



Grant Thornton

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Financial Statements

Torngat Wildlife, Plants and Fisheries Secretariat

March 31, 2017

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Statement of Responsibility

The accompanying financial statements are the responsibility of the management of the Torngat Wildlife, Plants and Fisheries Secretariat (the "Board") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Grant Thornton LLP as the Board's appointed external auditors, have audited the financial statements. The auditor's report is addressed to the Directors of the Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the Board in accordance with Canadian public sector accounting standards.

Chair

Independent Auditors' Report

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, 2017, and the statements of operations, changes in net debt, 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, 2017, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Happy Valley - Goose Bay, Canada

June 28, 2017



Chartered Professional Accountants

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

	(Note 8)		
	2017 Budget	2017	2016
Revenue			
Government of Canada	\$ 381,318	\$ 381,318	389,630
Government of Newfoundland and Labrador	381,318	381,318	381,319
Nunatsiavut Government	381,318	381,318	389,630
Miscellaneous	-	5,277	14,015
	<u>1,143,954</u>	<u>1,149,231</u>	<u>1,174,594</u>
Expenses			
Joint Secretariat (Schedule 3)	627,352	627,362	639,872
Members honoraria	47,365	18,148	22,157
Employers share of CPP and EI	-	558	886
Airfare and car rental	33,904	23,195	46,203
Meals and incidentals	8,991	6,580	9,944
Accommodations	15,600	6,678	12,451
Meeting site rental	4,000	2,771	1,958
Other Board costs	46,648	21,450	44,332
Research	302,504	368,383	330,895
Insurance and Other Professional Expenses	18,506	32,736	18,339
Legal fees	10,100	7,887	296
Audit fees	8,080	12,588	12,736
Amortization	30,000	32,864	30,988
	<u>1,153,050</u>	<u>1,161,200</u>	<u>1,171,057</u>
(Deficiency) excess of revenue over expenses	(9,096)	(11,969)	3,537
Accumulated surplus, beginning of year	<u>120,012</u>	<u>120,012</u>	<u>116,475</u>
Accumulated surplus, end of year	\$ <u>110,916</u>	\$ <u>108,043</u>	<u>120,012</u>

See accompanying notes to the financial statements.

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

	2017	2016
Financial assets		
Cash and cash equivalents	\$ 328,656	86,557
Accounts receivable	2,300	95,328
HST receivable	<u>27,857</u>	<u>26,856</u>
Total financial assets	<u>358,813</u>	<u>208,741</u>
Liabilities		
Payables and accrued liabilities (Note 4)	302,243	179,664
Deferred revenue (Note 5)	<u>42,181</u>	<u>10,000</u>
Total liabilities	<u>344,424</u>	<u>189,664</u>
Net debt	<u>\$ 14,389</u>	<u>19,077</u>
Non-financial assets		
Tangible capital assets (Note 3)	\$ 78,561	90,529
Prepaid expenses	<u>15,093</u>	<u>10,407</u>
Total non-financial assets	<u>93,654</u>	<u>100,936</u>
Accumulated surplus	<u>\$ 108,043</u>	<u>120,012</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

	(Note 8) 2017 Budget	2017	2016
(Deficiency) excess of revenue over expenses	\$ <u>(9,096)</u>	\$ <u>(11,969)</u>	<u>3,537</u>
Acquisition of tangible capital assets	(20,904)	(20,896)	(34,524)
Amortization of tangible capital assets	30,000	32,864	30,988
Decrease in prepaid expenses	<u>-</u>	<u>(4,687)</u>	<u>5,977</u>
	<u>9,096</u>	<u>7,281</u>	<u>2,441</u>
Change in net debt	-	(4,688)	5,978
Net debt, beginning of the year	<u>19,077</u>	<u>19,077</u>	<u>13,098</u>
Net debt, end of year	\$ <u>19,077</u>	\$ <u>14,389</u>	<u>19,077</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Statement of Cash Flow

Year ended March 31

	2017	2016
Cash flow:		
Operations:		
(Deficiency) excess of revenue over expenses	\$ (11,969)	3,537
Amortization of capital assets - net	<u>32,864</u>	<u>30,988</u>
	20,895	34,525
Changes in:		
Accounts receivable	93,028	(95,008)
HST receivable	(1,001)	(1,454)
Prepaid expenses	(4,687)	5,978
Payables and accruals	122,579	23,452
Due to the Government of Newfoundland and Labrador	-	(8,311)
Deferred revenue - Government of Canada	-	(8,312)
Deferred revenue - Nunatsiavut Government	-	(8,312)
Deferred revenue - Miscellaneous	<u>32,181</u>	<u>-</u>
	<u>262,994</u>	<u>(57,443)</u>
Capital		
Purchase of tangible capital assets	<u>(20,896)</u>	<u>(34,524)</u>
Net increase (decrease) in cash	242,098	(91,967)
Cash:		
Beginning	<u>86,557</u>	<u>178,524</u>
Ending	<u>\$ 328,656</u>	<u>86,557</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Notes to the Financial Statements

March 31, 2017

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:

The financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies.

(a) Revenue

Government grants are recognized in the period in which entitlement arises. Revenue from grants is recognized as deferred revenue when amounts have been received but not all eligibility criteria has been met. Other revenue from research and other contracts is recognized as the related expenditures are incurred.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and short term investments with maturities of three months or less. Bank borrowings are considered to be financing activities.

(c) 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

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Notes to the Financial Statements
March 31, 2017

(d) 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.

(e) 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.

(f) 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 cash equivalents and accounts receivables. Financial liabilities measured at amortized cost include payables and accrued liabilities.

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.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Notes to the Financial Statements
March 31, 2017

3. Tangible capital assets:

	2017			2016
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 200,773	165,399	35,374	37,225
Furniture and equipment	210,214	168,639	41,575	51,001
Vehicle	32,902	31,290	1,612	2,303
	<u>\$ 443,889</u>	<u>365,328</u>	<u>78,561</u>	<u>90,529</u>

During the year, the Secretariat purchased equipment in the amount of \$20,896 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:

	2017	2016
Trade	\$ 251,356	\$ 145,439
Payroll deductions	14,609	14,668
Accrued wages	36,278	19,557
	<u>\$ 302,243</u>	<u>\$ 179,664</u>

5. Reconciliation of deferred revenue:

	2017	2016
Deferred revenue - beginning balance:		
Government of Canada	\$ -	\$ 8,312
Nunatsiavut Government	-	8,312
Miscellaneous Revenue	10,000	10,000
Accounts payable - Government of Newfoundland and Labrador	-	8,311
	<u>10,000</u>	<u>34,935</u>
Add amounts received in the year:		
Government of Canada	381,318	381,318
Government of Newfoundland and Labrador (net of \$8,311 repayment)	381,318	373,007
Nunatsiavut Government	381,318	381,318
Other miscellaneous amounts	37,458	14,015
	<u>1,181,412</u>	<u>1,149,658</u>
Sub-total	<u>1,191,412</u>	<u>1,184,593</u>
Adjustments:		
Expenses for both Boards as per the Statement of Operations	(1,161,200)	(1,171,057)
Amortization expense as per Statement of Operations (non-cash)	32,864	30,988
Capital purchases as per Note 3	(20,896)	(34,524)
	<u>(1,149,232)</u>	<u>(1,174,593)</u>
Total	<u>\$ 42,180</u>	<u>\$ 10,000</u>
Made up of:		
Deferred revenue - Fisheries	17,777	10,000
Deferred revenue - Caribou	24,403	-
	<u>\$ 42,181</u>	<u>\$ 10,000</u>

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Notes to the Financial Statements
March 31, 2017

6. Financial instruments:

The Secretariat's financial instruments consist of cash and cash equivalents, receivables, payables and accruals. The book value of cash and cash equivalents, 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, 2017.

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 \$2,300 (2016 - \$95,328). Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote. There has been no significant change in risk exposure from prior year.

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 \$302,243 (2016 - \$179,664), 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. There has been no significant change in risk exposure from the prior year.

7. Economic dependency:

The Secretariat's activities are funded by the Government of Newfoundland and Labrador, the Government of Canada, and the Nunatsiavut Government. The most recent 10 year agreement has expired and a new 10 year agreement is currently being negotiated. Until such a time as a new agreement is signed, the Secretariat has been operating on a annual funding agreement with the three governments. The Secretariat's operations are dependent upon receiving these funds from the respective governments.

8. Budget figures:

The reconciliation between the Secretariat's approved financial plan and the PSAS budget figures used in these statements is disclosed in the Schedule of Reconciliation of the Financial Plan to the Budget.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Statement of Operations - Torngat Joint Fisheries Board

Year ended March 31

Schedule 1

	Budget	2017	2016
Revenue			
Government of Canada	\$ 190,659	190,659	196,427
Government of Newfoundland and Labrador	190,659	190,659	190,660
Nunatsiavut Government	190,659	190,659	196,427
Miscellaneous	<u>-</u>	<u>5,277</u>	<u>14,015</u>
	<u>571,977</u>	<u>577,254</u>	<u>597,529</u>
Expenses			
Joint Secretariat (Schedule 3)	313,676	313,681	319,936
Members honoraria	26,894	10,235	14,412
Employers share of CPP and EI	-	291	374
Airfare and car rental	18,720	13,839	22,934
Meals and incidentals	6,891	3,771	6,933
Accommodations	9,300	3,212	8,830
Meeting site rental	2,000	1,590	786
Other Board costs	23,199	11,603	26,294
Research (Schedule 4)	140,801	179,281	170,255
Insurance and Other Professional Expenses	7,526	19,664	11,035
Legal fees	5,050	-	-
Audit fees	4,040	6,211	6,368
Amortization	<u>15,000</u>	<u>16,432</u>	<u>15,494</u>
	<u>573,097</u>	<u>579,810</u>	<u>603,651</u>
Deficiency of revenue over expenses	\$ <u>-</u>	<u>(2,556)</u>	<u>(6,122)</u>

See accompanying notes to the financial statements.

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

Schedule 2

	Budget	2017	2016
Revenue			
Government of Canada	\$ 190,659	190,659	193,203
Government of Newfoundland and Labrador	190,659	190,659	190,659
Nunatsiavut Government	<u>190,659</u>	<u>190,659</u>	<u>193,203</u>
	<u>571,977</u>	<u>571,977</u>	<u>577,065</u>
Expenses			
Joint Secretariat (Schedule 3)	\$ 313,676	313,681	319,936
Members honoraria	20,471	7,913	7,745
Employers share of CPP and EI	-	267	512
Airfare and car rental	15,184	9,356	23,269
Meals and incidentals	2,100	2,809	3,011
Accommodations	6,300	3,466	3,621
Meeting site rental	2,000	1,181	1,172
Other Board costs	23,449	9,847	18,038
Research (Schedule 4)	161,702	189,102	160,640
Insurance and Other Professional Expenses	10,981	13,072	7,304
Legal fees	5,050	7,887	296
Audit fees	4,040	6,377	6,368
Amortization	<u>15,000</u>	<u>16,432</u>	<u>15,494</u>
	<u>579,953</u>	<u>581,390</u>	<u>567,406</u>
(Deficiency) excess of revenue over expenses	\$ <u>-</u>	<u>(9,413)</u>	<u>9,659</u>

See accompanying notes to the financial statements.

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

Schedule 3

	Budget	2017	2016
Staff salaries	\$ 410,356	392,347	396,113
Benefits	61,553	63,981	61,065
Mandatory employment related costs	28,655	22,329	21,538
Travel	48,600	47,107	51,387
Rent - building	39,250	39,527	39,251
Communications	15,420	17,303	15,281
Training	15,488	13,017	21,679
Office equipment and supplies	10,000	22,067	17,308
Publications and advertising	2,000	3,167	6,913
Miscellaneous	-	-	6,576
Insurance	2,825	-	-
Books and periodicals	-	173	525
Website fees	753	543	564
Professional services	5,000	5,388	497
Bank charges	500	413	1,175
Total expenses	\$ 640,400	627,362	639,872
		2017	2016
Allocated as follows:			
Torngat Joint Fisheries Board		313,681	319,936
Torngat Wildlife and Plant Co-management Board		313,681	319,936
		627,362	639,872

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Statement of Expenses - Research Expenses

Year ended March 31

Schedule 4

		2017	2016
Torngat Joint Fisheries Board:			
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Natural Sciences Research Program	\$ 57,506	71,804	42,381
Spatial Research and Analysis	38,295	46,105	40,918
Public Consultation and Policy Research	15,000	18,659	29,189
Stewardship and Education	30,000	37,437	32,216
Salmon Research Program	-	-	11,536
Miscellaneous	-	5,277	14,015
	<u>\$ 140,801</u>	<u>179,281</u>	<u>170,255</u>
Torngat Wildlife and Plants Co-Management Board:			
Natural Sciences Research Development	\$ 90,006	111,259	76,697
Spatial Research and Analysis	41,696	45,652	41,452
Public Consultation and Policy Research	10,000	9,557	23,271
Stewardship and Education	20,000	22,634	19,220
	<u>\$ 161,702</u>	<u>189,102</u>	<u>160,640</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Schedule of Reconciliation of the Financial Plan to the Budget
Year ended March 31

Schedule 5

	Financial Plan	Adjustments	PSAS Budget
Revenue			
Government of Canada	\$ 381,318	-	\$ 381,318
Government of Newfoundland and Labrador	381,318	-	381,318
Nunatsiavut Government	381,318	-	381,318
Miscellaneous	-	-	-
	<u>1,143,954</u>	<u>-</u>	<u>1,143,954</u>
Expenses			
Joint Secretariat (Schedule 3)	640,400	(13,048)	627,352
Members honoraria	47,365	-	47,365
Airfare and car rental	33,904	-	33,904
Meals and incidentals	8,991	-	8,991
Accommodations	15,600	-	15,600
Meeting site rental	4,000	-	4,000
Other Board costs	46,648	-	46,648
Research	306,905	(4,401)	302,504
Insurance and Other Professional Expenses	21,961	(3,455)	18,506
Legal fees	10,100	-	10,100
Audit fees	8,080	-	8,080
Amortization	-	30,000	30,000
	<u>\$ 1,143,954</u>	<u>9,096</u>	<u>\$ 1,153,050</u>
Deficiency of revenue over expenses	<u>\$ -</u>	<u>(9,096)</u>	<u>\$ (9,096)</u>

Note : Adjustment of \$13,048, \$4,401 and \$3,455 respectively represent budgeted capital expenditures. Adjustment of \$30,000 represents amortization that was not budgeted.

