

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

FINANCIAL STATEMENTS

For the Year Ended March 31, 2013

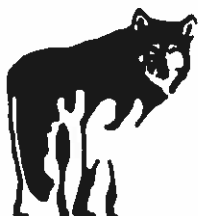
GWICH'IN LAND AND WATER BOARD

FINANCIAL STATEMENTS

For the year ended March 31, 2013

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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 maintains 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
July 25, 2013



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, 2013, and the statements of operations, 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, 2013, 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
July 25, 2013


GWICH'IN LAND AND WATER BOARD

STATEMENT OF FINANCIAL POSITION

March 31,	2013	2012
Financial Assets		
Cash	\$ 95,809	\$ 59,719
Accounts receivable	24,291	7,942
Total Financial Assets	120,100	67,661
Liabilities		
Accounts payable and accrued liabilities	41,015	1,195
Total Liabilities	41,015	1,195
Net Financial Assets	79,085	66,466
Non-Financial Assets		
Tangible capital assets (note 2)	24,225	35,432
Prepaid expenses and deposits	2,370	9,697
Total Non-Financial Assets	26,595	45,129
Accumulated Surplus (note 3)	\$ 105,680	\$ 111,595

Approved on behalf of the Board:


 _____ Director


 _____ Director

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

GWICH'IN LAND AND WATER BOARD

STATEMENT OF OPERATIONS

For the year ended March 31,	2013	2012
Revenue		
Contributions - DIAND	\$ 799,324	\$ 808,731
Expenditure		
Amortization	9,512	14,957
Bank charges and interest	338	1,335
Board meetings	128,284	88,581
Board training	65,591	33,781
Computer and Internet services	13,845	13,877
Insurance	2,635	2,590
Loss (gain) on disposal of tangible capital assets	12,903	-
Office	44,892	21,749
Professional fees	13,599	13,654
Rent	70,987	77,544
Staff professional development	39,978	12,515
Staff and board travel	18,949	11,615
Telephone	15,669	11,585
Vehicle	17,460	10,187
Wages and benefits	350,597	471,454
	805,239	785,424
Excess Revenue/(Expenditure)	(5,915)	23,307
Accumulated Surplus, beginning of year	111,595	88,288
Accumulated Surplus, end of year	\$ 105,680	\$ 111,595

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

GWICH'IN LAND AND WATER BOARD
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2013	2012
Annual Surplus (Deficit)	\$(5,915)	\$ 23,307
Acquisition of tangible capital assets	(11,208)	-
Amortization of tangible capital assets	9,512	14,957
Loss (gains) on disposal of tangible capital assets	12,903	-
Decrease (increase) in prepaid expenses and deposits	7,327	(213)
Increase (Decrease) in Net Financial Assets	12,619	38,051
Net Financial Assets, beginning of year	66,466	28,415
Net Financial Assets, end of year	\$ 79,085	\$ 66,466

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

GWICH'IN LAND AND WATER BOARD
STATEMENT OF CASH FLOWS

For the year ended March 31,	2013	2012
Cash Flows From Operating Activities		
Cash receipts from contributions and others	\$ 782,975	\$ 808,731
Cash paid to suppliers and employees	(735,677)	(787,519)
	47,298	21,212
Capital Transactions		
Purchase of tangible capital assets	(11,208)	-
	(11,208)	-
Increase (decrease) in Cash	36,090	21,212
Cash, beginning of year	59,719	38,507
Cash, end of year	\$ 95,809	\$ 59,719

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

GWICH'IN LAND AND WATER BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

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 the Canadian Institute of Chartered Accountants. 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, 2013

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, 2013

2. Tangible Capital Assets

	2013		2012	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive	\$ 74,318	\$ 66,886	\$ 7,432	\$ 10,617
Computer hardware	58,726	43,290	15,436	21,586
Field equipment	1,155	759	396	1,951
Office equipment and furniture	26,178	25,217	961	1,278
	\$ 160,377	\$ 136,152	\$ 24,225	\$ 35,432

3. Accumulated Surplus

	2013		2012	
General Operating Fund		\$ 13,208		\$ 7,916
Training Fund		68,247		68,247
Equity in Tangible Capital Assets		24,225		35,432
		\$ 105,680		\$ 111,595

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, 2013

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,	2013		2012
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - DIAND	\$ 799,323	\$ 799,324	\$ 783,731
Expenditure			
Bank charges and interest	800	338	1,335
Board meetings	103,392	128,284	88,581
Board training	86,035	65,591	19,043
Computer and Internet services	10,000	13,845	3,615
Insurance	1,775	2,635	2,590
Office	28,990	44,892	21,749
Professional fees	11,500	13,599	13,654
Rent	88,956	70,987	77,544
Staff professional development	17,192	39,978	12,515
Staff and board travel	14,704	18,949	11,615
Telephone	11,327	15,669	11,585
Vehicle	12,801	17,460	10,187
Wages and benefits	366,851	350,597	471,454
	754,323	782,824	745,467
Excess Revenue /(Expenditure)	45,000	16,500	38,264
Purchase of Tangible Capital Assets	45,000	11,208	-
Net Excess Revenue /(Expenditure)	\$ -	\$ 5,292	\$ 38,264