

**NATURAL RESOURCES CONSERVATION
TRUST FUND
FINANCIAL STATEMENTS
MARCH 31, 2021**

NATURAL RESOURCES CONSERVATION TRUST FUND
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MARCH 31, 2021

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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 the Trust'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 the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Trust 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Iqaluit, Nunavut
July 6, 2021


Chartered Professional Accountants

NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents	\$ 1,326,409	\$ 1,306,925
Accounts receivable	-	1,605
	<u>1,326,409</u>	<u>1,308,530</u>
Liabilities		
Due to Government of Nunavut	<u>4,963</u>	<u>4,963</u>
Net Financial Assets	<u>1,321,446</u>	<u>1,303,567</u>
Accumulated Surplus	<u>\$ 1,321,446</u>	<u>\$ 1,303,567</u>

Approved by:

Deputy Minister, Department of Environment,

**NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
Revenues		
Surcharges	\$ 6,472	\$ 207,732
Interest income	<u>11,407</u>	<u>26,830</u>
	<u>17,879</u>	<u>234,562</u>
Expenditures	<u>-</u>	<u>-</u>
Excess of Revenues over Expenditures	17,879	234,562
Accumulated Surplus, opening	<u>1,303,567</u>	<u>1,069,005</u>
Accumulated Surplus, closing	<u>\$ 1,321,446</u>	<u>\$ 1,303,567</u>

**NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2021**

	<u>2021</u>	<u>2020</u>
Excess of Revenues over Expenditures	\$ 17,879	\$ 234,562
Increase in Net Financial Assets	17,879	234,562
Net Financial Assets, opening	<u>1,303,567</u>	<u>1,069,005</u>
Net Financial Assets, closing	<u>\$ 1,321,446</u>	<u>\$ 1,303,567</u>

NATURAL RESOURCES CONSERVATION TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
Operating Activities		
Excess of Revenues over Expenditures	\$ 17,879	\$ 234,562
Cash provided by operations		
Accounts receivable	<u>1,605</u>	<u>17,370</u>
Increase in Cash and Cash Equivalents	19,484	251,932
Cash and Cash Equivalents, opening	<u>1,306,925</u>	<u>1,054,993</u>
Cash and Cash Equivalents, closing	<u><u>\$ 1,326,409</u></u>	<u><u>\$ 1,306,925</u></u>

NATURAL RESOURCES CONSERVATION TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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, 2021

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 \$1,102,565 (2020 - 1,096,094).

(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) Revenue Recognition

Surcharge and interest income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) 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.

NATURAL RESOURCES CONSERVATION TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Related party transactions

Inter-entity transactions

The Fund is related in terms of common control, to all Government of Nunavut created departments and Territorial corporations. The Fund enters into transactions with these entities in the normal course of business, at normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Fund receives services from the Government of Nunavut for no consideration. These services are not recorded as their value is not readily determinable.

Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

3. RELATED PARTY TRANSACTIONS

The Government of Nunavut incurred \$5,198 (2020 - \$4,000) in audit fees expense on behalf of the Fund.

4. COVID-19 IMPLICATIONS

The COVID-19 pandemic has developed rapidly during the year and continues to affect businesses in Nunavut and throughout the world. At this stage, the impact on our organization and results has not been significant and based on our experience to date we expect this to remain the case. Consequently, at the time of issuance of these financial statements, the effect that the unexpected, abrupt decline in economic activity will have on the Trust's operations, assets, liabilities, net financial assets, surplus, revenues, and expenses is not yet known.