

Mackenzie Valley Environmental Impact Review Board

Financial Statements

March 31, 2015

Mackenzie Valley Environmental Impact Review Board

Financial Statements

March 31, 2015

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Independent Auditors' Report

To the Board of Directors of Mackenzie Valley Environmental Impact Review Board

We have audited the accompanying financial statements of Mackenzie Valley Environmental Impact Review Board ("the Board"), which comprise the statement of financial position as at March 31, 2015, 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 Public Sector 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 from material misstatement, whether due to fraud or error.

Auditors' 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 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 auditors consider 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 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 Mackenzie Valley Environmental Impact Review Board as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations.

Yellowknife, Canada
June 23, 2015



Chartered Accountants

Mackenzie Valley Environmental Impact Review Board

Statement of Operations

For the year ended March 31,	2015 Budget	2015 Actual	2014 Actual
Revenues			
Government of Canada Department of Aboriginal Affairs and Northern Development			
- Claims implementation	\$ 2,731,836	\$ 2,731,836	\$ 2,790,727
- Environmental impact review	-	-	95,642
- Board forum training	50,000	50,000	150,000
Other	-	343	4,546
	2,781,836	2,782,179	3,040,915
Expenses			
Amortization	-	15,743	4,390
Communications	19,500	10,051	9,686
Contract service	65,000	8,613	-
Honoraria	417,996	249,696	531,688
Office and administration	72,000	56,649	67,972
Professional fees	577,500	363,557	500,360
Rent	280,000	303,771	306,024
Salaries, wages and benefits	1,135,085	1,119,152	1,043,141
Training	74,500	17,227	52,280
Travel - board	89,700	82,405	112,703
Travel - staff	50,555	28,615	32,658
	2,781,836	2,255,479	2,660,902
Excess of revenues over expenditures before transfer	-	526,700	380,013
Other expenses (income)			
Gain on sale of capital assets	-	-	(120)
Transfer to (from) deferred contributions	-	469,942	121,536
Transfer to (from) contributions repayable	-	5,280	3,535
Excess of revenues over expenses	-	51,478	255,062
Transfer to (from) capital assets	-	51,135	(4,390)
Excess of revenues over expenses	\$ -	\$ 343	\$ 259,452

Mackenzie Valley Environmental Impact Review Board

Statement of Changes in Net Assets

For the year ended March 31, 2015

	Unrestricted	Investment in capital assets	Total 2015	Total 2014
Balance, beginning of year	\$ 140	\$ 13,500	\$ 13,640	\$ (241,422)
Excess of revenues over expenses	343	-	343	259,452
Amortization of capital assets	-	(15,743)	(15,743)	(4,390)
Additions of capital assets	-	66,878	66,878	-
Balance, end of year	\$ 483	\$ 64,635	\$ 65,118	\$ 13,640

Mackenzie Valley Environmental Impact Review Board

Statement of Financial Position

March 31, 2015 2014

Assets

Current

Cash	\$ 790,210	\$ 226,947
Accounts receivable (note 3)	47,281	28,751
Prepaid expenses	40,210	47,845

877,701

303,543

Capital assets (note 4)

64,635

13,500

\$ 942,336 **\$ 317,043**

Liabilities

Current

Accounts payable and accrued liabilities	\$ 115,580	\$ 18,398
Salaries, vacation and severance payable (note 6)	164,880	159,934
Contributions repayable (note 7)	5,280	3,535
Deferred contributions (note 8)	591,478	121,536

877,218

303,403

Fund balances

Unrestricted	483	140
Investment in capital assets	64,635	13,500

65,118

13,640

\$ 942,336 **\$ 317,043**

Approved on behalf of the board:



Director



Director

Mackenzie Valley Environmental Impact Review Board

Statement of Cash Flows

For the year ended March 31,	2015	2014
Cash provided by (used for)		
Operating activities		
Excess of revenues over expenses	\$ 343	\$ 259,452
Items not affecting cash		
Amortization	15,743	4,390
Gain on sale of capital assets	-	(120)
Transfer to capital assets	51,135	(4,390)
	67,221	259,332
Change in non-cash working capital items		
Accounts receivable	(18,530)	2,522
Prepaid expenses	7,635	(38,069)
Accounts payable and accrued liabilities	97,181	(59,667)
Salaries, vacation and severance payable	4,946	9,404
Contributions repayable	1,745	(52,593)
Deferred contributions	469,942	121,536
	630,140	242,465
Investing activity		
Disposal (purchase) of capital assets	(66,877)	120
Increase in cash (bank indebtedness)	563,263	242,585
Cash (bank indebtedness), beginning of year	226,947	(15,638)
Cash, end of year	\$ 790,210	\$ 226,947

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2015

1. Nature of operations

Mackenzie Valley Environmental Impact Review Board (the "Board") was established under the *Mackenzie Valley Resource Management Act* with a mandate to conduct environmental impact assessments in the Mackenzie Valley of the Northwest Territories.

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

2. Significant accounting policies

These financial statements are prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations. The significant policies are detailed as follows:

(a) Revenue recognition

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

Under Public Sector Accounting Standards for Not-for-Profit Organizations, funding received for restricted purposes that has not been expended is required to be deferred. The commitments of the Board under the funding agreement have been met; any remaining balance will be applied towards the planning and carrying out of duties and responsibilities assigned to the Board under the Gwich'in Comprehensive Land Claim Agreements, Implementation Plan, and related Act(s) of Parliament.

(b) Financial instruments

The Board classifies its financial instruments at cost or amortized cost. The Board's accounting policy this financial instrument category is as follows:

This category includes cash, accounts receivable, accounts payable and accrued liabilities, Salaries and vacation payable, and contributions repayable. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

(c) Capital assets

Capital assets are recorded at cost. The Board provides for amortization using the declining balance method at rates designed to amortize the cost of the assets over their estimated useful lives, as set out in note 4.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2015

2. Significant accounting policies (continued)

(d) Employee future benefits policy

The Board has a defined contribution plan providing pension and post-employment benefits for its employees. The cost of the defined contribution plan is recognized based on the required contributions by the Board during each period.

Provisions has been made for the Board's liability for employee future benefits arising from services rendered by employees to the statement of financial position date. Accordingly, the Board has provided for obligations related to unused vacation and severance entitlement. The accrued amounts have been classified under accounts payable and accrued liabilities.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

3. Accounts receivable

	2015	2014
Trade	\$ -	\$ 3,056
Goods and services tax	47,281	25,695
	\$ 47,281	\$ 28,751

4. Capital assets

		2015	2014		
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	20%	\$ 148,627	\$ 113,472	\$ 35,155	\$ 7,197
Leasehold improvements	20%	103,110	95,837	7,273	5,451
Computer equipment	3 yr S/L	30,630	8,423	22,207	852
		\$ 282,367	\$ 217,732	\$ 64,635	\$ 13,500

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2015

5. Bank indebtedness

A demand operating loan has been authorized to a maximum of \$100,000 and bears interest at CIBC's prime lending rate plus 1.5% per annum and is secured by a general security agreement and an assignment of insurance. Secured by capital assets with a net book value of \$64,635.

6. Salaries, vacation and severance payable

	Opening	Used	Additions	Closing
Severance payable	\$ 49,009	\$ -	\$ 8,115	\$ 57,124
Vacation payable	61,121	(28,398)	22,466	55,189
Wages payable	49,804	(49,804)	52,567	52,567
	<u>\$ 159,934</u>	<u>\$ (78,202)</u>	<u>\$ 83,148</u>	<u>\$ 164,880</u>

During the year the Board included in the salaries, wages and benefits expense amounts of \$150,237 (2014 - \$50,053) of current and future employee benefits.

7. Contributions repayable

	2015	2014
Aboriginal Affairs and Northern Development Canada - Board Forum Training	<u>\$ 5,280</u>	<u>\$ 3,535</u>

8. Deferred contributions

	2015	2014
Aboriginal Affairs and Northern Development Canada - Claims Implementation	<u>\$ 591,478</u>	<u>\$ 121,536</u>

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2015

9. Financial instruments

The Board is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

(a) Credit risk

Credit risk is the risk of financial loss to the Board if a debtor fails to make payments of interest and principal when due. The Board is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Board holds its cash with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Board's cash is insured up to \$100,000.

Accounts receivable are government agencies. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment. These amounts are as disclosed in Note 3.

The Board's maximum exposure to credit risk is represented by the financial assets for a total of \$837,491 (2014 - \$255,698).

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Board in the event of a default. The Board does have concentration risk. At March 31, 2015, receivables from one government agency comprised 100% of the total outstanding accounts receivables (2014 - 91%). The Board reduces this risk by monitoring overdue balances.

The Board also has concentration risk of credit risk as deposits are held in one Canadian chartered bank.

(b) Liquidity risk

The Board does have a liquidity risk in the accounts payable and accrued liabilities of \$115,580 (2014 - \$18,398). Liquidity risk is the risk that the Board cannot repay its obligations when they become due to its creditors. The Board reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate line of credit to repay trade creditors.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

10. Budget amounts

The budget figures presented are unaudited, and are those approved by the Board.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2015

11. Pension plan

The Board participates in the NEBS Pension Plan which is a defined contribution plan. Substantially all employees with at least one year of service are eligible to participate.

The contribution percentage to the plan is up to 16% of each employee's salary (8% from the employees and 8% from the employer).

During the year contributions made by the Board to the NEBS pension plan totaled \$54,481 (2014 - \$45,055).

12. Related party transactions

During the year, honoraria and travel expenditures were paid to members of the Board of Directors. These expenditures were in the normal course of the Board's operations and were measured at the exchange amount.

13. Commitments

The Board's total obligation, under an equipment operating lease and a property lease agreement, is as follows:

2016	\$ 159,171
2017	7,663
	<hr/>
	\$ 166,834

14. Contingent liabilities

During the 2012 fiscal year, a former employee filed a statement of claim in the Supreme Court of the Northwest Territories against the Board for constructive dismissal. The likelihood or amount of any liability cannot be reasonably determined and as such a liability has not been accrued in these financial statements.

15. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Mackenzie Valley Environmental Impact Review Board

Schedule of NWT Board Forum Training Revenue and Expenses

March 31, 2015

Independent Auditors' Report

To the Board of Directors of Mackenzie Valley Environmental Impact Review Board

We have audited the accompanying schedule of revenue and expenses for the Mackenzie Valley Environmental Impact Review Board's Board Forum Training Program as at March 31, 2015 and a summary of significant accounting policies (together "the schedule"). The schedule has been prepared by management based on the funding agreement (no. 1415-NT-000070) between the Mackenzie Valley Environmental Impact Review Board and the Minister of Aboriginal Affairs and Northern Development Canada.

Management's responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the funding agreement regarding the Board Forum Training between the MacKenzie Valley Environmental Impact Review Board, and the Minister of Aboriginal Affairs and Northern Development Canada relevant to preparing such a schedule, and for such internal control as management determines is necessary to enable the preparation of a schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this schedule 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 an audit to obtain reasonable assurance whether the schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. 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 schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditors' Report (continued)

Opinion

In our opinion, the NWT Schedule of Board Forum Training Revenue and Expenses for the year ended March 31, 2015 are prepared, in all material respects, in accordance with the funding arrangement (no. 1415-NT-000070).

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the schedule, which describes the basis of accounting. The Schedule is prepared to assist the Mackenzie Valley Environmental Impact Review Board to meet the requirements of the Minister of Aboriginal Affairs and Northern Development. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the Mackenzie Valley Environmental Impact Review Board and the Minister of Aboriginal Affairs and Northern Development and should not be distributed to parties other than the Mackenzie Valley Environmental Impact Review Board and the Minister of Aboriginal Affairs and Northern Development.

Crowe MacKay

Chartered Accountants

**Yellowknife, Northwest Territories
June 23, 2015**

Mackenzie Valley Environmental Impact Review Board

Schedule of NWT Board Forum Training Revenue and Expenses

For the year ended March 31,	Budget 2015	Actual 2015
Revenue		
Aboriginal Affairs and Northern Development Canada - Board Forum Training	\$ 50,000	\$ 50,000
Expenses		
Training	50,000	31,109
Travel	-	13,611
	50,000	44,720
Excess revenue before transfer	-	5,280
Transfer to contributions repayable	-	(5,280)
Excess revenue	\$ -	\$ -

Mackenzie Valley Environmental Impact Review Board

Notes to Schedule of NWT Board Forum Training Revenue and Expenses

March 31, 2015

1. Basis of Presentation

The financial information reflects only the revenue and expenses under the NWT Board Forum Training agreement (No. 1415-NT-000070). It does not reflect the assets, liabilities or total revenue and expenses of the Mackenzie Valley Environmental Impact Review Board.

2. Budget

The budget figures presented are unadited, and are those approved by the Board.

Mackenzie Valley Environmental Impact Review Board

Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

March 31, 2015

Mackenzie Valley Environmental Impact Review Board

Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

For the year ended March 31, 2015

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Independent Auditors' Report

To the Board of Directors of Mackenzie Valley Environmental Impact Review Board

We have audited the accompanying Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration paid by the Mackenzie Valley Environmental Impact Review Board as at March 31, 2015 and a summary of significant accounting policies (together "the schedule.")

Management's responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with the Year-end Reporting Handbook for the Department of Aboriginal Affairs and Northern Development Canada Recipient and Flow Through Organizations relevant to preparing such a schedule, and such for internal control as management determines is necessary to enable preparation of schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this schedule 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 an audit to obtain reasonable assurance whether the schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. 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 schedule 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 schedule.

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, this schedule presents fairly, in all material respects, the disbursements of the Board for the Mackenzie Valley Environmental Impact Review Board as at March 31, 2015 in accordance with the Year-end Reporting Handbook for the Department of Aboriginal Affairs and Northern Development Canada Recipient and Flow Through Organizations.

A handwritten signature in black ink that reads "Crowe MacKay LLP" with a stylized flourish at the end.

Yellowknife, Canada
June 23, 2015

Chartered Accountants

Mackenzie Valley Environmental Impact Review Board

Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

For the year ended March 31, 2015

Position	Months	Salary and Benefits (Inc. IPA and VTA)	Honoraria	Total	Travel Expenses
Elected or Appointed officials					
Board Member	12	\$ -	\$ 37,853	\$ 37,853	\$ 12,590
Board Member	12	-	36,875	36,875	-
Board Member	5	-	11,075	11,075	13,751
Board Member	12	-	41,135	41,135	17,542
Board Member	11	-	18,688	18,688	1,595
Chairperson	12	-	46,037	46,037	31,338
Board Member	12	-	18,656	18,656	-
Board Member	12	-	30,353	30,353	-
		\$ -	\$ 240,672	\$ 240,672	\$ 76,816
Unelected Senior Officials					
Executive Director	12	\$ 120,768	\$ -	\$ 120,768	\$ 2,917

Mackenzie Valley Environmental Impact Review Board

Notes to Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration

March 31, 2015

1. Basis of Presentation

The financial information reflects only the salaries, honoraria, travel expenses and other remuneration paid to the senior officials and elected officials. It does not reflect the assets, liabilities or total revenue and expenses of the Mackenzie Valley Environmental Impact Review Board.