



Financial Statements

Torngat Wildlife, Plants and Fisheries Secretariat

March 31, 2018

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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.

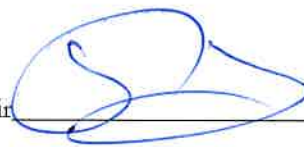
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial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



Chair



Grant Thornton

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, 2018, and the statements of operations and accumulated surplus, 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.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2018, the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Happy Valley - Goose Bay, Canada

June 26, 2018

Chartered Professional Accountants

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

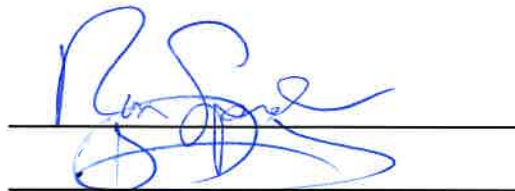
	(Note 8)		
	2018 Budget	2018	2017
Revenue			
Government of Canada	\$ 381,318	\$ 381,318	381,318
Government of Newfoundland and Labrador	381,318	381,318	381,318
Nunatsiavut Government	381,318	381,318	381,318
Miscellaneous	<u>-</u>	<u>45,566</u>	<u>5,277</u>
	<u>1,143,954</u>	<u>1,189,520</u>	<u>1,149,231</u>
Expenses			
Joint Secretariat (Schedule 3)	631,324	631,328	627,362
Members honoraria	47,365	27,960	18,148
Employers share of CPP and EI	-	671	558
Airfare and car rental	33,904	40,174	23,195
Meals and incidentals	8,991	8,324	6,580
Accommodations	15,600	8,735	6,678
Meeting site rental	4,000	1,804	2,771
Other Board costs	46,648	30,788	21,450
Research (Schedule 4)	301,113	369,495	368,383
Insurance and other professional expenses	5,552	27,808	32,736
Legal fees	10,100	2,059	7,887
Audit fees	12,080	13,228	12,588
Amortization	<u>32,000</u>	<u>32,351</u>	<u>32,864</u>
	<u>1,148,677</u>	<u>1,194,725</u>	<u>1,161,200</u>
Deficiency of revenue over expenses	(4,723)	(5,205)	(11,969)
Accumulated surplus, beginning of year	<u>120,012</u>	<u>108,043</u>	<u>120,012</u>
Accumulated surplus, end of year	\$ <u>115,289</u>	\$ <u>102,838</u>	<u>108,043</u>

See accompanying notes to the financial statements.

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

	2018	2017
Financial assets		
Cash and cash equivalents	\$ 170,305	328,656
Accounts receivable	-	2,300
HST receivable	<u>41,099</u>	<u>27,857</u>
Total financial assets	<u>211,404</u>	<u>358,813</u>
Liabilities		
Payables and accrued liabilities (Note 4)	164,102	302,243
Deferred revenue (Note 5)	<u>30,527</u>	<u>42,181</u>
Total liabilities	<u>194,629</u>	<u>344,424</u>
Net debt	\$ <u>16,775</u>	<u>14,389</u>
Non-financial assets		
Tangible capital assets (Note 3)	\$ 73,488	78,561
Prepaid expenses	<u>12,575</u>	<u>15,093</u>
Total non-financial assets	<u>86,063</u>	<u>93,654</u>
Accumulated surplus	\$ <u>102,838</u>	<u>108,043</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) 2018 Budget	2018	2017
Deficiency of revenue over expenses	\$ <u>(4,723)</u>	\$ <u>(5,205)</u>	<u>(11,969)</u>
Acquisition of tangible capital assets	(27,277)	(27,277)	(20,895)
Amortization of tangible capital assets	32,000	32,351	32,864
Decrease in prepaid expenses	-	2,517	(4,688)
	<u>4,723</u>	<u>7,591</u>	<u>7,281</u>
Change in net debt	-	2,386	(4,688)
Net debt, beginning of the year	<u>14,389</u>	<u>14,389</u>	<u>19,077</u>
Net debt, end of year	\$ <u>14,389</u>	\$ <u>16,775</u>	<u>14,389</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Statement of Cash Flows
Year ended March 31

	2018	2017
Cash flow:		
Operations:		
Deficiency of revenue over expenses	\$ (5,205)	(11,969)
Amortization of tangible capital assets - net	<u>32,351</u>	<u>32,864</u>
	27,146	20,895
Changes in:		
Accounts receivable	2,300	93,028
HST receivable	(13,242)	(1,001)
Prepaid expenses	2,518	(4,687)
Payables and accruals	(138,142)	122,580
Deferred revenue - Miscellaneous	<u>(11,654)</u>	<u>32,181</u>
	<u>(131,074)</u>	<u>262,995</u>
Capital:		
Purchase of tangible capital assets	<u>(27,277)</u>	<u>(20,896)</u>
Net (decrease) increase in cash and cash equivalents	(158,351)	242,099
Cash and cash equivalents:		
Beginning	<u>328,656</u>	<u>86,557</u>
Ending	\$ <u>170,305</u>	<u>328,656</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT

Notes to the Financial Statements

March 31, 2018

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 are 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

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that 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) 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. Amortization 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% declining balance
Vehicles	30% declining balance

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Notes to the Financial Statements
March 31, 2018

(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 tangible 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 deficit, provides the change in net debt for the year.

(f) Financial Instruments

The Secretariat considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Secretariat accounts for the following as financial instruments: cash and cash equivalents, accounts receivable, and payables and accrued liabilities.

A financial asset or liability is recognized when the Secretariat becomes party to contractual provisions of the instrument.

The Secretariat initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Secretariat subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at fair value include cash and cash equivalents. Financial assets measured at cost include accounts receivable.

Financial liabilities measured at cost include payables and accrued liabilities.

The Secretariat removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net accumulated surplus.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Notes to the Financial Statements
 March 31, 2018

3. Tangible capital assets:

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 214,890	187,636	27,254	35,374
Furniture and equipment	223,377	178,271	45,106	41,575
Vehicle	32,902	31,774	1,128	1,612
	<u>\$ 471,169</u>	<u>397,681</u>	<u>73,488</u>	<u>78,561</u>

During the year, the Secretariat purchased equipment in the amount of \$27,277 (2017- \$20,895) from operating funds provided by the three funding governments. There was one individual purchase in the year greater than \$5,000 that was approved by the Implementation Committee prior to purchasing.

4. Payables and accrued liabilities:

	2018	2017
Trade	\$ 123,563	251,356
Payroll deductions	14,816	14,609
Accrued wages	25,723	36,278
	<u>\$ 164,102</u>	<u>302,243</u>

5. Reconciliation of deferred revenue:

	2018	2017
Deferred revenue - beginning balance:		
Government of Canada	\$ -	-
Nunatsiavut Government	-	-
Miscellaneous Revenue	42,181	10,000
Accounts payable - Government of Newfoundland and Labrador	-	-
	<u>42,181</u>	<u>10,000</u>
Add amounts received in the year:		
Government of Canada	381,318	381,318
Government of Newfoundland and Labrador	381,318	381,318
Nunatsiavut Government	381,318	381,318
Other miscellaneous amounts	34,043	37,458
	<u>1,177,997</u>	<u>1,181,412</u>
Sub-total	1,220,178	1,191,412
Adjustments:		
Expenses for both Boards as per the Statement of Operations	(1,194,725)	(1,161,200)
Amortization expense as per Statement of Operations (non-cash)	32,351	32,864
Capital purchases as per Note 3	(27,277)	(20,895)
	<u>(1,189,651)</u>	<u>(1,149,231)</u>
Total	<u>\$ 30,527</u>	<u>42,181</u>
Made up of:		
Deferred revenue - Fisheries	12,527	17,777
Deferred revenue - Caribou	18,000	24,404
	<u>\$ 30,527</u>	<u>42,181</u>

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Notes to the Financial Statements
March 31, 2018

6. Financial instruments:

The Secretariat's financial instruments consist of cash and cash equivalents, receivables, payables and accrued liabilities. 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, 2018.

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 \$Nil (2017 - \$2,300). Management believes that the credit risk concentration with respect to financial instruments included in receivables is low and not material. 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 \$164,102 (2017 - \$302,243), which are due no later than one year from the date of these financial statements. 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 Dependence:

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

	(Note 8)		
	2018 Budget	2018	2017
Revenue			
Government of Canada	\$ 190,659	190,659	190,659
Government of Newfoundland and Labrador	190,659	190,659	190,659
Nunatsiavut Government	190,659	190,659	190,659
Miscellaneous	-	24,163	5,277
	<u>571,977</u>	<u>596,140</u>	<u>577,254</u>
Expenses			
Joint Secretariat (Schedule 3)	\$ 315,662	315,664	313,681
Members honoraria	26,894	20,000	10,235
Employers share of CPP and EI	-	410	291
Airfare and car rental	18,720	23,660	13,839
Meals and incidentals	6,891	5,796	3,771
Accommodations	9,300	6,167	3,212
Meeting site rental	2,000	1,535	1,590
Other Board costs	23,199	19,021	11,603
Research (Schedule 4)	143,694	170,810	179,281
Insurance and other professional expenses	2,776	14,443	19,664
Legal fees	5,050	409	-
Audit fees	6,040	6,614	6,211
Amortization	16,000	16,175	16,432
	<u>576,226</u>	<u>600,704</u>	<u>579,810</u>
Deficiency of revenue over expenses	<u>\$ (4,249)</u>	<u>(4,564)</u>	<u>(2,556)</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

	(Note 8)		
	2018 Budget	2018	2017
Revenue			
Government of Canada	\$ 190,659	\$ 190,659	190,659
Government of Newfoundland and Labrador	190,659	190,659	190,659
Nunatsiavut Government	190,659	190,659	190,659
Miscellaneous	<u>-</u>	<u>21,403</u>	<u>-</u>
	<u>571,977</u>	<u>593,380</u>	<u>571,977</u>
Expenses			
Joint Secretariat (Schedule 3)	\$ 315,662	\$ 315,664	313,681
Members honoraria	20,471	7,960	7,913
Employers share of CPP and EI	-	261	267
Airfare and car rental	15,184	16,514	9,356
Meals and incidentals	2,100	2,528	2,809
Accommodations	6,300	2,568	3,466
Meeting site rental	2,000	269	1,181
Other Board costs	23,449	11,767	9,847
Research (Schedule 4)	157,419	198,685	189,102
Insurance and other professional expenses	2,776	13,365	13,072
Legal fees	5,050	1,650	7,887
Audit fees	6,040	6,614	6,377
Amortization	<u>16,000</u>	<u>16,176</u>	<u>16,432</u>
	<u>572,451</u>	<u>594,021</u>	<u>581,390</u>
Deficiency of revenue over expenses	<u>\$ (474)</u>	<u>\$ (641)</u>	<u>(9,413)</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

	(Note 8)		
	2018 Budget	2018	2017
Staff salaries	\$ 410,356	401,526	392,347
Benefits	61,553	65,609	63,981
Mandatory employment related costs	28,655	25,976	22,329
Travel	48,600	45,994	47,107
Rent - building	39,620	39,942	39,527
Communications	15,420	14,454	17,303
Training	15,488	15,674	13,017
Office equipment and supplies	3,379	14,562	22,067
Publications and advertising	2,000	1,786	3,167
Books and periodicals	-	776	173
Website fees	753	580	543
Professional services	5,000	4,148	5,388
Bank charges	500	301	413
Total expenses	\$ <u>631,324</u>	<u>631,328</u>	<u>627,362</u>
		<u>2018</u>	<u>2017</u>
Allocated as follows:			
Torngat Joint Fisheries Board		315,664	313,681
Torngat Wildlife and Plants Co-management Board		<u>315,664</u>	<u>313,681</u>
		<u>631,328</u>	<u>627,362</u>

See accompanying notes to the financial statements.

TORNGAT WILDLIFE, PLANTS AND FISHERIES SECRETARIAT
Statement of Expenses - Research Expenses
Year ended March 31

Schedule 4

	2018		2017
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Torngat Joint Fisheries Board:			
Natural Sciences Research Program	\$ 53,992	56,444	71,804
Spatial Research and Analysis	42,202	42,071	46,105
Public Consultation and Policy Research	40,000	39,840	18,658
Stewardship and Education	7,500	8,294	37,437
Miscellaneous <i>Other Sources page 12</i>	-	24,161	5,277
	<u>\$ 143,694</u>	<u>170,810</u>	<u>179,281</u>
Torngat Wildlife and Plants Co-Management Board:			
Natural Sciences Research Development	\$ 51,005	56,421	111,259
Spatial Research and Analysis	45,197	46,814	45,652
Public Consultation and Policy Research	35,217	42,614	9,557
Stewardship and Education	26,000	31,433	22,634
Miscellaneous <i>Other Sources page 13</i>	-	21,403	-
	<u>\$ 157,419</u>	<u>198,685</u>	<u>189,102</u>
Total	<u>\$ 301,113</u>	<u>369,495</u>	<u>368,383</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>-</u>	<u>-</u>	<u>-</u>
	<u>1,143,954</u>	<u>-</u>	<u>1,143,954</u>
Expenses			
Joint Secretariat (Schedule 3)	640,400	(9,076)	631,324
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	306,904	(5,791)	301,113
Insurance and Other Professional Expenses	17,962	(12,410)	5,552
Legal fees	10,100	-	10,100
Audit fees	12,080	-	12,080
Amortization	<u>-</u>	<u>32,000</u>	<u>32,000</u>
	<u>\$ 1,143,954</u>	<u>4,723</u>	<u>\$ 1,148,677</u>
Deficiency of revenue over expenses	<u>\$ -</u>	<u>(4,723)</u>	<u>\$ (4,723)</u>

Note : Adjustments of \$9,076, \$5,791, and \$12,410 represent budgeted capital expenditures
Adjustment of \$32,000 represents amortization that was not budgeted.