

**Nunavik Marine Region  
Planning Commission**

**Financial Statements  
March 31, 2012**

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## Independent Auditor's Report

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To the Board of Directors of  
Nunavik Marine Region Planning Commission

[www.rcgt.com](http://www.rcgt.com)

We have audited the accompanying financial statements of Nunavik Marine Region Planning Commission, which comprise the balance sheet as at March 31, 2012 and the statements of operations, 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 generally accepted accounting principles 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.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 entity'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 entity'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 evaluating 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, the financial statements present fairly, in all material respects, the financial position of Nunavik Marine Region Planning Commission as at March 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Raymond Chabot Grant Thornton LLP<sup>1</sup>*

Montréal  
July 9, 2012

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<sup>1</sup> CPA auditor, CA public accountancy permit no. A121667

# Nunavik Marine Region Planning Commission

## Operations

Year ended March 31, 2012

	2012		2011
	Unaudited Budget \$	Actual \$	Actual \$
<b>Revenues</b>			
Contribution from Aboriginal Affairs and Northern Development Canada	513,880	513,880	646,007
Amortization of deferred capital grant		7,441	
Other		1,538	
	513,880	522,859	646,007
<b>Expenses</b>			
Board of Directors expenses (page 12)	97,086	192,603	74,445
Operating expenses (page 12)	416,794	323,458	230,362
Use and Occupancy Mapping project (page 12)	210,511	85,309	
	724,391	601,370	304,807
<b>Excess (deficiency) of revenues over expenses</b>	(210,511)	(78,511)	341,200

The accompanying notes and supplementary information are an integral part of the financial statements.

## Nunavik Marine Region Planning Commission

### Changes in Net Assets

Year ended March 31, 2012

	2012		2011
	Unrestricted	Invested in capital assets	Total
	\$	\$	\$
Balance, beginning of year	746,190	37,127	442,117
Excess (deficiency) of revenues over expenses	<u>(69,709)</u>	<u>(8,802)</u>	<u>341,200</u>
Balance, end of year	<u><u>676,481</u></u>	<u><u>28,325</u></u>	<u><u>783,317</u></u>

The accompanying notes and supplementary information are an integral part of the financial statements.

# Nunavik Marine Region Planning Commission

## Cash Flows

Year ended March 31, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
<b><i>OPERATING ACTIVITIES</i></b>		
Excess (deficiency) of revenues over expenses	(78,511)	341,200
Amortization of capital assets	16,243	8,443
Amortization of deferred capital grant	(7,441)	
Changes in working capital items (Note 6)	<u>228,778</u>	<u>(428,541)</u>
Cash flows from operating activities	<b>159,069</b>	(78,898)
<b><i>INVESTING ACTIVITIES</i></b>		
Acquisition of capital assets and cash flows from investing activities		(70,640)
<b><i>FINANCING ACTIVITIES</i></b>		
Deferred capital grant and cash flows from financing activities		<u>25,070</u>
<b>Net increase (decrease) in cash</b>	<b>159,069</b>	(124,468)
Cash, beginning of year	<u>377,304</u>	<u>501,772</u>
Cash, end of year	<b><u>536,373</u></b>	<b><u>377,304</u></b>

The accompanying notes and supplementary information are an integral part of the financial statements.

# Nunavik Marine Region Planning Commission

## Balance Sheet

March 31, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash	536,373	377,304
Accounts receivable (Note 3)	209,245	371,290
Prepaid expenses	1,935	25,563
	<u>747,553</u>	<u>774,157</u>
Capital assets (Note 4)	45,954	62,197
	<u>793,507</u>	<u>836,354</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	71,072	27,967
Deferred capital grant (Note 5)	17,629	25,070
	<u>88,701</u>	<u>53,037</u>
<b>NET ASSETS</b>		
Unrestricted	676,481	746,190
Invested in capital assets	28,325	37,127
	<u>704,806</u>	<u>783,317</u>
	<u>793,507</u>	<u>836,354</u>

The accompanying notes and supplementary information are an integral part of the financial statements.

On behalf of the Board,

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# Nunavik Marine Region Planning Commission

## Notes to Financial Statements

March 31, 2012

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### **1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION**

The Nunavik Marine Region Planning Commission was created on July 10, 2008, in accordance with the Nunavik Inuit Land Claims Agreement between the Nunavik Inuit and Her Majesty the Queen in right of Canada within the Canada Special Public Act. The Organization started its activities on December 29, 2009. The Nunavik Marine Region Planning Commission is a not-for-profit organization under the Income Tax Act, without share capital and without pecuniary gain to its members. The object of the Commission is to prepare the outline of development plans and make recommendations to the concerned ministers for the Nunavik Marine region as well as to define and protect the harvesting rights of the Inuit of Nunavik.

The Organization shall, at all times, use its assets only for its stated purposes. No part of its income shall be payable to or otherwise available for the personal benefit of any person.

### **2 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

The financial statements are prepared using the historical cost method, except for certain financial instruments that are recognized at fair value. No information on fair value is presented when the carrying amount corresponds to a reasonable approximation of the fair value.

#### **Recognition of contributions**

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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.

#### **Accounting estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

#### **Financial assets and liabilities**

The Organization has chosen to apply the recommendations of Section 3861, "Financial Instruments – Disclosure and Presentation", of the Canadian Institute of Chartered Accountants' Handbook with respect to the presentation and disclosure of financial instruments.

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value.



# Nunavik Marine Region Planning Commission

## Notes to Financial Statements

March 31, 2012

### 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequently, financial assets and liabilities are measured and recognized as follows:

- Cash is classified as financial assets held for trading. Accounts receivable, excluding GST and QST rebates, are classified as loans and receivables and recorded at amortized cost (including any impairment). Accounts payable and accrued liabilities are classified as other liabilities and measured at amortized cost.

#### Capital assets

Capital assets are recorded at cost less accumulated amortization. They are amortized over their estimated useful lives according to the diminishing method at the following rates:

	<u>Rates</u>
Furniture and equipment	20%
Computers, website and vehicle	30%

#### Deferred capital grant

Any grant, obtained for the purchase of a capital asset, is amortized at the same rate as the underlying asset. The unamortized balance of the grant is presented as a deferred capital grant on the balance sheet.

### 3 - ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
	\$	\$
Contribution – Aboriginal Affairs and Northern Development Canada	51,388	309,617
Nunavik Marine Region Impact Review Board, without interest	135,437	43,429
Individuals	245	1,315
GST and QST rebates	22,175	15,943
Other		986
	<u>209,245</u>	<u>371,290</u>

### 4 - CAPITAL ASSETS

	<u>2012</u>			<u>2011</u>
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Furniture and equipment	6,564	1,838	4,726	5,907
Computers	9,293	3,764	5,529	7,899
Website	12,167	1,825	10,342	12,167
Vehicle	42,616	17,259	25,357	36,224
	<u>70,640</u>	<u>24,686</u>	<u>45,954</u>	<u>62,197</u>

# Nunavik Marine Region Planning Commission

## Notes to Financial Statements

March 31, 2012

### 5 - DEFERRED CAPITAL GRANT

Nunavik Marine Region Impact Review Board has granted financial assistance towards the financing of the capital assets. The grant is amortized at the same rate and method of amortization as the related capital assets, as per the following:

	<u>2012</u>	<u>2011</u>
	\$	\$
Capital grant		
Nunavik Marine Region Impact Review Board	25,070	25,070
Accumulated amortization		
Amortization of deferred capital grant	<u>(7,441)</u>	
	<u>17,629</u>	<u>25,070</u>

### 6 - INFORMATION INCLUDED IN CASH FLOWS

Changes in working capital items are detailed as follows:

	<u>2012</u>	<u>2011</u>
	\$	\$
Accounts receivable	162,045	(369,665)
Prepaid expenses	23,628	(25,563)
Accounts payable and accrued liabilities	<u>43,105</u>	<u>(33,313)</u>
	<u>228,778</u>	<u>(428,541)</u>

### 7 - CAPITAL DISCLOSURES

The Organization defines its capital as the balance of its net assets.

When managing its capital, the Organization's objective is to safeguard its ability to pursue its operations and to continue to provide the appropriate level of benefits and services to its clientele.

The Organization manages its capital primarily by searching for government contributions.

The Organization is subject to externally imposed capital requirements. These requirements are set out in certain agreements with fund contributors and relate to endowments. The Organization, together with the Board of Directors, continually monitors these requirements on a quarterly basis. During the year, the Organization complied with these requirements.

### 8 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS

#### Financial risk management objectives and policies

The Organization is exposed to various financial risks resulting from both its operating and investing activities. The Organization's management manages financial risks.

The Organization does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

# Nunavik Marine Region Planning Commission

## Notes to Financial Statements

March 31, 2012

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### **8 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES, AND FINANCIAL RISKS** **(Continued)**

#### **Financial risks**

The Organization's main financial risk exposure and its financial risk management policies are as follows.

#### *Credit risk*

Generally, the carrying amount on the balance sheet of the Organization's financial assets exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk.

The Organization's credit risk is attributable to cash and accounts receivable, except GST and QST rebates receivable.

The account receivable balances are managed and analyzed on an ongoing basis and, accordingly, the Organization's exposure to doubtful accounts is not significant.

The credit risk regarding cash is considered to be negligible because it is held by a reputable bank with an investment grade external credit rating.

#### *Liquidity risk*

Liquidity risk management serves to maintain a sufficient amount of cash. The Organization establishes budget and cash estimates to attain its objectives and fulfil its obligations.

# Nunavik Marine Region Planning Commission

## Supplementary Information

Year ended March 31, 2012

	2012		2011
	Unaudited	Actual	Actual
	Budget	Actual	Actual
	\$	\$	\$
<b>BOARD OF DIRECTORS EXPENSES</b>			
Honorarium	37,800	74,264	36,258
Travel and accommodation	59,286	118,339	38,187
	97,086	192,603	74,445
<b>OPERATING EXPENSES</b>			
Salaries and fringe benefits	164,160	89,877	47,787
Administrative expenses		61	17,254
Amortization expense		16,243	8,443
Audit and accounting services	10,000	15,081	15,773
Contracted services	75,000	45,626	64,627
Freight and postage		765	3,720
Bank charges and penalties		4,449	1,065
Legal fees		1,036	
Office equipment and supplies	4,625	13,518	4,153
Professional development and training	22,291	15,020	
Public relations	5,000	861	
Recruitment and relocation	5,000		5,220
Rental of office and dwellings	31,848	39,396	35,973
Telecommunications	9,000	3,233	351
Translation services	26,430	13,679	945
Travel and accommodation	55,940	56,377	11,643
Vehicle expenses	5,000	1,685	1,241
Website planning and maintenance	2,500	6,551	12,167
	416,794	323,458	230,362
<b>USE AND OCCUPANCY MAPPING PROJECT</b>			
Contracted services	170,511	74,282	
Travel and accommodation	40,000	11,027	
	210,511	85,309	-