

MVLWB

MACKENZIE VALLEY LAND
AND WATER BOARD
ANNUAL ACTIVITY REPORT

2007
2008



A forum for regional decision making, ensuring effective participation of residents in the use, protection, and benefits of the lands and waters of the Mackenzie Valley.

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Message from the Chair

As expected, fiscal year 2007-2008 was a very busy and challenging time. However, the combined efforts of the Gwich'in, Sahtu, Wek'eezhii and Mackenzie Valley Land and Water Boards as well as the Section 103 Panel (as per *Mackenzie Valley Resource Management Act*) continue to prove that our integrated system of land management is an effective tool for land and water management. This unified approach, which listens to and serves the interests of all northerners, is what was envisioned by those who negotiated and settled the comprehensive land claims agreements over the past 25 years.

In early 2008, regional board staff participated in and developed a harmonization initiative to create consistent policies, procedures and practices to guide our work throughout the Mackenzie Valley. We are focusing on six areas: Public Engagement and Consultation, Plan Review Process and Guidelines, Water/Effluent Quality Guidelines, Terms and Conditions, Application Processes, and Data-Resource Sharing and Standards. Our goal is to provide clarity and certainty for all stakeholders and participants involved in our regulatory processes.

The Mackenzie Valley Land and Water Board (the Board) does not work in isolation – it interacts on a continual basis with a variety of governing bodies and agencies. I would like to mention in particular that the boards continue to work closely with Indian and Northern Affairs Canada (INAC) inspectors and the Mackenzie Valley Environmental Impact Review Board on all ongoing and proposed development activities.

The regional land and water boards continue to fulfill their mandates despite the many challenges they face on a daily basis. Some boards are in remote locations where communication technology is often not of the highest standards. Without adequate funding through the implementation process and with technical and human resource capacity challenges, the regional boards continue to amaze with their professionalism even when hit by an unexpected flurry of development applications.

Vacancies on the boards put further restraints on their performance. There is no quick fix for these shortfalls when nominating authorities are unable or unwilling to fulfill their responsibility under the *Mackenzie Valley Resource Management Act* of nominating board members in a timely fashion.

One solution to the many perceived regulatory problems in the NWT is for governments to consult potentially impacted communities before issuing a right for a potential development and not after an application for a water licence or a land use permit is submitted to a board by a proponent. Perhaps part of the long term solution will be a long overdue overhaul of the MVRMA. To address these and other issues in the regulatory process, the Minister of INAC contracted Neil McCrank, former Chair of the Alberta Energy and Utilities Board, to study the strengths and weaknesses of the regulatory regime in the NWT. The McCrank Report is scheduled for completion by May 2008.

We work well with INAC, and rely on their decades of experience in the North and particularly in the regulatory field. Much of the success of the boards today is built on the mentoring received from INAC staff.

I wish to thank the residents of the NWT who take the time to express their views and opinions to the Board. Their input tells us that residents want controlled development to create employment and business opportunities as well as protection of the environment. Development activities can range from a footprint as small as a footbridge across a stream to the construction and operation of major diamond mines and the proposed Mackenzie Gas Project.

The MVLWB listens closely and openly to community concerns and will continue to strive to maintain a balance between development and the environment.



Willard Hagen, Chair

About the MVLWB

The MVLWB's vision for itself is to be a forum for regional decision making, ensuring effective participation of residents in the use, protection, and benefits of the lands and waters of the Mackenzie Valley.

THE MEMBERSHIP OF THE MVLWB

The Mackenzie Valley Resource Management Act (MVRMA) was enacted as a result of the settling of the Gwich'in and Sahtu Comprehensive Land Claims. The MVRMA establishes and sets out the membership of the MVLWB and regional land and water boards. The MVLWB is comprised of five members from the Gwich'in Land and Water Board (GLWB), five members from the Sahtu Land and Water Board (SLWB), five members from the Wek'èezhii Land and Water Board (WLWB) and as set out in Section 99 (4) of the MVRMA, five members that are not part of a regional panel.

BOARD MEMBERS

Part I of the MVRMA outlines the determination of membership of each board and gives direction concerning other aspects of the boards' activities. The Gwich'in Land and Water Board saw the greatest amount of change. Elizabeth Wright was appointed in July 2007, Margaret Nazon was reappointed in May 2007 and Gerry Kisoun was reappointed in December 2007. Willard Hagen resigned as Chair of the Gwich'in

Land and Water Board in January 2008 and Paul Sullivan took over as Interim Chair.

The Sahtu Land and Water Board saw George Barnaby reappointed in December 2007 and Walter Bayha reappointed in March 2008. Violet Doolittle joined the SLWB in July 2002 and Larry Wallace began with the Board in August 2005.

Elizabeth Biscaye received her appointment to the MVLWB in April 2005 and Patrick Laroque was appointed in May 2007. Willard Hagen, who had been acting as Interim Chair, was appointed as Chair in December 2007. Floyd Adlem was reappointed in December 2007. After a short break, Eric Menicoche was reappointed to the Board in February 2008.

At year end, we were short one Director from the GLWB, one Director from the SLWB, and one from the WLWB.

All appointments are for three (3) years.



ROLES OF THE MVLWB AND THE REGIONAL PANELS

Each Panel is comprised of five (5) members when all appointments are filled. The Act states, "The purpose of the establishment of boards by this Act is to enable residents of the Mackenzie Valley to participate in the management of its resources for the benefit of the residents and of other Canadians."

The following is from the Act and lays out the jurisdiction that is given to each Panel:

59. (1)

A board has jurisdiction in respect of all uses of land in its management area for which a permit is required under this Part and may, in accordance with the regulations, issue, amend, renew, suspend and cancel permits and authorizations for the use of land, and approve the assignment of permits.

60. (1)

A board has jurisdiction in respect of all uses of waters and deposits of waste in its management area for which a licence is required under the *Northwest Territories Waters Act* and may

- (a) issue, amend, renew and cancel licences and approve the assignment of licences, in accordance with that Act, and
- (b) exercise any other power of the Northwest Territories Water Board under that Act, and, for those purposes, references in that Act to that Board shall be read as references to the board.

- (c) A board may suspend a licence for a specified period or until terms and conditions specified by the board are complied with, where the licensee contravenes a provision of the *Northwest Territories Waters Act* or of this Part or a term or condition of the licence.

60.1

In exercising its powers, a board shall consider

- (a) the importance of conservation to the well-being and way of life of the aboriginal peoples of Canada to whom section 35 of the *Constitution Act, 1982* applies and who use an area of the Mackenzie Valley; and
- (b) any traditional knowledge and scientific information that is made available to it.

If an application which falls under Section 103 (1) (a) of the MVRMA, meaning that it is to take place or is likely to have an impact in more than one management area, or in one management area and an area outside a management area, the application would be dealt with by the MVLWB Transboundary Policy.

Transboundary Policy states that a group of three or more members of the Board, appointed by the Chairperson of the Board in consultation with the Chairpersons of the regional boards, are given responsibility for the disposition of one or more transboundary applications. The panel will include at least one of the members appointed to a regional board on the nomination of a First Nation or appointed by the Board following consultations with First Nations and at least one of the members not so appointed.

Transboundary

The MVLWB dealt with one (1) amendment to a Land Use Permit and one (1) amendment to a Water Licence for Kodiak Petroleum ULC. Kodiak Petroleum applied for amendments to their 2D seismic program between the Sahtu Land and Water Board and the Gwich'in Land and Water Board.

Strategic Planning

The Board held a Strategic Planning Session in December 2007 with all of the regional panels and most of the staff of the regional panels taking part. The Board will be addressing this issue at a future Board meeting.

MEET OUR STAFF

Wanda Anderson is the Executive Director; she joined the Board in June 1998.

Policy, Communication and Consultation Sector

Manik Duggar started working at the MVLWB as Senior Policy & Communications Advisor in January 2008. His responsibilities include policy research, the development of policy, guidelines and procedures, and the writing of policy papers on issues identified by the MVLWB. Manik also advises the communications and consultation aspects of the Board's activities. Manik brings national and international experience in policy, research and planning with his work experience and degrees in business and environmental studies.

Jonathan Churcher joined the Board in January 2008 as Communications/Consultation Liaison

Officer. He will create PR material, including various print and electronic media, provide writing support services for regulatory officers and will organize visits and give presentations to communities affected by resource development.

Oil and Gas Sector

Adrian Paradis, Senior Regulatory Officer, Oil & Gas, is in charge of this sector. He has been with the Board since October 2001. James Boraski is the Coordinator of Pipeline Licencing and Permitting; he began his work with the Board in May 2006. Valerie Meeres joined the team in November 2006. In September 2007 they welcomed Anne Umpleby, Regulatory Officer, to their group. This section has been working with other regulators to find an effective and efficient way to deal with the proposed Mackenzie Gas Project once the application is received. Good work comes out of this group although it has been challenging at times.

Regulatory Sector

Regulatory Officers review the applications that come into the office and work with the proponent until the end of the project. Peter Lennie-Misgeld, Senior Regulatory Officer, joined the Board in February 2008. In January 2008, he left to pursue a career in the private sector. Adrian Paradis, Senior Regulatory Officer for Oil & Gas, has been overseeing this sector since Peter's departure.

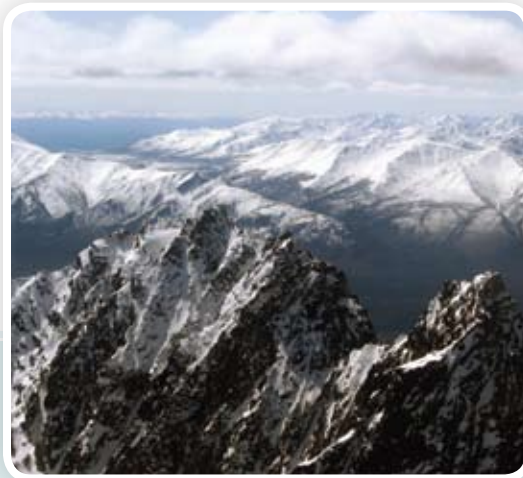
Angela Plautz, Regulatory Officer, who has been with MVLWB since 2004, began her maternity/parental leave in December 2007. Congratulations to Angela on the birth of her son.

Kathleen Graham, Regulatory Officer, joined the Board in September 2006. Kathleen was born and raised in the North and her northern experience and understanding contributes much to the Board.

Tyree Mullaney, Regulatory Officer, moved from the Sahtu Land and Water Board in June 2007. Tyree brings a wealth of knowledge, some of which she gained while working in the Sahtu.

Jason Ash, Regulatory Officer, started employment with the Board in November 2007. Jason brings a diverse range of experiences to the Board, with degrees in Mining Engineering and in Management, as well as work experience as a consultant for the Nunavut Water Board and on oil rigs.

Welcome to our new members.



Administrative Sector

Brenda Backen, Assistant Manager for Finance and Administration, joined the Board in September 2000. Brenda is currently looking after the Board's finances, ensuring staff and vendors are paid. Rob Dobson, Information Technology Specialist, joined the Board in January 2005. Rob keeps our computers, network and web site functioning. Our new and improved online registry is the most recent example of Rob's work.

Janna Ward, Administrative Clerk, came to the Board in March 2005. Janna answers the phone, greets you when you arrive at our office and provides admin assistance to senior Board members and staff. Rhonda Miller, Registry Clerk, joined in February 2007. Rhonda is your point of contact for information about the contents of our Public Registry. Elaine Briere, Regulatory Clerk, joined the Board in July 2007. Elaine works with the Regulatory Officers, helping with their paper flow and formatting. Sharon Debler, Administrative Clerk, started full time employment with the Board in January 2008. Sharon has been concentrating on scanning our public registry items as we work towards full digitization of our web site. Tracy Turk, Administrative Assistant, came to the Board in March of 2007. As part of the Oil and Gas team, she deals with paperwork, travel logistics, document formatting and management of the Oil and Gas Registry.

Year in Review

New applications received during the fiscal year:

- There were 45 Land Use Permit applications and 22 Water Licence applications made to the Mackenzie Valley Land and Water Board.
- Four Land Use Permit applications and one Water Licence application were referred by Environment Canada for an Environmental Assessment.



Land use permit and water licence matters dealt with by MVLWB during the fiscal year:

- 33** Land Use Permits Issued
- 10** Water Licences Issued
 - 9** Amendments
- 26** Extensions/Renewals
- 2** Assignments
- 3** Storage Authorizations
- 53** Closures
 - 2** Transboundary Determinations
 - 5** Referrals to Environmental Assessment
 - 1** Public Hearing
- 43** Preliminary Screenings Approved
 - 1** Rejection (as per Environmental Assessment)
- 6** Decisions Regarding Reports/Plans

Permits and Licences



REF PERMIT APPLICANT

Industrial – Water

- 1 MV2006L1-0012 Paramount Resources Ltd.
- 2 MV2007L8-0033 GNWT-DOT

Mining and Milling – Water

- 3 MV2006L2-0013 Teck Cominco
- 4 MV2007L8-0025 Miramar Con Mine
- 5 MV2007L8-0026 Canadian Zinc Corporation

Mining Exploration

- 6 MV2006C0035 Tyhee Development NWT Corp.
- 7 MV2007C0011 Tyhee Development NWT Corp.
- 8 MV2007C0012 Tyhee Development NWT Corp.
- 9 MV2007C0039 Avalon Ventures Ltd.
- 10 MV2007C0040 War Eagle Mining Company Inc.
- 11 MV2008C0001 Tyhee Development NWT Corp.

Miscellaneous Land

- 12 MV2007X0006 Beaver Enterprises Ltd.
- 13 MV2007X0007 BP Canada Energy Company
- 14 MV2007X0008 DIAND Contaminated Sites Office

REF PERMIT APPLICANT

Oil and Gas

- 15 MV2006A0040 Paramount Resources Ltd.
- 16 MV2007A0002 Paramount Resources Ltd.

Quarrying

- 17 MV2007Q0035 Bill Norn
- 18 MV2007Q0042 Cardinal Construction Ltd.
- 19 MV2007Q0047 GNWT – PWS
- 20 MV2007Q0052 Carter Industries Ltd.
- 21 MV2007Q0053 Rows Construction
- 22 MV2008Q0002 RTL – Robinson Enterprises Ltd.

Road

- 23 MV2003F0028 Canadian Zinc Corporation
- 24 MV2007E0050 GNWT-DOT

Woods Operations

- 25 MV2005W0023 Patterson Sawmill Ltd.
- 26 MV2007W0003 Norman Dievert
- 27 MV2007W0041 Conrad Plamondon



MVLWB

CHAIR

Willard Hagen

Board of Directors

**APPOINTEES
PURSUANT TO
SECTION 99(4)
OF MVRMA**



**ERIC J.
MENICOCHÉ**
FORT SIMPSON
Appointed
September 2003.
Reappointed
February 2008.



**ELIZABETH
BISCAYE**
YELLOWKNIFE
Appointed April 2005.



FLOYD ADLEM
YELLOWKNIFE
Appointed
December 2004.
Reappointed
November 2007.



PAT LAROQUE
HAY RIVER
Appointed May 2007.

**WEK'ÈEZHÌ
LAND AND
WATER
BOARD**



**VIOLET CAMSELL-
BLONDIN**
BECHOKO
Appointed March 2000.
Appointed to the
WLWB 2005.



JOYCE RABESCA
BECHOKO
Appointed
November 2005.



JOSEPH JUDAS
WEKWEETI
Appointed
October 2005.



ALFONZ NITSIZA
WHATI
Appointed to the
WLWB October 2005.

**GWICH'IN
LAND AND
WATER
BOARD**



WILLARD HAGEN
INUVIK
Appointed to
GLWB 1996.
Appointed Chair of
MVLWB January 2008.



LIZ WRIGHT
FORT MCPHERSON
Appointed July 2007.



**MARGARET
NAZON**
INUVIK
Appointed April 2005.
Reappointed
May 2007.



PAUL SULLIVAN
INUVIK
Appointed April 2005.



GERRY KISOUN
INUVIK
Appointed
December 2004.
Reappointed
December 2007.



LARRY WALLACE
NORMAN WELLS
Appointed 1996.
Reappointed
August 2005.



WALTER BAYHA
DELINE
Appointed 1996.
Reappointed
December 2004.



**GEORGE
BARNABY**
FORT GOOD HOPE
Appointed 1996.
Reappointed
December 2004.



**VIOLET
DOOLITTLE**
INUVIK
Appointed July 1999.
Reappointed
July 2002.

**SAHTU
LAND AND
WATER
BOARD**

Financial Statements

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Auditors' Report

To the Directors of Mackenzie Valley Land and Water Board

We have audited the balance sheet of Mackenzie Valley Land and Water Board as at March 31, 2008 and the statement of operating fund operations and surplus, the statement of changes in property and equipment fund balance and the statement of cash flows for the year then ended. These financial statements are the responsibility of the organization'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.

Mackey LLP

Chartered Accountants
Yellowknife, Northwest Territories
May 9, 2008

**STATEMENT OF OPERATING FUND OPERATIONS
AND SURPLUS** *For the year ended March 31, 2008*

	BUDGET	2008	2007
REVENUE			
Department of Indian Affairs and Northern Development			
Core	\$ 3,200,000	\$ 2,675,000	\$ 3,389,878
Oil and Gas Capacity Building (Schedule 2)	1,757,900	725,000	-
Communication/Consultation Liaison Officer (Schedule 3)	100,000	100,000	-
Training Initiative (Schedule 4)	200,000	155,229	-
Other	-	-	942
	5,057,900	3,655,229	3,390,820
CORE EXPENDITURES			
Advertising	36,000	36,851	16,802
Bad debts	-	1,000	-
Communications	18,000	42,117	20,273
Computer support	30,000	16,639	15,334
Honoraria	282,500	356,003	346,873
Insurance	6,500	5,885	4,836
Licenses and dues	1,500	771	170
Meeting room rentals	-	4,212	2,728
Office rent	274,095	246,731	251,068
Office supplies	199,800	186,645	153,030
Printed material	1,500	297	242
Professional fees	104,000	220,191	322,462
Salaries, wages and benefits	1,199,958	1,354,105	1,366,279
Staff clothing	3,000	247	-
Staff relocation	30,000	13,736	17,289
Technical advisory	120,000	72,414	207,007
Training	371,810	176,218	274,895
Travel - board	275,674	277,234	264,857
Travel - staff	36,960	15,780	67,268
	\$ 2,991,297	\$ 3,027,076	\$ 3,331,413

**STATEMENT OF OPERATING FUND OPERATIONS
AND SURPLUS (con't)** *For the year ended March 31, 2008*

	BUDGET	2008	2007
PROGRAM EXPENDITURES			
Oil and gas capacity building (Schedule 2)	\$ 1,757,900	\$ 689,131	\$ -
Communication/consultation liaison officer (Schedule 3)	84,000	54,361	-
Training initiative (Schedule 4)	200,000	146,243	-
	5,033,197	3,916,811	3,331,413
Excess of revenue (expenditures) – operating fund	24,703	(261,582)	59,407
Gain on settlement of contingency	-	11,002	-
Transfer to property and equipment fund	17,500	(238,440)	(92,349)
Excess expenditures	42,203	(489,020)	(32,942)
Balance, beginning of year	262,114	262,114	295,056
Balance, end of year	\$ 304,317	\$ (226,906)	\$ 262,114

**STATEMENT OF CHANGES IN PROPERTY
AND EQUIPMENT FUND BALANCE**

For the year ended March 31, 2008

	2008	2007
Balance, beginning of year	\$ 147,151	\$ 118,514
Additions	238,440	92,349
Amortization	(97,734)	(63,712)
Balance, end of year	\$ 287,857	\$ 147,151

BALANCE SHEET

As at March 31, 2008

	2008	2007
ASSETS		
Current		
Cash	\$ -	\$ 675,347
Accounts receivable (Note 4)	259,525	65,957
Prepaid expenses	5,230	175,410
	264,755	916,714
Equipment (Note 5)	287,857	147,151
	\$ 552,612	\$ 1,063,865
LIABILITIES		
Current		
Bank indebtedness (Note 6)	\$ 99,388	\$ -
Accounts payable and accrued liabilities	392,273	654,600
	491,661	654,600
NET ASSETS		
Equipment fund	287,857	147,151
Operating fund	(226,906)	262,114
	60,951	409,265
	\$ 552,612	\$ 1,063,865

Approved on behalf of the Board



Director



Director

STATEMENT OF CASH FLOWS

For the year ended March 31, 2008

	2008	2007
CASH PROVIDED BY (USED IN)		
Operating activities		
Excess revenue (expenditures) – operating fund	\$ (261,582)	\$ 59,407
Gain on settlement of contingency	11,002	-
Change in non-cash operating working capital		
Accounts receivable	(193,568)	746
Prepaid expenses	170,180	(174,358)
Accounts payable and accrued liabilities	(262,327)	337,448
	(536,295)	223,243
INVESTING ACTIVITY		
Purchase of equipment	(238,440)	(92,349)
Change in cash position	(774,735)	130,894
Cash position, beginning of year	675,347	544,453
Cash (bank indebtedness) position, end of year	\$ (99,388)	\$ 675,347

Notes to Financial Statements

1. ORGANIZATION AND JURISDICTION

The Mackenzie Valley Land and Water Board (the "Board") is established under the *Mackenzie Valley Resource Management Act*. It monitors and approves the land and water use in areas where there are no settled claims.

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 retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively 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 of 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.

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 public companies 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.

3. 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 transactions. 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.

Accounts payable and accrued liabilities are classified as other financial instruments and are 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 date 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 accounts for the Board's operating and administrative activities. The Equipment Fund reports the assets, liabilities, revenues and expenses related to capital assets.

(d) Equipment

Purchased property and equipment are recorded in the Equipment Fund at cost. Amortization is recorded in the Equipment Fund using the declining balance method, except for leasehold improvements which use the straight line method, at the annual rates set out in Note 5.

(e) Recognition of contributions

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the

related expenses are incurred. 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. Contributions which are not expensed in the current year are set up as deferred funding or refundable contributions that must be repaid to the contributor.

(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. ACCOUNTS RECEIVABLE

	2008	2007
Department of Indian Affairs and Northern Development	\$ 215,523	\$ 18,988
Goods and Services Tax	43,652	46,619
Other	1,350	350
	260,525	65,957
Allowance for doubtful accounts	(1,000)	-
	\$ 259,525	\$ 65,957

5. EQUIPMENT

	RATE		COST	ACCUMULATED AMORTIZATION	2008 NET BOOK VALUE	2007 NET BOOK VALUE
Furniture and fixtures	20%	\$	188,005	\$ 138,754	\$ 49,251	\$ 55,823
Computer equipment	30%		257,902	227,530	30,372	37,961
Plotter	30%		12,213	11,393	820	1,172
Computer software	100%		163,063	160,679	2,384	4,856
Leasehold improvements	SL/3yr		355,013	149,983	205,030	47,339
		\$	976,196	\$ 688,339	\$ 287,857	\$ 147,151

6. BANK INDEBTEDNESS

The amount represents cheques written in excess of the bank balance at year-end. The Board has an operating line of credit with the Canadian Imperial Bank of Commerce which has a limit of \$75,000 and interest is charged at a rate of prime plus 2.50%.

7. FINANCIAL INSTRUMENTS

The following sections describe the Board's financial risk management objectives and policies and the Board's financial risk exposures.

Financial risk management objectives and policies

The Board currently does not have any risk management objectives or policies in place.

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. As the majority of the Board's receivables and funding is received from the Government of Canada Indian and Northern Affairs, should this party ever default on their funding, the Board's operations would be significantly affected.

8. COMMITMENTS

The Board has entered into contracts for office equipment and lease of office premises with the following future minimum payments.

	EQUIPMENT		OFFICE		TOTAL
2009	\$	17,123	\$	31,841	\$ 48,964
2010		17,123		-	17,123
2011		17,123		-	17,123
2012		17,123		-	17,123
2013		4,281		-	4,281
	\$	72,773	\$	31,841	\$ 104,614

9. COMPARATIVE FIGURES

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

10. ECONOMIC DEPENDENCE

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

**SCHEDULE 1 – SCHEDULE OF SALARIES, HONORARIA,
TRAVEL EXPENSES AND OTHER REMUNERATION**

For the year ended March 31, 2008

	MONTHS ON STAFF		SALARY	OTHER REMUNERATION	TRAVEL EXPENSES	TOTAL
Director	12	\$	33,600	\$ 7,720	\$ 6,443	\$ 47,763
Director	12		23,000	16,279	16,670	55,949
Director	12		16,400	14,130	12,114	42,644
Director	12		28,800	3,288	3,494	35,582
Director	12		15,600	15,080	5,449	36,129
Director	12		16,400	9,112	8,356	33,868
Director	12		134,750	35,616	46,652	217,018
Director	12		8,000	8,824	4,897	21,721
Director	12		6,000	5,251	3,918	15,169
Director	7		28,400	14,187	7,962	50,549
Director	1		1,600	170	846	2,616
Director	12		14,400	7,614	10,647	32,661
Director	12		18,600	13,820	7,982	40,402
Director	12		13,800	13,282	5,536	32,618
Director	12		4,200	2,838	3,139	10,177
Director	12		8,200	5,279	5,451	18,930
Director	5		11,600	8,538	6,337	26,475
Senior Management	12		155,707	14,034	11,308	181,049
Senior Management	12		97,489	2,176	863	100,528
Senior Management	11		124,251	20,571	16,007	160,829
Senior Management	3		21,094	8,497	5,549	35,140
Senior Management	12		109,605	517	-	110,122
Senior Management	12		110,625	12,723	12,294	135,642
Senior Management	8		64,339	-	-	64,339
		\$	1,066,460	\$ 239,546	\$ 201,914	\$ 1,507,920

SCHEDULE 2 – OIL AND GAS CAPACITY BUILDING

For the year ended March 31, 2008

	BUDGET	ACTUAL
REVENUE		
Department of Indian Affairs and Northern Development	\$ 1,757,900	\$ 725,000
EXPENSES		
Board		
Honoraria	40,750	27,624
Legal expenses	80,000	4,482
Other	44,000	32,450
TC Consultants	580,000	-
Training and development	307,550	64,499
Travel and accommodation	66,000	5,627
Staff		
Staff relocation	-	8,625
Staff salaries and benefits	465,500	457,143
Staff training and development	76,900	67,189
Staff travel	79,200	21,250
General		
Hospitality	10,000	223
Office supplies	8,000	19
	1,757,900	689,131
Excess revenue	\$ -	\$ 35,869

**SCHEDULE 3 – COMMUNICATION/
CONSULTATION LIAISON OFFICER**

For the year ended March 31, 2008

	BUDGET	ACTUAL
REVENUE		
Department of Indian Affairs and Northern Development	\$ 100,000	\$ 100,000
EXPENSES		
Advertising	5,000	6,123
Communication	18,500	2,347
Computer	5,000	790
Office rent	1,800	1,800
Office supplies	1,200	270
Other	4,600	11,165
Salaries, wages and benefits	10,000	16,195
Staff relocation	-	13,944
Travel and accommodations	36,000	1,727
Utilities	1,900	-
	84,000	54,361
Excess revenue before fund transfer	16,000	45,639
Transfer to property and equipment fund	16,000	45,100
Excess revenue	\$ -	\$ 539

SCHEDULE 4 – TRAINING INITIATIVE

For the year ended March 31, 2008

	BUDGET		ACTUAL	
REVENUE				
Department of Indian Affairs and Northern Development	\$	200,000	\$	155,229
EXPENSES				
Course fees		59,500		75,772
Honoraria		-		9,100
Travel and accommodations		140,500		61,371
		200,000		146,243
Excess revenue	\$	-	\$	8,986





Sharing Responsibility –
*Working together to make the best decisions
for the land, water and people.*

**For more information please
contact the MVLWB:**

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