

NUNAVUT WILDLIFE MANAGEMENT BOARD
FINANCIAL STATEMENTS
MARCH 31, 2014

NUNAVUT WILDLIFE MANAGEMENT BOARD
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MARCH 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nunavut Wildlife Management Board

We have audited the accompanying financial statements of the Nunavut Wildlife Management Board, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in fund balances 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 Board'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 Board'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 Management Board 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 MANAGEMENT BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2014

	Budget <u>2014</u> (Unaudited)	Actual <u>2014</u>	Actual <u>2013</u>
REVENUES			
Government of Canada	\$ 9,075,001	\$ 9,075,001	\$ 8,899,716
Other	<u>0</u>	<u>53,620</u>	<u>25,183</u>
	<u>9,075,001</u>	<u>9,128,621</u>	<u>8,924,899</u>
EXPENSES			
Board costs	329,452	311,315	334,382
Communications	50,000	43,201	38,707
Community based monitoring network	860,663	768,350	875,645
Contracted services	650,000	578,209	485,935
Depreciation	30,000	120,445	123,356
Hearings	143,000	169,575	326,451
Insurance	22,000	21,844	27,400
Inuit Qaujimajatuqangit development	185,000	181,103	178,883
Loss on disposal of assets	0	53,369	3,692
NWMB studies fund	135,000	107,160	32,500
Office	42,229	46,376	77,334
Office rent	302,500	292,330	296,840
Professional fees	225,000	199,893	173,768
Publications and advertising	66,000	46,125	109,272
Staff operational meetings and travel	55,276	107,684	113,462
Wages and benefits	1,607,757	1,662,100	1,429,359
Wildlife conservation education	32,000	30,261	185,600
Workshops and meetings	<u>90,000</u>	<u>74,954</u>	<u>183,021</u>
	4,825,877	4,814,294	4,995,607
DISTRIBUTIONS TO RWOs AND HTOs	<u>4,555,093</u>	<u>4,555,093</u>	<u>4,465,776</u>
TOTAL EXPENSES	<u>9,380,970</u>	<u>9,369,387</u>	<u>9,461,383</u>
EXCESS EXPENSES	<u>\$ (305,969)</u>	<u>\$ (240,766)</u>	<u>\$ (536,484)</u>

NUNAVUT WILDLIFE MANAGEMENT BOARD
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2014

	General Fund		Invested in Equipment		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
BALANCE, OPENING	\$ 629,625	\$ 1,195,056	\$ 911,647	\$ 882,700	\$ 1,541,272	\$ 2,077,756
Excess expenses	(240,766)	(536,484)	0	0	(240,766)	(536,484)
Depreciation	120,445	123,356	(120,445)	(123,356)	0	0
Loss on disposal of equipment	53,369	3,692	(53,369)	(3,692)	0	0
Purchase of equipment	(27,138)	(155,995)	27,138	155,995	0	0
BALANCE, CLOSING	<u>\$ 535,535</u>	<u>\$ 629,625</u>	<u>\$ 764,971</u>	<u>\$ 911,647</u>	<u>\$ 1,300,506</u>	<u>\$ 1,541,272</u>

NUNAVUT WILDLIFE MANAGEMENT BOARD
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 696,742	\$ 1,044,200
Accounts receivable	139,199	76,917
Prepaid expenses	<u>20,536</u>	<u>10,949</u>
	856,477	1,132,066
EQUIPMENT (Notes 2 and 3)	<u>764,971</u>	<u>911,647</u>
	<u><u>\$ 1,621,448</u></u>	<u><u>\$ 2,043,713</u></u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 320,942</u>	<u>\$ 502,441</u>
<u>NET ASSETS</u>		
INVESTED IN EQUIPMENT	764,971	911,647
GENERAL FUND	<u>535,535</u>	<u>629,625</u>
	<u>1,300,506</u>	<u>1,541,272</u>
	<u><u>\$ 1,621,448</u></u>	<u><u>\$ 2,043,713</u></u>

APPROVED BY THE BOARD:



Chairperson



Executive Director

NUNAVUT WILDLIFE MANAGEMENT BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess expenses	\$ (240,766)	\$ (536,484)
Items not requiring cash:		
Depreciation	120,445	123,356
Loss on disposal of equipment	<u>53,369</u>	<u>3,692</u>
	(66,952)	(409,436)
Cash provided by (used for) changes in non-cash working capital:		
Accounts receivable	(62,282)	18,368
Prepaid expenses	(9,587)	902
Accounts payable and accrued liabilities	<u>(181,499)</u>	<u>337,675</u>
	(320,320)	(52,491)
INVESTING ACTIVITIES		
Purchase of equipment	<u>(27,138)</u>	<u>(155,995)</u>
DECREASE IN CASH	(347,458)	(208,486)
CASH, OPENING	<u>1,044,200</u>	<u>1,252,686</u>
CASH, CLOSING	<u><u>\$ 696,742</u></u>	<u><u>\$ 1,044,200</u></u>

NUNAVUT WILDLIFE MANAGEMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

1. NATURE OF THE ORGANIZATION

The Nunavut Wildlife Management Board (Board) is an institution of public government established pursuant to *An Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada*, also known as the *Nunavut Land Claims Agreement*. The Board is the main instrument of wildlife management and the main regulator of access to wildlife in the Nunavut Settlement Area (NSA). In addition, the Board identifies research requirements, funds research and carries out research in order to help maintain an effective system of wildlife management in the NSA. The Board also exercises an extensive advisory authority in the marine environment adjacent to the NSA.

The Board is exempt from income taxes under Sec. 149(1)(l) of the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared 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, and the estimated useful life of equipment. Actual results could differ from those estimates.

(b) Revenue Recognition

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

NUNAVUT WILDLIFE MANAGEMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial Instruments

The Board initially measures its financial assets and financial liabilities at fair value. The Board 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 liabilities measured at amortized cost include accounts payable and accrued liabilities.

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

(d) Property and Equipment

Property and equipment is recorded at cost. Depreciation is provided annually at rates calculated to depreciate the assets over their estimated useful lives as follows:

Computer hardware	30% declining balance
Computer software	100% declining balance
Translating equipment	20% declining balance
Office equipment	20% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	Straight-line over the term of the lease

One-half of annual depreciation is recorded in the year of acquisition.

3. PROPERTY AND EQUIPMENT

	2014			2013
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer hardware	\$ 134,066	\$ 80,679	\$ 53,387	\$ 43,316
Computer software	41,909	41,909	0	0
Translating equipment	116,356	34,379	81,977	127,777
Office equipment	27,577	19,328	8,249	53,209
Furniture and fixtures	67,380	42,148	25,232	16,703
Leasehold improvements	745,158	149,032	596,126	670,642
	<u>\$ 1,132,446</u>	<u>\$ 367,475</u>	<u>\$ 764,971</u>	<u>\$ 911,647</u>

NUNAVUT WILDLIFE MANAGEMENT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

4. RELATED PARTY TRANSACTIONS

The Board pays for all overhead expenses pertaining to the operations of The Nunavut Wildlife Research Trust, a related party whose Trustees are also board members of the Board. There are no inter-organizational charges made for these services and their magnitude has not been established.

5. COMMITMENTS

The Board is committed to minimum annual lease payments under the terms of a lease agreement for its office premises as follows:

2015	\$	210,800
2016		210,800
2017		210,800
2018		210,800
2019		210,800

The agreement expires April 15, 2022 and contains a clause for annual additional rent expenses for common areas of the building. These costs are estimated at \$74,400 per annum.

The Board is committed to minimum monthly lease payments under the terms of a lease agreement for a vehicle of \$750 per month, \$9,000 per year expiring February 2017.

The Board is committed to minimum quarterly lease payments under the terms of a lease agreement for photocopier equipment of \$1,247 per quarter, \$4,988 per year expiring February 2016.

6. OPERATING CONTRIBUTION CARRY FORWARD

The Government of Canada, through the Department of Aboriginal Affairs and Northern Development Canada, budgets funds allocated for the use of the Board for periods of 5 years during which all allocated funds must be spent or they may be retained by the Government. The current period expires in March, 2016. As at March 31, 2014 amounts totaling \$Nil have been approved for carry forward to be used in addition to regular yearly funding for approved programs any time up to March, 2015.