

MVLWB

MACKENZIE VALLEY LAND
AND WATER BOARD
ANNUAL REPORT

2009
2010



Bear Rock (Kwets'inah) and Mackenzie River, Tulita, NWT

Credit: MVLWB



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.

Table of Contents



2	Message from the Chair
4	About the MVLWB
10	Board Activities 2009-2010
11	Permits and Licences
15	Board of Directors
17	Financial Statements

Chair's Message

After a decade of issuing land use permits and water licences in the Mackenzie Valley, the Board continues to gain experience and knowledge and to strengthen its operational policies and procedures. With three regions, unsettled land claim areas, and borders with six other jurisdictions, the Valley can appear to be a complicated place to do business. As the Board works towards improved efficiency in the context of an integrated resource management framework for the Valley, it receives and considers feedback from those whom it serves—development proponents, the federal and territorial governments, First Nations, Aboriginal organizations, the general public, and other stakeholders.

Since 2008 the MVLWB and the regional panels have been working on the Standard Procedures and Consistency Working Group initiative. The aim of this collaborative effort is to create more efficient and consistent policies and procedures for land and water permitting throughout the Mackenzie Valley. I am pleased by the progress made by the Working Groups and look forward to the implementation of a number of the groups' recommendations and products in the next fiscal year.

The MVLWB, along with the regional Land and Water Boards, are only one component of a larger integrated regulatory management framework operating in the Mackenzie Valley. We need a regulatory system that is both complete and appropriate for the Mackenzie Valley, and there is much work to be

done before this will be achieved. When the system is incomplete, it challenges us in respect of achieving regulatory excellence. The completion of the system will occur when outstanding land claims are settled and then by implementing the mechanisms established in those claims, i.e. land use plans, cumulative impact monitoring, etc.

When this happens, the rules of where development is and is not allowed will be clear and agreed upon by all. This will better enable the MVLWB to do its job of permitting and licensing sustainable development in the North.

In the upcoming year, we will continue to do what is required to ensure we are working effectively and efficiently within our authorities. We recently appointed Mr. Zabey Nevitt as our new Executive Director. Zabey has been instrumental in his role as ED of the Wek'èezhii Land and Water Board in support of the standard procedures and consistency initiative. I look forward to working with Mr. Nevitt and the other land and water board EDs and Chairs as we continue to look for other areas of our operations where we can standardize approaches to decision-making.

We will continue to discuss, with the Department of Indian and Northern Affairs, the Government of the Northwest Territories, and Aboriginal and developer stakeholders, how we can best deal with ongoing engagement/consultation issues in the unsettled claim regions and the shared vision I and the other Chairs have with respect to Reform Initiative. We look

forward to contributing our thoughts in respect to the new role of the Northern Projects Management Office.

In closing, our mandate requires us to provide for "the conservation, development and utilization of resources in a manner that will provide the optimum benefit for residents of the Mackenzie Valley and all Canadians". We take this legislated mandate very seriously and strive to ensure that our processes and decisions reflect and respect northern values. I would like to thank the Aboriginal, territorial, and federal governments, and other interested parties for their constant feedback about the Board's performance. The comments we receive from stakeholders can only help us to improve our efforts to achieve regulatory excellence.

Mahsi Cho



Willard Hagen,
Chair and CEO
Mackenzie Valley Land and Water Board



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.

Establishment and 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 Boards enable residents of the Mackenzie Valley to participate in the management of its resources for the benefit of the residents and of all Canadians. In exercising its powers, each Board considers the well-being and way of life of residents of the Mackenzie Valley but in particular those of the Aboriginal peoples. The Board also considers any traditional knowledge and scientific information that is made available.

The MVRMA establishes and sets out the membership of the MVLWB and Regional Land and Water Boards and gives direction concerning other aspects of the Boards' activities. When all appointments are filled, each regional Board is comprised of five members who are each appointed for three years. The MVLWB is comprised of the five members of each of the Regional Boards and five members who are not part of a Regional Board. The Board is currently one person short of full membership.



Photo Credit: Robert Alexie, GLWB

Striving for Regulatory Excellence

Fiscal year 2009-2010 was a transformative time for the MVLWB in terms of the volume of applications it reviewed, policies it initiated, and organizational development it undertook. During the year, the MVLWB 103 and transboundary panel processed 85 applications—more than it had handled in any of the previous four years. Facing an increasing work load and a reduced budget, the MVLWB began charting a new course with respect to its regulatory project management approach as it looked at new ways of becoming more efficient and maintaining and strengthening performance standards.

In early 2010, the MVLWB welcomed a new Executive Director (ED), Zabey Nevitt, and a new Senior Advisor, Shannon Ward, to the team. Zabey Nevitt, former ED of the Wek'èezhii Land and Water Board, took over his duties in January. As a first order of business, the new senior management team undertook an internal review of the Board's existing regulatory procedures and methods. Motivated by the goal of enhancing the Board's ability to become a more strategic organization, Board staff also began taking stock of their regulatory procedures, with the goal of creating new organizational approaches for regulatory reviews and ongoing management of approved projects.

Aiming for Consistency

Section 106 of the Mackenzie Valley Resource Management Act allows the Board to issue directions on general policy that, in its opinion, require consistent application throughout the Mackenzie Valley. In January 2008, realizing that there was a need to harmonize regulatory processes in the Mackenzie Valley, the Board formed the following six Standardization and Consistency Working Groups:

- #1. Public Engagement and Consultation
- #2. Plan Review Process and Guidelines
- #3. Water/effluent Quality Guidelines
- #4. Terms and Conditions
- #5. Data Standards and Sharing
- #6. Application Processes.

Their task was, and continues to be, the development of consistent approaches to managing applications and other submissions.

In 2009/2010, the WGs continued to examine a wide range of elements as they researched and made recommendations for policy options and guidelines. In 2009/2010 the WG's completed:

- Draft Water and Effluent Quality Policy
- Draft Guidelines for Waste Management
- Draft Guidelines for Closure and Reclamation Plans

At the recommendation of WG #2, the Board adopted the INAC Spill Contingency Planning Guidelines.

Because the MVLWB mandate does not cover the entire Northwest Territories, some working groups found it useful to collaborate with landowners and other regulators outside the Mackenzie Valley. As the Board grows and matures, and especially with



Photo Credit: Camilla Zoe-Chocolate

the input of the Working Groups, the MVLWB will continue to streamline and clarify its role in the NWT regulatory regime.

MEET OUR STAFF

Management

Zabey Nevitt, Executive Director, joined the MVLWB in February 2010. Zabey held the position of Executive Director of the Wek'èezhii Land and Water Board since its establishment in 2005. He has a degree in Civil and Environmental Engineering and a number of years experience working in communities and with the people of the North.

Shannon Ward joined the MVLWB as Senior Advisor to the Executive Director. She will be working on governance and organizational development initiatives, and providing support and facilitation on valley-wide initiatives, transboundary projects, and consultation issues. Shannon's work experience in the NWT includes positions with Aboriginal organizations and co-management Boards and as policy analyst and manager in the federal government.

Policy, Communication, and Consultation Unit

Jonathan Churcher joined the Board in January 2008 as Community Liaison/Consultant Officer. He creates PR material, including various print and electronic media, provides writing and proof-reading support

services for Regulatory Officers, and organizes visits and presentations to communities affected by resource development.

Regulatory Unit

Regulatory Officers (ROs) review applications that come into the office and work with the proponent until the end of a project. They facilitate the public's input into the regulatory process and then, after processing and organizing what they have learned, forward the information to the Board Members to help them make decisions.

Anne Umpleby has a B.Sc. in Environmental Science and before coming to Yellowknife focused her career on oil and gas in Alberta. As Regulatory Manager, Anne is responsible for overseeing the Regulatory process and projects for the Board.

Lynn Carter (RO) completed a two-year contract with the MVLWB from 2005–2007 and returned to the Board in the fall of 2009. She has a Bachelor of Environmental Studies Degree and a Planning and Land Information Technology Diploma.

Shannon Hayden joined us as an RO in September of 2009. She has an Advanced Graduate Diploma in Integrated Coastal and Ocean Management and recently completed a Masters Degree in Archaeology and Heritage.

Kathleen Graham (RO) joined the Board in September 2006. She was born and raised in the North and completed her education at the University of Manitoba. Her local experience and understanding of northern environmental issues adds much to the Board.

Tyree Mullaney (RO) 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.

Angela Plautz (RO) has been with the MVLWB since September of 2004. Her educational background is in forestry and geography, and her areas of interest are in closure and reclamation and environmental policy.

Oil and Gas Unit

The Board received a separate contribution for activities for oil and gas and Mackenzie Gas Project (MGP) related activities from Indian and Northern Affairs Canada. The funding is used mainly to support board and staff capacity building and for preparatory work for the proposed project.

The Unit worked in cooperation with other federal, territorial, and Regional Land and Water Boards in preparation for the regulatory phase of the MGP. Board staff, including regulatory staff, participated in working groups and committees including the Joint Regulatory Working Group (JRWG), Regulatory

Steering Committee (RSC), and the Regional Executive Committee (REC) meetings and workshops.

The JRWG held one meeting during 2009-10 while the RSC held 8 meetings during the same period and a take-stock workshop. The REC held four meetings during the fiscal year.

Manik Duggar started working with the MVLWB as Senior Policy and Communications Advisor in January 2008. He is responsible for policy research and development and the writing of policy guidelines and procedures. He is involved in strategic and business planning and advises the communications and consultation aspects of the Board's activities. Manik also leads the MVLWB's Oil and Gas Unit and is part of the MVLWB's Management Team.

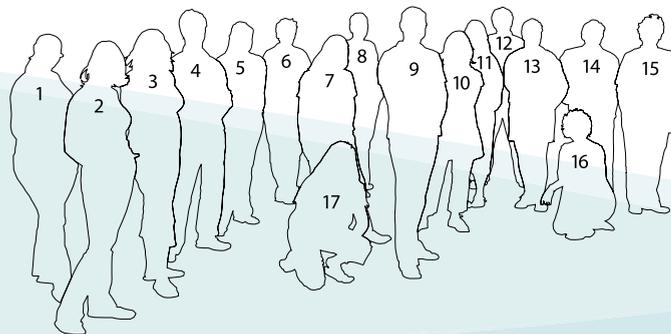
Finance and Administrative Unit

Brenda Backen joined the Mackenzie Valley Land and Water Board in September of 2000, and in May of 2008 she became Manager of Finance and Administration. The administrative team covers all aspects of the Board's finances including payroll, per diems, travel expenses, accounts receivable, and accounts payable.

Sharon Debler joined the MVLWB in July 2005 as a casual employee and started full-time employment in January 2008. Sharon began as temporary registry clerk and then worked with our IT Specialist scanning public registry items as we work towards full



Photo Credit: Pat Kane



- | | |
|-------------------|-------------------------|
| 1 Tyree Mullaney | 10 Shannon Ward |
| 2 Shannon Hayden | 11 Anne Umpleby |
| 3 Brenda Backen | 12 Jonathan Churcher |
| 4 Rob Dobson | 13 Rhonda Miller |
| 5 Amanda Gauthier | 14 Manik Duggar |
| 6 Janna Ward | 15 Sharon Debler |
| 7 Angela Plautz | 16 Lynn Boetgger |
| 8 Kathleen Graham | 17 Elaine Briere |
| 9 Zabey Nevitt | Missing: Shelley Tucker |

digitization of our website. She works as a Finance Clerk, assisting the Acting Manager of Finance and Administration.

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 administration assistance to senior Board Members and staff.

Elaine Briere, Regulatory Clerk, started with the Board July 2007. Elaine works with the Regulatory Officers, helping with their paper flow and formatting.

Amanda Gauthier is our new Administrative Assistant. She was born and raised in Hay River and moved to Yellowknife in the fall of 2005 to attend the Office Administration – Mining Co-Op Program. She graduated from the program with honors and joined the MVLWB in the summer of 2009.

Rhonda Miller, Registry Clerk, joined the MVLWB in February 2007. As Administrative Clerk, Rhonda helps with the online registries and basic IT support.

Shelley Tucker, Finance and Administration Advisor, was born and raised in the NWT and spent most of her years in Inuvik and Norman Wells. Her background is mostly in the financial area, having spent many years with the GNWT, various boards, and the Municipal Government.

Rob Dobson has been our Information Technology Specialist since January 2005. He supports the IT systems and websites of the Boards and keeps our computers functioning.

Board Activities 2009–2010

Licensing and Permitting in 2009-2010

Fiscal 2009-2010 has been an unusually busy time for the Board. A comparison with records going back to 2005 shows that '09 –'10 saw the highest annual number of new applications (85), permit and licence issuances (65), and active permits and licences (293). Partly responsible for this unprecedented workload were applications for type A water licences and associated land use permits from the Town of Hay River, the City of Yellowknife, and the Contaminants and Remediation Directorate (CARD) of Indian and Northern Affairs Canada. The CARD application concerned remediation of the Tundra Mine site.

The handling of a type A water licence is an involved process. Each file calls for in-depth scrutiny of the projects' details, a review of feedback from multiple sources, the planning, preparation and participation of a public hearing, and the writing of dozens of mitigative terms and conditions when and if a project gains Board approval.

The CARD Tundra Mine remediation public hearing, which took place in November in Yellowknife, came after more than six month's preparation by Board staff and, after many more weeks of study and consideration, resulted in the Board's granting of a land use permit and a water licence which received ministerial approval before the end of the fiscal year.

The Yellowknife and Hay River public hearings occurred in back-to-back weeks in January. At issue was the operation and maintenance of each municipality's sewage and solid waste facilities. As with the CARD file, Board staff worked intensely for considerable periods of time both



Public hearing for Tundra Mine remediation by Contaminants and Remediation Directorate (CARD) of Indian and Northern Affairs Canada. Yellowknife, November 2009.

l-r: Board Members Floyd Adlem, Willard Hagen (Chair) Elizabeth Biscaye, Pat Larocque

before and after the public hearing to ensure the hearing was on schedule, efficient, and thorough in its coverage of the relevant issues.

Another file which demanded a lot from MVLWB staff and management was Paramount Resources Ltd.'s applications for land use permits and water licences. Development of this file entailed extensive staff focus for the final three months of the year with much more yet to do before the issuance of the permits and licences.

Permits and Licences



Permits and Licences



Photo Credit: Rebecca Chouinard, MVLWB

Note: the colours of the circles correspond to the column headings on the following page.

File #

APPLICANT

Mineral Exploration

- 1 MV2008C0022
- 2 MV2008C0020
- 3 MV2008C0023
- 4 MV2006C0001
- 5 MV2009C0009
- 6 MV2008C0008
- 7 MV2003L2-0005

- MV2007C0039
- MV2001C0012
- MV2005C0005
- MV2003C0023
- MV2005C0001
- MV2006C0010
- MV2004C0050

- De Beers Canada Inc.
- Aurora Resources Inc.
- Tamerlane Ventures Inc.
- North American Tungsten Ltd.
- North Arrow Minerals Inc.
- Solid Resources Inc.
- De Beers Canada Inc.

- Avalon Ventures Ltd.
- De Beers Canada Inc.
- Lumina Copper Corp.
- Snowfield Development Corp.
- Tyhee NWT Corp.
- Boxxer Gold
- Viking Gold Exploration Inc.

- Mineral Exploration, Gahcho Kue
- Diamond exploration, Wrigley Zinc property
- Mineral exploration, Pine Point
- Mineral exploration, Rifle Range Creek
- Mining exploration, 340 km north of Yellowknife
- Mineral exploration, Bear Property, Sunset Lake
- 5-year renewal, Mineral Exploration, Gahcho Kue

- 2-year extension, Mineral Exploration, Thor Lake
- 2-year extension

Oil and Gas

- 8 MV2009X0007
- 9 MV2009A0017 (L1-0006)
- 10 MV2009A0033 / MV2009L1-0016
- 11 MV2009A0034 / MV2009L1-0017
- 12 MV2009A0035 / MV2009L1-0018
- 13 MV2009A0036 / MV2009L1-0019
- 14 MV2009A0037 / MV2009L1-0020
- 15 MV2009A0048
- 16 MV2009A0050 / MV2009L1-0026
- 17 MV2009A0052

- Canadian Natural Resources Ltd.
- Paramount Resources Ltd.

- Wellsite remediation, North Liard
- Oil and gas monitoring, Liard South
- Wellsite B-11, Cameron Hills
- Wellsite P-17, Cameron Hills
- Wellsite F-77, Cameron Hills
- Wellsite I-72, Cameron Hills
- Wellsite L-09, Cameron Hills
- Wellsite B-11 Access Road, Cameron Hills
- Wellsite N-06, Cameron Hills
- Wellsite A-68, Cameron Hills

Quarrying

- 18 MV2009Q0010
- 19 MV2009Q0013
- 20 MV2009Q0030
- 21 MV2009Q0015
- 22 MV2009Q0022
- 23 MV2009E0014
- 24 MV2009X0044

- MV2007Q0047

- Trappers Trucking Ltd.
- Nuni (Ye) Development Corporation
- Trade Show Direct Ltd.
- Nogha Enterprises Ltd.
- Cherdon Enterprises
- GNWT-DOT
- GNWT-DOT

- GNWT-PWS

- Quarrying, Salt Mountain
- Gravel quarrying, Hwy 6, km 62
- Quarrying, Hay River
- Quarrying, Hwy 1, km 521
- Quarrying, Fort Providence
- Highway maintenance, Hwy 7
- Test quarrying, Trout Lake

- 2-year extension

FILE #	APPLICANT	
Roads		
25 MV2009X0020/ L8-0009	GNWT-DOT	Remediation, Checkpoint Highway Maintenance Camp
26 MV2009X0023 / L8-0011	GNWT-DOT	Culvert replacement, Hwy 1, km 2.9
27 MV2009X0024 / L8-0012	GNWT-DOT	Culvert replacement, Hwy 7, km 77.0
28 MV2009X0025 / L8-0013	GNWT-DOT	Culvert replacement, Hwy 1, km 180.1
29 MV2009X0026 / L8-0014	GNWT-DOT	Culvert replacement, Hwy 1, km 41.1
30 MV2009X0027 / L8-0015	GNWT-DOT	Culvert replacement, Hwy 1, km 28.1
31 MV2009X0038 / L8-0021	GNWT-DOT	Bridge replacement, Shale Creek
32 MV2009F0008	GNWT-Aurora College	Heavy equipment training, Salt Mountain
33 MV2009X0041 / MV2009L8-0022	GNWT-DOT	Culvert replacement, Hwy 7, km 206.1
34 MV2009X0042 / MV2009L8-0023	GNWT-DOT	Culvert replacement, Hwy 7, km133.6
35 MV2009X0047	Joint Ventures Management Committee	Maintenance and camp, Tibbit to Contwoyto Winter Road
36 MV2010X0003 / MV2010L8-0002	GNWT-DOT	Continued construction - Blackwater River Bridge
MV2004F0005	NTPC	2-year extension
MV2004F0006	RTL Robinson Enterprises Ltd.	2 year extension
MV2004F0007	RTL Robinson Enterprises Ltd.	2-year exetnsion
Other		
37 MV2009L4-0002	NTPC	In-stream turbine research, Fort Simpson
38 MV2009L4-0003	Aurora Research Institute	Hydro power research, Fort Simpson
39 MV2008L3-0004	Hamlet of Enterprise	Municipal waste and water, Enterprise
40 MV2009L0021	Northwestel Inc.	Existing microwave tower, Prelude Lake
41 MV2009X0031	GNWT-DOT	Construction, Reid Lake Territorial Park
42 MV2009X0019 / MV2009L8-0008	INAC-CARD	Minesite remediation, Tundra Minesite
43 MV2009X0043	GNWT-DOT	Airport expansion, Trout Lake
44 MV2009X011	GNWT-ITI	Camping loop, Twin Falls Park
45 MV2010G0001	Avalon Rare Metals Inc.	Airstrip, Thor Lake Property
46 MV2009X0045	INAC - CARD	Remediation, Hidden Lake Mine Property
47 MV2010H0004	GNWT-DOT	Fuel Storage, Trout Lake Airport
48 MV2009L3-0025	Hamlet of Fort Liard	Municipal water use
MV2005W0029	Patterson Sawmill Ltd.	2-year extension



Board of Directors

Board of Directors



Photo Credit: Pat Kane

MVLWB Section 103 ad hoc panel members. l - r: Pat Larocque, Hay River, appointed May 2007; Elizabeth Biscaye, Yellowknife, re-appointed September 2008; Floyd Adlem, Yellowknife, re-appointed November 2007; Willard Hagen (Chair), Inuvik, appointed November 2007.



Willard Hagen
INUVIK, Appointed Chair
November 2007.



**WEK'ÈEZHI
LAND AND
WATER
BOARD**



**GWICH'IN
LAND AND
WATER
BOARD**



**SAHTU
LAND AND
WATER
BOARD**




**VIOLET CAMSELL-
BLONDIN**
BEHCHOKO Chair,
Appointed
February 2010.



RITA MUELLER
BEHCHOKO
Appointed
September 2008.



**GEORGE
MACKENZIE**
BEHCHOKO
Appointed
November 2009.



MIKE NITSIZA
WEKWEETI
Appointed
September 2008.



**CAMILIA ZOE-
CHOCOLATE**
BEHCHOKO
Appointed
December 2009.



PAUL SULLIVAN
INUVIK, Chair,
Appointed
September 2008.



ELIZABETH WRIGHT
FORT MCPHERSON
Appointed July 2007.



**MARGARET
NAZON**
INUVIK
Reappointed
May 2007.



GERRY KISOUN
INUVIK
Reappointed
December 2007.



WILLIAM KOE
INUVIK
Reappointed
August 2009.



LARRY WALLACE
NORMAN WELLS,
Chair. Appointed
January 2009.



WALTER BAYHA
DELINE
Reappointed
December 2007.



GEORGE BARNABY
FORT GOOD HOPE
Reappointed
December 2007.



**VIOLET
DOOLITTLE**
INUVIK
Reappointed
July 2008.



**PHILIPPE DI
PIZZO**
YELLOWKNIFE
Appointed
November 2009.

Financial Statements

Auditors' Report	19
Statement of Operating Fund Operations and Deficit	20
Statement of Changes in Equipment Fund Balance	22
Statement of Financial Position	23
Statement of Cash Flows	24
Notes to Financial Statements	25
Schedule 1 Oil and Gas Capacity Building	31
Schedule 2 Communication/Consultation Liaison Officer	32
Schedule 3 Training Initiative	33
Schedule 4 First Aid and H2S	34
Schedule 5 Working Groups	35
Schedule 6 Working Group 3 Workshop	36
Schedule 7 Deh Cho Panel	37

Auditors' Report

To the Directors of Mackenzie Valley Land and Water Board

We have audited the statement of financial position of Mackenzie Valley Land and Water Board as at March 31, 2010 and the statement of operating fund operations and deficit, the statement of changes in equipment fund balance and the statement of cash flows 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, 2010 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Mackay LLP

Yellowknife, Northwest Territories
Chartered Accountants
May 4, 2010



Statement of Operating Fund Operations and Deficit

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
REVENUE			
Department of Indian Affairs and Northern Development			
Core	\$2,470,000	\$ 2,470,000	\$ 2,310,550
Oil and Gas Capacity Building (Schedule 1)	845,000	845,000	1,356,000
Communication/Consultation Liason Officer (Schedule 2)	100,000	100,000	100,000
Training Initiative (Schedule 3)	200,000	200,000	300,000
First Aid and H2S (Schedule 4)	-	-	49,590
Working Groups (Schedule 5)	45,000	45,000	244,650
Working Group 3 Workshop (Schedule 6)	-	-	26,200
Deh Cho Panel (Schedule 7)	200,000	200,000	200,000
Other	-	1,543	-
	3,860,000	3,861,543	4,586,990
CORE EXPENDITURES			
Advertising	41,040	24,722	38,600
Communications	17,100	-	27,863
Computer support	27,200	18,962	15,783
Honoraria	231,700	226,705	247,580
Hospitality	2,700	6,329	17,822
Insurance	8,700	6,408	6,175
Licenses and dues	500	1,041	312
Meeting room rentals	1,500	5,815	2,225
Office rent	209,000	136,088	182,261
Office services and supplies	91,047	100,264	46,164
Postage, shipping and courier	10,680	10,288	4,866
Printed material	3,100	-	314
Professional fees	65,810	143,240	161,054
Staff clothing	-	-	169
Technical advisory	151,100	277,463	248,125

Statement of Operating Fund Operations and Deficit

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
CORE EXPENDITURES CONTINUED			
Training	77,000	15,272	186,484
Translation	1,500	16,883	16,936
Travel board	167,870	111,494	185,992
Travel charters	11,803	12,733	55,198
Travel staff	15,460	7,424	30,075
Wages and benefits	1,299,590	1,221,633	916,358
	2,434,400	2,342,764	2,390,356
PROGRAM EXPENDITURES			
Oil and Gas Capacity Building (Schedule 1)	842,000	782,624	1,313,436
Communication/Consultation Liason Officer (Schedule 2)	97,500	75,420	100,019
Training Initiative (Schedule 3)	200,000	200,000	294,096
First Aid and H2S (Schedule 4)	-	-	48,058
Working Groups (Schedule 5)	45,000	45,000	226,081
Working Group 3 Workshop (Schedule 6)	-	-	22,037
Deh Cho Panel (Schedule 7)	190,000	200,000	200,000
	3,808,900	3,645,808	4,594,083
Excess revenue (expenditures) - operating fund	51,100	215,735	(7,093)
Transfer to equipment fund	(51,100)	(58,401)	(5,702)
Contribution repayable	-	-	(72,732)
Excess revenue (expenditures)	-	157,334	(85,527)
Balance Operating Fund, beginning of year	-	(312,432)	(226,905)
Balance Operating Fund, end of year	\$ -	\$ (155,098)	\$(312,432)

**Mackenzie Valley Land and Water Board
Statement of Changes in Equipment Fund Balance**

For the year ended March 31, 2010

	2010	2009
Balance Equipment Fund, beginning of year	\$ 171,450	\$ 287,857
Transfer from operating fund (Note 8)	58,401	5,702
Amortization	(118,405)	(122,109)
Balance Equipment Fund, end of year	\$ 111,446	\$ 171,450

**Mackenzie Valley Land and Water Board
Statement of Financial Position**

For the year ended March 31, 2010

	2010	2009
Assets		
Current		
Cash	\$ 213,524	\$ 41,280
Accounts receivable (Note 5)	213,960	292,178
Prepaid expenses	857	17,027
	428,341	350,485
Equipment (Note 6)	111,446	171,450
	\$ 539,787	\$ 521,935
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 583,439	\$ 590,185
Refundable contributions (Note 7)	-	72,732
	583,439	662,917
Net Assets		
Equipment fund	111,446	171,450
Operating fund	(155,098)	(312,432)
	(43,652)	(140,982)
	\$ 539,787	\$ 521,935

Approved on behalf of the Board

 Director

 Director

**Mackenzie Valley Land and Water Board
Statement of Cash Flows**

For the year ended March 31, 2010

	2010	2009
Cash provided by (used in) Operating activities		
Excess revenue (expenditures) operating fund	\$ 215,735	\$ (7,093)
Items not affecting cash		
Transfer to refundable contributions	-	(72,732)
Change in non-cash operating working capital		
Accounts receivable	78,218	(32,654)
Prepaid expenses	16,170	(11,797)
Accounts payable and accrued liabilities	(6,746)	197,913
Refundable contributions	(72,732)	72,732
	230,645	146,369
Investing activity		
Purchase of equipment	(58,401)	(5,702)
Change in cash position	172,244	140,667
Cash (bank indebtedness) position, beginning of year	41,280	(99,387)
Cash position, end of year	\$ 213,524	\$41,280

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)(l) of the Income Tax Act.

2. IMPLEMENTED ACCOUNTING CHANGES

Allocation of Expenses

In January 2009, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Section 4470, which is effective for fiscal years beginning on or after January 1, 2009. The section specifies (i) the disclosure of accounting policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis for which such allocations have been made, and (ii) that the amounts allocated from fundraising and general support expense and the amounts and functions to which they have been allocated should be disclosed. This new Section relates to disclosures and did not have an impact on the Board's financial results.

Financial Instruments

The Board has elected to use the exemption provided by the CICA permitting not for profit organizations not to apply the following sections of the CICA

Handbook: Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation, which would otherwise have applied to the financial statements of the Board for the year ended March 31, 2010. The Board applied the requirements of Section 3861, "Financial Instruments – Disclosures and Presentation".

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 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 and refundable contributions 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 equipment is 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 6.

(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.

(j) Allocation of Expenses

The Board allocates expenditures according to the contribution agreement to which the expenditure relates. The expenditures are any direct cost related to the fulfillment of the contribution agreement. The costs are then allocated to the contribution agreement based on the actual amount of the expenditure.

Wages and benefits are allocated to contribution agreements based on the time spent working on

the fulfillment of the agreement. The percentage of individual staff wages and benefits that are allocated to each project range from 0-100%.

Office administrative costs are allocated to contribution agreements that allow such costs to be allocated. Office administrative costs are allocated based on the percentage of staff time required to fulfill that contribution agreement.

4. FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("AcSB") approved a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for publicly accountable entities, and other entities that so choose, will converge with International Financial Reporting Standards ("IFRS"). In September 2009, the AcSB approved the final accounting standards for private enterprises in Canada. The Board must choose which of these sets of standards they will adopt, but has not yet made that choice. Implementation of whichever set of standards the Board chooses is mandatory for fiscal years beginning on or after January 1, 2011, but earlier adoption is permitted. The impact of the transition to either IFRS or accounting standards for private enterprises in Canada has not been determined.

5. ACCOUNTS RECEIVABLE

	2010	2009
Department of Indian Affairs and Northern Development	\$ 139,000	\$ 238,699
Goods and Services Tax	32,686	51,057
Other	43,274	3,422
	214,960	293,178
Allowance for doubtful accounts	(1,000)	(1,000)
	\$ 213,960	\$ 292,178

6. EQUIPMENT

	Rate	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Furniture and fixtures	20%	\$ 188,005	\$ 158,063	\$ 29,942	\$ 39,400
Computer equipment	30%	191,230	177,849	13,381	20,966
Plotter	30%	12,213	11,811	402	574
Computer software	100%	183,152	173,927	9,225	820
Leasehold improvements	SL/3yr	387,911	329,415	58,496	109,690
		\$ 962,511	\$ 851,065	\$ 111,446	\$ 171,450

7. REFUNDABLE CONTRIBUTIONS

Refundable contributions represent current year surplus funds that are owing to the Department of Indian Affairs and Northern Development.

	2010	2009
First Aid and H2S	-	1,532
Oil and Gas Capacity Building	-	42,564
Training Initiative	-	5,904
Working Groups	-	18,569
Working Group 3 Workshop	-	4,163
	\$ -	\$72,732

There is no refundable portions in the current year as the Board has been granted approval by Indian and Northern Affairs Canada, in a letter dated September 9, 2010, to apply any repayable amounts against the Board's accredited deficit.

8. INTERFUND TRANSFER

The amount of \$58,401 (2009 \$5,702) consists of the transfers from the Operating Fund to the Equipment Fund to fund the acquisition of assets.

9. LINE OF CREDIT

The Board has an operating line of credit with the Canadian Imperial Bank of Commerce (CIBC) with a limit of \$75,000, bearing interest at CIBC prime plus 2.50%. At March 31, 2010, no funds have been drawn on the line of credit.

10. 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 does not have formal risk management objectives and policies but it operates with the goal of recovering 100% of its expenditures.

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 are owing from government entities, collection is likely which mitigates risk.

11. COMMITMENTS

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

	Equipment	Office	Total
2011	\$ 30,288	\$ 214,561	\$ 244,849
2012	30,288	214,561	244,849
2013	10,535	214,561	225,096
2014	-	214,561	214,561
2015	-	53,640	53,640
	\$ 71,111	\$ 911,884	\$ 982,995

12. CAPITAL DISCLOSURE

The Board's objectives when managing capital are:

(a) To safeguard the Board's ability to continue to fulfill its mandate under the Mackenzie Valley Resource Management Act.

(b) To provide an adequate return on investment of capital by providing services commensurate with the level of risk.

The Board manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board monitors capital on the basis of the working capital ratio. The ratio is calculated as current assets minus current liabilities as follows:

	2010	2009
Current Assets	\$ 428,341	\$ 350,485
Current Liabilities	(583,439)	(662,917)
	\$ (155,098)	\$ (312,432)

13. COMPARATIVE FIGURES

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

14. ECONOMIC DEPENDENCE

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

SCHEDULE 1 – OIL AND GAS CAPACITY BUILDING

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Department of Indian Affairs and Northern Development	\$ 845,000	\$ 845,000	\$ 1,356,000
Expenditures			
Advertising	5,060	1,379	-
Communications	6,980	7,741	19,432
Computer support	3,500	3,000	8,914
Honoraria	19,800	28,446	77,620
Hospitality	3,740	1,305	1,330
Meeting room rentals	-	-	256
Office rent	22,000	76,140	83,368
Office services and supplies	16,880	13,335	68,192
Postage, shipping and courier	1,200	2,811	4,803
Professional fees	13,190	2,126	25,486
Technical advisory	16,025	17,457	2,255
Training	61,150	14,530	92,623
Travel - board	27,590	28,763	52,082
Travel - charters	-	-	5,987
Travel - staff	21,900	33,026	43,397
Wages and benefits	622,985	552,565	827,691
	842,000	782,624	1,313,436
Transfer to equipment fund	(3,000)	-	-
Transfer to refundable contributions	-	-	(42,564)
Excess revenue	\$ -	\$ 62,376	\$ -

SCHEDULE 2 – COMMUNICATION/CONSULTATION LIAISON OFFICER

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Department of Indian Affairs and Northern Development	\$ 100,000	\$ 100,000	\$ 100,000
Expenditures			
Advertising	456	1,356	6,061
Communications	7,424	20,143	25,256
Computer support	360	346	-
Hospitality	1,776	-	400
Meeting room rentals	2,500	-	450
Office rent	3,240	5,526	5,431
Office services and supplies	1,116	1,066	-
Postage, shipping and courier	120	110	1,311
Printed material	1,350	-	-
Professional fees	2,500	-	715
Translation	2,500	-	1,400
Training	2,100	-	1,991
Travel – charters	8,500	-	1,907
Travel – staff	9,503	994	8,701
Wages and benefits	54,055	45,879	46,396
	97,500	75,420	100,019
	2,500	24,580	(19)
Transfer to equipment fund	(2,500)	-	-
Excess revenue (expenditures)	\$ -	\$ 24,580	\$ (19)

SCHEDULE 3 – TRAINING INITIATIVE

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Department of Indian Affairs and Northern Development	\$ 200,000	\$ 200,000	\$ 300,000
Expenditures			
Advertising	630	630	-
Honoraria	1,250	1,250	3,810
Hospitality	4,420	4,128	5,428
Meeting room rentals	1,500	1,363	5,843
Office supplies	-	-	24
Postage, shipping and courier	-	-	272
Professional fees	-	-	5,288
Training	132,200	104,311	146,013
Travel – board	-	7,205	2,521
Travel – staff	60,000	81,113	109,009
Wages and benefits	-	-	15,888
	200,000	200,000	294,096
Contributions repayable	-	-	(5,904)
Excess revenue (expenditures)	\$ -	\$ -	\$ -

SCHEDULE 4 – FIRST AID AND H2S

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Department of Indian Affairs and Northern Development	\$ -	\$ -	\$ 49,590
Expenditures			
Honoraria	-	-	14,220
Training	-	-	18,258
Travel – board	-	-	532
Travel – staff	-	-	15,048
	-	-	48,058
Contributions repayable	-	-	(1,532)
Excess revenue (expenditures)	\$ -	\$ -	\$ -

SCHEDULE 5 – WORKING GROUPS

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Department of Indian Affairs and Northern Development	\$ 45,000	\$ 45,000	\$ 244,650
Expenditures			
Hospitality	-	-	1,013
Meeting room rentals	-	-	6,083
Office supplies and services	800	1,948	1,483
Professional fees	-	-	2,984
Technical advisory	13,000	40,010	108,310
Travel – board	-	-	327
Travel – staff	14,200	3,042	76,938
Wages and benefits	-	-	28,943
Workshop	17,000	-	-
	45,000	45,000	226,081
Contributions repayable	-	-	(18,569)
Excess revenue (expenditures)	\$ -	\$ -	\$ -

SCHEDULE 6 – WORKING GROUP 3 WORKSHOP

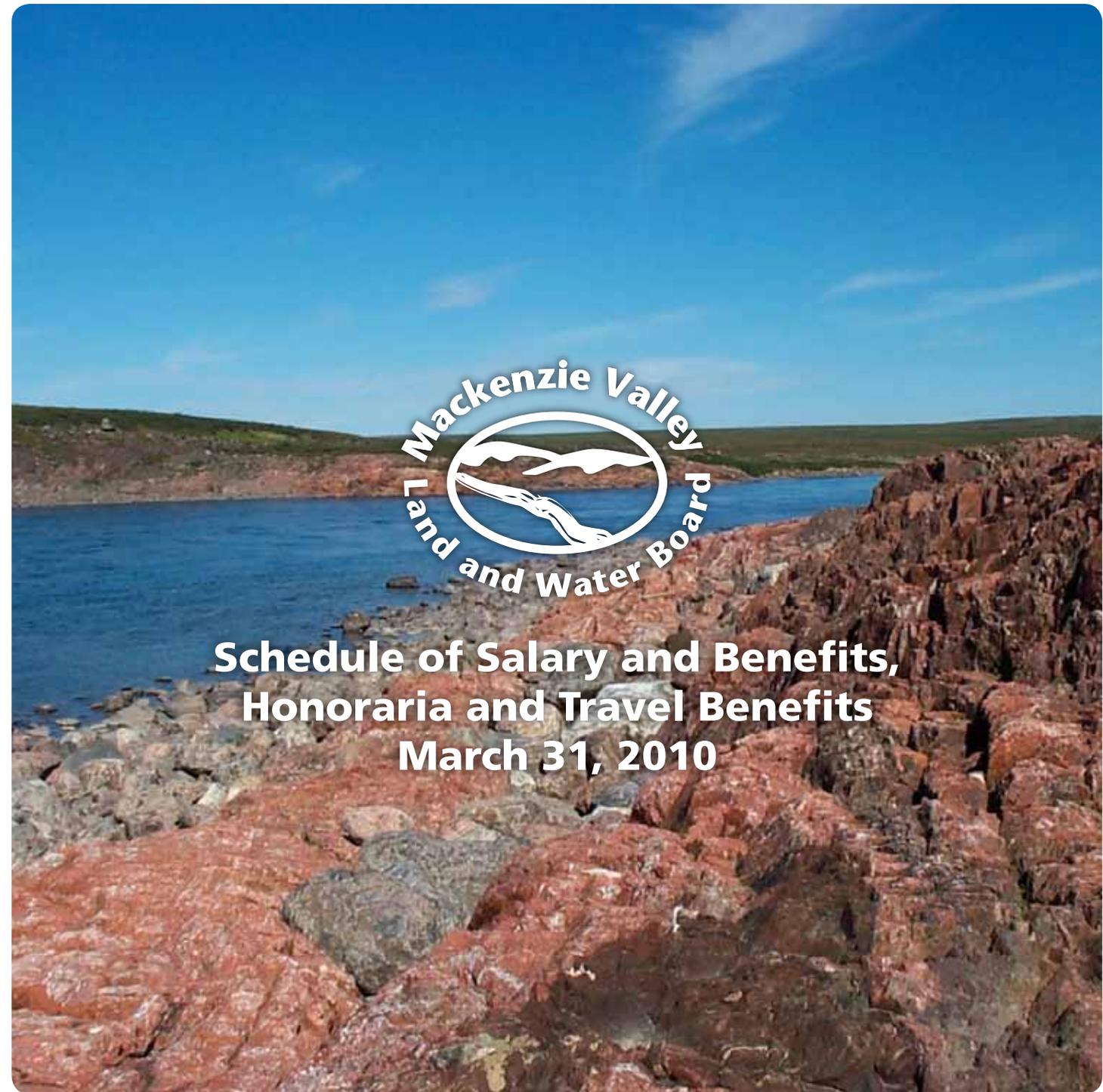
For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Department of Indian Affairs and Northern Development	\$ -	\$ -	\$ 26,200
Expenditures			
Technical advisory	-	-	19,916
Travel – staff	-	-	2,121
	-	-	22,037
Contributions repayable	-	-	(4,163)
Excess revenue (expenditures)	\$ -	\$ -	\$ -

SCHEDULE 7 – DEH CHO PANEL

For the year ended March 31, 2010

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Department of Indian Affairs and Northern Development	\$ 200,000	\$ 200,000	\$ 200,000
Expenditures			
Advertising	2,510	3,233	1,318
Honoraria	32,400	65,706	49,260
Hospitality	-	2,015	290
Meeting room rentals	2,700	90	531
Office services and supplies	-	36	567
Postage, shipping and courier	-	-	215
Professional fees	26,600	17,748	18,923
Technical advisory	34,960	43,623	74,551
Training	11,300	-	6,517
Translation	-	5,498	3,631
Travel – board	49,530	49,204	17,366
Travel – charters	30,000	12,211	19,763
Travel – staff	-	636	7,068
	190,000	200,000	200,000
Transfer to equipment fund	(10,000)	-	-
Excess revenue (expenditures)	\$ -	\$ -	\$ -



Auditors' Report

To the Board of Directors of Mackenzie Valley Land and Water Board

We have audited the schedule of salary and benefits, honoraria and travel expenses paid for the Mackenzie Valley Land and Water Board as defined in the Year End Reporting Handbook for DIAND Recipient and Flow Through Organizations for the year ended March 31, 2010. This financial information is the responsibility of the Board's management. Our responsibility is to express an opinion on this financial information 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 information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this schedule presents fairly, in all material respects, the disbursements of the Board for the year ended March 31, 2010 in accordance with the provisions of the handbook referred to above.

Mackay LLP

Yellowknife, Northwest Territories
Chartered Accountants
May 4, 2010

SCHEDULE OF SALARY AND BENEFITS, HONORARIA AND TRAVEL EXPENSES

For the year ended March 31, 2010

Positions	Months Employed	Salary & Benefits	Honoraria	Travel
Director	12	-	140,250	90,137
Director	12	-	45,800	6,494
Director	2	-	9,350	1,322
Director	12	-	39,800	3,636
Director	12	-	40,800	25,690
Director	7	-	2,400	2,743
Director	9	-	5,400	4,949
Director	7	-	2,400	2,041
Director	12	-	4,000	2,671
Director	7	-	2,400	3,410
Director	12	-	3,600	2,081
Director	11	-	8,600	6,508
Director	7	-	2,600	2,446
Director	7	-	2,600	2,620
Director	8	-	5,400	1,626
Director	4	-	1,400	479
Director	12	-	4,200	2,137
Senior Management	12	136,334	278	526
Senior Management	12	111,808	-	-
Senior Management	12	143,741	3,788	13,054
Senior Management	12	129,332	1,592	5,907
Senior Management	12	96,990	898	2,076
Senior Management	3	34,345	299	2,606
		652,550	327,855	176,205
Total		\$ 652,550	\$ 327,855	\$ 176,205

SCHEDULE OF SALARY AND BENEFITS, HONORARIA AND TRAVEL EXPENSES

For the year ended March 31, 2010

1. Basis of Presentation

The financial information reflects only the salary and benefits, honoraria and travel expenses paid to the staff and board members. It does not reflect the assets, liabilities or total revenue and expenses of the Mackenzie Valley Land and Water Board.



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

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

Mackenzie Valley Land
and Water Board
PO Box 2130, 4922-48th St.
(7th Floor YK Center)
Yellowknife, NT X1A 2P6

Telephone: 867.669.0506
Fax: 867.873.6610
Email: permits@mvlwb.com

www.mvlwb.com