

**Mackenzie Valley Environmental  
Impact Review Board**

**Financial Statements**

**March 31, 2008**

---

# Mackenzie Valley Environmental Impact Review Board

## Financial Statements

---

March 31, 2008

Page

Auditors' Report	3
Statement of Operations - Operating Fund	4
Statement of Changes in Equipment Fund	5
Statement of Financial Position	6
Notes to Financial Statements	7 - 13

## **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, 2008 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, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Mackay LLP*

**Yellowknife, Northwest Territories  
May 1, 2008**

**Chartered Accountants**

# Mackenzie Valley Environmental Impact Review Board

## Statement of Operations - Operating Fund

For the year ended March 31,	Budget 2008	Actual 2008	Actual 2007
<b>Revenue</b>			
Department of Indian Affairs and Northern Development - Claims Implementation	\$ 2,944,011	\$ 2,944,011	\$ 2,881,604
Department of Indian Affairs and Northern Development - Joint Review Panel	-	-	3,046,416
Department of Indian Affairs and Northern Development - Environmental Impact Review	-	700,000	-
Department of Indian Affairs and Northern Development - EA Practitioner's Workshop	-	50,000	50,000
Department of Indian Affairs and Northern Development - Glossary of Terms	-	5,550	-
Government of the Northwest Territories - Translators Workshop	-	-	35,000
Other	-	183	37,782
Deferred contribution from prior year	341,396	1,474,836	377,015
	<b>3,285,407</b>	<b>5,174,580</b>	<b>6,427,817</b>
<b>Repayable surplus contribution</b>	<b>-</b>	<b>21,076</b>	<b>-</b>
	<b>3,285,407</b>	<b>5,153,504</b>	<b>6,427,817</b>
<b>Expenses</b>			
Administration	179,194	115,099	132,716
Canadian Environmental Assessment Agency - 1/3 share of Joint Review Panel costs	-	1,133,440	1,912,976
Communications	82,460	43,309	67,619
Honoraria	556,801	510,540	477,594
Office rent	174,720	170,483	158,751
Professional fees	462,598	446,616	449,296
Salaries, wages and benefits	1,184,402	1,335,675	1,360,168
Travel - board	406,561	253,650	272,396
Travel - staff	205,671	135,282	100,524
	<b>3,252,407</b>	<b>4,144,094</b>	<b>4,932,040</b>
<b>Excess of revenue over expenses before transfer</b>	<b>33,000</b>	<b>1,009,410</b>	<b>1,495,777</b>
<b>Transfer to equipment fund (Note 4)</b>	<b>(33,000)</b>	<b>(6,670)</b>	<b>(20,941)</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>1,002,740</b>	<b>1,474,836</b>
<b>Transfer to deferred contributions (Note 8)</b>	<b>-</b>	<b>(1,002,740)</b>	<b>(1,474,836)</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

---

**Mackenzie Valley Environmental Impact Review Board**

**Statement of Changes in Equipment Fund**

---

For the year ended March 31,	2008	2007
Opening balance	\$ 63,275	\$ 96,175
Transfer from operating fund (Note 4)	6,670	20,941
Amortization	(16,439)	(53,841)
Closing balance	\$ 53,506	\$ 63,275

---

---

# Mackenzie Valley Environmental Impact Review Board

## Statement of Financial Position

---

As at March 31,	2008	2007
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1,010,981	\$ 1,303,554
Accounts receivable (Note 5)	127,366	507,746
Prepaid expenses	4,475	13,377
	<b>1,142,822</b>	<b>1,824,677</b>
<b>Equipment (Note 6)</b>	<b>53,506</b>	<b>63,275</b>
	<b>\$ 1,196,328</b>	<b>\$ 1,887,952</b>

---

## Liabilities

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 119,006	\$ 349,841
Contributions repayable (Note 7)	21,076	-
Deferred contributions (Note 8)	1,002,740	1,474,836
	<b>1,142,822</b>	<b>1,824,677</b>

---

## Net Assets

<b>Equipment fund</b>	<b>53,506</b>	<b>63,275</b>
	<b>\$ 1,196,328</b>	<b>\$ 1,887,952</b>

---

Approved on behalf of the Board

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2008

---

### 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. Accounting Changes

Effective April 1, 2007, the Board implemented the new CICA Handbook Section 1506 "accounting changes". Under these new recommendations, voluntary changes in accounting policy are permitted only when they result in the financial statements providing reliable and more relevant information. This section requires changes in accounting policy to be applied retroactively unless doing so is impracticable, requires prior period errors to be corrected retroactively and requires enhanced disclosures about the effects of change in accounting policies, estimates and error on the financial statements.

These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued that the Board has not adopted because they are not yet in effect.

The impact the adoption of this Section will have on the Board's financial statements will depend on the nature of future accounting changes

#### General Standards for Financial Statement Presentation

The CICA has amended Handbook Section 1400 "General standards for financial statement presentation" effective for periods beginning on or after January 1, 2008 to include requirements to assess and disclose the Board's ability to continue as a going concern. The adoption of this new section is not expected to have an impact on the Board's financial statements.

#### Capital Disclosures

In December 2006, the CICA issued Handbook section 1535 "capital disclosures" which is effective for years beginning on or after October 1, 2007. The section specifies the disclosure of (i) an entity's objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This new Section relates to disclosures and did not have an impact on the Board's financial results.

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2008

---

### 2. Accounting Changes (continued)

#### International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for not-for-profit entities are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The impact of the transition to IFRS on the Board's financial statements has not yet been determined.

#### Comprehensive Income

Effective April 1, 2007, the Board adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Handbook Section 1530, Comprehensive Income, Handbook Section 3855, Financial Instruments – Recognition and Measurement, Section 3251, Equity, and Section 3861, Financial Instruments – Disclosure and Presentation. The Board has evaluated the impact of these new standards and determined that no adjustments are currently required.



---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2008

---

### 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 has 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.

#### (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.

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2008

---

### 3. Significant Accounting Policies (continued)

#### (c) Fund Accounting

The Board uses fund accounting to segregate transactions between its Operating fund and Equipment fund.

#### (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 6.

#### (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) 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.

### 4. Interfund Transfers

Amounts of \$6,670 (2007 - \$20,941) were transferred from the Operating Fund to the Equipment Fund for the acquisition of assets.

### 5. Accounts Receivable

	2008	2007
Goods and Services Tax	\$ 27,427	\$ 16,464
Other	99,939	491,282
	<hr/>	
	\$ 127,366	\$ 507,746

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

March 31, 2008

### 6. Equipment

				2008	2007
	Rate	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and fixtures	20%	\$ 105,164	\$ 87,819	\$ 17,345	\$ 21,683
Leasehold improvements	20%	92,475	71,679	20,796	25,994
Computer software	100%	17,098	17,098	-	-
Computer hardware	3 yr S/L	270,820	255,455	15,365	15,598
		\$ 485,557	\$ 432,051	\$ 53,506	\$ 63,275

### 7. Contributions Repayable

	2008	2007
DIAND - EA Practitioner's workshop	\$ 21,076	\$ -

### 8. Deferred Contributions

	2008	2007
DIAND - Claims Implementation funding	\$ 614,182	\$ 341,396
DIAND - Environmental Impact Review Panel	388,557	-
DIAND - Joint Review Panel funding	-	1,133,440
	\$ 1,002,739	\$ 1,474,836

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.

### 9. Statement of Cash Flows

A statement of cash flows has not been prepared as, in the opinion of management, it would not provide additional meaningful information.

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2008

---

### 10. Commitments

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

2009	\$ 218,199
2010	181,719
2011	93,891
2012	1,516
	<hr/>
	\$ 495,325

If the Board were to opt out of their office lease contract, they are committed, as outlined in the contract to pay the following:

Month terminating	\$ 15,370
1st month following	15,370
2nd month following	15,370
3rd month following	15,370
	<hr/>
	\$ 61,480

### 11. 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.

### 12. 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 \$59,032.84 in 2008 on behalf of their employees.

### 13. Budget

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

### 14. Economic Dependence

The Board is dependant upon funding in the form of contributions from the 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.

---

# Mackenzie Valley Environmental Impact Review Board

## Notes to Financial Statements

---

March 31, 2008

---

### 15. Comparative Figures

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

### 16. 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.

#### (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.