

**THE NATURAL RESOURCES
CONSERVATION TRUST FUND**
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2019

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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories ("the Act"). Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The accounting firm Avery Cooper & Co. Ltd. Chartered Professional Accountants provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



Director, Corporate Services

June 24, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Minister of the Department of Environment and Natural Resources of
The Natural Resources Conservation Trust Fund

Opinion

We have audited the financial statements of The Natural Resources Conservation Trust Fund (the "Fund"), which comprise the Statement of Financial Position as at March 31, 2019, and the Statements of Operations and Changes in Fund Balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories (the "Act").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Fund to meet the requirements of the Act. As a result, the financial statements may not be suitable for another purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the Act, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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:



INDEPENDENT AUDITOR'S REPORT, continued

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

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 24, 2019

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

March 31, 2019

ASSET

	<u>2019</u>	<u>2018</u>
CURRENT		
Cash	<u>\$ 244,919</u>	<u>\$ 239,903</u>

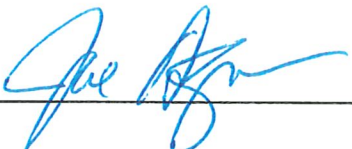
LIABILITY

CURRENT		
Accounts payable and accrued liabilities	<u>\$ 8,676</u>	<u>\$ 5,975</u>

FUND BALANCES

CAPITAL PORTION per page 3	187,828	187,828
INTEREST PORTION per page 3	<u>48,415</u>	<u>46,100</u>
	<u>236,243</u>	<u>233,928</u>
	<u>\$ 244,919</u>	<u>\$ 239,903</u>

Approved:


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THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF OPERATIONS AND For the year ended March 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUES		
Interest income	\$ 5,015	\$ 3,372
EXPENSES		
Professional fees	<u>2,700</u>	<u>2,750</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 2,315</u>	<u>\$ 622</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2019

2019

	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total</u>
BALANCE, opening	\$ 187,828	\$ 46,100	\$ 233,928
Excess of revenues over expenses	<u>-</u>	<u>2,315</u>	<u>2,315</u>
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 48,415</u>	<u>\$ 236,243</u>

2018

	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total</u>
BALANCE, opening	\$ 187,828	\$ 45,478	\$ 233,306
Excess of revenues over expenses	<u>-</u>	<u>622</u>	<u>622</u>
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 46,100</u>	<u>\$ 233,928</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

1. NATURE OF OPERATIONS

The Natural Resources Conservation Trust Fund (the "Fund") was established under the *Natural Resources Conservation Trust Act* of the Northwest Territories (the "Act"). The purpose of the Fund is to promote, through education, research and demonstration, the:

- (a) wise use of renewable resources;
- (b) awareness, enhancement and protection of the environment; and
- (c) use of the most efficient and most effective methods of trapping wildlife.

A Board of Trustees (the "Board") was appointed by the Minister of Resources, Wildlife and Economic Development, Government of the Northwest Territories ("GNWT"). Commencing April 1, 2005, the responsibilities were transferred to the Minister of Environmental and Natural Resources to administer the Fund.

The Fund is established as a Special Purpose Fund as defined under subsection 20(1) of the *Financial Administration Act* of the Northwest Territories. As such, the Fund is a part of the Consolidated Revenue Fund of the GNWT.

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Act. The significant accounting policies are detailed as follows:

(a) Fund accounting

In accordance with the Act, the Fund is administered into two portions, the Capital portion, and the Interest portion.

Capital portion

The Capital portion consists of donations, bequests and other payments for deposit accepted by the Board. The Board may not make payments from the capital portion without prior approval of the Minister unless the payment is for designated purpose that has been specified by the benefactor. There are no designated funds in the capital portion of the Fund.

Interest portion

The Interest portion consists of interest earned by the Fund. The Financial Management Board fixes the rate of interest earned by the Fund. The Board of Trustees may make payments from the Interest portion of the Fund to persons, groups and programs.

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2019

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Revenue recognition

The Fund follows the deferral method of accounting for contributions. Contributions subject to conditions are recognized as revenue in the year in which the related expenses are incurred. The Board of Trustees may accept donations, bequests or payments that are subject to conditions if the conditions are, in the opinion of the Board, appropriate to the purposes of the Fund. Where the Board accepts such items that are subject to conditions, the Board is bound to comply with those conditions.

Contributions not subject to conditions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

(c) Contributed materials and services

The Department of Environment and Natural Resources maintains the Fund's accounts. The cost of administering the Fund are borne by the Department. The Fund has elected not to recognize contributed materials and services in these financial statements.

(d) Expenses

Payments from the Interest portion and the Capital portion of the Fund are recognized as expenses in the period in which the events giving rise to the payment occurred, as long as the payment is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

3. FINANCIAL INSTRUMENTS

(a) Fair value

The Fund's financial instruments consist of cash and accounts payable and accrued liabilities. In the opinion of the Board, the Fund is not exposed to significant interest rate, market, currency, liquidity or credit risks from these financial instruments. The carrying value of these instruments approximates their fair value.