	32,963
Accounts payable - Government of Newfoundland and Labrador	25,812	13,630
	<u>77,436</u>	<u>98,888</u>
Add amounts received in the year:		
Government of Canada (net of \$2,250 repayment)	379,068	553,764
Government of Newfoundland and Labrador (net of \$25,812 repayment)	355,506	348,356
Nunatsiavut Government (net of \$2,250 repayment)	379,068	353,763
Other miscellaneous amounts	17,688	82,303
	<u>1,131,330</u>	<u>1,338,186</u>
Sub-total	1,208,766	1,437,074
Adjustments:		
Expenses for both Boards as per the Statement of Operations	(1,179,280)	(1,365,329)
Amortization expense as per Statement of Operations (non-cash)	31,042	37,550
Capital purchases as per Note 3	(25,593)	(28,523)
	<u>(1,173,831)</u>	<u>(1,356,302)</u>
Total	<u>\$ 34,935</u>	<u>\$ 80,772</u>
Made up of:		
Deferred revenue - Government of Canada	\$ 8,312	25,812
Deferred revenue - Nunatsiavut Government	8,312	25,812
Deferred revenue - Miscellaneous	10,000	-
Accounts payable - Other	-	3,336
Accounts payable - Government of Newfoundland and Labrador	8,311	25,812
	<u>\$ 34,935</u>	<u>80,773</u>

### 6. Financial instruments:

The Secretariat's financial instruments consist of cash, receivables and payables and accruals. The book value of cash, receivables and payables and accruals approximate fair value due to their short term maturity date.

#### *Risks and concentrations*

The Secretariat is exposed to various risks through its financial instruments. The following analysis provides a measure of the Secretariat's risk exposure and concentrations at March 31, 2015.

#### *Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill payment obligations. The Secretariat's credit risk is attributable to receivables in the amount of \$320 (2014 - \$9,980). Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.



**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**  
**Notes to the Financial Statements**  
March 31, 2015

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**6. Financial instruments (cont'd):**

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Secretariat is exposed to this risk mainly in respect of its payables and accruals in the amount of \$156,210 (2014 - \$300,223), which have a maturity of not later than one year. The Secretariat reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet obligations and liabilities. In the opinion of management the liquidity risk exposure to the Secretariat is low and not material.





**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**  
**Schedule of Operations - Torngat Joint Fisheries Board**  
Year ended March 31

**Schedule 1**

	Budget	2015	2014
<b>Revenue</b>			
Government of Canada	\$ 190,659	186,503	177,754
Government of Newfoundland and Labrador	190,659	186,503	177,754
Nunatsiavut Government	190,659	186,503	177,753
Miscellaneous	<u>14,352</u>	<u>4,352</u>	<u>37,303</u>
	<u>586,330</u>	<u>563,861</u>	<u>570,564</u>
<b>Expenses</b>			
Joint Secretariat (Schedule 3)	320,200	318,698	317,536
Members honoraria	26,894	14,990	23,783
Employers share of CPP and EI	-	875	745
Airfare and car rental	18,720	20,512	23,995
Meals and incidentals	6,891	6,674	6,443
Accommodations	9,300	6,000	8,556
Meeting site rental	2,000	1,162	2,242
Other Board costs	23,199	14,084	14,175
Research (Schedule 4)	144,703	146,060	175,460
Professional fees and insurance	10,980	11,231	8,745
Legal fees	5,050	29	3,195
Audit fees	4,040	4,584	6,705
Amortization	<u>-</u>	<u>15,521</u>	<u>18,775</u>
	<u>571,977</u>	<u>560,421</u>	<u>610,355</u>
Excess (deficiency) of revenue over expenses	<u>\$ -</u>	<u>3,440</u>	<u>(39,791)</u>

See accompanying notes to the financial statements.



**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**  
**Schedule of Operations - Torngat Wildlife and Plants Co-Management Board**  
Year ended March 31

	Budget	Schedule 2	
		2015	2014
<b>Revenue</b>			
Government of Canada	\$ 190,659	186,503	187,272
Government of Newfoundland and Labrador	190,659	186,503	177,752
Nunatsiavut Government	190,659	186,503	187,272
Government of Canada - Caribou Study	-	47,125	200,000
Miscellaneous	-	3,336	41,664
	<u>571,977</u>	<u>609,970</u>	<u>793,960</u>
<b>Expenses</b>			
Joint Secretariat (Schedule 3)	320,200	318,698	317,536
Members honoraria	20,471	14,963	10,815
Employers share of CPP and EI	-	403	260
Airfare and car rental	15,184	21,623	9,249
Meals and incidentals	2,100	3,790	2,040
Accommodations	6,300	6,887	4,936
Meeting site rental	2,000	363	200
Other Board costs	23,449	17,554	9,904
Research (Schedule 4)	162,203	207,944	365,372
Miscellaneous	10,980	6,500	9,182
Legal fees	5,050	29	-
Audit fees	4,040	4,584	6,705
Amortization	\$ -	15,521	18,775
	<u>571,977</u>	<u>618,860</u>	<u>754,974</u>
Excess (deficiency) of revenue over expenses	\$ \$ -	<u>(8,889)</u>	<u>38,986</u>

See accompanying notes to the financial statements.



**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**  
**Schedule of Expenses - Torngat Wildlife, Plants and Fisheries Secretariat**  
Year ended March 31

**Schedule 3**

	<b>Budget</b>	<b>2015</b>	<b>2014</b>
Staff salaries	\$ 410,356	408,896	408,144
Benefits	61,553	65,666	61,183
Mandatory employment related costs	28,724	24,310	29,373
Travel	48,600	42,161	39,046
Rent - building	39,250	39,251	39,251
Communications	15,420	16,060	16,314
Training	15,488	16,743	12,492
Office equipment and supplies	10,000	7,230	10,833
Publications and advertising	2,000	1,131	758
Miscellaneous	-	5,495	6,178
Insurance	2,825	-	-
Books and periodicals	-	-	(647)
Website fees	753	-	396
Professional services - IT	5,000	10,184	12,114
Bank charges	500	270	(363)
<b>Total expenses</b>	<b>\$ 640,469</b>	<b>637,396</b>	<b>635,072</b>
		<b>2015</b>	<b>2014</b>
Allocated as follows:			
Torngat Joint Fisheries Board		\$ 318,698	317,536
Torngat Wildlife and Plant Co-management Board		<u>318,698</u>	<u>317,536</u>
		<b>\$ 637,396</b>	<b>635,072</b>

See accompanying notes to the financial statements.



**TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT**

**Schedule of Expenses - Research Expenses**

Year ended March 31

Schedule 4

		2015	2014
<b>Torngat Joint Fisheries Board:</b>			
	<u>Budget</u>	<u>Actual</u>	
Snow crab research program	\$ 40,000	41,539	59,655
Policy research program	24,000	23,461	54,755
Stewardship and education	25,000	27,180	26,858
Geographical information program	42,197	43,989	21,094
Human dimensions research program	13,506	9,892	13,098
	<u>\$ 144,703</u>	<u>146,060</u>	<u>175,460</u>
<b>Torngat Wildlife and Plants Co-Management Board:</b>			
Caribou Research Program	\$ 67,203	84,971	53,690
Torngat Caribou Project	-	47,123	41,664
Torngat Mountain caribou population estimate survey	-	-	200,000
Geographical information program	40,000	33,767	18,965
Stewardship and education	14,000	13,089	18,227
Ptarmigan Research Program	15,000	3,615	-
Human dimensions research program	16,000	16,660	2,222
Moose research project	-	-	24,607
Policy research program	5,000	4,762	5,347
Rare plant research program	5,000	3,957	650
	<u>\$ 162,203</u>	<u>207,944</u>	<u>365,372</u>

In the prior year, the caribou research program received additional funding in the amount of \$200,000 from the Government of Canada to offset additional costs incurred above the budgeted amounts.

Torngat Joint Fisheries Board Policy Research Program received other revenue.

Torngat Wildlife and Plants Co-Management Board Moose Research Program used deferred revenue from fiscal year 2013-14.

Torngat Wildlife and Plants Co-Management Board Torngat Mountain Caribou Population was funded by other sources.

See accompanying notes to the financial statements.

