

NUNAVUT WILDLIFE RESEARCH TRUST
FINANCIAL STATEMENTS
MARCH 31, 2014

NUNAVUT WILDLIFE RESEARCH TRUST
INDEX
MARCH 31, 2014

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenues and Expenses	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 8
Schedule I - Research Contributions	9

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Nunavut Wildlife Research Trust

We have audited the accompanying financial statements of the Nunavut Wildlife Research Trust, which comprise the statement of financial position as at March 31, 2014, and the statements of revenues and expenses, 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 accounting standards for not-for-profit organizations, 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 Nunavut Wildlife Research Trust'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 Nunavut Wildlife Research Trust'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 Nunavut Wildlife Research Trust as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink, reading "Lester Landau". The signature is written in a cursive style with a large initial 'L'.

Iqaluit, Nunavut
June 16, 2014

CHARTERED ACCOUNTANTS

NUNAVUT WILDLIFE RESEARCH TRUST
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUES		
Investment income	\$ 745,079	\$ 653,060
Unrealized gain on marketable securities	1,423,153	719,334
Realized gain on sales of marketable securities	<u>163,184</u>	<u>27,482</u>
	<u>2,331,416</u>	<u>1,399,876</u>
EXPENSES		
Research projects - Schedule I	718,531	720,339
Investment management fees	81,440	79,565
Professional fees	<u>8,149</u>	<u>8,149</u>
	<u>808,120</u>	<u>808,053</u>
EXCESS REVENUES	<u>\$ 1,523,296</u>	<u>\$ 591,823</u>


NUNAVUT WILDLIFE RESEARCH TRUST
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
NET ASSETS, BEGINNING OF YEAR	\$ 20,788,990	\$ 20,197,167
Excess revenues	<u>1,523,296</u>	<u>591,823</u>
NET ASSETS, END OF YEAR	<u><u>\$ 22,312,286</u></u>	<u><u>\$ 20,788,990</u></u>

NUNAVUT WILDLIFE RESEARCH TRUST
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 16,570	\$ 4,870
Marketable securities (Notes 2 and 3)	22,165,736	20,680,026
Accounts receivable	127,817	132,166
Prepaid expenses	<u>31,080</u>	<u>0</u>
	<u>\$ 22,341,203</u>	<u>\$ 20,817,062</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 28,917	\$ 28,072
<u>NET ASSETS</u>		
NET ASSETS	<u>22,312,286</u>	<u>20,788,990</u>
	<u>\$ 22,341,203</u>	<u>\$ 20,817,062</u>

APPROVED BY THE TRUSTEES:



Trustee



Trustee

NUNAVUT WILDLIFE RESEARCH TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess revenues	\$ 1,523,296	\$ 591,823
Item not requiring (providing) cash:		
Unrealized gain on marketable securities	<u>(1,423,153)</u>	<u>(719,334)</u>
	100,143	(127,511)
Cash provided by (used for) changes in non-cash working capital:		
Accounts receivable	4,349	(130,078)
Prepaid expenses	(31,080)	0
Accounts payable and accrued liabilities	<u>845</u>	<u>128</u>
	<u>74,257</u>	<u>(257,461)</u>
INVESTING ACTIVITIES		
Proceeds on sale of marketable securities	1,234,396	1,653,895
Purchases of marketable securities	<u>(1,296,953)</u>	<u>(1,451,924)</u>
	<u>(62,557)</u>	<u>201,971</u>
INCREASE (DECREASE) IN CASH	11,700	(55,490)
CASH, OPENING	<u>4,870</u>	<u>60,360</u>
CASH, CLOSING	<u><u>\$ 16,570</u></u>	<u><u>\$ 4,870</u></u>

NUNAVUT WILDLIFE RESEARCH TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. PURPOSE AND NATURE OF THE ORGANIZATION

In 1994, pursuant to *A Contract Relating to the Implementation of the Nunavut Final Agreement*, the Government of Canada provided the Nunavut Wildlife Management Board (NWMB) with a single payment of eleven million dollars for the establishment of a Wildlife Research Fund. Its intended purpose was to provide funding for territorial and federal government departments to carry out wildlife research approved by the NWMB.

Upon that basis, the NWMB established the Nunavut Wildlife Research Trust, which was designated a Registered Charity in 1996. Its Trustees are the members of the NWMB. Since 1997, the Trust has provided an annual funding allocation, exclusively available to government departments. That allocation is administered by the NWMB, in order to address wildlife research priorities as identified by the NWMB.

The Trust is exempt from income taxes under Sec. 149(1)(f) of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Trust are in accordance with Canadian accounting standards for not-for profit organizations and include the following significant accounting policies:

(a) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of accounts receivable. Actual results could differ from those estimates.

(b) Fund Accounting

The Nunavut Wildlife Research Trust follows the restricted fund method of accounting for contributions.

**NUNAVUT WILDLIFE RESEARCH TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments

The Trust initially measures its financial assets and financial liabilities at fair value. The Trust 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 accounts receivable. Financial assets measured at fair market value are marketable securities. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Trust is exposed to market risk with respect to its marketable securities. Market risk is the risk of a financial loss resulting from adverse changes in underlying interest rates, foreign exchange rates, and equity prices.

3. MARKETABLE SECURITIES

The investment in marketable securities is used to fund research. The cost of these securities at March 31, 2014 is \$19,410,207 (2013 - \$19,347,649).

4. RISK MANAGEMENT

The Trust manages its market risk through an independent investment manager with oversight from the Trustees.

5. RELATED PARTY TRANSACTIONS

The Trust receives administrative services at no charge from the NWMB. The amount of these services has not been quantified.

NUNAVUT WILDLIFE RESEARCH TRUST
RESEARCH CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31, 2014

PROJECT NAME**Government of Nunavut - Department of Environment**

Caribou health monitoring	\$ 3,420	
Muskox aerial survey in Kitikmeot region	75,000	
Estimation size for wolverine <i>Gulo gulo</i> in Baker Lake	30,000	
Bathurst Island Peary caribou and muskox recruitment survey	30,000	
Nunavut wildlife survey from space	15,000	
Baffin Bay polar bear genetic mark recapture	75,000	
Kane Basin polar bear genetic mark recapture	62,000	
Nunavut coastal resources inventory	75,000	
Distribution and abundance of caribou on Baffin Island	<u>75,000</u>	
		\$ 440,420

Department of Fisheries and Oceans

Aerial survey to estimate abundance of Baffin Bay narwhal study	75,000	
Surveillance of aquatic invasive species in Nunavut	30,000	
Eastern Canadian Arctic killer whale study	30,000	
Fishery independent survey of Cambridge Bay arctic char and Halovik River weir enumeration	20,000	
Development and implementation of CB fisheries for arctic char in Baffin region	10,000	
Community consultation and traditional knowledge study on arctic char in Qikiqtarjuaq region	15,000	
Jones Sound narwhal study	65,000	
Bowhead whale movements and ecology	37,500	
Growth and sustainable yield of lake trout in Nunavut	<u>55,000</u>	
		337,500

Environment Canada - Canadian Wildlife Service

Viscount Melville polar bear population estimate	<u>75,000</u>	
		<u>75,000</u>
		852,920

Contributions repaid to NWRT

(134,389)\$ 718,531