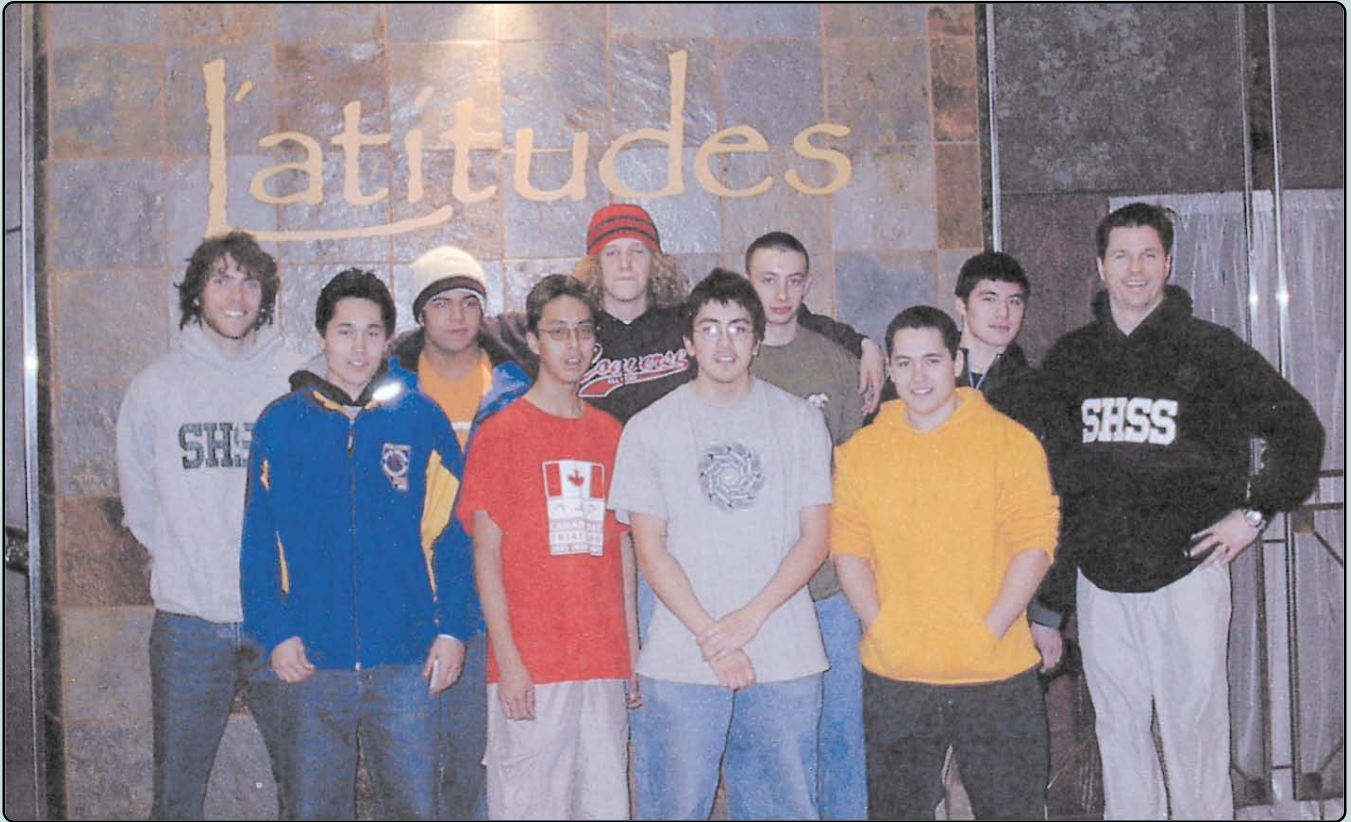


*The Gwich'in Tribal Council
Annual Report 2003 ~ 2004
Youth: Our Hope for the Future*



The GTC was happy to support the Samuel Hearne High School senior boys' basketball team, who won the sportsmanship banner in a recent tournament in Yellowknife. We recognize the efforts of our young people as well as those who devote their own time and energy to working with them. We wish them continued success in their endeavours.

~ President Fred Carmichael

Cover photo: Little Karlie Robert with Violet Robert and Ashley Hansen. Violet and Ashley earned second prize at this year's National Aboriginal Day celebrations in Jim Koe Park.

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Letter from the President



Photo: GG

“We are proud of the accomplishments of those among our young people...”

— Fred Carmichael, GTC President

Dear friends and fellow Beneficiaries,

As we come together once again at this year’s Assembly, we can reflect with pride upon our accomplishments over the past year, and our plans for the year ahead.

The theme of this year’s Annual Report is “Youth: Our Hope for the Future”, and as you turn its pages you will see the smiling faces of many young Beneficiaries. The GTC spends much of its time and effort helping our young people in meaningful, direct ways. We continue to spend heavily on education and training programs that create opportunities for our youth.

In 2002 we showed the value we put on these programs for our young people by investing \$2 million into education and training. And this year, while we worked hard to keep spending under control in all our operations, one area where we went over budget was education and

training; this shows not only the importance we attach to this area, but the need for more funding.

We in positions of leadership make education a priority for our young people. It is they, more than any of us, who will benefit in the long term from our efforts to build a solid economic base as a foundation for future self-sufficiency. And it is they who will be the future leaders. There is now a greater demand for higher education.

We are proud of the accomplishments of those among our young people who have pursued educational opportunities and now work to help their fellow young Beneficiaries and the rest of the Gwich’in people.

Karen Snowshoe, who became the first Beneficiary to hold a law degree in 2002



Photo: GTC

Karen Snowshoe, who became the first Beneficiary to hold a law degree in 2002, recently agreed to join the GTC as our Gwich'in Community Development Manager, where she will work to ensure that the self-government process moves ahead in a way that reflects the wishes of the GSA communities.

Photo: GG



Another young Beneficiary, Grant Sullivan, after completing his training in business administration, joined us this year as Business Development Manager.

Another young Beneficiary, Grant Sullivan, after completing his training in business administration, joined us this year as Business Development Manager. Grant is helping us revise and improve our Gwich'in Business Policy and assist Beneficiaries wishing to start and grow their own businesses. I would also like to recognize those of our Beneficiaries now training for careers in the Ministry. When they return to the GSA, they will serve as respected leaders in their communities and be good role models for everyone. I wish to congratulate all Beneficiaries who have successfully completed post-secondary programs.

The GTC is always happy to work together with other Aboriginal groups on those issues affecting us all. This year we were able to work with the Inuvialuit, Sahtu and Deh Cho to develop a training proposal under the Aboriginal Skills Employment Partnership (ASEP) program, and present it to the Federal Government.

I would like to thank our Vice-President, Mary Ann Ross, Tom Williams, Chief Operating Officer, and Barb Crawford, Manager, Education and Training, for their hard work in securing this new funding. Over five years, this proposal will provide some \$12 million in funding for education, training and capacity-building for pipeline-related employment to the NWT's Aboriginal groups. The GTC's share will be 17%, or approximately \$2 million. This will ensure that we get our share of the dollars available under the ASEP program, in order to provide the opportunities our young people need and expect.



Photo: GTC

Everyone's having fun on Gwich'in Day!

Letter from the President

The prospective Mackenzie Valley natural gas pipeline will bring many of these opportunities, and they will last much longer than the few years of pipeline construction and the short-term jobs they bring. Completion of a pipeline in the Mackenzie Valley will stimulate ongoing exploration in the years ahead, and that “spin-off” activity will open up jobs for Beneficiaries and contracts for their businesses. Just as important, the Gwich’in people, through our participation in the Aboriginal Pipeline Group, will have an ownership stake in a pipeline, which means that we will get the maximum benefit from the project over the long term.

To begin with, ownership gives us a place at the table in discussions of pipeline construction and management.

We have put in place an access and benefits negotiating team including the four Gwich’in Chiefs and an alternate from each community, along with support staff, to ensure that access to our land is granted on terms that are acceptable to our people at the community level. The team meets regularly with Imperial Oil, the principal company in the pipeline project, and is making progress in securing resources to negotiate on an equal footing with the other parties.

And as owners, we will continue to benefit for the life of the pipeline, which may be as long as fifty years. As long as gas continues to flow through the pipe, millions of dollars in revenues will come to us each year. This revenue will provide us with capital for additional investments to benefit our people, and to provide improved services in areas like education and training, social programming, housing, and community development, and strengthen our economic base to move closer to greater self-sufficiency. We will be able to do more with our own resources, and be less dependent on government as a result. This becomes ever more important as we approach 2007 and the end of capital payments under the Claim.

And as owners, we will continue to benefit for the life of the pipeline, which may be as long as fifty years.

Over the last year, the GTC has taken a number of other initiatives to strengthen our economic foundation. The last Assembly approved an amendment to the Claim allowing the Gwich’in Settlement Corporation to invest in pooled funds, in turn enabling us to invest in international equities. This year the GTC moved to recruit a global equity manager.

After meeting with a number of candidates, we chose Union Bank of Switzerland (UBS), which has offices worldwide and more than \$600 billion in total assets. \$25 million of our total investments of \$88 million will go into our global investment portfolio under UBS management. This will provide the GTC with a more diverse portfolio, better positioned to withstand the ups and downs of the market, and create a more solid financial position for future generations of Beneficiaries.

Now that the Gwich'in Development Corporation, under my leadership and with the help of our CFO Greg Cayen, has been restructured along more sustainable lines, it is concentrating on investments that

promise a healthy long-term return. The GDC has entered into a partnership with Ninety North Construction, and the Nihtat Gwich'in Development Corporation. This partnership is for the construction and subsequent operation of a \$10 million residential development, known as the Inuvik Capital Suites. In addition to the healthy return we anticipate on our investment, Gwich'in are already working on the construction phase, and I hope we will later see them in positions like building maintenance and security. The Gwich'in have 50% ownership of what will be a prominent part of the Inuvik landscape, to which our young people will be able to point with pride.



Letter from the President

Our real estate arm, Gwich'in Properties Limited, is refocusing its operations, selling off its less rewarding residential holdings to concentrate on the more profitable field of commercial real estate. As part of this undertaking, we are upgrading the commercial properties we own.

The GTC also undertook renovations to the Chief Jim Koe building in Inuvik, with access to all GTC departments on one floor, and a larger waiting area for the comfort and convenience of Beneficiaries. The renovations were completed by a Gwich'in company, Chii Construction, who did an excellent job. Mahsi Cho!



Photo: GG

In response to the direction of the 2003 Assembly, we initiated a comprehensive review of the Gwich'in Business Policy, to deal with your concerns about matters such as the criteria for Gwich'in ownership, and the respective roles of the GDC, community corporations, and Beneficiaries who own their own businesses. Grant Sullivan has conducted extensive consultations with Beneficiaries in business, to bring their ideas to bear in the formulation of the revised policy. The GTC's Memorandum of Understanding (MOU) with the GNWT on government contracting in the GSA has been in effect for its first year. On May 12, GTC and GNWT representatives met to discuss the way the MOU has worked, and raise concerns about its implementation. We will continue to work hard to ensure that the MOU provides our people with business and job opportunities.

In response to your concerns about the direction of the self-government process, the GTC has stepped in to change the way the Beaufort-Delta Self-Government Office works. The GTC will take over the management and administration of self-government initiatives as they relate to the Gwich'in, in order to ensure that self-government funds flow into

the GSA communities, and that communities have greater input into the process. Over the next year, we plan to complete the Constitutions for the GTC, as an overall Gwich'in government, and for the four GSA communities.

One of the more rewarding occasions of the past year came in April, when GTC representatives met with the Council of Yukon First Nations (CYFN). We requested to join the CYFN as full members, and the reactions of the Grand Chief, Chiefs and Elders in attendance were positive. At a further meeting at a later date CYFN will make the final decision, and we look forward to the opportunity to work together with the other Aboriginal groups who have a presence in the Yukon. Most of us have relatives in the Yukon, and the Gwich'in have lived and worked on Yukon lands for thousands of years. It is important that we work together as one people in order to protect our lands and maintain our traditions and culture.

For some time, we at the GTC have seen the need for a social service capability within the organization. Too often, Beneficiaries find the governmental bureaucracies that deliver social programs remote and unresponsive. In April of 2003 the GTC Board of Directors approved the creation of a new vehicle for social programming within the GTC. Terms of Reference are under development, and we expect to finalize plans for the new social arm within the next

year. In addition, we are looking at seconding a beneficiary who has a degree to deal with the day to day social issues and to assist our beneficiaries to deal with social and health concerns and to liaise with the various government agencies.

While our efforts to do what is best for future generations of Beneficiaries over the long term are our main concern, we also "live in the moment", and are always glad for opportunities to help our young people here and now. The Gwich'in Cup for minor hockey is an annual event, and this year's tournament was the third. We were also happy this year to help young people from the GSA participate in various sporting events. Recreation is part of a complete, well-rounded education, and in sports our youth not only engage in healthy exercise but learn self-discipline and teamwork.

In closing, I would like to thank the Board of Directors and staff of the GTC, and the leaders of our four communities and all other Gwich'in organizations for their hard work over the past year. I also thank you, my fellow Beneficiaries, for your ideas and your efforts in support of our shared goals. The GTC belongs to you, and to the coming generations.

Mahsi Cho, and God bless.



Fred Carmichael
GTC President

Vice-President's Report

Let me begin by thanking you for electing me as your Vice-President on July 14, 2003. I remain grateful for your confidence in me, and aware of my responsibilities toward you in return for electing me.

Before my election I was a GTC employee, first as Employment Liaison Officer, and then as Executive Assistant to Fred Carmichael. In those positions, I frequently found myself responding to the most pressing needs of individual Beneficiaries who found themselves in difficulties. While providing people with the help they needed was not always easy, it was always rewarding to know that you had made a difference in someone's life.

As Vice-President, I still find myself dealing with the needs of Beneficiaries in distress. For example, homelessness is still a serious problem in our communities. Beneficiaries often come through our door to find help in getting adequate housing, such as contact with the appropriate government offices. I am happy to help where I can.

Bereavement expenses have long been a concern for the GTC and our people. It is a difficult situation for everybody when Beneficiaries who face the emotional demands as well



Photo: GG

— *Driin Gwinzii, my friends.*

as the considerable costs of a loved one's death come to us for assistance. I am pleased to report that the GTC Executive is now actively exploring various options to cover bereavement costs for all Beneficiaries.

As part of our efforts to make the GTC serve Beneficiaries more efficiently and accountably, our Executive decided to assign specific portfolios to Executive members. My portfolios are:

- ✓ Education and training;
- ✓ The Gwich'in Social and Cultural Institute (GSCI), on whose Board I sit as the GTC's representative;
- ✓ Self-government activities;
- ✓ The Gwich'in Harvesters' Assistance Program (GHAP);
- ✓ The Gwich'in Children's Trust;
- ✓ Gwich'in Enrolment Board, and;
- ✓ Lands, Resources, and Implementation.

Dealing with the issues that arise under these portfolios accounts for much of my work as Vice-President.

Education and training is one of the portfolios closest to me in personal terms, not only as a mother, but as a Beneficiary who realizes the importance of proper education to the future of our people. I and my colleagues on the GTC Executive took part in a number of meetings with representatives of other Aboriginal groups and organizations involved in education to discuss issues of shared concern, such as programming, school attendance and graduation rates, and education expenditures under the GNWT capital plan.

A student who misses, on average, two or three days from each school week will end up with the equivalent of only seven months' schooling from the standard ten-month school year.

One of the most important education and training initiatives in which the GTC was involved this year pertains to the Aboriginal Skills Employment Partnership (ASEP) program. We worked together with the Inuvialuit Regional Corporation to prepare a joint ASEP proposal, which would also include the NWT's other Aboriginal groups, the Sahtu and the Deh Cho. In February 2004 we submitted a joint proposal to Human Resources and Skills Development

Over a five-year period, approximately \$12 million will be allocated to the existing holders of Aboriginal Human Resource Development Agreements.

We have seen a number of positive changes, such as BDEC's adoption of a policy barring junk food vending machines from schools in the region. This will ensure that students are calmer and better-behaved in class, and able to concentrate on what they are taught.

There are other areas where more work needs to be done, such as the ongoing program of tardiness, particularly at the high school level. Family members, teachers, and community leaders must all do their part to encourage students to show up in class on time.

Canada for education, training and capacity-building for employment on the anticipated Mackenzie Valley natural gas pipeline.

Under this proposal, all four Aboriginal groups will work hand in hand with government and industry to prepare for the job and business opportunities which a pipeline will bring. Over a five-year period, approximately \$12 million will be allocated to the existing holders of Aboriginal Human Resource Development Agreements (AHRDA). The GTC's proportion will be approximately 17%, some \$2 million.

Vice-President's Report

We are now finalizing the Terms of Incorporation for "Aboriginal Futures", the organization that will administer the ASEP project, on which the GTC will be represented.

In October of this year a Western Canada AHRDA Conference will bring together representatives of AHRDA holders in the three Western Provinces and the three Northern Territories. This will give us an opportunity to discuss concerns specific to our needs and circumstances, and make the AHRDA program work better for the benefit of Northern Aboriginal peoples like the Gwich'in.

As pipeline-related activity increases, the GTC and affiliated organizations face new challenges. For example, the Mackenzie Valley Land and Water Board (MVLWB) expects between 3,000 and 4,000 applications

to work in the Mackenzie Valley by the end of this year, with about 500 in the GSA, more than the Board can process under existing conditions. On April 13, the GLWB, Gwich'in Land Use Planning Board, Gwich'in Renewable Resources Board and GSCI came together in our first all-Boards meeting. We were able to discuss ways of working together to address the issues facing us all, so as to reduce overlap and duplication, make more efficient use of our resources, and provide Beneficiaries with better service. One of the advantages of this will be a reduction in the daunting workloads of the RRCs.

On June 8-10, we held a very productive Regional RRC meeting in Inuvik. This meeting took a number of decisions, including scheduling regular future regional meetings every January, with follow-up meetings among the four RRC coordinators each June, to ensure that decisions are effectively implemented. At the meeting this January we identified a number of priorities in the land and resources area that have been on the "back burner" for some time, in some cases as long as four or five years. We have brought them onto the "front burner" and assigned the relevant tasks to individuals who will be responsible for further action. At the regional meeting, we heard a very



Photo: GTC

Eileen Edwards and Tisha.

good presentation by Deb Bisson, the GTC's Director of Lands, Resources and Implementation, who emphasized the importance of RRC input into everything we're doing in preparation for a pipeline.

One topic of discussion at the regional RRC meeting was the Environmental Monitoring Program. There have long been concerns about this program, ranging from inconsistent payment practices to uncertainty over monitor authority. At its April 26 meeting in Tsiigehtchic, the GTC Board passed a Resolution to explore "privatization" of the program, and seek proposals from private firms interested in managing it, with Beneficiaries having right of first refusal. The RRCs reviewed and approved this idea at the regional meeting. If the Environmental Monitoring Program can be successfully turned over to the private sector, the time-consuming burdens of managing it will be lifted from the shoulders of the RRC Coordinators, who will then be able to devote all their time and energy to their own responsibilities.

The Regional RRC meeting also discussed the GHAP program, about which there are still ongoing concerns, including the high numbers of incomplete applications. Rather than conduct another costly and time-consuming review of GHAP, we will conduct a survey of the four RRCs for their input into

how the program can be improved. We will then survey applicants who obtained money under the program, and finally those who have not. The regional meeting also passed a resolution requesting that the GTC create a term position, Regional RRC Coordinator, who would work closely with the four RRCs.

As part of our ongoing process of organizational review, the GTC is conducting far-reaching reviews of the Lands, Resources and Implementation and Education and Training Departments. These are the two major reviews of this year, and I hope to report to you about them at the upcoming Assembly. Both departments must operate at maximum efficiency as pipeline-related activity gathers steam.

As GTC representative to the GSCI Board, I am pleased to report on major decisions affecting GSCI operations. The Elders on the GSCI Board have concluded that a separate



Photo: GTC

Darielle Frost and D. Firth at Gwich'in Day.

Vice-President's Report

board is needed, to deal with financial matters, so that they can focus on language and culture. We have also hired interim Executive Director Dolly Carmichael on a permanent basis. The draft Traditional Knowledge Policy was approved by the GTC Board on June 22.

The GTC is also taking over operation of the Gwich'in Council International for the next two years. This organization was created in 1999 to promote the interests of the roughly 9,000 Gwich'in in the NWT, Yukon and Alaska, with a secretariat that rotates between the GTC and the Vuntut Gwich'in First Nation in Old Crow. The GTC is recruiting an Executive Director to handle administrative functions for the Council.

The GTC continues to look for additional ways of working with other Aboriginal groups on matters of shared interest. In late March Resource Manager Norman Snowshoe and I met in Whitehorse with the leaders of the First Nation of Na Cho Nyak Dun, where we agreed to cooperate in the development of an overlap agreement. We are also working with the Vuntut Gwich'in First Nation to build a foundation for future cooperation, including a potential joint feasibility study of

Dall's sheep sport hunting and outfitting, and working together on lands and resource management.

My colleagues on the Executive know that better communications among the GTC, DGOs and Beneficiaries is important to you. As a GTC employee I was happy to play a role in the creation of our website, www.gwichin.nt.ca. That web site keeps growing as we add to the information and services available to Beneficiaries online. We also rotate Executive and Board meetings among the communities, and are committed to longer visits that will give us time to discuss your concerns at length. I make a point of ensuring that GTC activities are advertised on Inuvik TV and promoted in our monthly faxes to all DGOs.

I have found the last year rewarding, and look forward to continuing to work with the rest of the GTC Executive, Board, and staff, with the DGOs and other Gwich'in organizations, and with you as individual Beneficiaries to help shape a better future for all our people.

Mahsi Cho,



Mary Ann Ross
GTC Vice-President

Chief Operating Officer's Report

The last year has been a busy one for GTC staff, with preparations for a Mackenzie Valley natural gas pipeline in particular taking up much of our time and energy.

Following the completion of a funding agreement for the Aboriginal Pipeline Group last year, the Gwich'in and other Aboriginal groups are positioned to negotiate access to our lands on terms that will ensure that our values and rights are respected, and our people benefit. In recent months, we have focused on negotiating a comprehensive access and benefits agreement with Imperial Oil, the lead company in the project.

We have put together a strong negotiating team, consisting of the four Chiefs and an alternate from each community, with technical support from GTC staff, as well as outside assistance from our legal counsel, FieldLaw. Our negotiating team meets regularly and has had several meetings with representatives of Imperial Oil. We hope to reach agreement prior to Imperial's filing its National Energy Board application, in the Summer of 2004.

As directed by last year's Assembly, we have also moved to review and revise the Gwich'in Business Policy in order to address the concerns



Photo: GTC

Chief Operating Officer Tom Williams.

raised by Beneficiaries, and will report to the Assembly on proposed changes. The GTC hired Grant Sullivan as Manager, Gwich'in Business Development, and Grant has been active in consulting Gwich'in businesses to get their input on revisions to the policy.

Grant has also worked hard to assist Beneficiaries who wish to start or develop their businesses. He has met with them to provide assistance in getting on the Gwich'in Business Registry, which continues to grow, and is crucial to the implementation of the GTC's Memorandum of Understanding (MOU) with the GNWT on government contracting in

Chief Operating Officer's Report

the GSA, as well as to future pipeline-related activity. Training and capacity-building initiatives are crucial to the development of a thriving Gwich'in business community, and Grant has arranged for workshops and other training opportunities. Past workshops have covered health and safety training as well as negotiating. Future sessions will deal with the preparation of bids, and Grant will continue to consult with Gwich'in businesses on their capacity needs.

This year the GTC has also turned its attention to governance issues, holding a number of board governance workshops for members of the GTC Board of Directors, as well as DGO and RRC boards. Given the high turnover, especially among community boards, it is important that we provide all board members with the necessary information on their roles and responsibilities as well as the effective conduct of meetings.

As the 2003 Assembly directed, we have continued with our program review. This year we are looking at the Education and Training Department, which faces rising demands on its services, as well as the Lands, Resources, and Implementation Department. We hope to improve the efficiency of both departments through the



Photo: GG

Kim Hawkins is our Environmental Impact Assessment Coordinator.

review, in order to provide better service to Beneficiaries despite the limits on our resources.

The GTC can point with pride to our increased third-party funding. During the past Fiscal Year, we managed to obtain more than \$5 million in contribution agreements. These dollars have been directed to fund a variety of programs, including environmental assessment for the pipeline regulatory process.

For this task, we have recently hired Kim Hawkins as our Environmental Impact Assessment Coordinator. Kim's fifteen years' experience in working with industry make her well-qualified to provide research assistance to the access and benefits negotiating team and help the communities prepare for regulatory hearings.

The contribution agreements also bring funding for capacity-building workshops at the community level in preparation for the regulatory process, and the provision of technical support in each community. I am pleased to report that the GTC (operating accounts) had a surplus of \$175,062 for the year ending March 31, 2004. We ended the year in this strong financial position mainly because of our success in securing third party funding, and our effective cost controls.

Our choice for this Annual Report, "Youth: Our Hope for the Future", reflects the importance that young people have in the plans and activities of the GTC.

I am pleased to report that the GTC (operating accounts) had a surplus of \$175,062 for the year ending March 31, 2004.

Over the past year, we have made extensive donations to youth groups in the GSA as well as to community activities and programs of particular benefit to young people. Youth will continue to be a priority in our donations policy.

One of the most visible changes of this last year affected the GTC offices



Photo: GTC

Gwich'in Day activities in the newly renovated GTC offices.

in Inuvik's Chief Jim Koe Building. After the Beaufort-Delta Self-Government Office vacated its offices in the building, the GTC took over that space and commissioned extensive renovations. These renovations were done by a Gwich'in company, Chii Construction, who did an excellent job, including the creation of an expanded waiting area that is more welcoming to Beneficiaries. The Gwich'in Enrolment Board, Business

Development Office and Human Resources (HR) Department all have a "storefront presence" and greater accessibility. In our career centre, Employment Liaison Officer Eleanor Firth and Office Manager Tammy Rogers provide Beneficiaries with assistance completing job applications, writing resumes and offering additional human resources support.

Chief Operating Officer's Report

Last year's Assembly directed the GTC to engage in consultations regarding improvements to our Bylaws, dealing mainly with issues relating to youth participation at the GTC level. Upon the recommendation of FieldLaw, our legal counsel, these will be presented at the Assembly.

The last Assembly also approved continued implementation of the GTC Strategic Plan. A number of recommendations have already been implemented, and we will report on progress to date at this year's Assembly. We will also prepare a document for release this Fall.

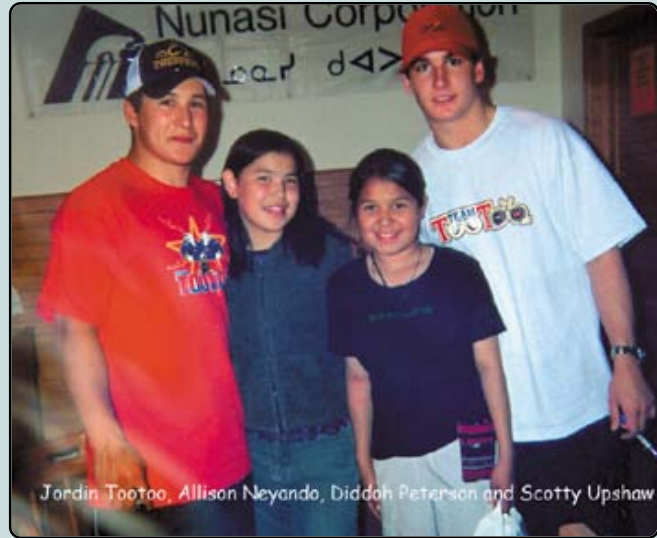


Photo: GTC

Aboriginal hockey star Jordin Tootoo is an inspiration to all youth in Canada.

Our priorities for the next year include:

- ✓ Access to still more third-party funding for programs, including social and health concerns;
- ✓ Preparations for a pipeline, which will add to the demands on all GTC services and departments;
- ✓ Preparations for self-government, focusing on greater involvement at the community level and participation by the GTC Executive and leadership in day-to-day activities.

I want to thank the many hard-working employees of the GTC for their efforts over the past year. They are truly the backbone of the organization, and our progress owes a great deal to their dedication and expertise.

I look forward to working with you all next year as we continue to work on behalf of all Beneficiaries.

Tom R. Williams
Chief Operating Officer

Education and Training Report

The GTC Education and Training team consists of Manager Barb Crawford and Coordinator Margaret Thompson. Senior Accountant Norma Blake joined us in July 2003, replacing Diane Koe, who accepted a transfer to the GTC's Inuvik office. Jane Blake, who has completed the Office Administration Program at Aurora College's Inuvik campus, assists Margaret with student files on a casual basis.

The Education and Training Department takes direction from the GTC Education and Training Committee, which includes representatives of all four GSA communities: Brian Alexie, Fort McPherson; Mavis Clark, Tsiigehtchic; Robert Charlie, Inuvik; Lee Ann Nerysoo, Aklavik. The Committee meets as needed to make decisions on funding proposals and student requests for assistance.

The Department administers two funding programs for Gwich'in Beneficiaries and GSA residents pursuing education or training.

Gwich'in Education and Training Trust Fund

The Fund provides Beneficiaries with bursaries, scholarships and aid not available from other funding agencies. During the 2003-2004 Fiscal Year, we provided 147 Beneficiaries with bursaries worth \$160,000.



Photo: GTC

We are all very proud of Kerry Koe, who recently graduated with a Bachelor of Education degree from the University of Saskatchewan.

Many students sought further education this year, in order to prepare themselves for the jobs that are expected with the increase in oil and gas activity within the GSA.

As a result, the GTC may wish to consider finding more monies to support Beneficiaries in school. This year 10 scholarships and 25 graduation gifts were provided from the Fund.

Education and Training Report

Aboriginal Human Resource Development Agreement (AHRDA)

The GTC had a five-year agreement under the AHRDA program, running from April 1, 1999 to March 31, 2004. We have now entered into a new agreement with Human Resources and Skills Development (HRSD) for the five-year period commencing on April 1, 2004. This agreement provides training and educational opportunities for First Nations, Inuit and Metis residents of the GSA.

The AHRDA strategy allows the Education and Training Department to administer the following programs:

- ✓ Labour Market programs for the unemployed, employed, and organizations to assist with wage subsidies, job creation, skills development, and self-employment;
- ✓ Youth Programs, including internships, community service, Summer student employment, and labour market information;
- ✓ Childcare assistance for students, communities, and daycares;
- ✓ Programs for the disabled;
- ✓ Urban Initiatives.

Labour Market Initiatives

Increased activity in the oil and gas sector has kept the Education and Training Department busy supporting various labour market initiatives. The Department provided partial funding for the following programs, working in partnership with the Inuvialuit Regional Corporation, Aurora College, and Education, Culture, and Employment:

- ✓ University/College Access
- ✓ Trades Access;
- ✓ Licensed Practical Nurse;
- ✓ Computers for Communities;
- ✓ Heavy Equipment Operations;
- ✓ Safety Training.



Photo: GTC

Gwich'in skiing legend Sharon Firth visits the CareerFair to stress the importance of education.

The Department provided funding for wage subsidies to organizations in all four GSA communities. These were:

Aklavik

- ✓ Community Employment Officer position, Aklavik Indian Band;
- ✓ Custodian position, Aklavik Indian Band.

Tsiigehtchic

- ✓ Skills development with the Gwich'in Social and Cultural Institute (GSCI) for one student.

Fort McPherson

- ✓ Community Employment Officer position, Tetlit Gwich'in Council;
- ✓ Receptionist Trainee, Tetlit Gwich'in Council;
- ✓ Librarian, Chief Julius School;
- ✓ Accountant Trainee, Rat River Development Corporation.

Inuvik

- ✓ Finance Officer Trainee, Nihtat Gwich'in Council;
- ✓ Fisheries Technician Trainee, Gwich'in Renewable Resource Board;
- ✓ Accountant, Gwich'in Properties Limited.

Capacity-building remains a high priority for the Education and Training Department. We assisted the following organizations, who had employees in short training courses:

- ✓ Inuvik Regional Health and Social Services Board (IRH&SSB);
- ✓ Nihtat Gwich'in Council;
- ✓ Samuel Hearne Secondary School;
- ✓ Aklavik Indian Band;

- ✓ Moose Kerr School;
- ✓ Tsiigehtchic Charter Community;
- ✓ Wolf Creek Enterprises;
- ✓ TI'oondih Healing Society;
- ✓ Peel River Alcohol Society;
- ✓ Northern Lights Contracting;
- ✓ Chief Julius School;

In addition, the Department continues to support individuals enrolled in the School of Community Governance's Community Finance Program. In partnership with Municipal and Community Affairs and the Tetlit Gwich'in Council, we delivered the Payroll Course in Fort McPherson in September 2003.

Youth Programs

Our youth programming this year emphasized Summer Student employment. We provided funding to the following organizations under this program:

- ✓ GSCI (Tsiigehtchic) - 1 Linguistics Summer Student;
- ✓ Tsiigehtchic Charter Community - Summer Children's Program;
- ✓ Nehtr'uh Development Group (Inuvik) - 1 Summer Student;
- ✓ IRH&SSB (Inuvik) - 4 Summer Students;
- ✓ Tetlit Gwich'in Council (Fort McPherson) - 6 Summer Students.



Photo: GTC

Education and Training Coordinator Margaret Thompson (left) and Eleanor Firth, Employment Liaison Officer.

Education and Training Report

The Department also assisted students from Tsiigehtchic and Fort McPherson with transportation to the Inuvik Career Fair in March 2004. We also supported two initiatives in partnership with the Beaufort-Delta Education Council, the Fort McPherson District Education Authority and student fundraising: a Traditional Sled Building Project involving 16 students from Fort McPherson; sending another 16 students to the Annual Young Men's/Women's Conference in Yellowknife.

First Nations Childcare

First Nations Childcare funding is used to: enhance existing childcare programming; provide salaries and benefits for daycare staff; aid staff development and training and develop childcare standards to meet the needs of the First Nations / Inuit. The following organizations were funded:

- ✓ Aklavik Child Development Center
- Salaries and Staff Training;
- ✓ Inuvik Child Development Center
- Salaries and Staff Training;
- ✓ Tsiigehtchic Child Development Center - Building Repairs and Staff Training;
- ✓ Fort McPherson Child Development Center - Building Renovations;
- ✓ Tetlit Zeh Child Center - Language Instructor - Salary;
- ✓ Ingamo Hall - Healthy Babies Program - Salaries;
- ✓ Hamlet of Fort McPherson
- Playground Project.

Programs for the Disabled

The Department supported a training position for a disabled young man with the Fort McPherson Tent and Canvas Shop while he attended school. The funding agreement ended on March 31, 2004 and the young man has been hired on a full-time basis. We and the Fort McPherson District Education Authority jointly funded the hiring of a tutor for a student who would otherwise have been unable to attend school.

Urban Initiatives

The Department provided the Town of Inuvik with funding for a skills development on-site work program. Residents received on-the-job training and work experience by participating in a wide variety of projects for the municipality.

It is good to see increasing numbers of our people seek further education and training. It is imperative that we encourage our youth to pursue their dreams and continue their educations. Education and training will give them the skills necessary to fill positions of leadership in our communities and organizations. I would like to thank the staff of the GTC for their support.

Barb Crawford
Manager

Self-Government Negotiation Report

Negotiations

In April 2003, the *Gwich'in and Inuvialuit Self-Government Agreement-in-Principle* (AIP) was signed. The parties are negotiating a Final Self-Government Agreement based on that AIP.

Over the past year, the following were negotiated or accomplished:

- **Social Housing**
law-making authority subject to certain standards;
- **Economic Development and Tourism**
transfer of program and service;
- **Constitutional Protection**
the federal and territorial governments are flexible as to whether the Gwich'in and/or Inuvialuit wish to constitutionally protect the final self-government agreement or enter into an inter-governmental agreement (or contract);
- **Band Councils & Application of the *Indian Act***
the Chiefs and Councils completed a workplan to determine the future application of the *Indian Act* and the dissolution of the *Indian Act* Bands; development of a Gwich'in Constitution; and relationships with Treaty 11;



Photo: GG

GTC Self-Government Negotiator
Lawrence Norbert.

- **Use, Management, Control, Administration and Protection of Gwich'in and Inuvialuit Settlement Lands**
the GTC and IRC should decide if they wish to negotiate law-making authority over their lands and rights contained in their land claim agreements;
- **Marriage**
Gwich'in law-making authority to appoint individuals to perform marriages.



Photo: GG

Bob Simpson, BDSGO Chief Negotiator

— *Self-Government Negotiation Report*

The Chief Negotiators directed **Working Groups** in a number of areas:

- **Implementation/Finance**
the Chief Negotiators agreed to expand this group's discussions to include financial matters other than taxation;
- **Implementation Planning**
early in the year this Group developed a plan to identify all potential Final Agreement implementation obligations and activities necessary to complete the Final Agreement (pre-effective date activities);
- **Financial Negotiations**
the Chief Negotiators have agreed on the priority of financial negotiations in the completion of any Final Agreement, and approved a workplan to generate the necessary financial information, determine the costs of government, and develop financial agreements;
- **Taxation**
this Group agreed on arrangements respecting the Federal Income Tax and GST for Gwich'in and Inuvialuit governments. Negotiations with the GNWT on tax-sharing arrangements began in 2004 but have yet to produce substantive agreements;

- **Communications**
this Group developed materials to address such community concerns as: representation by population; guaranteed representation and public government; and likely changes;
- **Legal**
this Group reviewed items referred to it throughout the year and is turning its attention to the drafting of a Final Agreement.

'Gathering Strength' Initiatives

Community Development Instructor/ Facilitators

Four of the eight Beaufort-Delta communities had a CDIF to provide on-going support and guidance. The Gwich'in and Inuvialuit Negotiators took on CDIF duties in the other four communities with the assistance of a Lead CDIF based in the regional Self-Government Office. The GTC will now administer directly the funding for community-level positions, so as to increase community ownership of the process.

Capacity-Building

Several initiatives that began this year have advanced the development of a Capacity-Building and Training Plan.

The Regional Self-Government Training Committee met several times to complete a draft Capacity-Building and Training Plan that was presented to the Beaufort-Delta Regional Council as part of the Beaufort-Delta Agenda and Action Plan.

The Plan has three major initiatives:

- i) a curriculum resource project to develop a teacher's guide to land claims and self-government for grades 5-12;
- ii) on-the-job training to facilitate literacy and training in the workplace; and
- iii) certificate-level training for community-level delivery of courses providing staff with the education needed to implement self-government.



Photo: GG

The Self-Government office recently moved into the Mack Travel building.

Assessments

Three community governance assessments were conducted during the year to evaluate current governance, management, and administration/ financial systems and determine the current and future community needs.

Working Towards a Final Self-Government Agreement

The "Big Picture"

The four major components include:

- i) Restructure the Final Agreement;
- ii) Gwich'in and Inuvialuit Constitutions;
- iii) Phased Implementation of a Final Agreement; and
- iv) Financial.

1. Restructure the Final Agreement

Separate the provisions into three agreements:

- i) Gwich'in Final Agreement;
- ii) Inuvialuit Final Agreement; and
- iii) Intergovernmental – Public Government Final Agreement.

A decision is also needed on whether or not the Gwich'in and /or the Inuvialuit would like to constitutionally protect the Final Agreement.

2. Gwich'in Constitution

There is a need to view the Gwich'in Nation as a government

The self-government process provides the Gwich'in with the opportunity to develop a government of their own making, not an institution based on federal laws or incorporation requirements.

STATUS OF AGREEMENT	CONSTITUTIONALLY PROTECTED	CONTRACT
Status as s. 35 <i>Charter</i> treaty	Yes	No
Legally binding on governments and third parties	Yes	Yes
How implemented	Federal and territorial implementing legislation	Same
Priority over federal and territorial laws	Yes	Yes, except federal laws implementing the IFA & GFA
Priority over IFA & GFA	No	No
Priority over Treaty 11	No	No
Government power to override self-government powers based on <i>Sparrow</i> decision	Questionable	No
Surrender of inherent self government rights	Federal government may require Gwich'in and Inuvialuit to give up ability to claim or exercise self government rights not contained in the self-government agreement	Language may not be required
Representation of members	Federal government may require Gwich'in & Inuvialuit to guarantee that they have legal authority to enter into the agreement on behalf of their members	Language may not be required
Indemnities	Federal government may require Gwich'in and Inuvialuit to promise to compensate Canada for any claims brought by Gwich'in or Inuvialuit members that challenge legal certainty or authority of Gwich'in and Inuvialuit to enter into the agreements	Language may not be required
Funding for self-government	Through separate contracts (formula financing agreements) that are not constitutionally protected	Same
Impact on Indian status under <i>Indian Act</i>	Not affected by constitutional protection	Not affected by lack of constitutional protection

As per the *Gwich'in Comprehensive Land Claim Agreement*, Gwich'in self-government may comprise:

- a) Gwich'in First Nation Authorities (governing bodies for Gwich'in in Aklavik, Fort McPherson, Inuvik and Tsiigehtchic) with powers and responsibilities, including the necessary legislative capacity, in specific areas of jurisdictions;
- b) the Gwich'in Tribal Council or its successor with such powers and responsibilities as may be agreed upon by Gwich'in First Nation Authorities; and
- c) Gwich'in involvement in public government pursuant to self-government agreements.

The three basic steps in the development of a Gwich'in Government are:

- i) develop a model of government;
- ii) consult with Gwich'in membership; and
- iii) draft a Gwich'in Constitution.

Some of the major assumptions and key features in developing a Gwich'in Government would include but not be limited to:

- ✓ the Gwich'in would like to maintain the basic structure of Chief and Band Councils;
- ✓ a Gwich'in Government would increase Gwich'in independence and responsibility over their own affairs;
- ✓ it will act as the guardian of the inherent right of the Gwich'in to govern themselves;
- ✓ Treaty rights would not be affected by a Final Agreement;
- ✓ no compensation or other benefits from the GCLCA will be used to carry out self-government responsibilities;

- ✓ fiduciary obligations and responsibilities of the Federal government to the Gwich'in will continue, except in relation to areas where the Gwich'in Government takes over such responsibilities;
- ✓ there are linkages and guaranteed representation of Gwich'in on Community and Regional public governments; amongst others.

A major reason for the formation of a Gwich'in Government will be to provide services to the Gwich'in. With self-government bringing additional authority and responsibility, it is necessary to redefine the sharing of powers and responsibilities, including land claim responsibilities, between a Gwich'in Council and the Gwich'in First Nation Authorities.

Some general functions will need to be reviewed:

- ✓ title to Gwich'in lands, and management of lands and resources;
- ✓ management of Gwich'in rights and benefits, including harvesting rights;
- ✓ receipt of own-source revenues, other than those generated locally;
- ✓ implementation of land claim and self-government agreements, including intergovernmental relations;
- ✓ exercise of governmental powers over Aboriginal programs, services, language, and culture, as provided for in a Final Agreement.

3. Phased Implementation of a Final Agreement

It is now generally accepted that the necessity to develop the required capacity for self-government requires a

phased approach to implementation of a Final Agreement. Prior to implementation, certain tasks must be completed:

- a) agreement on Territorial core principles and objectives, further refining the AIP and service parameters between Territorial and Beaufort-Delta jurisdictions;
- b) implementation of the Beaufort-Delta Agenda: Based on the AIP and Territorial core principles and objectives, regions and communities may begin to develop and deliver programs and services;
- c) development and implementation of an Organizational Plan: This would change current institutions (e.g., Beaufort-Delta Education Council; Inuvik Regional Health and Social Services Board) into a new, agreed-upon regional delivery model, with accountability to regional leadership (Beaufort-Delta Regional Council);
- d) development and implementation of a Capacity-Building and Training Plan to develop community skills in preparation for increased responsibilities.

Regional and community governments would not pass their own laws, but would enter instead into intergovernmental services agreements (ISAs) and deliver Federal and Territorial programs and services until they felt it was necessary to pass their own laws to meet their needs. An ISA with a five-year term would match the anticipated time-frame to the effective date of a self-government agreement.

The Gwich'in would operate under an ISA until they concluded the constraints of Federal and Territorial laws and

policies that did not meet their objectives. During this time, government structures would be created with the governance capacity to make decisions over programs and services in accordance with the ISA. This would allow the structures to build up the corporate capacities to deliver programs and services and begin designing programs and services that would better suit residents.

In addition to the ISA, the phased approach would use several tools presently in the AIP:

- ✓ a 10-year Implementation Plan, with provisions for reviewing and modifying activities;
- ✓ intergovernmental relations allowing regional leadership, the GNWT, and Federal Government to address major political issues or changes;
- ✓ fiscal relations and agreements allowing for longer-term funding and more financial flexibility and responsibility, including own-source revenues and taxation;
- ✓ review of the Final Agreement, possibly leading to renegotiations or other changes.

4. Financing of Governments

This component will deal with the fiscal relations, the financial resources, taxation, and how revenues may impact on any funding transfers from GNWT and Canada.

Bob Simpson
BDSGO Chief Negotiator

Lawrence Norbert
GTC Self-Government Negotiator

Lands, Resources and Implementation Report

The GTC's Lands, Resources, and Implementation personnel are responsible for coordinating and facilitating activities and programs related to implementation of the Gwich'in Comprehensive Land Claim Agreement (GCLCA). Lands staff focus on administration of access to Gwich'in-owned land. Resource Management personnel deal with policies, regulations, and issues pertaining to the management of harvesting and other renewable resources. The Implementation staff manage issues relating to GCLCA implementation.



Photo: GG

Deb Bisson, Director of Lands, Resources, and Implementation

Lands Administration

Lands staff processed the following authorizations or leases for access to Gwich'in-owned land.

27 Authorizations issued in 2003:

- ✓ Access: 1
- ✓ Research: 16
- ✓ Quarry: 6
- ✓ Camp: 1
- ✓ Leases: 3

16 Authorizations issued in 2004:

- ✓ Access: 1
- ✓ Research: 7
- ✓ Quarry: 8

Lands staff are working on a number of additional significant projects.

Signage

The GTC has ordered signs to mark the boundaries of all Gwich'in-owned land along the Dempster Highway. In addition, a large welcoming sign at the entrance to the GSA will provide general information. We expect installation of these signs in the Summer and Fall of 2004.

Cabin Database

The GTC has updated its cabin database, but needs further information from the GSA communities. It will compare its information with the recently updated territorial government database to ensure all cabins are identified. Then the GTC will contact all non-beneficiaries with cabins on Gwich'in owned land and notify them that they must obtain a residential lease from the GTC.

Lands, Resources and Implementation Report

Environmental Monitoring

Holders of all land access or research authorizations issued by the GTC are required to pay for Gwich'in environmental monitors. Monitors act as the eyes and ears of the GTC and communities in the field, while gaining experience and capacity. In the Fall of 2003, the GTC hired a consultant to deliver an environmental monitor training program, which has since been improved and will be offered again in the Fall of 2004. The GTC has recently decided to issue a Request for Proposals (RFP) from those in the private sector who are interested in operating the monitoring program on the GTC's behalf.

Land Registry Database

The GTC's Land Registry is now in a more user-friendly format, and updating continues. The new database is already producing more useful reports and searches. It is also designed to track all obligations associated with authorizations and benefits agreements.

Land Management Control Guidelines

We have made a number of changes to these guidelines to incorporate community recommendations, render them applicable to the Yukon, and update them so as to address new issues that have arisen. The Guidelines will be updated on a regular basis to continue to address new issues as they emerge.

Land Access Fee Schedule

We continue to update the Schedule for greater simplicity, to bring it into line with comparable Inuvialuit fees, and to provide for a standard annual multiplier.

Deep Water Lake Lease

Following a final round of community consultation, the GTC finalized a lease with the GNWT for the Fort McPherson Water Supply at Deep Water Lake. This sets a precedent, as the first lease in the GSA based on provisions of the GCLCA granting access to government agencies providing services. The lease is subject to a Water Management Plan which imposes obligations on the GTC to restrict any further cabins or use on the lake that could affect water quality.

Resource Management

Over the past year, Resource Management personnel have been involved in a number of initiatives.

Dempster Highway Regulations

Both the NWT and Yukon governments have implemented regulations that restrict hunting of caribou along the Dempster Highway. The Yukon regulations require a review three years after passage, in consultation with affected First Nations, to determine if the regulations are necessary and if they should be amended. A Dempster Highway Regulation (DHR) Review Committee was formed to carry out the review, but it could not reach consensus on any amendments. At a September 2003 workshop the Gwich'in reached agreement on a unified position regarding changes, and submitted it to the PCMB, which incorporated it into its own recommendations and submitted them to the Yukon Territorial Government (YTG). The GTC also called

on the YTG to conduct an independent review of the entire regulations review process, a request the YTG rejected on the grounds that the process involving the PCMB was adequate. As of this writing, the GTC has not received the PCMB recommendations but we expect them to involve phasing out of safety-based restrictions in conjunction with a program to educate hunters on safe hunting practices.

Grizzly Tags and Aklavik Lands

Each year the GNWT issues three grizzly tags for a zone including the Aklavik lands, which are owned by the Gwich'in but located in the Inuvialuit Settlement Region. In the past, tags have been issued to both Gwich'in and Inuvialuit residents of Aklavik, in recognition of the zone's inclusion of Gwich'in as well as Inuvialuit lands, and as required by Clause 6.03 of the Gwich'in-Inuvialuit Overlap Agreement. In recent years, all the tags have been issued to Inuvialuit, reflecting a misreading of applicable provisions of the Overlap Agreement and the GCLCA. The GTC has brought this to the attention of the GNWT and the Inuvialuit Game Council (IGC), which advises the GNWT on the distribution of tags in the zone. The next step will be for the Aklavik RRC to meet with the Aklavik Hunters and Trappers Committee to request that it either instruct the IGC to turn one of the tags over to the Aklavik RRC or ask the GNWT to issue one to the Aklavik RRC directly.

Gwich'in Forest Management Plan

The Gwich'in Forest Management Plan has been finalized and will be discussed in community visits in the Fall of 2004.

Harvester Database

The GTC plans to develop a harvester database indicating harvesting areas of all GSA harvesters. This will help land administration personnel to process land access applications by indicating where activity might interfere with trapping. In the event of harvester claims for compensation the GTC will process only the claims of harvesters registered in the database.

Dall's Sheep

The GNWT's Department of Resources, Wildlife, and Economic Development (RWED) and the GRRB are preparing a Dall's Sheep Management Plan. Meanwhile, under the GCLCA, the GTC retains right of first refusal for development of any sport hunting/ outfitting program. There is a need for a Gwich'in discussion paper on such opportunities, and it may be possible to work together with the Vuntut Gwich'in. The need is urgent because the Yukon Government has recently issued tags for hunting Dall's Sheep in the north Richardson Mountains. The GTC objected on the grounds that a management plan should be in place first, but the YTG has declined to reconsider its decision.

First Nation Forestry Program (FNFP)

The GTC continues to take part in the FNFP as a member of the Denendeh Management Committee, reviewing proposals and allocating funds for First Nations forest management projects. This program promotes research and economic development in the forestry sector.

Lands, Resources and Implementation Report

Overlap and Sharing Agreements

The GTC is negotiating harvesting overlap or sharing agreements with several other settled land claim groups. Where settled land claims are adjacent, Beneficiaries of each claim traditionally harvested on both sides of the boundary between the settlement areas. To continue harvesting in an adjacent settlement area, Beneficiaries now need the permission of the adjacent claim group. We are currently working with three other claim groups to finalize agreements:

- ✓ **Sahtu:** A draft agreement has been initialed and the parties are working on maps of their traditional harvesting areas;
- ✓ **Inuvialuit:** An agreement is in place, but further work recording Gwich'in traditional use areas is required;
- ✓ **Na Cho Nyak Dun:** Negotiation of a sharing agreement is in the early stages.

Water Quality Monitoring in the Peel River

DIAND water quality monitoring results indicate that water quality in the Peel and its tributaries is good, with all metals except aluminum meeting drinking water quality guidelines. The aluminum results do, however, fall within the historical range of data collected in the Peel above Fort McPherson from 1969 to the present. While some metals did not meet the guidelines for protection of freshwater aquatic life, they are attached to suspended sediments and unlikely to pose a current hazard to aquatic life in

the Peel. Some polycyclic aromatic hydrocarbons (PAHs) were found in the suspended sediments, but are likely natural and therefore unlikely to constitute a hazard. PCB levels found in the July 2002 suspended sediment sample are very low, indicating no danger for humans or other life. DIAND intends to continue testing water and sediment quality, starting with a Fall program in September, 2004. DIAND also plans to collect bottom sediment samples in depositional areas of the Peel to further understand if and where contaminants are being deposited.

Sumps in the Yukon

Gwich'in Beneficiaries continue to raise concerns that about 18 abandoned exploration wells, or sumps, in the Peel River Watershed might be leaking contaminants. These sumps were studied 2-3 years ago, but Beneficiaries have expressed the view that the research was inadequate and its results are inconclusive. Over the past reporting period, the GTC and Fort McPherson explored this issue with the YTG, and six sumps were identified as priorities for further inspection. DIAND's Contaminants Office and the Client Services Office (Dawson) of the Yukon Ministry of Energy, Mines, and Resources are developing a protocol for sampling methods and parameters. They will then prioritize all 18 sumps, and commence sampling in late Summer or early Fall of 2004. Sampling may carry on into 2005, and the results may necessitate re-sampling.

Mackenzie Valley Biophysical Study

This study is an initiative of the GNWT and DIAND in partnership with Aboriginal organizations, to collect biophysical information to support informed decision-making and cumulative effects assessment in preparation for oil and gas development. The GTC had input in the initiative's early stages, to ensure coordination rather than overlap with the CEAM and CIMP initiatives described below. A Gap Analysis Report has been completed and a plan for further studies has been prepared and will be implemented.

Protected Areas Strategy

The GNWT has established a Protected Areas Strategy (PAS) and a Five Year Action Plan to implement it. The GTC is forming a PAS Working Group, to be led by the GSCI, for input throughout the implementation process. The objective is protection of areas of cultural significance.

PCMB and Porcupine Caribou Management Agreement

The GTC supports amending the Porcupine Caribou Management Agreement to replace "Dene Metis" with "Gwich'in" and allow for more than one Gwich'in representative. These changes bring the agreement up-to-date with settled land claims.

Yukon Environmental and Socio-Economic Assessment Act (YESAA) Implementation

GTC staff are participating in the Implementation Planning Committee for this Act. The Implementation Plan and Designated Areas have been finalized. The next step is to establish

administrative structures. The GTC objected to the process for appointing Board members, on the grounds that the Council of Yukon First Nations (CYFN) neglected to consult with the GTC. The CYFN has indicated a willingness to correct this oversight by agreeing to a Gwich'in Beneficiary as a Federal nominee. The final outcome remains unclear.

Peel Watershed Land Use Planning

The GTC has worked with the Tetlit Gwich'in Council, the Vuntut Gwich'in, Trondek Hwech'in and Na Cho Nyak Dun to implement the Peel River Land Use Planning process. The General Terms of Reference for the Peel River Planning Commission have been completed, and the GTC is in the process of nominating its member.

Coal Bed Methane in the Yukon

The GTC looked into Fort McPherson's concerns regarding coal bed methane development in the Peel Watershed. Promithian Inc. expressed interest in developing an area in the headwaters. GTC leadership met with the YTG Director of Mineral Development and learned that it is very unlikely Promithian would be able to proceed given the project's capital requirements. Also, the Yukon Government does not currently have a regulatory process to approve the development of coal bed methane.

Lands, Resources and Implementation Report

Gwich'in Harvesters Assistance Program

Allocations for the 2004 season were made, and the GTC will conduct a survey of harvesters to determine how GHAP can be improved. In the meantime the GTC will follow up on recommendations from the June 7 Regional RRC meeting;

- ✓ Determine income tax liabilities for individual and group GHAP payments and liability for insurance for "on the land" projects;
- ✓ The RRC Coordinators and Project Management Committee members should assist Beneficiaries in completing applications;
- ✓ Determine whether individuals can access both seasonal payments for one year at one time;
- ✓ Specify in more detail eligible equipment (e.g., motor size);
- ✓ Provide vendor and other information to help Beneficiaries seeking financing of their 25% of items purchased with GHAP funds;
- ✓ Change application dates to correspond to the start of each season;
- ✓ Implement equipment inspections to confirm the need for replacement;
- ✓ Revise the application form to indicate if a harvester is full-time or new.

Implementation

Over the past year GTC staff have been involved in a wide range of implementation issues and initiatives.

Amendments to the GCLCA

Three amendments to the GCLCA were addressed. The first is a "rolling surrender clause" intended to harmonize the GCLCA with the Tlicho Final Agreement regarding the release of exclusive harvesting rights in other settled land claim areas. The GTC objected to this amendment on the grounds that further time was needed to determine if additional rights should be provided in return, with the result that the Federal Government applied the amendment to the Sahtu claim but not the Gwich'in. Two other amendments were finalized, allowing more than one distribution of settlement funds, as well as investment in mutual funds.

Economic Measures

The GTC takes the position that the Economic Measures chapter of the GCLCA, chapter 10, is not being fully implemented so as to pursue the objective of economic self-sufficiency. Government is required to meet with the GTC at least once every three years to review program effectiveness in relation to objectives. Past reviews were inadequate because they did not "review the effectiveness of the programs relating to the objectives", as the Claim requires. The Implementation Committee, on which GTC, DIAND and the GTC are represented, has developed

a process and criteria for a more standardized and focussed review, to be conducted this coming fall, reported on in November 2004.

Communications CD

The GTC has almost completed work on a CD-ROM explaining the GCLCA for classroom use. It will focus on the relevance and importance of the GCLCA by highlighting life before the agreement and the changes it has brought. It will also raise awareness of what lies ahead in terms of self-government and other implementation challenges.

Auditor General's Report

The Federal Auditor General's Office recently conducted a review of how well DIAND has carried out its Northern Affairs Program, including implementation of land claim agreements. The Nunavut and Gwich'in agreements were studied as representative agreements. The audit found that DIAND overemphasizes the details of its obligations at the expense of ensuring that broad objectives are met. The GTC presented a submission to the House of Commons Aboriginal Affairs Committee to follow up on the Auditor General's findings. While we anticipate that DIAND will make some changes in its approach to implementation, these will not be clear until the next reporting period.

Land Claims Advisory Coalition

This coalition was formed following a conference to explore common issues among Aboriginal groups with settled land claims. Members will work together to address issues of land claim agreement implementation and to

encourage DIAND to adopt more effective approaches to meeting its implementation obligations. An office and administration are being formed, and the first meeting with the Federal Government is scheduled for June 2004. The GTC participates in the Coalition and supports its initiatives.

Wildlife and Species at Risk Legislation

The Yukon and NWT are revising their respective Wildlife Acts as well as preparing new legislation to protect species at risk of extinction. Amendments to the Wildlife Acts are triggered in part by the need to incorporate land claim provisions. GTC Implementation and Resource Management staff continue to participate in consultations regarding the legislation in both jurisdictions.

Cumulative Impacts Monitoring Program and Audit (CIMP) and Cumulative Effects Assessment and Management (CEAM)

CIMP and CEAM are initiatives of DIAND's regional office. CIMP is a requirement of the GCLCA and the Mackenzie Valley Resource Management Act. It requires an environmental audit to identify changes in environmental quality and the effectiveness of current government management. The GTC is an active participant in the committee to establish and oversee the audit, working with other First Nations in the Mackenzie Valley. As of this writing, DIAND is issuing a request for proposal (RFP) to firms interested in conducting the audit.

Lands, Resources and Implementation Report

CIMP is one component of CEAM, a broader initiative arising from past environmental assessments of major projects that revealed the need for more information on, and better management of, cumulative effects. CEAM's work is guided by a Blueprint and Framework for Action, to be implemented by governmental and other agencies with environmental responsibilities. There may also be a regional action plan for the GSA either alone or together with the Inuvialuit Settlement Area.

Surface Rights Board Legislation

Chapter 26 of the GCLCA requires that a Surface Rights Board be established to resolve disputes between proponents and the GTC regarding access to Gwich'in-owned land. The Federal Government has expressed its intention to begin drafting the legislation in 2004, in consultation with the GTC and other First Nations.

Mackenzie Gas Project

Over the past year, Imperial Oil continued to gather the information it will need to apply for approvals to construct the Mackenzie Valley natural gas pipeline, and natural gas liquids pipelines. We anticipate that Imperial will make its main applications early in the 2004-2005 Fiscal Year, after which hearings will commence.

Over the past reporting period the GTC has taken part in various regulatory processes to prepare for the environmental review, and has registered as an intervenor so it can take part fully in the hearing process once it commences.

Since some of the pipeline and construction activities will take place on Gwich'in-owned land, Imperial will have to apply to the GTC for the appropriate land access authorizations. These will be subject to a benefits agreement setting out measures to address socio-economic concerns and maximize project benefits. To ensure community input, the GTC negotiating team consists of the four Chiefs and an alternate from each community. Preliminary meetings began in late 2003, and the team meets regularly with GTC technical support staff and with Imperial. As of this writing, the parties are exchanging ideas and lists of terms, but negotiations should be fully under way by the Summer of 2004. The negotiations, as well as First Nations involvement in the regulatory review process, are supported by Federal funding.

Deb Bisson

Director, Lands, Resources, and Implementation

Norman Snowshoe
Resources Manager

Dwayne Semple
Acting Lands Manager

Gwich'in Social and Cultural Institute Report

The Gwich'in Social and Cultural Institute (GSCI) conducts cultural and language research, provides language and educational programming, and performs heritage management. Its mandate is to document, preserve and promote Gwich'in language, culture, traditional knowledge and values. During the 2003-2004 Fiscal Year, the GSCI was involved in a number of initiatives, largely working from the draft **Iindo Khehtok Tr'eedah (Moving Forward as One): Gwich'in Social and Cultural Institute Five Year Plan 2003-2008**. The unanticipated level of work on other projects has delayed finalization of the Plan, which requires a clearer determination of GSCI funding commitments for the next five years. We will review, amend, and finalize the Plan in 2004-2005.

Digitizing Audio Tapes

In the summer of 2003, Erin Suliak, a student archivist, began work on a multi-year project to transfer GSCI project audio-tapes to CDs to preserve the information they contain and make it more readily available to the public. Working with GSCI and NWT Archives staff, the student digitized 121 tapes and created a database cataloguing the material for access by subject, person and place name.

Tombstone Territorial Park (Yukon)/ Blackstone Uplands Oral History Project

For ten days in July 2003 GSCI researchers carried out research by road and helicopter to document graves, archaeological and traditional use sites in the upper Blackstone River area, working with the Teetl'it Gwich'in, Tr'ondek Hwech'in First Nation and Yukon Heritage Branch. Research Director Ingrid Kritsch and Gladys Alexie of Fort McPherson worked with Teetl'it Gwich'in Elders Walter and Robert Alexie, Sr., from Fort McPherson, and Tr'ondek Hwech'in Elders Alfred Semple of Aklavik



Photo: Ingrid Kritsch, GSCI.

Walter Alexie driving his scow up the Peel River during the Teetl'it Gwich'in Place Names Project, 1996.

and Percy Henry of Dawson City. The research included the old village sites of Black City and Calico Town, and the hillside of Ts'ok giitl'in. This project built on research conducted in 1999 and 2002, will ensure that Teetl'it Gwich'in and Tr'ondek Hwech'in knowledge and perspectives are included in the interpretation of the area. We are currently finalizing plans for archaeological excavations and further oral history work at Black City in July 2004.

Fort McPherson National Historic Site Project

This site was designated a National Historic Site in 1969. Working with the community of Fort McPherson and Parks Canada, the GSCI is following up on the community's request to rewrite the text for the plaque at the site, so as to acknowledge the Teetl'it Gwich'in and their contribution to the fur trade.

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Teet'it Gwich'in National Historic Site Project

Over the past year, the GSCI worked with the community of Fort McPherson, the Teet'it Gwich'in National Historic Site Steering Committee, and Parks Canada to nominate a new National Historic Site in the Teet'it Gwich'in traditional land use area. In June 2003 we submitted an application to the Historic Sites and Monuments Board of Canada (HSMBC) for review, making the case that two stretches of the Peel River should be considered of national historic significance. The application met the guidelines for nomination, and the HSMBC encouraged us to draft a Submission Report. The Report has been drafted, and will be formally submitted when we have letters of support from all four landowners in the area. To date we have three of the required letters.

Nagwichoonjik National Historic Site Project

On July 11, 2003 the Nagwichoonjik National Historic Site plaque was officially unveiled during a ceremony in Tsiigehtchic, after months of work by GSCI, Parks Canada and Canadian Heritage staff. The ceremony was attended by people from the surrounding communities, political leaders, HSMBC members, Parks Canada, GSCI and GTC staff, and included local entertainment and a feast with traditional foods. The plaque outlines, in Gwich'in, English and French, the reasons for the designation.

GSCI and Parks Canada staff also worked with the Nagwichoonjik National Historic Site Steering Committee to complete the draft Commemorative Integrity Statement (CIS) in January 2004. The draft is currently under review by the Gwichya Gwich'in Council and Canadian Heritage staff, and will subsequently be sent to the GTC for review and approval. The Nagwichoonjik

Steering Committee and Parks Canada must finalize the CIS prior to development of a Management Plan and Cost-Share Agreement by the parties involved in managing the site.

Mackenzie River Canadian Heritage River nomination

The Gwich'in, Inuvialuit, Sahtu and Deh Cho have expressed interest in nominating the Mackenzie River as a Canadian Heritage River. The Mackenzie is the largest river in Canada and tenth largest in the world. In February 2004, the GSCI completed a contract with RWED to compile an annotated bibliography on the Natural Values (wildlife, plants, waters, etc.) of the Mackenzie. The information identified will be instrumental in writing a background paper explaining why the Mackenzie should be designated a Canadian Heritage River. The GTC has appointed GSCI Research Director Ingrid Kritsch to the Technical Steering Committee guiding the nomination. This initiative will be carried out over the next two years.

Gwich'in Traditional Knowledge Policy

In July 2002 the GTC approved in principle the Traditional Knowledge Policy drafted by the GSCI. Revisions were made in 2003 in response to comments received, and in Fiscal Year 2004-2005 the GSCI will resubmit the Policy to the GTC Board for approval. Now that a new GSCI Executive Director has been hired, we will develop an implementation plan and budget to determine what will be required to implement the Policy. With increased exploration and development in the Gwich'in Settlement Region, having a Traditional Knowledge Policy in place will be crucial to the protection and ethical use of Gwich'in Traditional Knowledge.

Mackenzie Valley Pipeline Traditional Knowledge Project

In November 2003, the GSCI completed negotiations with Imperial Oil to conduct a two-phase project using Gwich'in Traditional Knowledge to develop a Gwich'in knowledge base for the assessment of impacts and development of environmental protection plans related to a potential Mackenzie Valley natural gas pipeline. In the first quarter of 2004 the GSCI hired a GIS Analyst, Scott Higgins, and Traditional Knowledge Researcher/Coordinator, Kristi Benson, to begin work on Phase 1 of the project, consisting of a review of the current primary and secondary information, compilation of an annotated bibliography, and preparation of a gaps analysis. Later in 2004 we will hire additional staff for Phase 2. The GSCI has also opened a new office in Inuvik as part of this project, which we expect to take approximately a year to complete.

Gwich'in Place Names Project

In January 2004 GSCI Heritage Researcher Alestine Andre completed the entry of 1992 and 1993 Gwichya Gwich'in place names and oral history information, previously stored in reports and transcripts, into our computerized database, prior to going on education leave. This information will be used in the Mackenzie Gas Project Traditional Knowledge Study. The database will also enable the GSCI to develop educational materials for schools and permit more efficient review of land use permit applications in the Gwichya Gwich'in land use area for potential effects on heritage resources. It will also indicate the gaps in our knowledge, showing where further oral history work is required. As part of this project, tapes previously recorded in Gwich'in were translated with the aid of GSCI Translator Bertha Francis and Agnes Mitchell. Early in the Fiscal Year the GSCI worked with staff from the PWNHC's Cultural Places Program to enter our place name and other traditional land



Photo: Ingrid Kritsch, GSCI.

Eunice Mitchell making bannock while camping at Tsuu tr'adaodiich'uu (Peel Canyon).

use information in a Geographic Information System that both institutions can use. Staff turnover at the PWNHC discontinued the collaboration, and our GIS Analyst is now carrying out the work alone.

Teetl'it Gwich'in Place Names Report

In June 2003, GSCI Research Director Ingrid Kritsch updated the draft report "Teetl'it Gwich'in Heritage Places and Sites in the Peel River Watershed", by adding place names and related information confirmed by Teetl'it Gwich'in Elders. Once place name maps have been incorporated into the report, it will be released to the public.

Gwich'in Heritage Policy and Management Plan

Melanie Fafard, a doctoral student in the University of Alberta Department of Anthropology, is currently writing her dissertation on the Gwich'in definition of "heritage" and how the Gwich'in wish to preserve and promote an appreciation of

Gwich'in Social and Cultural Institute Report

their heritage in a way that reflects the Gwich'in worldview and values. The dissertation is based on research she carried out in Fort McPherson in 2002-2003, with the assistance of the GSCI Translator, and will help guide the GSCI's work in the future.

Gwich'in Clothing Project

From December 2000 until March 2003, 41 seamstresses in the four GSA communities and Yellowknife worked on five replicas of a man's traditional 19th Century Gwich'in caribou skin outfit, from an original in the Canadian Museum of Civilization (CMC). Over the past year, the GSCI has worked with the Prince of Wales Northern Heritage Centre (PWNHC) to prepare exhibits of the outfits in each GSA communities. Four museum-quality exhibit cases have been purchased, and are now stored in Inuvik. Mannequins to display the clothing were built during the Winter of 2004 by Karen Wright-Fraser and Jamie Look, under the direction of PWNHC Conservator Rose Scott. They will be shipped to the GSA in June 2004. Once the mannequins are received, the GSCI will formally present each community with its outfit, and celebrations will be held in the GSA. Fort McPherson's outfit will be displayed in the Chief Julius School, while Aklavik, Inuvik and Tsiigehtchic will display theirs in their respective band offices. The fifth outfit will be displayed in the PWNHC.

In March 2004, the GSCI began work with the CMC to develop exhibits about the clothing replication project for the First People's Hall at the CMC, the PWNHC and the four Gwich'in communities. A publication related to the project will also be written. This work will take place over the next 1-2 years.

A video recording the March 2003 unveiling of the project at a ceremony in Yellowknife

has been completed, with copies sent to the seamstresses, communities and others involved in the project. The GSCI will soon commence fundraising for a 30-60 minute documentary on the project.

Heritage Resources

The GSCI continues to review Land Use Permit applications, and Land and Water Applications, and to advise on the possible impacts of development on heritage resources. The number of Permits has increased significantly over the past two years in response to the projected construction of a Mackenzie Valley natural gas pipeline. We also continue to review Scientific Research License Applications from the Aurora Research Institute. GSCI staff will continue to sit on the Aurora Research Institute Ethics Committee, which reviews all Scientific Research License Applications involving human subjects or the use of Traditional Knowledge. We anticipate an increase in applications incorporating Traditional Knowledge, given the prospect of a Mackenzie Valley pipeline, increasing the need for ethical reviews of all research conducted in the area.

Gwich'in Language Plan

Language Manager William George Firth has continued to promote the revitalization of the Gwich'in language through initiatives including a series of language workshops. Efforts to document and promote the language over the last year included the recording of the annual Chief Johnny Charlie Memorial Skidoo Trip between Fort McPherson and Old Crow, recruitment of a tutor to assist GSCI staff with database and production questions regarding the Gwich'in Dictionary, and three terminology workshops. The Language Centre continues to present weekly radio programs as part of its work in keeping the Gwich'in language and culture alive at the community level.

Curricular Materials

The GSCI and Inuvialuit Cultural Resource Centre are working together to develop a second language curriculum in Gwich'in and Inuvialuktun. Curricular materials have been drafted and lesson plans are under development. Upon finalization of the curriculum, the GSCI will begin incorporating curricular materials into lesson plans. We anticipate the completion of both curriculum and lesson plans within the next two years.

This year the GSCI completed production of seventeen Animal Units in the Gwichya Gwich'in Dialect, to accompany the Teetl'it Gwich'in booklets produced last year. Student linguist Lisa Andre worked with Elder Noel Andre on the translations for the Animal Units. The Language Centre staff has printed and bound the booklets, and prepared activity kits to accompany the booklets for school and community use. Staff are now working to present six Gwich'in legends in booklet form.

Teacher Training/Professional Development

Four Gwich'in Beneficiaries attended a course sponsored by the Canadian Indigenous Language and Literacy Institute at the University of Alberta, from July 27-August 14, 2003. Course work covered the teaching of second languages at the elementary school level and an introduction to Dene language literacy and culture. Funding for our Beneficiaries was provided by the Beaufort-Delta Education Council, through the Inuvialuit Cultural Resource Centre.

GSCI Website

From August 2003 to March 2004, the GSCI worked with Outcrop Communications, a publishing and website firm in Yellowknife, to construct a GSCI website. The site has information in Gwich'in, English and French and was launched in April 2004 at : **www.gwichin.com**. It provides material on the Gwich'in people and outlines the



Photo: Ingrid Kritsch, GSCI.

Jean-Luc Pilon, Hyacinthe Andre, Alestine Andre and Willie Simon examining the remains of a birch bark canoe at Vidi chu' (Trout Lake).

research the GSCI carries out to document, preserve and promote Gwich'in language, culture, Traditional Knowledge and values. It also features:

- ✓ Information on the Gwich'in people, Gwich'in communities, and the GSCI Board and staff;
- ✓ Virtual tours of locations important to the Gwich'in;
- ✓ Databases of Gwich'in photographs, publications and dictionary entries;
- ✓ Audio samples of the Gwichya Gwich'in and Teetl'it Gwich'in dialects;
- ✓ Video clips from the GSCI place name and traditional clothing projects;
- ✓ Information on the Gwich'in Comprehensive Land Claim Agreement.

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Publications

The GSCI has prepared a draft of a booklet based on the surveys, excavations and oral history work at the Hudson's Bay Company site in Fort McPherson in 1999, 2000 and 2002. We will finalize the text and photographs in the 2004-2005 Fiscal Year.

Melanie Fafard is currently working with GSCI staff on a draft booklet based on the archaeological and oral history work we have done related to the Hudson's Bay Company site in Fort McPherson. It will provide a short history of the Teetl'it Gwich'in and outline their involvement with the trading post, including photos, stories by Elders, and the results of the archaeological excavations. The booklet will be used in schools to introduce students to archaeology and oral history. The text and photos will be finalized in 2004-2005.

We are also exploring funding opportunities over a 3-5 year period in order to research, write and publish a second land-based and community history book, the Teetl'it Gwich'in Googwandak book. It will use Teetl'it Gwich'in oral history, and information from archaeological, archival and published sources to present the history, culture and language of the Teetl'it Gwich'in.

Work continued on the development of the fifth edition of the Gwich'in Dictionary. Language Manager William George Firth and Translator Bertha Francis conducted language workshops in all four Gwich'in communities, during which participants collected and verified new words and several verb paradigms. We now have approximately four thousand terms in a database for the dictionary, and new terms will be verified in the next Fiscal Year. We anticipate publication of the fifth edition in 2004-2005.

GSCI staff have also written drafts of full-length biographies of 24 Gwich'in Elders, from originals collected on audio-tapes over the past three years.

Administration

Heritage Researcher Alestine Andre has been on education leave since January 2004, and expects to return in September. Executive Director Leslie McCartney resigned in January 2004, and Dolly Carmichael has served as Acting Executive Director since then. Her appointment has recently been made permanent.

Report prepared by:

Ingrid Kritsch

Research Director

Leslie McCartney

Executive Director (to January 2004)

Dolly Carmichael

Acting Executive Director (since January 2004)

William George Firth

Language Manager

GSCI Staff

Dolly Carmichael

Executive Director (since January 2004)

Leslie McCartney

Executive Director (February 2002 - January 2004)

Ingrid Kritsch

Research Director

Mavis Clark

Administrative Assistant

Alestine Andre

Heritage Researcher

William George Firth

Language Manager

Betty Vittrekwa-Firth

Materials Developer

Bertha Francis

Translator/Interpreter

Kristi Benson

Traditional Knowledge Researcher/Coordinator

Scott Higgins

GIS Analyst



Photo: Ingrid Kritsch, GSCI.

Robert Alexie, Percy Henry, Walter Alexie and Alfred Semple in the Upper Blackstone River area, July 2003.

GSCI Board of Directors

Anna May MacLeod

Chair, Tsiigehtchic

Mary Ann Ross

Gwich'in Tribal Council

Walter Alexie

Fort McPherson

Elizabeth Wright

Fort McPherson (until February 26, 2004)

Annie Jane Modeste

Fort McPherson (interim appointment since March 26, 2004)

Mary Kendi

Aklavik

Catherine Mitchell

Inuvik

Sarah McLeod-Firth

Inuvik

Gwich'in Enrollment Board Report

The Gwich'in Enrollment Board was established under the Gwich'in Comprehensive Land Claim Agreement (GCLCA) and has been operational since March 1993. It is responsible for enrolling all suitable persons of Gwich'in descent in the GCLCA.

Only those enrolled under the Claim are entitled to vote and run in GTC elections, take part in the activities of the GTC, its subsidiaries and affiliates, or receive benefits such as Christmas hampers or money from future payouts. An additional benefit to enrollment is that the Enrollment Card meets the requirement for photo-identification necessary for airline travel.

The first Gwich'in Enrollment Registry, issued in April 1994, listed 1,245 Beneficiaries. That number has grown since. By May of 2004 we had more than 2,800 registered Beneficiaries, with a number of pending applications.

On February 22, 1998, the Gwich'in Acceptance Process (or "community acceptance") ended, so individuals must now enroll by application to the Enrollment Board. The Enrollment Coordinator distributes and receives applications under Section 4.2.1 of the GCLCA. Completed applications are forwarded for consideration by the Board, which meets three times a year.

Applications accepted by the Board are subsequently processed by the Enrollment Coordinator, and a Certificate of Enrollment is prepared in each case.



Photo: GG

Enrollment Coordinator Cheryl Wright

Upon enrollment, every Beneficiary receives a Gwich'in Enrollment Card, bearing the logo of the Gwich'in Nation and the Beneficiary's four-digit enrollment number and associated community.

Enrollment under the GCLCA is not identical with membership in one of the Gwich'in Bands. Your ten-digit Treaty Status Card Number (the first three digits of which indicate your community band) reflects your Band membership. In order to change your Band membership you must contact both the Enrollment Board and your local Band office.

However, you must enroll under the GCLCA itself to enjoy its benefits, and enrollment is not automatic, even if you belong to a Band. You must request and complete an application form in order to enroll. Enrollment is open to all who qualify, regardless of age; this means eligible Gwich'in can enroll their children as well as themselves.

In March 2002 the GTC approved the Enrollment Board's permanent relocation from Fort McPherson to Inuvik. Cheryl Wright, who had served as interim Enrollment Coordinator since October 2001, in addition to her duties as Administrative Assistant in the GTC's Inuvik office, took over the position on a permanent basis.

As a result of the continuous updating of the Enrollment Registry since late 2001, Christmas hampers and payout cheques from the Sahtu Royalty settlement were successfully delivered to Beneficiaries. This updating includes the addition of Beneficiaries outside the Gwich'in Settlement Area. Sizable numbers of Beneficiaries living in Yellowknife and Hay River, as well as others elsewhere in Canada and abroad, have been added to the Registry.

Keeping the Enrollment Registry up-to-date remains a major part of the Enrollment Board's work, as people move, marry, have children, and die. Beneficiaries can only continue receiving all the benefits to which they are entitled under the GCLCA if they ensure the Enrollment Board's information is current and accurate.

We urge you to notify us if you move, marry, or have children, and to contact us if you know someone who may be eligible to enroll but has not done so yet. It is easier than ever to stay in touch with the Board through our toll-free long-distance telephone number, email, or the GTC web site.

The Enrollment Board consists of:

**Barb Crawford,
Inuvik - Chair**

**Anna May McLeod,
Tsiigehtchic**

**Lee Ann Nerysoo,
Aklavik**

**Robert Alexie, Sr.,
Fort McPherson**

You can reach us at:

**Box 1509, Inuvik, NT, XOE OTO
Tel: 867-777-7916 • Fax: 867-777-7919
Toll-Free: 1-866-414-4670
Attn: Cheryl Wright
Email: cherylw@gwichin.nt.ca
Website: www.gwichin.nt.ca**

Tetlit Gwich'in Council Report

It is a pleasure to be able to report to you on the activities of the Tetlit Gwich'in Council over yet another year.

The current Council consists of Chief Abe Wilson, Sub-Chief Hazel Nerysoo, Councillors Johnny Charlie, Jr.; Peter James Vittrekwa; Johnny Kay; Wilbert Firth; Neil Colin; Elders' Representative Frank Firth; and Youth Representative Brian Martin. Wilbert Firth and Johnny Kay represent the Tetlit Gwich'in Council on the GTC Board of Directors. Council members were elected on September 5, 2001 for a three-year term, and their mandate is drawing to a close, with new elections coming soon, probably this September.

In recent years, the community has experienced ups and downs, and we have seen our share of tragedies. Yet whenever adversity has struck, this community has come together. We saw this most recently during the power failure this Winter, when we all cooperated to look after and support one another and to ensure that everyone was safe.

We will face further challenges, some of them related to the arrival of major economic development activity, and the proposed Mackenzie Valley natural gas pipeline. The Tetlit Gwich'in Council is working hard to ensure that we are prepared, and that we have strong working relationships with other organizations, such as the local Hamlet Council, community committees, and the Gwich'in Tribal Council.

It is essential that we put in place all the resources necessary to help our people take advantage of the opportunities that are coming.

Aurora College now has a strong presence in Fort McPherson, and provides ongoing support to Beneficiaries who want to upgrade their educational qualifications or prepare for further education and training. Our Employment Office works to help our people find jobs inside the community and elsewhere. I am proud to note that we have also seen students from Fort McPherson take advantage of opportunities to go outside the GSA and pursue higher education at the college and university levels.

Our business arm, the Rat River Development Corporation (RRDC), continues to pursue new opportunities. In November 2001 a Council meeting changed the TGC Economic Development Committee to the RRDC, as part of our efforts to make our business arm a more independent entity. In May of 2003 the Corporation hired James Wilson as its Business Manager. The Corporation's holdings include the Charles Koe Building, housing the Band offices, as well as several houses previously owned by Gwich'in Properties Ltd., keeping rental revenues in Fort McPherson as well as generating local employment. At the moment, the RRDC is in need of capital funding for further expansion, and I would like to thank the Business Manager and RRDC Board of Directors for their hard work in laying the foundation for future growth.

In 2003 Tl'oondih Healing Camp was transferred from the GTC to the TGC, for its use in the design and delivery of community-level social programs. The TGC also took over the Tl'oondih Healing Society, to act as its social arm. Over the last two years we have offered healing programs at Tl'oondih, working with the support of various Federal and Territorial funding agencies, and are working on the development of new proposals to make maximum use of this facility. We all owe a great debt to our Wellness Committee for their tireless efforts over the past two years.

One of our ongoing priorities is the protection of our environment for the benefit of future generations, especially as economic development raises the need to balance prosperity with the integrity of the land. For several years, the Peel River Watershed has been a focus of attention. After years of discussions with the Yukon Territorial Government, the General Terms of Reference for the Peel Watershed Planning Commission have been agreed upon, and were accepted by the GTC Board at its meeting of April 26, 2004.

This ensures that we will have a voice in the Commission's deliberations and be represented in the decision-making process when development of the Peel is discussed. Yet we still have a lot of work to do to protect the Peel, and must work with other groups to advance this cause. This April's meeting with the Council of Yukon First Nations was productive, and I look forward to the July meeting which will bring a decision on GTC representation on the Council.



Photo: GTC

The new playground in Fort McPherson took three years to complete but is ready for kids of all ages to come play.

This would allow us to work together on both sides of the Yukon border on issues of common concern such as safeguarding the Peel and other areas of importance to the Gwich'in.

In closing, let me thank the many people who have supported me and worked with me in my five years as your Chief. It is always an honour to serve in a position of leadership, despite the many burdens and challenges. The Elders of our community have always been a source of wisdom and guidance, while it is our Youth whose lives are most affected by the decisions we make today. The other members of our community, my colleagues on the TGC, and our hard-working staff have all provided continuous support, and I thank you all.

Abe Wilson
Chief

Gwichya Gwich'in Council Report

The Gwichya Gwich'in Council can look back upon a number of achievements over the past year, and we continue to work hard to serve Beneficiaries living in Tsiigehtchic.

The construction of a new water treatment plant addressed long-standing concerns about the quality of our drinking water. It has also generated additional revenues for the community through project management fees, equipment rentals, accommodation and grocery revenues, as well as the creation of local employment.

We now offer fully functional high speed internet service, free of long-distance or ISP charges, to all residents with access to a computer and modem. We pay \$426.00 per month in addition to the cost of eight telephone lines, where previously we paid between \$1,200 and \$1,800 a month to the GNWT and AT&T.

The Council also worked to identify and prioritize community needs through the Tsiigehtchic Community Action Plan (TCAP), which will help us set our agenda for the coming years.

Our business arm, Rat River Incorporated Band Limited (RRIBL), and its affiliated companies work to provide quality service to their public and private clients, while creating employment opportunities for Gwich'in. They now provide close to \$1 million a year in employment income, most of which is paid to Beneficiaries in Tsiigehtchic.

Current priorities include increasing the skill levels of our personnel through training opportunities, and adding to our capacity by expanding our asset base and attempting to enter new markets.

Tse' Construction acts as prime contractor for maintenance and repairs on all Tsiigehtchic public housing units, in addition to preventative maintenance on other local buildings under the jurisdiction of GNWT Public Works, and private repairs and maintenance as required. Tse' served as prime contractor, in partnership with Weitzel Construction, in the completion of the water treatment facility, and is near completion of a single-family home and a duplex. Projects for 2004-2005 include construction of a local housing maintenance shop.

Tr'ih Choo Alaa Ltd., a partnership between the Gwichya Gwich'in Council and the Nihtat Gwich'in Development Corporation, provides all labour aboard the *M.V. Louis Cardinal* ferry at Tsiigehtchic, and performs landing maintenance and reconstruction as required.

The Tsiigehtchic Trading Company operates the only local grocery store in Tsiigehtchic, providing full grocery service and acting as a post office agency. It also has service contracts for water and sewage service in town, and acts as a gasoline, diesel fuel and heating fuel sales agent for the GNWT.

RRIBL operates in a number of areas as well as providing management and financial support services to sister companies. These include property management for five residential and three commercial rental units, as well as equipment rental and operations. In the latter area, we were involved in construction of the ice bridge across the Mackenzie River at Tsiigehtchic, as well as highway maintenance (grading, wet-blading and snow removal) along a portion of the Dempster.

Recently, RRIBL organized and executed the transport of 5,000 m³ of gravel to the Fort McPherson and Tsiigehtchic ferry lands at the Mackenzie River, as part of a joint project. It has also rented equipment for ice road construction projects to Devlan and Colt-KBR, and built a Winter access road to NorthWestTel's Tsiigehtchic tower site.

As my term as Chief draws to a close, I wish to thank my Council colleagues and our staff for all their hard work and support in recent years. Their dedication helped us all to do more on behalf of our community and our people.

Massi Cho,

Peter Ross
Chief



Photo: GTC

A snowy Tsiigehtchic.

Council:

John D. Firth
John Norbert
Phillip Blake
Douglas Kendo
Anna May McLeod
Linda Andre

RRC:

John Norbert
Anna May McLeod
Phillip Blake
Russel Andre
Rita Carpenter
Mavis MacLeod
Jenny Andre

Nihtat Gwich'in Council Report

The Nihtat Gwich'in Council and the Inuvik Native Band held elections in September 2003. The new members of both Councils are learning their responsibilities and continue to grow. The DGO and Band Council hold separate meetings since they have different responsibilities and many issues do not pertain to both organizations. Richard Nerysoo and Denise Kurszewski represent Inuvik on the GTC Board of Directors.

Our office in the Alex Moses-Greenland Building is staffed for the most part by Gwich'in Beneficiaries. Band Administrator Greta Sittichinli manages DGO program funding, in addition to taking care of day-to-day administrative responsibilities and overall staff supervision. She is also involved in the contracting process for our business arm, the Nihtat Gwich'in Development Corporation. Financial comptroller Sharon Dahl and Finance Trainee Donna Firth administer the payroll, provide monthly statements to both Councils and maintain financial reports for all departments. This summer Sharon and Donna will also train a Summer student as a financial assistant.

The Nihtat Renewable Resource Council meets every month to discuss renewable resource issues affecting Inuvik, including the increasing oil and gas exploration and development activity connected with the proposed Mackenzie Valley natural gas pipeline. RRC Coordinator Neil Firth, who has occupied this position for many years, coordinates meetings and deals on a

daily basis with a multitude of issues relating to land and wildlife. Neil also administers the Gwich'in Harvesters Assistance Program (GHAP) in the Inuvik area, helping Beneficiaries who wish to practice traditional subsistence hunting, trapping and fishing. This year Neil will also train a Summer student in RRC issues and responsibilities.

Administrative assistant Sarah Fosbery maintains the filing system, handles the extensive correspondence that flows through our office, fields incoming telephone calls and deals with the general public in addition to arranging Council meetings and ensuring that Council members are provided with the latest information on the issues they face.

Frank Edwards Sr. has served as the Nihtat Gwich'in Council's Community Coordinator for a number of years, directing activities that help our youth, Elders and other Beneficiaries. This year he worked with Program Coordinator Susan Ross, whose position was recently created by the Inuvik Native Band. They work together on various projects, including the "On-the-Land" program sponsored by Brighter Futures and held each year at Rachel Reindeer Camp. This event is one of the highlights of Spring, and gives children in the community the opportunity to go out to a camp in the bush and experience the traditional Gwich'in lifestyle and culture, as taught by our Elders. Other programs that benefit the community include Summer fish camps, sewing classes and language classes.

Frank and Susan also coordinate the Elders' Council and the Recreation Committee, which engage in fundraising activities to offset the costs of our programs for Elders and youth. They will also work with a Summer student this year, under a Youth Work Experience initiative.

In 1992 we created the Nihtat Gwich'in Development Corporation, to create employment, training and business opportunities for Beneficiaries. The DevCorp. continued to do well this year, with established and more recently created subsidiaries preparing to take advantage of the opportunities created by the return of oil and gas activity to the Beaufort-Delta region. It is currently involved in the multi-million dollar Capital Suites Project, which employs many local Beneficiaries in the current construction phase and will be a solid investment in the years ahead. Chii Construction provided construction services to the GTC this year, carrying out renovations to the Chief Jim Koe Building and the Mack Travel Building. For the first time, Chii operated year-round instead of on a seasonal basis. As the pace of economic development in the region picks up, we can be sure our people will have ample opportunity to develop their own capacity and shape a prosperous future.

Thanks to our staff, the current Councils, and to former Chief James B. Firth and the past Councils for their hard work. Thanks as well to all our Elders for their guidance and support.

Massi Cho,
Richard Nerysoo
Chief



Photo: Nihtat Band

Carmen & Julia playing on the steps of the Nihtat Band Office.

Inuvik Native Band Council:

- Chief Richard Nerysoo*
- Sub-Chief Ruth Goose*
- Robert Charlie*
- Herbert Blake, Jr.*
- Elsie Bodnar*
- Duane DeBastien*
- Linda McLeod Lennie*
- Elizabeth Hansen*
- Melba Mitchell*

Nihtat Gwich'in Council:

- Richard Nerysoo*
- Ruth Goose*
- Duane DeBastien*
- Linda McLeod Lennie*
- Elizabeth Hansen*
- Denise Kurszewski*
- Tom Wright*
- Herbert Blake, Jr.*

Nihtat Renewable Resource Council:

- President Harry Carmichael*
- Vice-President Linda McLeod-Lennie*
- Tom Wright*
- Elizabeth Hansen*
- Alan Firth*
- Ricky Firth*
- Lorraine Lokos*

Ehdiitat Gwich'in Council Report

Drin Gwinzii,

This was yet another successful year of operations for the Ehdiitat Gwich'in Council and Aklavik Indian Band. We can point to a strong financial position as well as significant moves to prepare ourselves for the accelerated pace of economic development in the GSA.

Many of you will recall Aklavik's past difficulties. Yet I would remind you that last year we had a substantial surplus, allowing us to make the final payments on our debt retirement plan, thereby paying off the debts incurred by previous administrations. I am proud of the fine work of our administration and finance team, who continue to ensure that both our overall finances and our financial records are in good order.

I am pleased to report that we were the first Band in the NWT to submit our audited financial statements this year, and won a \$5,000.00 prize as a result. Our auditor and financial advisors have announced a surplus in all our operations. This puts the Aklavik Gwich'in in a positive position in the eyes of government and industry, and demonstrates our ability to manage our own affairs. This is the fifth year in a row that we have run an overall surplus. Not only does the surplus provide us with money to invest in our future, it gives us the credibility to form partnerships with others that will help us to develop a more secure economic base.

Our investment arm, Daazraii Investments Incorporated, continued to grow this past year. For some time, we have had contracts with the Department of Transportation for operating and maintaining the Fred Carmichael Airport and providing the Community Airport Radio Station. One of Daazraii's most promising initiatives is its partnership with North Wright Air of Norman Wells. The resulting joint venture, Daazraii North Wright Air Ways provides three scheduled flights a day to Aklavik, charter service out of Inuvik, and connecting flights to Yellowknife and into the Sahtu. This company is earning an enviable reputation for its reliable, quality service, and it is well-positioned to grow within the expanding air travel market.

Our real estate arm, Black Mountain Development Corporation, has an inventory of properties that includes the Chief Andrew Stewart Building and a number of residential units in Aklavik. We also have the contract for operation of the Aklavik Post Office.

As you can see, we have met with success in a number of contracts, and we have extended our search for business opportunities beyond Aklavik. It has long been my view that our future lies in forming effective partnerships for the development of the Beaufort-Delta region as a whole. We must work together with the other GSA communities to better the lot of our people today and create greater opportunities for future generations.

As I promised in the recent election campaign, I am developing plans for Youth Leadership training within our community, as well as ideas to stimulate economic development in ways that address our social concerns. It is essential that when we meet with government and industry to discuss projects within the GSA we insist that they recognize their responsibility to help us deal with the social impacts that accompany increased economic activity. This year I have been heavily involved in the development of Terms of Reference for a new social capability within the GTC, which will give us the ability to deal with many of the needs of individual Beneficiaries and families.

Thanks to our past and present Council members, our staff, led by Knute Hansen and Lee Ann Nerysoo, and my fellow Beneficiaries for their support and hard work over the past year. I look forward to working with you in the next year for the good of all our people.

Mahsi Cho and God bless,

Charles Furlong
Chief



Photo: GTC

Chief Charles Furlong in the Aklavik Band Office.

Ehdiitat Gwich'in Council

Charles Furlong
Anna Lee McLeod
Terry Peterson
Fanny Greenland
Mildred Edwards

Ehdiitat RRC

Fanny Greenland
James McDonald, Sr.
John Carmichael
Danny Greenland
James Edwards, Jr.
Elizabeth Semple

Gwich'in Development Corporation Report

A. Our Mandate

The mandate of the Gwich'in Development Corporation (GDC) is to pursue commercial development that will earn the shareholder (GTC) an acceptable long-term rate of return on its investment. In addition, GDC will promote the employment and training of the GTC membership.

B. Investment Portfolio

The Gwich'in Development Corporation's net investment portfolio consists of the following:

Mackenzie Valley Construction Ltd. (50%)	\$3,125,400	63%
Inuvik land assembly	808,000	16%
Community land for resale	131,500	3%
Camp MGK Ltd. (25%)	179,700	4%
Larga Ltd. (37.5%)	<u>710,900</u>	<u>14%</u>
	<u>\$4,955,500</u>	<u>100%</u>

In addition GDC holds interests in two joint ventures, which are Gwich'in Ensign Oilfield Services Inc. and Trans North Helicopters (Arctic) Ltd.

C. Overall Results

GDC's total consolidated revenues for 2003 amounted to \$10,330,844. GDC's consolidated operating loss was \$490,125 and consolidated assets of the Corporation totaled \$9,328,008.

During the year the GDC completed its corporate restructuring. This restructuring involved reducing corporate overhead and operating costs. In addition, the shares of Gwich'in Properties Ltd. were transferred to the GTC. The Corporation is now an investment holding company. Active business operations are now handled at the subsidiary level; therefore, the requirement for corporate overhead has been significantly reduced.

D. Performance of Investments

Mackenzie Valley Construction Ltd.

Mackenzie Valley Construction Ltd. is a 50% joint venture between GDC and Arctic Tire (1980) Ltd. The company has earned revenues of approximately \$16,400,000 on assets of approximately \$14,000,000. GDC earned a 25% return on investment on this investment in 2003.

Inuvik Land Assembly

The GDC has approximately \$808,000 invested in land and buildings in Inuvik that is being held for future development. This includes the construction shop (\$359,000), the Westec building (\$60,000), the Great Northern Gas land and building (\$238,000), three vacant industrial lots (\$51,000) and the Visitor Centre land (\$100,000).

Community Land for Resale

Community land held for resale consists of eight residential lots in Fort McPherson (\$75,500), one residential lot in Tsiigehtchic (\$14,000) and one residential lot in Inuvik (\$42,000).

Camp MGK Ltd.

The GDC owns 25% of Camp MGK Ltd., a base camp on the outskirts of Inuvik that serves as a base of operations for oil and gas and construction companies working in the region. Our partners in the venture are McDonald Brothers Electric Ltd. and Ketza Construction Corporation. The facility was completed in December, 2001. The company total revenues for 2003 were approximately \$741,000. Total company assets amounted to \$1,360,000. The company incurred a small operating loss this year.

Larga Ltd.

The GDC has a 37.5% share in Larga Ltd., which owns and operates a medical boarding facility in Edmonton, and provides transportation and referral services. The other shareholders are Nunasi Corporation and Kitikmeot Corporation. The GDC purchased its interest in 1994. The company has earned revenues of approximately \$1,420,000 on assets totaling approximately \$3,285,000. GDC earned a 29% return on investment on this investment in 2003.

Aadrii Limited

Aadrii Limited was created in 1995 to distribute residual heat from the diesel generating plant in Fort McPherson to various institutional, municipal and commercial buildings. This company is equally owned by GDC and the NWT Power Corporation. On November 18, 2003 a glycol spill occurred. The company will be completing the necessary work in 2004 to clean up this spill. On January 19, 2004 the diesel power plant in Fort McPherson was destroyed by fire. Approximately 25% of the company's heat distribution assets were destroyed in the fire and the system is expected to be replaced with insurance proceeds.

Gwich'in Ensign Oilfield Services Inc.

In 2001 the GDC formed a joint venture with Ensign Resource Service Group. The company is owned 51% by GDC and 49% by Ensign Oilfield Services Inc. The company provides drilling and related services in the Gwich'in Settlement Area. GDC earned a management fee of \$57,500 on revenues of approximately \$2,482,000.

Trans North Helicopters (Arctic) Ltd.

The Corporation entered this joint venture with Trans North Helicopters in 2001. The company provides helicopter services in the Gwich'in Settlement Area and also offers training and employment opportunities for Beneficiaries interested in careers as helicopter pilots or mechanics.

E. Strategic Development and Outlook

On February 13, 2004 the Gwich'in Development Corporation invested an additional \$1,525,000 in Mackenzie Valley Construction Ltd. This investment was made in order to equalize the GDC's ownership interest with that of Arctic Tire (1980) Ltd.

Also on March 31, 2004 the Gwich'in Development Corporation invested \$1,745,000 in Inuvik Capital Suites Zheh Gwizuh Limited Partnership. The Inuvik Capital Suites is scheduled to open on October 1, 2004. It will have 44 fully-furnished one and two bedroom Executive Suites featuring kitchen and living rooms. Ownership of the Inuvik Capital Suites consists of GDC (35%), the Nihtat Gwich'in Development Corporation (15%) and the Northern Property Real Estate Investment Trust (50%).

Over the next year, the GDC will be focused on identifying and selecting investment opportunities that generate a good return, will diversify the GDC investment portfolio and provide opportunities for employment for Gwich'in Beneficiaries. In 2004, the GDC expects to generate a positive return for its shareholder, GTC.



Gregory D. Cayen, C.A.
Chief Financial Officer

Gwich'in Settlement Corporation

Annual Report

June 2004



GWICH'IN SETTLEMENT CORPORATION REPORT

History

The Gwich'in Settlement Corporation ("GSC"), the investment arm of the Gwich'in Tribal Council, was established in 1992 as a "settlement corporation" pursuant to Chapters 7 and 11 of the Gwich'in Comprehensive Land Claim Agreement (the "Agreement").

The GSC is responsible for receiving and investing the majority of the capital transfer payments payable to the Gwich'in, pursuant to Chapter 8 of the Agreement, so that future generations of the Gwich'in can use the funds for "permitted activities" as described in Schedule 1 to Chapter 11 of the Agreement.

At inception in 1992, the fund was conservatively invested in a portfolio of short term guaranteed investment certificates. In 1995, this strategy was modified to include investment in a Canadian bond portfolio managed by Wood Gundy.

In 1996, there were a number of significant milestones for the fund. The first was the appointment of TAL Global Asset Management as the external investment manager to the fund, replacing Wood Gundy. The appointment of TAL provided the GSC with access to a professional investment management firm with the ability to invest a portion of the fund assets in Canadian and foreign equities, in addition to Canadian bonds.

Another important development in 1996 was the adoption of By-Law #18 (now By-Law #3) by the Gwich'in Tribal Council (GTC), which formalized the amount of the capital transfer to be allocated to the fund from 1997 to 2007. The By-Law also improved the governance of the fund through the establishment of an Investment Committee, the retention of an external investment advisor and the establishment of an investment policy that governs how the fund is to be invested and managed.

In April 2002, the Investment Committee appointed RBC Dominion Securities to manage a portion of the Canadian equity portfolio of the fund to provide additional diversification by investment style.

Fund Management

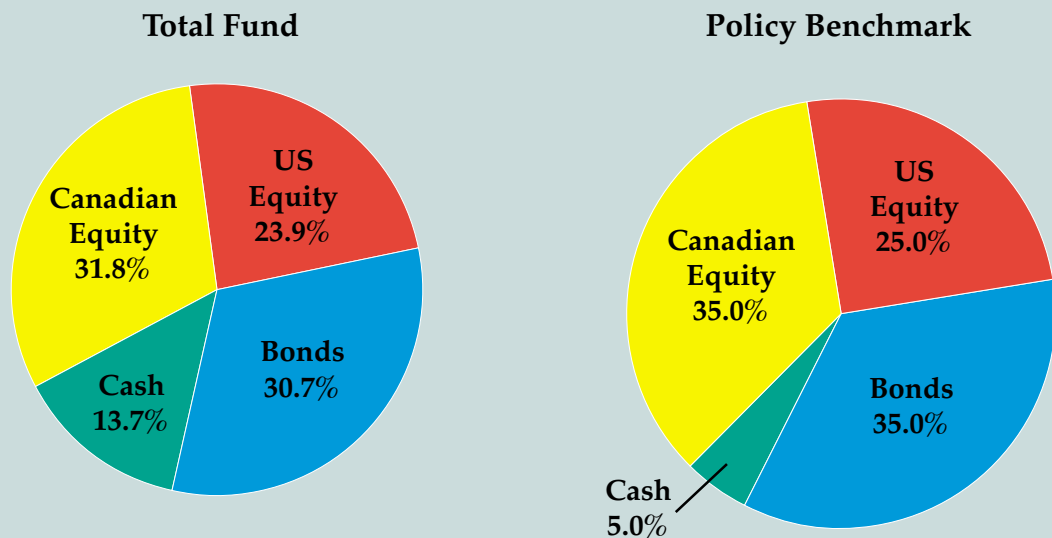
At March 31, 2004, the following professional organizations are involved with the investment management, administration and oversight of the fund:

- TAL is an investment manager, responsible for a balanced mandate which includes fixed income, Canadian and foreign securities as well as managing the asset mix of the portfolio for which they are responsible.

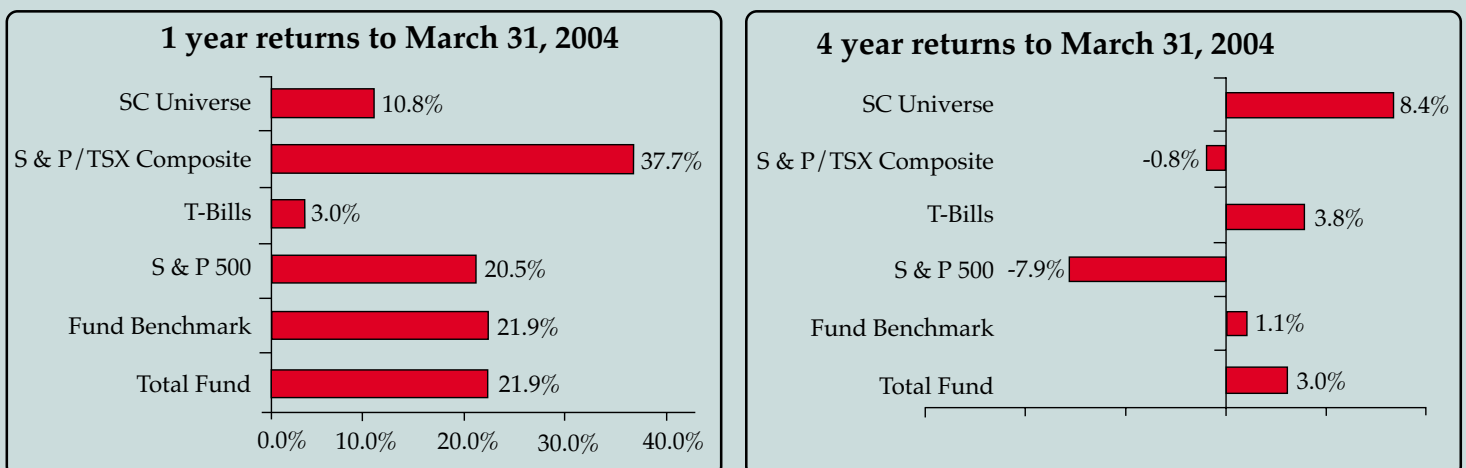
- RBC Dominion Securities is an investment manager, responsible for managing a Canadian equity portfolio.
- CIBC Mellon is the custodian of the fund assets, responsible for safekeeping, administration, and financial reporting of the fund assets.
- Towers Perrin is the investment advisor to the GSC, responsible for monitoring investment performance and compliance with the terms of the investment policy, and advising the GSC with respect to the investment management of the fund.

Investments at March 31, 2004

At March 31, 2004, the total market value of the fund was \$87,729,042 compared with \$66,662,579 at March 31, 2003 and was invested as follows:



The following chart shows the fund benchmark and asset class returns for the one year and four year periods ended March 31, 2004:



Over the one year period ended March 31st, the top performing asset class was Canadian equities with a return of 37.7%, followed by U.S. equities at 20.5% (in Canadian dollar terms). Bonds returned 10.8% while cash returned 3.0%.

The total fund returned 21.9% for the year ended March 31st, matching the total fund benchmark return while ranking in the bottom half when compared to a universe of other funds with similar asset allocations. Underperformance within the U.S. equity component of the fund, combined with an overweight to cash compared to comparable funds, were the primary determinants of relative underperformance during this period.

Over four years, the total fund has returned 3.0% per annum, outperforming the total fund benchmark return of 1.1% per annum, ranking in the bottom half of a universe of other balanced funds. Relative underperformance during this period is primarily attributable to poor performance in U.S. equities.

Since the inception of external investment management in 1996, the fund has returned approximately 7.7% per annum, in excess of the target return of 6.6%.

Future Contributions and Tax Status

In April 2004, an additional \$5.5 million was transferred into the fund. The remaining transfers are scheduled to occur as follows:

April 22, 2005	\$5 million	April 22, 2007	\$1 million
April 22, 2006	\$3 million		

Until April 22, 2007, income earned by the GSC is exempt from income tax providing it meets all the requirements relative to settlement corporations, as contained in Chapter 1 of the Agreement, and to public charitable foundations as contained in the Income Tax Act (Canada).

To maintain its tax exempt status after April 22, 2007, the Gwich'in Settlement Corporation must spend annually a minimum amount, referred to as the "disbursement quota", on permitted activities as contained in Schedule 1 to Chapter 1 of the Agreement. For GSC purposes, the disbursement quota is set at 4.5% of the capital, although this is subject to review pending changes to the Income Tax Act.

Progress of the Fund

- At March 31, 2004 the fund market value of \$87.7 million was behind the target market value of \$94.2 million, established based on a long-term return objective of 6.6%. The shortfall is primarily due to the poor market experience in 2000 to 2002. Strong market returns in 2003, however, moved total fund assets closer to the target objective compared to March 31, 2003 values (\$66.7 million total fund market value versus target market value of \$80.9 million).
- The expected fund returns based on the policy benchmark together with the remaining transfers to the fund using the 6.6% long-term return objective, are projected to grow the fund to \$123.4 million by April 22, 2007.
- Based on a 4.5% annual payout, a fund of \$123.4 million would support an initial disbursement of \$5.5 million.

Future Initiatives

The investment policy and manager structure of the fund was formally reviewed during a series of meetings in late 2003 and early 2004. Based on the results of this review, a decision was made to review the policy to permit an allocation of the fund to international equities, and to consolidate responsibility for management of U.S. and international equities with a single specialist manager. UBS Global Asset Management (Canada) was formally appointed in April 2004 to manage a global equity mandate and 25% of the assets of the fund were transferred to UBS in April 2004. TAL will now be responsible for Canadian equities and bonds. GSC initiatives for the coming year include a review of the Canadian equity component of the fund and an assessment of alternative spending policies.

Prepared by:



Chief Financial Officer's Report

March 31, 2004



Photo: GG

Gregory D. Cayen, C.A.
Chief Financial Officer

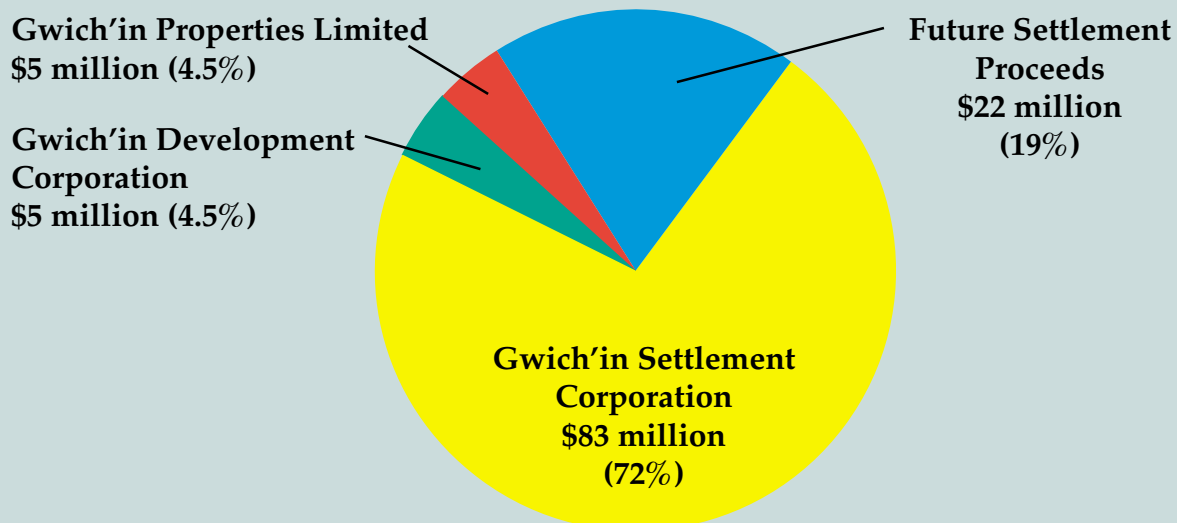
A. Our Mandate

The Gwich'in Tribal Council (GTC) is committed to the economic, social and cultural development of its membership. We manage your long-term investments in the Land Claim Settlement Fund and we deliver programs and services to you through Operations. Separate financial statements for each activity are prepared in addition to the overall consolidated financial statements which are included in the Annual Report.

B. Land Claim Settlement Fund

Land Claim Settlement investments of approximately \$115 million include investments in fixed term securities and equities held within the Gwich'in Settlement Corporation (\$83 million), future financial compensation payments receivable from the Government of Canada under the Land Claim Agreement (\$22 million), equity in real estate investments held primarily within Gwich'in Properties Ltd. (\$5 million) and equity in business activities held within Gwich'in Development Corporation (\$5 million).

Land Claim Settlement Fund, March 31, 2004



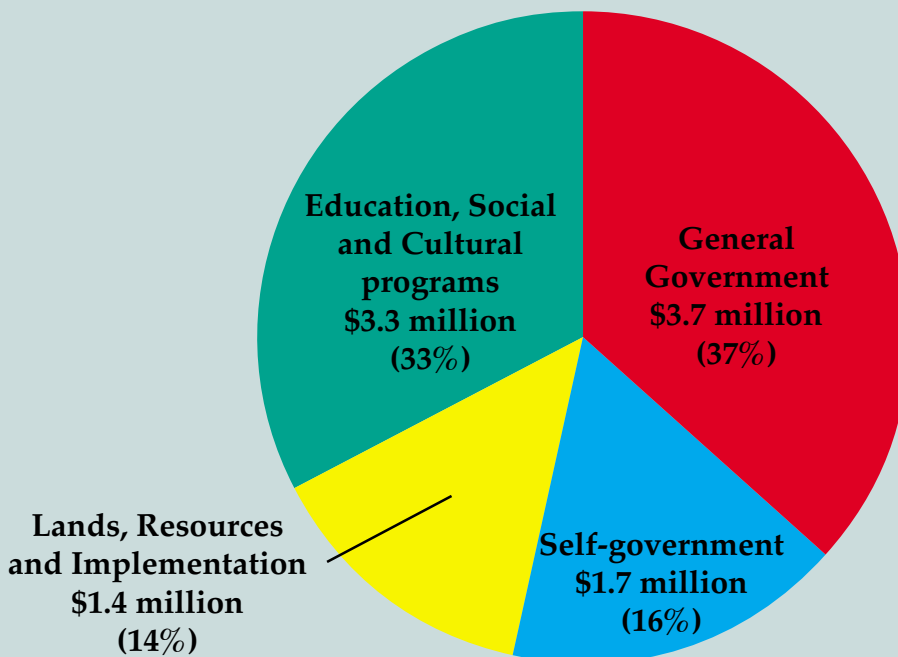
The Gwich'in Settlement Corporation earned an annual rate of return of 21.9% for the year ended March 31, 2004, (2003 – negative 12.4%). Net assets in the Corporation, at March 31, 2004, totalled approximately \$83 million (2003 – \$74.1 million). The market value of our investments at March 31, 2004 totalled approximately \$88 million (2003 - \$67 million). Total unrecognized gains for the year amount to \$5.7 million. Since the investment management of the Corporation was outsourced to external investment managers in 1996, the Corporation has earned a return of approximately 7.7% per annum, in excess of the target return of 6.67%. This return reflects the impact of positive equity markets over the past year.

Overall, the loss on Land Claim Settlement investments was \$830,500 in 2004 explained primarily by one-time corporate restructuring costs incurred by the Gwich'in Development Corporation and Gwich'in Properties Ltd. It was deemed necessary and prudent to restructure both GDC and GPL, to prevent future ongoing losses. After considering the unrecognized gain of \$5.7 million in the GSC, the Land Claim Settlement Fund has increased beneficiaries' equity for the year by approximately \$4.9 million. The GSC, GDC and GPL expect to generate long term positive returns for their shareholder, GTC.

C. Gwich'in Tribal Council - Operations

Total expenditures on programs amounted to approximately \$10.1 million for the year as follows:

GTC Operations, 2004



General government expenditures (\$3.7 million) include approximately \$2.7 million for Council operating expenses and \$1.0 million for contributions for band support and Designated Gwich'in Organization funding. These expenditures have been consistent over the last five years.

Funding for self-government (\$1.7 million) is for main table negotiations and community and Gwich'in constitution work.

Expenditures for lands, resources and implementation (\$1.4 million) have increased by \$200,000 over the previous year. This is due to increased activity on Gwich'in private lands resulting from pipeline activities.

Education, social and cultural programs (\$3.3 million) include activities of the Gwich'in Social and Cultural Institute (\$.9 million), Youth Crime Prevention (\$.4 million), various Aboriginal Human Resource Development and Education Initiatives (\$1.7 million) and other programs (\$.3 million). Increased activity in our Education department resulted in an additional \$600,000 being expended on education and training initiatives for our beneficiaries.

The Council had a consolidated operating deficiency for the year ended March 31, 2004 of \$86,580. This deficiency is explained primarily by higher than expected expenditures for education, social and cultural programs and lower than planned earnings on the land claim settlement investments.

The Gwich'in Tribal Council will be continuing the practice of reviewing the performance of all our programs to ensure continuous improvements in the quality of service to our beneficiaries in a financially efficient manner.

D. Overall Results

Total consolidated beneficiaries' equity amounts to approximately \$120 million or approximately \$44,000 per beneficiary as opposed to \$69 million or \$29,000 per beneficiary in 1992. The Council remains confident that the investment targets set by the membership can be obtained by April 22, 2007.

E. Strategic Development and Outlook

The Gwich'in Tribal Council will continue to focus its efforts to maximize the returns that are earned on the Gwich'in Land Claim Settlement Fund investments. The minimum benchmark return required for all our investments is 6.67%. In the coming year we will continue to evaluate our overall investment strategies and asset allocations to ensure we realize our investment objectives by April 22, 2007.

With respect to the Gwich'in Settlement Corporation, we have appointed a global equity manager and 25% of the assets of the fund were transferred to UBS Global Asset Management (Canada) in April, 2004. In the coming year we will review the Canadian fixed income and equity component of the fund, including a review of the performance of our Canadian fund managers. In addition, a review of management fees charged by our fund managers will be completed to ensure that investment management fees are harmonized.

Ownership of Gwich'in Properties Ltd. has been transferred from the Gwich'in Development Corporation to the Gwich'in Tribal Council and corporate overheads have been reduced. In addition, the residential real estate portfolio was sold on March 31, 2004. During the current year we will be completing renovations to our commercial real estate portfolio.

The Gwich'in Development Corporation completed its corporate restructuring this year. The company is now an investment holding company. The investment portfolio will be focused on strong long-term sustainable investments that can exceed the minimum rate of return. Two investments that have been made since the year end include equalizing our investment in Mackenzie Valley Construction Ltd. (\$1.5 million) and investing in the Inuvik Capital Suites (\$1.8 million).

Other policy issues that will be addressed over the next year include establishing a beneficiary dividend policy and developing a comprehensive funding plan (for the GTC, Designated Gwich'in Organizations and Renewable Resource Councils) for implementation after April 22, 2007.



Gregory D. Cayen, C.A.
Chief Financial Officer

Consolidated Financial Statements of

GWICH'IN TRIBAL COUNCIL

Year ended March 31, 2004

GWICH'IN TRIBAL COUNCIL

Consolidated Financial Statements

Year ended March 31, 2004

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MANAGEMENT'S REPORT

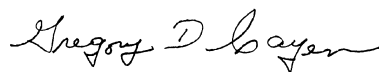
The accompanying consolidated financial statements of Gwich'in Tribal Council are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they 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 consolidated financial statements are presented fairly, in all material respects.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls. These controls provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded, in order that the integrity of financial records is maintained.

The financial statements have been audited by the independent firm, KPMG LLP. Their report to the beneficiaries of the Gwich'in Tribal Council, stating the scope of their examination and opinion on the consolidated financial statements, follows.



President



Chief Financial Officer

Inuvik, Canada

May 28, 2004

AUDITORS' REPORT TO THE BENEFICIARIES

We have audited the consolidated statement of financial position of the Gwich'in Tribal Council as at March 31, 2004 and the consolidated statements of financial activities, changes in beneficiaries' equity and changes in financial position for the year then ended. These financial statements are the responsibility of the Council'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 consolidated financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2004 and its financial activities and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Edmonton, Canada

May 28, 2004

GWICH'IN TRIBAL COUNCIL

Consolidated Statement of Financial Position

March 31, 2004, with comparative figures for 2003

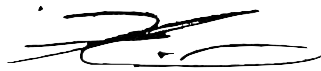
	2004	2003
Assets		
Financial assets:		
Cash	\$ 433,400	\$ 1,011,356
Accounts receivable	2,391,092	2,097,508
Prepaid expenses	10,305	-
Investments (note 2)	3,033,244	3,380,302
Land claim settlement investments (note 3)	114,876,789	115,707,289
	<u>120,744,830</u>	<u>122,196,455</u>
Physical assets (note 4)	409,890	196,678
	<u>\$ 121,154,720</u>	<u>\$ 122,393,133</u>

Liabilities and Beneficiaries' Equity

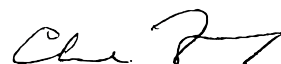
Liabilities:		
Accounts payable and accrued liabilities	\$ 971,863	\$ 910,202
Contributions repayable	-	7,126
Deferred revenue	9,825	266,196
	<u>981,688</u>	<u>1,183,524</u>
Beneficiaries' equity:		
Operating fund:		
Unrestricted	1,838,760	1,925,340
Internally restricted (note 5)	3,047,593	3,380,302
	<u>4,886,353</u>	<u>5,305,642</u>
Equity in physical assets	409,890	196,678
Land claim settlement fund	114,876,789	115,707,289
	<u>120,173,032</u>	<u>121,209,609</u>
	<u>\$ 121,154,720</u>	<u>\$ 122,393,133</u>

See accompanying notes to consolidated financial statements.

On behalf of the Council:



Director



Director

GWICH'IN TRIBAL COUNCIL

Consolidated Statement of Financial Activities

Year ended March 31, 2004, with comparative figures for 2003

	Budget	2004	2003
	(unaudited)		
Revenues:			
Contributions:			
DIAND	\$ 2,964,919	\$ 2,307,044	\$ 2,348,947
Government of Canada	2,277,760	2,401,155	1,389,049
Government of NWT	653,362	771,098	840,771
Other	153,500	233,826	192,393
Aboriginal Healing Foundation	—	—	236,752
Aboriginal Summit	210,751	220,749	250,692
	6,260,292	5,933,872	5,258,604
Royalties	554,309	1,132,412	664,772
User fees	100,000	94,618	344,688
Interest	206,000	207,524	132,824
Administration fees	471,481	490,500	490,900
Other	—	7,110	45,441
Earnings of land claim settlement investments (note 3)	2,225,000	1,430,385	1,780,136
	9,817,082	9,296,421	8,717,365
Expenditures (notes 6 and 7):			
General government	3,656,717	3,734,858	3,593,035
Self-government	2,324,970	1,734,730	1,634,808
Land claim implementation	758,322	521,264	280,707
Land administration	272,068	241,835	403,622
Resource management	364,193	686,722	537,884
Education, social and cultural	2,440,812	3,256,337	2,781,601
	9,817,082	10,175,746	9,231,657
Deficiency of revenues over expenditures before the under-noted	—	(879,325)	(514,292)
Transfer of settlement proceeds to other organizations, net (note 5)	—	(318,600)	(4,681,400)
Transfer of net assets to Tetlit Gwich'in Council (note 8)	—	(51,864)	—
Deficiency of revenues over expenditures	\$ —	\$ (1,249,789)	\$ (5,195,692)

See accompanying notes to consolidated financial statements.

GWICH'IN TRIBAL COUNCIL

Consolidated Statement of Changes in Beneficiaries' Equity

Year ended March 31, 2004, with comparative figures for 2003

	Operating fund	Equity in physical assets	Land claim settlement fund	2004	2003
Balance, beginning of year	\$ 5,305,642	\$ 196,678	\$ 115,707,289	\$ 121,209,609	\$ 126,228,096
Excess (deficiency) of revenues over expenditures	(2,680,174)	–	1,430,385	(1,249,789)	(5,195,692)
Transfer of equity	–	–	–	–	165,725
Investment in physical assets	–	322,660	–	322,660	75,230
Amortization of physical assets	–	(109,448)	–	(109,448)	(63,750)
Transfers	2,260,885	–	(2,260,885)	–	–
Balance, end of year	\$ 4,886,353	\$ 409,890	\$ 114,876,789	\$ 120,173,032	\$ 121,209,609

See accompanying notes to consolidated financial statements.

GWICH'IN TRIBAL COUNCIL

Consolidated Statement of Changes in Financial Position

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenues over expenditures	\$ (1,249,789)	\$ (5,195,692)
Transfer of beneficiaries' equity which does not involve cash	—	129,436
Change in non-cash operating working capital:		
Accounts receivable	(293,584)	8,765,879
Prepaid expenses	(10,305)	—
Accounts payable and accrued liabilities	61,661	(765,904)
Contributions repayable	(7,126)	(7,131)
Deferred revenue	(256,371)	(121,971)
	<u>(1,755,514)</u>	<u>2,804,617</u>
Investments:		
Purchase of (proceeds from) investments, net	347,058	(3,380,302)
Decrease in land claim settlement investments	830,500	619,864
	<u>1,177,558</u>	<u>(2,760,438)</u>
Increase (decrease) in cash	(577,956)	44,179
Cash, beginning of year	1,011,356	967,177
Cash, end of year	<u>\$ 433,400</u>	<u>\$ 1,011,356</u>

See accompanying notes to consolidated financial statements.

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2004

Gwich'in Tribal Council (the "Council") is an aboriginal organization that represents approximately 2,700 Gwich'in in the Mackenzie Delta of the Northwest Territories. The Council was established in 1983 by the Band Councils and Metis Locals of the four communities of Aklavik, Tsiigehtchic, Fort McPherson and Inuvik. The Council is incorporated under the Canada Corporations Act and is not subject to any federal, territorial or local government taxes or similar charges.

The objectives of the Council include the following:

- to protect and preserve the rights, interest and benefits of the Gwich'in in reference to their use, ownership and management of lands, waters and resources in the Gwich'in settlement area;
- to retain, preserve and enhance the traditional and cultural values, customs and language of the Gwich'in in a changing society;
- to develop and promote economic, social, educational and cultural programs that will enable the Gwich'in to become self-sufficient and full participating members in a global society;
- to uphold the rights, interest and benefits of the Gwich'in in reference to the Constitution Act, Treaty 11 and the Gwich'in Comprehensive Land Claim Agreement; and
- to receive, preserve and enhance the capital and the lands and other benefits transferred to the Gwich'in pursuant to the Gwich'in Comprehensive Land Claim Agreement signed on April 22, 1992.

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

1. Significant accounting policies:

The consolidated financial statements of the Council have been prepared in accordance with generally accepted accounting principles for local government entities established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Council are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in beneficiaries' equity of the reporting entity, which comprises all the organizations that are accountable for the administration of their financial affairs and resources to the Council and are owned or controlled by the Council. They include the following:

Entity	Year end
Gwich'in Social and Cultural Institute	March 31, 2004
Tl'oondih Healing Society (transferred April 1, 2003)	—
Gwich'in Culture and Language Fund	March 31, 2004
Gwich'in Enrolment Board	March 31, 2004
Gwich'in Education and Training Fund	March 31, 2004
Beaufort-Delta Self-Government Office (jointly controlled)	March 31, 2004
Council of Gwich'in Chiefs	March 31, 2004

Land claim settlement investments include the land claim settlement accounts of the Council, and the net assets of the following entities:

Entity	Year end
Gwich'in Development Corporation	December 31, 2003
Gwich'in Properties Ltd.	December 31, 2003
Gwich'in Settlement Corporation	March 31, 2004
Gwich'in Land Corporation	March 31, 2004

(b) Investments:

Fixed term investments are carried at amortized cost or at amortized cost less amounts written off to reflect a decline in value that is other than temporary. Interest is reflected on an effective yield basis.

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

1. Significant accounting policies, continued:

(c) Physical assets:

Physical assets are reported as expenditures in the year they are acquired. Recorded physical assets are amortized annually with a corresponding reduction in Equity in Physical Assets. Physical assets are amortized over their expected useful lives using the following methods and annual rates:

Asset	Basis	Rate
Computer hardware and software	Declining balance	30%
Equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Building improvements	Straight line	10 years

(d) Revenue recognition:

Restricted funding is recognized as revenue in the year in which the related expenses are incurred. Unrestricted funding is recognized as revenue when received or receivable if the collection of the amount to be received is reasonably assured.

2. Investments:

	2004		2003	
	Amortized cost	Market	Amortized cost	Market
Fixed income:				
Government and Canadian corporate bonds, with effective interest rates of 5.03% to 5.75%, maturing in 2007 to 2012	\$ 3,033,244	\$ 3,221,306	\$ 3,061,702	\$ 3,067,055
Amount due from land claim settlement investments, non-interest bearing	—	—	318,600	318,600
	\$ 3,033,244	\$ 3,221,306	\$ 3,380,302	\$ 3,385,655

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

3. Land claim settlement investments:

Land claim settlement investments comprise the settlement proceeds received pursuant to the Gwich'in Comprehensive Land Claim Agreement signed April 22, 1992 and accumulated excess of revenues over expenditures of the Gwich'in Tribal Council Land Claim Settlement accounts.

	2004	2003
Settlement proceeds	\$ 69,190,104	\$ 69,190,104
Accumulated excess of revenues over expenditures	45,686,685	46,517,185
	<u>\$ 114,876,789</u>	<u>\$ 115,707,289</u>

Financial information relating to land claim settlement investments is as follows:

	2004	2003
Assets:		
Cash and other current assets	\$ 6,923,648	\$ 6,763,131
Notes, loans and mortgages receivable	156,250	636,250
Future settlement proceeds receivable	24,375,404	31,916,335
Investments in fixed term securities and equities	84,063,398	74,409,159
Income producing properties	7,831,285	15,171,779
Capital assets and goodwill	5,045,746	2,953,129
	<u>128,395,731</u>	<u>131,849,783</u>
Liabilities:		
Bank indebtedness	-	1,409,407
Accounts payable and accrued liabilities	2,667,835	2,274,645
Long-term debt	8,046,126	8,743,493
Claims loan agreement	2,804,981	3,714,949
	<u>13,518,942</u>	<u>16,142,494</u>
Net assets	\$ 114,876,789	\$ 115,707,289
Revenues:		
Investment income	\$ 4,826,007	\$ 2,137,495
Sales and other	11,413,165	12,589,304
	<u>16,239,172</u>	<u>14,726,799</u>
Expenditures	(14,808,787)	(12,946,663)
Earnings of land claim settlement investments before transfers	\$ 1,430,385	\$ 1,780,136

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

3. Land claim settlement investments, continued:

In addition, the land claim settlement investments include various settlement lands in the Gwich'in Settlement Region. No value has been assigned to these lands for financial statement purposes.

The investments in fixed term securities and equities are as follows:

	2004		2003	
	Carrying value	Market value	Carrying value	Market value
Cash	\$ 235,435	\$ 235,435	\$ 687,455	\$ 687,455
Fixed term	37,922,151	38,561,803	21,745,977	22,393,049
Equities	43,905,732	48,742,603	51,360,087	44,063,716
Other	2,000,080	2,000,080	615,640	615,629
	\$ 84,063,398	\$ 89,539,921	\$ 74,409,159	\$ 67,759,849

4. Physical assets:

	2004		2003	
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware and software	\$ 666,933	\$ 467,189	\$ 199,744	\$ 118,692
Equipment	177,411	97,769	79,642	30,224
Furniture and fixtures	155,218	108,129	47,089	47,762
Building improvements	92,683	9,268	83,415	—
	\$ 1,092,245	\$ 682,355	\$ 409,890	\$ 196,678

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

5. Internally restricted:

The Board of Directors of the Council has approved the following internally restricted amounts:

	Balance March 31, 2003	Transfers	Investment earnings, net of disbursements	Balance March 31, 2004
Gwich'in Education and Training Fund	\$ 2,041,578	\$ -	\$ (2,706)	\$ 2,038,872
Gwich'in Culture and Language Fund	1,020,124	-	(11,403)	1,008,721
Gwich'in Children's Trust	318,600	(318,600)	-	-
	<u>\$ 3,380,302</u>	<u>\$ (318,600)</u>	<u>\$ (14,109)</u>	<u>\$ 3,047,593</u>

6. Expenditures by object:

	2004	2003
Salaries, wages and benefits	\$ 3,346,732	\$ 3,567,772
Honoraria	147,095	116,051
Travel	503,958	837,667
Office and administration	1,077,901	829,087
Rent and utilities	428,125	365,783
Professional fees	724,615	466,993
Community assistance and donations	158,309	164,765
Education and training	1,538,163	930,448
Annual general assembly	74,435	106,093
Physical asset acquisitions	341,044	81,492
	<u>8,340,377</u>	<u>7,466,151</u>
Contributions to other organizations:		
Renewable Resource Councils	292,429	292,429
Designated Gwich'in Organizations	573,200	573,200
Band Support Services	454,000	454,000
Self-government community negotiation assistance	515,740	390,877
Other	-	55,000
	<u>1,835,369</u>	<u>1,765,506</u>
	<u>\$ 10,175,746</u>	<u>\$ 9,231,657</u>

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

7. Expenditures by function:

	2004	2003
General government:		
Council operations	\$ 2,444,507	\$ 2,429,909
Band support services	630,381	454,000
Designated Gwich'in Organizations	573,200	573,200
Other programs	86,770	135,926
	<u>3,734,858</u>	<u>3,593,035</u>
Self-government:		
Beaufort-Delta Self-Government Office	1,424,676	1,509,554
Council of Gwich'in Chiefs	291,175	-
Core self-government	18,879	125,254
	<u>1,734,730</u>	<u>1,634,808</u>
Land claim implementation:		
Claim implementation	494,321	230,288
Enrolment	26,943	50,419
	<u>521,264</u>	<u>280,707</u>
Land administration	241,835	403,622
Resource management:		
Gwich'in Pipeline Environmental Assessment Program	157,412	-
RWED – Business Policy	85,000	-
Environmental contaminants	44,391	52,797
McKenzie Valley Resource	23,740	27,783
RWED – Customs Negotiating Training	22,395	-
First Nations Forestry Program	22,225	-
Wildlife Act review	15,152	13,307
Renewable resource councils	292,429	292,429
Other programs	23,978	151,568
	<u>686,722</u>	<u>537,884</u>
Education, social and cultural:		
Aboriginal Human Resource Development	1,481,607	1,034,020
Gwich'in Social and Cultural Institute	853,894	793,720
Youth crime prevention	408,473	339,864
Gwich'in Education and Training Fund	233,060	78,329
Capacity Building Projects	90,000	-
Employment Liason	76,071	-
Gwich'in Culture and Language Fund	64,782	-
Tl'oondih Healing Society	-	418,736
Other programs	48,450	116,932
	<u>3,256,337</u>	<u>2,781,601</u>
Total expenditures by function	<u>\$ 10,175,746</u>	<u>\$ 9,231,657</u>

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

8. Transfer of beneficiaries' equity:

On April 1, 2003, the unrestricted equity of the Tl'oondih Healing Society of \$51,864 was transferred to the Tetlit Gwich'in Council.

9. Public entities and boards:

The Council has the ability to appoint a portion of the members of the Board of Directors of the Gwich'in Land Use Planning Board, Gwich'in Land and Water Board, Gwich'in Renewable Resource Board and the Gwich'in Wildlife Studies Fund. These entities and boards have not been included in the Council's consolidated financial statements.

10. Trust assets and liabilities:

The Gwich'in Tribal Council administers the following trusts on behalf of their beneficiaries. Transactions within the trusts during the current year are summarized below. They have been excluded from the consolidated financial statements.

	Opening balance	Distributions	Net investment earnings and contributions	Closing balance
Gwich'in Trust for the year ended March 31, 2004	\$ 1	\$ -	\$ -	\$ 1
Gwich'in Harvesters Assistance Trust for the year ended December 31, 2003	4,585,527	(213,593)	196,059	4,567,993
Gwich'in Children's Trust for the year ended December 31, 2003	-	(7,600)	506,891	499,291
	<u>\$ 4,585,528</u>	<u>\$ (221,193)</u>	<u>\$ 702,950</u>	<u>\$ 5,067,285</u>

GWICH'IN TRIBAL COUNCIL

Notes to Consolidated Financial Statements, continued

Year ended March 31, 2004

10. Trust assets and liabilities, continued:

	2004		2003	
	Carrying value	Market value	Carrying value	Market value
Cash and cash equivalents earning interest at 2.5%	\$ 515,748	\$ 515,748	\$ 38,001	\$ 38,001
Fixed term investments:				
Government and government-guaranteed bonds, with effective interest rates of 6.56% to 6.63%, maturing in 2005	2,874,863	3,104,608	2,878,889	3,182,155
Common stocks:				
Canadian	1,225,487	1,508,112	1,341,777	1,388,568
International	444,057	379,347	308,706	206,749
	1,669,544	1,887,459	1,650,483	1,595,317
Accrued interest receivable	33,281	33,281	25,281	25,281
Accounts payable	(26,151)	(26,151)	(7,126)	(7,126)
	\$ 5,067,285	\$ 5,514,945	\$ 4,585,528	\$ 4,833,628

The market value of international common stocks is \$64,710 less than cost at December 31, 2003. The carrying value of these securities has not been written down to market value because management has concluded, based on review of market information for these securities, that there is no obvious indication of significant impairment that is other than temporary.

11. Salaries, honoraria, travel and other remuneration:

	Base salaries and honoraria	Travel	2004 Total
President	\$ 85,000	\$ 6,364	\$ 91,364
Vice President	75,000	4,950	79,950
Council members (8)	34,376	–	34,376
Chief Operating Officer	100,000	5,637	105,637
Chief Financial Officer	143,800	13,565	157,365
	\$ 438,176	\$ 30,516	\$ 468,692

12. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.

*Students from Samuel Hearne had a great time
this spring at a track & field
meet in Hay River.
Congratulations to all!*



The Inuvik Capital Suites

