

**Mackenzie Valley Environmental  
Impact Review Board**

**Financial Statements**

**March 31, 2010**

---

# Mackenzie Valley Environmental Impact Review Board

## Financial Statements

---

March 31, 2010

Page

Auditors' Report	3
Statement of Operations - Operating Fund	4
Statement of Changes in Equipment Fund	5
Statement of Financial Position	6
Statement of Cash Flow	7
Notes to Financial Statements	8 - 14

## **Auditors' Report**

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

We have audited the statement of financial position of Mackenzie Valley Environmental Impact Review Board as at March 31, 2010 and the statements of operations - operating fund, and changes in equipment fund for the year then ended. These financial statements are the responsibility of the Board's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Yellowknife, Northwest Territories  
May 13, 2010



Chartered Accountants

## Mackenzie Valley Environmental Impact Review Board

### Statement of Operations - Operating Fund

For the year ended March 31,	Budget 2010	Actual 2010	Actual 2009
<b>Revenue</b>			
Department of Indian Affairs and Northern Development			
- Claims Implementation	\$ 2,513,599	\$ 2,713,599	\$ 2,979,946
- Environmental Impact Assessment Guidelines	-	33,120	49,850
- Environmental Impact Review	-	155,796	33,095
- Joint Review Panel	-	456,685	1,685,167
Canadian Northern Economic Development Agency			
- Rare Earth Elements Translators Workshop	-	25,000	-
Other	-	12,971	13,649
Deferred contribution from prior year	750,000	1,585,710	1,002,740
	<b>3,263,599</b>	<b>4,982,881</b>	<b>5,764,447</b>
<b>Repayable surplus contribution</b>	<b>-</b>	<b>22,604</b>	<b>36,253</b>
	<b>3,263,599</b>	<b>4,960,277</b>	<b>5,728,194</b>
<b>Expenses</b>			
Administration	188,190	172,644	135,755
Canadian Environmental Assessment Agency - 1/3 share of Joint Review Panel costs	-	767,494	1,223,642
Communications	85,250	54,654	68,054
Honoraria	574,550	521,250	441,085
Office rent	186,898	227,797	179,144
Professional fees	583,179	561,321	438,751
Salaries, wages and benefits	1,114,722	1,506,370	1,343,084
Travel - board	307,085	222,576	228,424
Travel - staff	223,725	85,906	84,544
	<b>3,263,599</b>	<b>4,120,012</b>	<b>4,142,483</b>
<b>Excess of revenue over expenses before transfer</b>		<b>840,265</b>	<b>1,585,711</b>
<b>Transfer to equipment fund (Note 5)</b>	<b>-</b>	<b>(20,839)</b>	<b>-</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>819,426</b>	<b>1,585,711</b>
<b>Transfer to deferred contributions (Note 10)</b>	<b>-</b>	<b>(819,426)</b>	<b>(1,585,711)</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

---

**Mackenzie Valley Environmental Impact Review Board**

**Statement of Changes in Equipment Fund**

---

<b>For the year ended March 31,</b>	<b>2010</b>	<b>2009</b>
Opening balance	\$ 40,377	\$ 53,506
Transfer from operating fund (Note 5)	20,839	-
Amortization	(15,390)	(13,129)
<b>Closing balance</b>	<b>\$ 45,826</b>	<b>\$ 40,377</b>

---

---

# Mackenzie Valley Environmental Impact Review Board

## Statement of Financial Position

---

As at March 31, 2010 2009

---

### Assets

#### Current

Cash	\$ 556,515	\$ 350,086
Temporary investments (Note 6)	520,000	1,500,000
Accounts receivable (Note 7)	81,792	188,500
Prepaid expenses	4,103	6,857

---

**1,162,410** **2,045,443**

Equipment (Note 8) 45,826 40,377

---

**\$ 1,208,236** **\$ 2,085,820**

---

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 320,380	\$ 423,479
Contributions repayable (Note 9)	22,604	36,253
Deferred contributions (Note 10)	819,426	1,585,711

---

**1,162,410** **2,045,443**

---

### Net Assets

Equipment fund 45,826 40,377

---

**\$ 1,208,236** **\$ 2,085,820**

---

Approved on behalf of the Board

 Director

 Director

---

## Mackenzie Valley Environmental Impact Review Board

### Statement of Cash Flows

---

For the year ended March 31,	2010	2009
Cash provided by (used in)		
<b>Operating activities</b>		
Net Income	\$ -	\$ -
Item not affecting cash		
Change in non-cash operating working		
Accounts receivable	106,708	(61,134)
Prepaid expenses	2,754	(2,381)
Accounts payable and accrued liabilities	(103,099)	304,472
Contribution repayable	(13,649)	15,178
Deferred contributions	(766,285)	582,970
	<b>(773,571)</b>	839,105
<b>Investing activities</b>		
Purchase of equipment	(20,839)	-
Investment in Equipment Fund	20,839	-
	-	-
<b>Change in cash position</b>	<b>(773,571)</b>	839,105
<b>Cash position, beginning of year</b>	<b>1,850,086</b>	1,010,981
<b>Cash position, end of year</b>	<b>\$ 1,076,515</b>	<b>\$ 1,850,086</b>
<b>Represented by</b>		
Cash	\$ 556,515	\$ 350,086
Temporary investments	520,000	1,500,000
	<b>\$ 1,076,515</b>	<b>\$ 1,850,086</b>

---

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2010

---

### 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. Implemented Accounting Changes

#### Allocation of Expenses

Section 4470 specifies (i) the disclosure of accounting policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis for which such allocations have been made, and (ii) that the amounts allocated from fundraising and general support expense and the amounts and functions to which they have been allocated should be disclosed. This new section does not apply to the Board as it does not allocate overhead costs across functions. All costs attributed to a function are direct costs of the specific function.



---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2010

---

### 3. Significant Accounting Policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements

#### (a) Financial Instruments – Recognition and Measurement

Section 3855 requires that all financial assets and financial liabilities be measured at fair value on initial recognition except for certain related party transaction. Measurement in subsequent periods depends on whether the financial asset or liability has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other liabilities.

Financial instruments classified as held-for-trading are subsequently measured at fair value and unrealized gains and losses are included in net income in the period in which they arise. Cash and temporary investments have been classified as held-for-trading.

Available-for-sale assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as held-for-trading, held-to-maturity, or loans and receivables. Available-for-sale assets are subsequently measured at fair value with unrealized gains and losses recorded in other comprehensive income until realized, at which time they will be recognized in net income. No assets have been classified as available-for-sale.

Held to maturity assets are those non-derivative financial assets with fixed or determinable payments and fixed maturity that the Board has an intention and ability to hold until maturity, excluding those assets that have been classified as held-for-trading, available-for-sale, or loans and receivables. They are subsequently measured at amortized cost using the effective interest method. No assets have been classified as held to maturity.

Financial instruments classified as loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand, usually with interest. These assets do not include debt securities or assets classified as held-for-trading. They are subsequently measured at amortized cost using the effective interest method. Accounts receivable have been classified as loans and receivables.

All other financial liabilities that are not classified as held for trading are subsequently measured at cost or amortized cost.

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2010

---

### 3. Significant Accounting Policies (continued)

#### (b) Financial Instruments – Disclosure and Presentation

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective dated generally are not reversed and therefore, the comparative figures have not been restated.

#### (c) Fund Accounting

The Board uses fund accounting to segregate transactions between its Operating fund and Equipment fund. The Operating fund includes the main core operating accounts of the Board. The Equipment fund reports the activities relating to the Board's equipment.

#### (d) Equipment

Purchased equipment is recorded in the equipment fund at cost. Amortization is recorded in the equipment fund using the declining balance method and the straight-line method at the annual rates set out in Note 8.

#### (e) 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.

#### (f) Deferred Contributions

Under Canadian generally accepted accounting principles 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.

#### (g) 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 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.

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2010

---

### 4. Future Changes to Significant Accounting Policies

#### International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("AcSB") approved a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for publicly accountable entities, and other entities that so-choose, will converge with International Financial Reporting Standards ("IFRS"). In September 2009, the AcSB approved the final accounting standards for private enterprises in Canada. The Company must choose which of these sets of standards they will adopt, but has not yet made that choice. Implementation of whichever set of standards the Company chooses is mandatory for fiscal years beginning on or after January 1, 2011, but earlier adoption is permitted. The impact of the transition to either IFRS or accounting standards for private enterprises in Canada has not been determined.

### 5. Interfund Transfers

Amounts of \$20,839 (2009 - Nil) were transferred from the Operating Fund to the Equipment Fund for the acquisition of assets.

### 6. Temporary Investments

The temporary investments are made of flexible Guaranteed Investment Certificates. They bear interest at 0.15% and mature on October 18, 2010.

### 7. Accounts Receivable

	2010	2009
Goods and Services Tax	\$ 33,299	\$ 26,860
Other	48,493	161,640
	<b>\$ 81,792</b>	<b>\$ 188,500</b>

---

### 8. Equipment

			2010	2009	
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	20%	\$ 115,614	\$ 95,109	\$ 20,505	\$ 13,877
Leasehold improvements	20%	99,876	79,905	19,971	16,636
Computer hardware	3 yr S/L	273,808	268,458	5,350	9,864
		<b>\$ 489,298</b>	<b>\$ 443,472</b>	<b>\$ 45,826</b>	<b>\$ 40,377</b>

---

---

## Mackenzie Valley Environmental Impact Review Board

### Notes to Financial Statements

---

March 31, 2010

---

#### 9. Contributions Repayable

	2010	2009
Department of Indian Affairs and Northern Development		
- Environmental Assessment Practitioner's workshop	\$ -	\$ 36,253
- Environmental Impact Assessment Guidelines	22,604	-
	<hr/>	<hr/>
	\$ 22,604	\$ 36,253

#### 10. Deferred Contributions

	2010	2009
Department of Indian Affairs and Northern Development		
- Claims Implementation	\$ 683,896	\$ 1,002,058
- Environmental Impact Review Panel	80,804	169,432
- Joint Review Panel	54,726	414,220
	<hr/>	<hr/>
	\$ 819,426	\$ 1,585,710

#### 11. Capital Disclosure

The Board's objectives when managing capital are:

(a) To safeguard the Board's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for the community

(b) To provide an adequate return on investment of capital by pricing products and services commensurately with the level of risk.

The Board manages the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Board monitors capital on the basis of the working capital ratio. The ratio is calculated as current assets minus current liabilities as follows:

	2010	2009
Current Assets	\$ 1,162,410	\$ 2,045,443
Current Liabilities	1,162,410	2,045,443
	<hr/>	<hr/>
	\$ -	\$ -

---

---

## Mackenzie Valley Environmental Impact Review Board

### Notes to Financial Statements

---

March 31, 2010

---

#### 12. Commitments

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

2011	\$ 124,790
2012	32
	<hr/>
	\$ 124,822

---

#### 13. Related Party Transactions

During the year, honoraria and travel expenditures were paid to a member of the Board of Directors who is an immediate family member of one of the Board's managers. These expenditures were in the normal course of business.

#### 14. Employee Benefit Plan

The Board participates in a Registered Retirement Savings Plan for its employees. Substantially all employees with at least one year of service are eligible to participate. The Board contributions are in accordance with the individual's employment contract. The Board contributed \$73,346 in 2010 on behalf of their employees.

#### 15. Budget

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

#### 16. Economic Dependence

The Board is dependant upon funding in the form of contributions from the Government of Canada, Department of Indian Affairs and Northern Development. Management is of the opinion that if the funding was reduced or altered, operations would be significantly affected.

#### 17. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

---

## Mackenzie Valley Environmental Impact Review Board

### Notes to Financial Statements

---

March 31, 2010

---

#### 18. Financial Instruments

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

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Board is exposed to credit risk from the concentration of accounts receivable with one organization.