

**GWICH'IN LAND AND
WATER BOARD**
Inuvik, NT

FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

GWICH'IN LAND AND WATER BOARD

FINANCIAL STATEMENTS

For the year ended March 31, 2014

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GWICH'IN LAND AND WATER BOARD

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Gwich'in Land and Water Board are the responsibility of management and have been approved by the Executive Director on behalf of the Board.

The financial statements have been prepared by management in accordance with the Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Gwich'in Land and Water Board maintain systems of internal accounting and administrative controls of high quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Gwich'in Land and Water Board's assets are appropriately accounted for and adequately safeguarded.

Gwich'in Land and Water Board's Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Paul Teoh Professional Corporation in accordance with Canadian generally accepted auditing standards. Its report to the members of Gwich'in Land and Water Board, stating the scope of his examination and opinion on the financial statements, follows.

Executive Director

Inuvik, NT
August 5, 2014



INDEPENDENT AUDITOR'S REPORT

To the members of Gwich'in Land and Water Board

I have audited the accompanying financial statement of Gwich'in Land and Water Board, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and accumulated surplus, changes in net financial 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 public sector accounting standards, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Gwich'in Land and Water Board as at March 31, 2014, and the results of its operations, its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountant


Calgary, Alberta
August 5, 2014

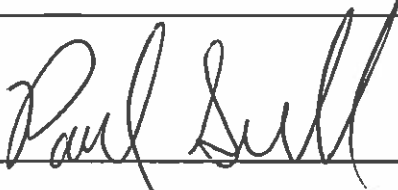
GWICH'IN LAND AND WATER BOARD

STATEMENT OF FINANCIAL POSITION

March 31,	2014	2013
Financial Assets		
Cash	\$ 202,507	\$ 95,809
Accounts receivable	18,300	24,291
Total Financial Assets	220,807	120,100
Liabilities		
Accounts payable and accrued liabilities	35,181	41,015
Total Liabilities	35,181	41,015
Net Financial Assets	185,626	79,085
Non-Financial Assets		
Tangible capital assets (note 2)	26,911	24,225
Prepaid expenses and deposits	3,053	2,370
Total Non-Financial Assets	29,964	26,595
Accumulated Surplus (note 3)	\$ 215,590	\$ 105,680

Approved on behalf of the Board:


 _____ Director


 _____ Director

The accompanying notes and schedule are integral parts of these financial statements.

GWICH'IN LAND AND WATER BOARD

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2014	2013
Revenue		
Contributions - AANDC	\$ 815,581	\$ 799,324
Expenditure		
Amortization	8,911	9,512
Bank charges and interest	16	338
Board meetings	181,071	128,284
Board training	53,483	65,591
Community member travel	9,560	-
Computer and Internet services	2,507	13,845
Insurance	3,717	2,635
Loss (gain) on disposal of tangible capital assets	-	12,903
Office	13,150	44,892
Professional fees	17,986	13,599
Rent	50,836	70,987
Staff professional development	16,397	39,978
Staff and board travel	10,392	18,949
Telephone	10,109	15,669
Vehicle	13,883	17,460
Wages and benefits	313,653	350,597
	705,671	805,239
Excess Revenue/(Expenditure)	109,910	(5,915)
Accumulated Surplus, beginning of year	105,680	111,595
Accumulated Surplus, end of year	\$ 215,590	\$ 105,680

The accompanying notes and schedule are integral parts of these financial statements.

GWICH'IN LAND AND WATER BOARD

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2014	2013
Annual Surplus (Deficit)	\$ 109,910	\$(5,915)
Acquisition of tangible capital assets	(11,597)	(11,208)
Amortization of tangible capital assets	8,911	9,512
Loss (gains) on disposal of tangible capital assets	-	12,903
Decrease (increase) in prepaid expenses and deposits	(683)	7,327
Increase (Decrease) in Net Financial Assets	106,541	12,619
Net Financial Assets, beginning of year	79,085	66,466
Net Financial Assets, end of year	\$ 185,626	\$ 79,085

The accompanying notes and schedule are integral parts of these financial statements.

GWICH'IN LAND AND WATER BOARD

STATEMENT OF CASH FLOWS

For the year ended March 31,	2014	2013
Cash Flows From Operating Activities		
Cash receipts from contributions and others	\$ 821,572	\$ 782,975
Cash paid to suppliers and employees	(703,277)	(735,677)
	118,295	47,298
Capital Transactions		
Purchase of tangible capital assets	(11,597)	(11,208)
	(11,597)	(11,208)
Net Increase (Decrease) in Cash	106,698	36,090
Cash, beginning of year	95,809	59,719
Cash, end of year	\$ 202,507	\$ 95,809

The accompanying notes and schedule are integral parts of these financial statements.

GWICH'IN LAND AND WATER BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

The Gwich'in Land and Water Board (the "Board"), was created upon the enactment of the *Mackenzie Valley Resource Management Act* on December 22, 1998.

The objective of the Board is to regulate land and water use throughout the settlement area, including Gwich'in lands and to provide for conservation, development and utilization of the land and water resources of the settlement area in a manner that will provide the optimum benefit there from for present and future residents of the settlement area and the Mackenzie Valley and for all Canadians.

The Board is a not-for-profit organization and is exempt for income tax purposes under Section 149(1)(e) of the *Income Tax Act*.

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Fund Accounting

The Board follows the deferral method of accounting for contributions. Related revenue and expenditures are grouped into funds based on their purposes.

General operating fund - a restricted fund, reports contributions from the Department of Indian Affairs and Northern Development, Government of Canada as outlined in the Implementation Plan for the Gwich'in Comprehensive Land Claim Agreement, its related expenditure, assets and liabilities in respect of the core operations of the Board. Contributions which are unused by the agreement termination date shall be retained by the Board, provided the Board meets the commitments under the contribution agreement.

Training fund reports revenue the Board generated or contributions received for training purposes, its related expenditure, assets and liabilities in respect of the Board's training activities. The fund may be used by the Board for any specific projects at its discretion.

(b) Revenue Recognition

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

Funding received in advance of the related expenditures is recorded as deferred contributions of the appropriate fund.

GWICH'IN LAND AND WATER BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

1. Significant Accounting Policies (Continued)

(c) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Amortization is provided on a declining balance method over the estimated useful lives of the assets as follows:

Automotive	30%
Computer hardware	30%
Field equipment	30%
Office equipment and furniture	20%

(d) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(e) Financial Instruments - Recognition and Measurement

The Board has elected the following balance sheet classifications with respect to its financial assets and financial liabilities:

- Cash is classified as assets held-for-trading and is subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.
- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

GWICH'IN LAND AND WATER BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

2. Tangible Capital Assets

	2014		2013	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive	\$ 74,318	\$ 69,115	\$ 5,203	\$ 7,432
Computer hardware	70,323	49,660	20,663	15,436
Field equipment	1,155	878	277	396
Office equipment and furniture	26,178	25,410	768	961
	\$ 171,974	\$ 145,063	\$ 26,911	\$ 24,225

3. Accumulated Surplus

	2014		2013	
General Operating Fund		\$ 120,432		\$ 13,208
Training Fund		68,247		68,247
Equity in Tangible Capital Assets		26,911		24,225
		\$ 215,590		\$ 105,680

4. Comparative Figures

Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

5. Capital Management

The Board's capital is composed of its working capital. The Board's objectives in managing capital are to safeguard the Board's ability to operate as a going concern and have adequate cash flows to continue to regulate land and water use throughout the Gwich'in Settlement Region. To maintain or adjust capital structure, management looks forward to future needs and recommends changes to the nature of its capital structure.

GWICH'IN LAND AND WATER BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2014

6. Financial Instruments and Risk Management

The Board's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

Credit Risk - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The Board is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Board's non-compliance to the contribution agreements. The Board manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

Market Risk - Market risks is the risk that the fair value of financial instruments will fluctuate due to changes in market factors. Market risk includes fair value risk, interest rate risk and foreign currency risk. The Board is not exposed to these risks from its financial instruments.

Liquidity Risk - Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they fall due. The Board manages liquidity risk through the management of its capital structure.

GWICH'IN LAND AND WATER BOARD
SCHEDULE OF REVENUE AND EXPENDITURE - FEDERAL FUNDING REPORTING

For the year ended March 31,	2014		2013
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - AANDC	\$ 815,581	\$ 815,581	\$ 799,324
Expenditure			
Bank charges and interest	800	16	338
Board meetings	113,640	181,071	128,284
Board training	88,513	53,483	65,591
Community members travel	-	9,560	-
Computer and Internet services	1,740	2,507	13,845
Insurance	1,775	3,717	2,635
Land permit advertising	500	-	-
Office	28,490	13,150	44,892
Professional fees	11,500	17,986	13,599
Rent	51,929	50,836	70,987
Staff professional development	21,189	16,397	39,978
Staff and board travel	21,704	10,392	18,949
Telephone	9,587	10,109	15,669
Vehicle	14,001	13,883	17,460
Wages and benefits	438,213	313,653	350,597
	803,581	696,760	782,824
Excess Revenue /(Expenditure)	12,000	118,821	16,500
Purchase of Tangible Capital Assets	12,000	11,597	11,208
Net Excess Revenue /(Expenditure)	\$ -	\$ 107,224	\$ 5,292