

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

FINANCIAL STATEMENTS

For the Year Ended March 31, 2015

GWICH'IN LAND AND WATER BOARD

FINANCIAL STATEMENTS

For the year ended March 31, 2015

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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.

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
July 29, 2015



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, 2015, 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, 2015, 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 29, 2015


GWICH'IN LAND AND WATER BOARD

STATEMENT OF FINANCIAL POSITION

March 31,	2015	2014
Financial Assets		
Cash	\$ 163,847	\$ 202,507
Accounts receivable	21,099	18,300
Total Financial Assets	184,946	220,807
Liabilities		
Accounts payable and accrued liabilities	22,279	35,180
Deferred contributions (note 2)	38,615	-
Total Liabilities	60,894	35,180
Net Financial Assets	124,052	185,627
Non-Financial Assets		
Tangible capital assets (note 3)	15,323	26,910
Prepaid expenses and deposits	-	3,053
Total Non-Financial Assets	15,323	29,963
Accumulated Surplus (note 4)	\$ 139,375	\$ 215,590

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,	2015	2014
Revenue		
Contributions - AANDC	\$ 889,552	\$ 815,581
Less closing deferred contributions	(38,615)	-
	850,937	815,581
Expenditure		
Amortization	6,385	8,911
Bank charges and interest	2,943	16
Board meetings	154,931	181,071
Board training	189,894	53,483
Community member travel	244	9,560
Computer and Internet services	31,831	2,507
Insurance	1,322	3,717
Loss (gain) on disposal of tangible capital assets	(6,798)	-
Office	24,185	13,150
Professional fees	16,147	17,986
Rent	40,386	50,836
Staff professional development	46,163	16,397
Staff and board travel	4,081	10,392
Telephone	11,499	10,109
Vehicle	9,006	13,883
Wages and benefits	394,933	313,653
	927,152	705,671
Excess Revenue/(Expenditure)	(76,215)	109,910
Accumulated Surplus, beginning of year	215,590	105,680
Accumulated Surplus, end of year	\$ 139,375	\$ 215,590

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,	2015	2014
Annual Surplus (Deficit)	\$(76,215)	\$ 109,910
Acquisition of tangible capital assets	-	(11,597)
Proceeds on sale of tangible capital assets	12,000	-
Amortization of tangible capital assets	6,385	8,911
Loss (gains) on disposal of tangible capital assets	(6,798)	-
Decrease (increase) in prepaid expenses and deposits	3,053	(683)
Increase (Decrease) in Net Financial Assets	(61,575)	106,541
Net Financial Assets, beginning of year	185,627	79,086
Net Financial Assets, end of year	\$ 124,052	\$ 185,627

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,	2015	2014
Cash Flows From Operating Activities		
Cash receipts from contributions and others	\$ 886,753	\$ 821,572
Cash paid to suppliers and employees	(937,413)	(703,277)
	(50,660)	118,295
Capital Transactions		
Purchase of tangible capital assets	-	(11,597)
Proceeds from disposal of tangible capital assets	12,000	-
	12,000	(11,597)
Net Increase (Decrease) in Cash	(38,660)	106,698
Cash, beginning of year	202,507	95,809
Cash, end of year	\$ 163,847	\$ 202,507

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

GWICH'IN LAND AND WATER BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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, 2015

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, 2015

2. Deferred Contributions

	2015	2014
AANDC - Board re-structuring	\$ 23,615	\$ -
AANDC - Board un-merging	15,000	-
\$ 38,615	\$ -	-

3. Tangible Capital Assets

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Automotive	\$ -	\$ -	\$ -	\$ 5,202
Computer hardware	70,323	55,859	14,464	20,662
Field equipment	1,155	961	194	277
Office equipment and furniture	26,178	25,513	665	769
\$ 97,656	\$ 82,333	\$ 15,323	\$ 26,910	

4. Accumulated Surplus

	2015	2014
General Operating Fund	\$ 55,805	\$ 120,433
Training Fund	68,247	68,247
Equity in Tangible Capital Assets	15,323	26,910
\$ 139,375	\$ 215,590	

5. Comparative Figures

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

GWICH'IN LAND AND WATER BOARD

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

6. 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.

7. 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, 2015

	Core Operating		Board Re-	Board Un-	Prior Year	Total
	Budget (Unaudited)	Actual	structuring	merging	Surplus	Actual
Revenue						
Contributions - AANDC	\$ 824,552	\$ 824,552	\$ 50,000	\$ 15,000	\$ -	\$ 889,552
Less closing deferred contributions	-	-	(23,615)	(15,000)	-	(38,615)
	824,552	824,552	26,385	-	-	850,937
Expenditure						
Bank charges and interest	800	2,943	-	-	-	2,943
Board meetings	113,640	154,931	-	-	-	154,931
Board training	93,283	135,732	-	-	54,162	189,894
Community members travel	-	244	-	-	-	244
Computer and Internet services	-	5,446	26,385	-	-	31,831
Insurance	1,775	1,322	-	-	-	1,322
Land permit advertising	500	-	-	-	-	-
Loss (gain) on disposal of tangible capital assets	-	(6,798)	-	-	-	(6,798)
Office	28,490	24,185	-	-	-	24,185
Professional fees	11,500	16,147	-	-	-	16,147
Rent	51,929	40,386	-	-	-	40,386
Staff professional development	21,190	46,163	-	-	-	46,163
Staff and board travel	21,704	4,081	-	-	-	4,081
Telephone	12,527	11,499	-	-	-	11,499
Vehicle	17,001	9,006	-	-	-	9,006
Wages and benefits	438,213	394,933	-	-	-	394,933
	812,552	840,220	26,385	-	54,162	920,767
Excess Revenue /(Expenditure)	12,000	(15,668)	-	-	(54,162)	(69,830)
Purchase of Tangible Capital Assets	12,000	-	-	-	-	-
Net Excess Revenue /(Expenditure)	\$ -	\$ (15,668)	\$ -	\$ -	\$ (54,162)	\$ (69,830)

GWICH'IN LAND AND WATER BOARD

SCHEDULE OF REVENUE AND EXPENDITURE - FEDERAL FUNDING REPORTING (CONTINUED)

For the year ended March 31, 2014

	Core Operating		Total
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - AANDC	\$ 815,581	\$ 815,581	\$ 815,581
Expenditure			
Bank charges and interest	800	16	16
Board meetings	113,640	181,071	181,071
Board training	88,513	53,483	53,483
Community members travel	-	9,560	9,560
Computer and Internet services	1,740	2,507	2,507
Insurance	1,775	3,717	3,717
Land permit advertising	500	-	-
Office	28,490	13,150	13,150
Professional fees	11,500	17,986	17,986
Rent	51,929	50,836	50,836
Staff professional development	21,189	16,397	16,397
Staff and board travel	21,704	10,392	10,392
Telephone	9,587	10,109	10,109
Vehicle	14,001	13,883	13,883
Wages and benefits	438,213	313,653	313,653
	803,581	696,760	696,760
Excess Revenue /(Expenditure)	12,000	118,821	118,821
Purchase of Tangible Capital Assets	12,000	11,597	11,597
Net Excess Revenue /(Expenditure)	\$ -	\$ 107,224	\$ 107,224