

**NATURAL RESOURCES CONSERVATION
TRUST FUND
FINANCIAL STATEMENTS
MARCH 31, 2016**

NATURAL RESOURCES CONSERVATION TRUST FUND
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MARCH 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Minister of Environment, Government of Nunavut
Natural Resources Conservation Trust Fund

We have audited the accompanying financial statements of Natural Resources Conservation Trust Fund, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and accumulated surplus, changes in net financial 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 of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements 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 auditors' 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 Fund'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 Fund'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 evaluation of 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, these financial statements present fairly, in all material respects, the financial position of the Natural Resources Conservation Trust Fund as at March 31, 2016 and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

We further report in accordance with the *Financial Administration Act* of Nunavut that, in our opinion, proper books of account have been kept by the Fund, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Fund.

Iqaluit, Nunavut
May 31, 2016

CHARTERED ACCOUNTANTS

NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Financial Assets		
Cash and cash equivalents	\$ 401,543	\$ 292,969
Accounts receivable, trade and other	<u>21,164</u>	<u>-</u>
	<u>422,707</u>	<u>292,969</u>
Liabilities		
Due to Government of Nunavut	<u>4,961</u>	<u>-</u>
Net Financial Assets	<u>417,746</u>	<u>292,969</u>
Accumulated Surplus	<u>\$ 417,746</u>	<u>\$ 292,969</u>

Approved by:

CΔAN ΔPΔP^{SE}.

Deputy Minister, Department of Environment,

**NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
Revenues		
Surcharges	\$ 122,133	\$ -
Interest income	<u>2,916</u>	<u>3,310</u>
	<u>125,049</u>	<u>3,310</u>
Expenditures		
Bank charges	<u>272</u>	<u>-</u>
Excess of Revenues over Expenditures	124,777	3,310
Accumulated Surplus, opening	<u>292,969</u>	<u>289,659</u>
Accumulated Surplus, closing	<u>\$ 417,746</u>	<u>\$ 292,969</u>

**NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
Excess of Revenues over Expenditures	\$ <u>124,777</u>	\$ <u>3,310</u>
Increase in Net Financial Assets	124,777	3,310
Net Financial Assets, opening	<u>292,969</u>	<u>289,659</u>
Net Financial Assets, closing	<u>\$ 417,746</u>	<u>\$ 292,969</u>

NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
Operating Activities		
Excess of Revenues over Expenditures	\$ 124,777	\$ 3,310
Accounts receivable, trade and other	(21,164)	-
Due to Government of Nunavut	<u>4,961</u>	<u>-</u>
Increase in Cash and Cash Equivalents	108,574	3,310
Cash and Cash Equivalents, opening	<u>292,969</u>	<u>289,659</u>
Cash and Cash Equivalents, closing	<u>\$ 401,543</u>	<u>\$ 292,969</u>

NATURAL RESOURCES CONSERVATION TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. NATURE OF THE FUND

The Natural Resources Conservation Trust Fund is a special purpose fund established under the *Natural Resources Conservation Trust Act* prior to division of the Northwest Territories and continued under the *Wildlife Act* ("the Act") of Nunavut.

The purposes of the Fund are to:

- (1) promote the wise use of wildlife and habitat, through education, research and demonstration;
- (2) conserve or enhance wildlife and habitat, including biological diversity;
- (3) acquire and manage land for the conservation or enhancement of a population of a species of wildlife and its habitat;
- (4) promote education and training respecting Inuit Qaujimagatuqangit, safe and humane harvesting methods, harvester education and wildlife conservation; and
- (5) promote knowledge and awareness of wildlife and habitat, or of the Fund.

The Act requires that following amounts must be paid into the capital portion of the Fund:

- (1) surcharges on licences or tags collected under the Act;
- (2) fines and surcharges in relation to offences under the Act collected under the *Summary Conviction Procedures Act*;
- (3) revenue derived from fund raising and the sale of promotional, educational or other materials, goods or services;
- (4) money acquired by gift, donation or bequest or by disposition of any land acquired for the purposes of the Fund;
- (5) proceeds from the disposition of any thing forfeited to the Government of Nunavut under this Act; and
- (6) money received as contributions to the Fund under an appropriation or requisition, or from the Government of Canada, municipal corporations or other government bodies.

Disbursements from the Capital portion of the Fund are restricted unless the Minister of Environment gives prior approval for payment.

NATURAL RESOURCES CONSERVATION TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Fund are in accordance with Canadian public sector accounting standards. The following is a summary of the significant accounting policies:

(a) Fund Accounting

The Fund follows the restricted fund method of accounting. The Wildlife Act specifies amounts that must be added to the capital portion of the Fund and are restricted in their use unless prior approval is received from the Minister of Environment. All other amounts are added to the income portion of the Fund and can be used for any of the Fund's purposes or for the administrative costs of managing the Fund. The amount of the restricted funds is \$269,030 (2015 - \$148,000).

(b) Financial Instruments

The Fund initially measures its financial assets and financial liabilities at fair value. The Fund subsequently measures all its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are measured at fair value.

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

Financial liabilities measured at amortized cost include due to Government of Nunavut.

It is management's opinion that the Fund is not exposed to significant interest, currency or credit risks arising from these financial instruments unless otherwise noted.

(c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.