

Mackenzie Valley Environmental Impact Review Board

Financial Statements

March 31, 2013

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Financial Statements

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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 which comprises the statement of financial position as at March 31, 2013 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 preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

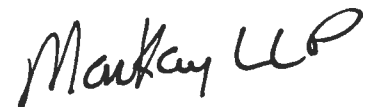
Our responsibility to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of 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, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2013 and the results of its operations for the year then ended in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations.



Yellowknife, Northwest Territories
June 13, 2013

Chartered Accountants

Mackenzie Valley Environmental Impact Review Board

Statement of Financial Position

As at March 31,	March 31, 2013	March 31, 2012	April 1, 2011
Assets			
Current			
Cash	\$ -	\$ 444,057	\$ 313,046
Term deposits (Note 5)	20,248	20,130	20,000
Accounts receivable (Note 6)	31,273	47,769	21,176
Prepaid expenses	9,776	1,265	1,124
	61,297	513,221	355,346
Capital Assets (Note 7)	17,889	25,312	34,340
	\$ 79,186	\$ 538,533	\$ 389,686


Liabilities

Current			
Bank indebtedness (Note 8)	\$ 35,886	\$ -	\$ -
Accounts payable and accrued liabilities	228,592	217,963	180,655
Contributions repayable (Note 9)	56,128	30,182	30,182
Deferred contributions	-	265,076	144,509
	320,606	513,221	355,346


Net Assets

Net assets invested in capital assets	17,889	25,312	34,340
Unrestricted net assets	(259,309)	-	-
	(241,420)	25,312	34,340
	\$ 79,186	\$ 538,533	\$ 389,686

Approved on behalf of the Board



Director



Rachel Ann Gapeau Director

Mackenzie Valley Environmental Impact Review Board

Statement of Operations

For the year ended March 31,	Budget 2013	Actual 2013	Actual 2012
Revenue			
Government of Canada Department of Aboriginal Affairs and Northern Development			
- Claims Implementation	\$ 2,803,758	\$ 2,803,758	\$ 3,156,182
- Environmental Impact Review	764,311	764,311	400,000
- Website Development	-	-	35,000
- Board Forum Training	200,000	200,000	-
Other	81	118	134
Deferred contribution from prior year	265,076	265,076	144,509
	4,033,226	4,033,263	3,735,825
Expenses			
Administration	92,084	166,406	183,483
Communications	87,100	72,377	55,771
Honoraria	611,137	606,331	537,719
Office rent	349,136	306,222	287,520
Professional fees	1,163,295	1,169,265	814,630
Salaries, wages and benefits	1,391,987	1,523,536	1,370,324
Training	200,000	136,584	15,519
Travel - board	111,000	223,636	169,621
Travel - staff	27,487	62,269	30,025
	4,033,226	4,266,626	3,464,612
Excess of revenue over expenses before transfer		(233,363)	271,213
Transfer to capital asset fund (Note 4)	-	-	(6,137)
Excess of revenue over expenses	-	(233,363)	265,076
Transfer to deferred contributions	-	-	(265,076)
Transfer to contributions repayable	-	(25,946)	-
Excess revenue (expenses)	\$ -	\$ (259,309)	\$ -

Mackenzie Valley Environmental Impact Review Board

Statement of Changes in Net Assets

For the year ended March 31,	Invested in capital assets	Unrestricted	2013	2012
Balance, beginning of year	\$ 25,312	\$ -	\$ 25,312	\$ 34,340
Excess revenue (expenses)	-	(259,309)	(259,309)	-
Investment in capital assets	-	-	-	6,137
Loss on disposal of capital assets	(883)	-	(883)	-
Amortization of capital assets	(6,540)	-	(6,540)	(15,165)
Balance, end of year	\$ 17,889	\$ (259,309)	\$ (241,420)	\$ 25,312

Mackenzie Valley Environmental Impact Review Board

Statement of Cash Flows

For the year ended March 31, 2013 2012

Cash provided by (used in)

Operating activities

Excess revenue (expenses)	\$ (259,309)	\$ -
Change in non-cash operating working		
Accounts receivable	16,496	(26,594)
Prepaid expenses	(8,511)	(140)
Accounts payable and accrued liabilities	10,629	37,309
Contributions repayable	25,946	-
Deferred contributions	(265,076)	120,566
	(479,825)	131,141

Investing activities

Purchase of equipment	-	(6,137)
Investment in Capital Asset Fund	-	6,137

Change in cash position **(479,825)** **131,141**

Cash (bank indebtedness) position, beginning of year **464,187** **333,046**

Cash (bank indebtedness) position, end of year **\$ (15,638)** **\$ 464,187**

Represented by

Cash (bank indebtedness)	\$ (35,886)	\$ 444,057
Term deposits	20,248	20,130
	\$ (15,638)	\$ 464,187

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

1. Organization and Jurisdiction

The 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) of the *Income Tax Act*.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-NPO) as issued by the Public Sector Accounting Board (PSAB). This is the first time that the Board has prepared its financial statements in accordance with PSA-NPO, having prepared its previous financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Details of how the transition from GAAP to PSA-NPO has affected the financial statements has been disclosed in Note 3. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(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.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

2. Significant Accounting Policies (continued)

(b) Capital Assets

Purchased equipment is recorded in the capital asset fund at cost. Amortization is recorded in the capital asset fund using the declining balance method and the straight-line method at the annual rates set out in Note 7.

(c) Use of Estimates

The preparation of financial statements in conformity with Public Sector Accounting Standards for Not-for-Profit Organizations 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 updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(d) Financial Instruments

Initial measurement

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly related to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Subsequent measurement

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, and amounts due to related parties.

The Board has no financial instruments measured at fair value.

Impairment

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in net income.

Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal is recognized in net income.

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

3. First Time Adoption of Public Sector Accounting for Not-for-Profit Organizations

PS 2125 First-time adoption by Government Organizations requires that comparative financial information be provided and that the Public Sector Accounting Standards for Not-for-Profit Organizations be applied retrospectively as of the reporting date, which for the Board is March 31, 2013. However, PS 2125 provides for certain optional exemptions and mandatory exemptions for first time adopters.

Optional Exemptions

The Board has elected to apply the exemption and consider the conditions for write-down on capital assets on a prospective basis from the date of transition. As a result, no write-downs of capital assets were recognized. No other optional exemptions were enacted.

Mandatory Exemptions

The estimates previously made by the Board under Canadian Generally Accepted Accounting Principles (GAAP) were not revised for the application of PSA-NPO to reflect any difference in accounting policy or when there is objective evidence that those estimates were in error. As a result the Board has not used hindsight to revise estimates.

The Board issued financial statements for the year ended March 31, 2013 using GAAP. The adoption of PSA-NPO results in no adjustments to the previously reported assets, liabilities, net assets, net income and cash flows.

4. Interfund Transfers

Nil amounts (2012 - \$6,137) were transferred from the operating fund to the capital asset fund for the acquisition of assets.

5. Term Deposits

The term deposits are made of redeemable Guaranteed Investment Certificates. They bear interest at 0.8% and mature on October 17, 2013.

6. Accounts Receivable

	2013		2012
Goods and Services Tax	\$ 26,980	\$	36,063
Other	4,293		11,706
	\$ 31,273	\$	47,769

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

7. Capital Assets

				2013	2012
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	20%	\$ 115,614	\$ 106,620	\$ 8,994	\$ 11,242
Leasehold improvements	20%	99,876	92,196	7,680	11,450
Computer hardware	3 yr S/L	35,288	34,073	1,215	2,620
		\$ 250,778	\$ 232,889	\$ 17,889	\$ 25,312

8. 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. For the period from February 19, 2013 to July 31, 2013 the authorized limit is \$300,000. Secured by capital assets with a net book value of \$17,889.

9. Contributions Repayable

	2013	2012
Department of Aboriginal Affairs and Northern Development		
- Board Forum Training	\$ 25,946	\$ -
- Joint Review Panel	30,182	30,182
	\$ 56,128	\$ 30,182

10. Commitments

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

2014	\$ 292,050
2015	286,667
2016	142,437
	\$ 721,154

Mackenzie Valley Environmental Impact Review Board

Notes to the Financial Statements

March 31, 2013

11. 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.

12. 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 \$76,175 (2012 - \$70,468).

13. Budget

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

14. Financial Instruments

The following section describes the Board's financial risk management objectives and policies and the Board's financial risk exposures.

The Board does not have formalized financial risk management objectives and policies.

(b) Liquidity risk

The Board does have a liquidity risk in the accounts payable and accrued liabilities of \$228,592 (2012 - \$217,963). 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; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Board is low and is not material.

15. Contingent liability

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 wrongful dismissal. At this time it is not possible to provide an estimate of the potential claim, if any; therefore, no amount for the contingent liability has been recorded in the financial statements at March 31, 2013.

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16. Comparative Figures

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