

Northwest Territories **SURFACE RIGHTS BOARD**

2019-20 ANNUAL REPORT AND 5 YEAR SUMMARY



Northwest Territories
Surface Rights Board



CHAIRPERSON'S MESSAGE



Louie Azzolini
Chairperson

This is the Northwest Territories Surface Rights Board's (SRB) fifth annual report. Reviewing previous years' work for our Key Performance Indicator reporting showed the Board was well on its way to achieving its vision of being respected and trusted to resolve land and water access disputes in a fair and timely manner. It is a privilege to serve the public and my fellow Board members knowing that the SRB's achievements are a testament to every Board member's unique talents, history, and community of origin. It was as if the Board itself was, as Chief Jimmy Bruneau spoke in 1936, "strong like two people."

The SRB has focused on making sure it was ready to do the job asked of it in section 8.(1) of the Act; being "to resolve matters in dispute relating to access to Gwich'in lands, Sahtu lands, and Tłı̨chǫ lands, and the waters overlying those lands, and Inuvialuit lands and non-designated land." Hence, the SRB's three goals:

- Ready, competent and timely dispute resolution.
- Respected, trusted and understood by the public and parties to disputes.
- Core capacity and administrative requirements are met.

The SRB's priorities and accomplishments over the past five years has focused exclusively on these three goals. We are not there yet; but if measured from the starting line of the inaugural teleconference Board meeting on October 5, 2015, the SRB will be looking for a new goal or two soon. The SRB is achieving its strategic goals, has sound business planning and financial controls, is increasingly knowledgeable of its legislation, and through interactive training sessions growing its readiness to

provide ready, competent and timely dispute resolution. This has fostered strong Board member collaboration and the ability to share in many achievements, such as:

- Development of an integrated hearing process support system,
- Expanding its suite of operating policies and guidance documents,
- Approval of a suite of Applications governing the public's access to the services of the SRB,
- Adoption of terms of reference for three (3) permanent standing committees: Governance and Training, Human Resources and Planning and Finance,
- Engagement with other boards and agencies affected by SRB orders,
- Building SRB relationships with similar jurisdictions in Nunavut and the Yukon,
- Adopting a data sharing agreement with the Nunavut Surface Rights Tribunal,
- Improving the functionality of the SRB's web site including its online public registry and a frequently asked questions section,

- Maintaining the currency of its Employee Compensation and Honoraria Policies,
- Receiving training in dispute resolution, surface rights law, running fair hearings, review of relevant Aboriginal land claim agreements, administrative law, resource management law in the NWT, and interest-based negotiation.

The NWT Surface Rights Board is a quasi-judicial administrative tribunal and an institution of public government pursuant to the Surface Rights Board Act of the NWT.

As prescribed in section 28 of the Act, The Board reports it has established itself operationally to receive a request for an order. No orders have been requested or issued to date. The Board is ready to deliver on its mandate but there remains work to do as described in the Board's 2020/21 strategic and business plans.

The SRB is up to the task.

Louie Azzolini
Chairperson

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THE NWT SURFACE RIGHTS BOARD

This report constitutes the Northwest Territories (NWT) Surface Rights Board ('SRB' or 'Board') annual report. Readers wanting more information are encouraged to contact the SRB's Executive Director or drop by its office located at the Finn Hansen Building in Yellowknife at 5105 – 5st street.

The SRB is an institution of public government established pursuant to the Surface Rights Board Act of the NWT (Act). The Act came fully into force on April 1, 2016.

The purpose of the SRB is to fairly resolve matters in dispute regarding access to land in the NWT and waters overlying those lands in the Mackenzie Valley and the compensation to be paid for that access. These lands include Gwich'in Land

Claim Settlement lands, Sahtu Land Claim Settlement lands, Tlicho Land Claim Settlement lands, as well as private, Commissioner's and Crown lands. It also includes Inuvialuit Land Claim Settlement lands.

The SRB resolves disputes by making orders that set out the terms and conditions on which a person (such as an individual, corporation, government, etc.) can access lands and waters, as well as the compensation to be

paid for that access. The SRB has not issued any orders to date.

MEETINGS

In 2019/20 the SRB held four (4) meetings in Yellowknife with committee meetings and other Board business conducted between board meetings. The SRB's meeting schedule is in Appendix One and summarized below.



PHOTO COURTESY GNWT DEPT. OF INFRASTRUCTURE

The La Marte River Bridge, under construction on the Tłı̄chǫ All Season Road, 2020.

RULES OF PROCEDURE

The Board's process to arrive at an order is guided by the Rules of Procedure (Rules) and the Act; neither should be referenced in isolation of the other. The Rules are used when the SRB is asked to make an order. When this happens, the Rules explain how the Board conducts its business.



Construction projects often run around the clock, regardless of the weather.

To help understand the SRB's jurisdiction and procedures, the SRB has prepared and made available on its website a series of process flowcharts that visually explain the SRB's areas of jurisdiction and the procedural pathways involved. While the flowcharts are intended to assist in understanding the NWT SRB's jurisdiction and procedures, the reader is advised that the flowcharts are not a legal document, have no legal status, and should not be relied upon for legal purposes.

BYLAWS

The Board has adopted bylaws regarding the powers and functions of the Chairperson and the conduct and management of its internal administrative affairs. The Board Bylaws are published on the SRB website.

This year the SRB amended its Bylaw (Negotiations and Consultation) asserting compliance with the notion of negotiation (per the SRB Act) and consultation (per Section 35 of the Constitution Act, 1982), further that the Board will give oral direction vis-à-vis mediation to the parties on a case-by-case basis in order to meet the negotiation and consultation requirements.

STANDING COMMITTEES

This year the SRB established three standing committees. A Governance & Training Committee; a Human Resources Committee; and a Planning & Finance Committee. Each committee is guided by Board approved terms of reference.



BILL BRADEN

Sundogs are a sure sign of a cold winter day over houseboats on Yellowknife Bay.

PLANNING & FINANCE COMMITTEE

The Planning and Finance Committee reports and provides corporate planning and financial management advice to the SRB in the following areas:

- Strategic planning
- Business planning
- Annual budgets and quarterly financial variance reporting; and
- Administrative Matters, Audits or and Investigations.

The SRB's strategic plan is updated every year before preparing the next year's budget. The annual update entails an assessment of the SRB's strategic working

environment and an introspective reflection of its key challenges and upcoming opportunities. The purpose of the strategic plan is to systematically work toward achieving the SRB's overarching goals and objectives. Finally, the plan provides specific prioritized strategies the Board intends to deliver over the next first five years of its operations.

STEP	DESCRIPTION
1	P&F COMMITTEE - Brief review of the Board's Mission, Vision and Values and recommend improvements if any. Then, review and update the Board's Environmental Scan document.
2	BOARD MEETING (TELECON) - Consider, amend and approve documents from Number 1 above.
3	P&F COMMITTEE - Review/revise/increase/ prioritize the current strategies to reflect changes to the mission, vision and values statements and current information from the environmental scan.
4	P&F COMMITTEE - Review/revise/recommend the revisions to Goals and Objectives as necessary to reflect the changes proposed to the Strategies for Board consideration.
5	BOARD MEETING - Consider, amend and approve documents from Number 2-4 above.
6	P&F COMMITTEE - Develop a work plan for each strategy in the business plan and determine the resources and budget required to achieve that strategy over the five-year period of the business plan; including, a statement of intended outcomes and performance measures.
7	P&F COMMITTEE - Based on the forecast revenue to the Board and identified needs and priorities - develop a revised 5-year Business Plan for adoption and submission to the GNWT Minister of Lands.
8	P&F COMMITTEE - Final review of draft business planning documents to ensure proposed project budgets and schedules match forecast funding.
9	BOARD MEETING (TELECON) - Consider and approve the final business and Five-Year Forecast for submission to the GNWT Minister of Lands.

HUMAN RESOURCES COMMITTEE

Human Resources Committee provides advice to the SRB on human resource management with retaining, capable professional staff is a high priority for the SRB. To ensure the SRB attracts and retains first-rate staff has benchmarked the Executive Director position to a comparable GNWT position with the consequential pay and benefits.

The SRB is having problems getting its employee enrolled in the Northern Employee Benefits Services (NEBS) pension and benefits plans. The SRB has previously sought NEBS approval to enroll in its

pension and benefits plans and has been denied by the NEBS Board twice, Once on the initial application, and secondly on appeal. Unfortunately, private sector plans for a small organization like the SRB are cost prohibitive.

A GOVERNANCE & TRAINING COMMITTEE

The Governance and Training Committee provides advice to the SRB on governance matters including information technology, bylaws, policies, (except finance and human resource management policy), codes of conduct, professional development, training and related matters.

The SRB has structured professional development sessions/workshops for Board Members. These workshops based on the Surface Rights Board Act cover off each of the six phases in the Rules of Procedure. The framework includes a series of training events mirroring the exercise of the SRB's mandate upon receiving an application. The training is delivered adjunct to each of the SRB's Board meetings. The SRB's 2019/20 professional development framework entailed dedicating one day at each regularly scheduled meeting to work through a mock application with legal counsel.



PHOTO COURTESY KENNADY DIAMONDS INC.

Large diameter drills collect bulk sample at Kennady Diamonds project, 2016.

POLICIES AND STANDARD OPERATING PROCEDURES

The SRB regularly assess its policies and keeps them current. Policies and other governance tools the SRB has adopted include:

- Access to Information and Protection of Privacy Policy
- Code of Ethics Policy
- Confidentiality Agreement
- Credit Card and Debit Card Standard Operating Procedure
- Electronic Funds Transfer Standard Operating Procedure
- Electronic Mail Policy
- Employee Compensation Policy
- Employee Leave and Attendance Policy
- Finance Policy
- French and Aboriginal Languages Policy
- Honoraria Policy
- Information Technology Policy
- Legal Services Policy
- Minutes Disclosure Policy
- Security Policy
- Staffing Policy
- Travel Policy

The SRB intends to roll the administrative policies and procedures listed above into an “Administrative Policies and Procedures Manual” in future years.

THE ORDERS AND DECISIONS OF THE SRB ARE NOT SUBJECT TO MINISTERIAL APPROVAL AND ARE NOT SUBJECT TO APPEAL EXCEPT FOR ADMINISTRATIVE REVIEW RESPECTING ERRORS OF LAW OR PROCEDURE.

RESOLVING DISPUTES

Surface and subsurface rights holders unable to negotiate a land access settlement themselves can ask the SRB to resolve the matter. The Board makes binding unappealable orders about how rights holders will fairly share their rights by setting out the terms and conditions and compensation payable for the access. (See endnote on page 10).

While the SRB encourages parties to resolve matters without resort to the Board; when resolution is not possible a land rights holder that is party to the dispute can be can ask the SRB to resolve the matter. This is done by make an application to the SRB explaining the nature of the dispute and identifying the parties involved. Additional information is required prior to the SRB commencing its dispute resolution process.

APPLICATION FORMS

Anyone thinking about asking the SRB to make a decision about surface land and water access (also called issuing and order) can inform themselves and initiate the application using the SRBs web site i.e., “Application for Access Order Form.” The SRB has nine Application Forms and they are:

1. SRB Application for Access Order (Initial Application Form)
2. SRB Application for (Additional) Compensation Order (Initial Application Form)
3. SRB Application for Review/Amendment of Order (Initial Application Form)
4. SRB Application for Termination of Order (Initial Application Form)
5. SRB Application for Interlocutory Order (General)
6. SRB Application for Interlocutory Order (Insufficient Negotiation/Mediation)
7. SRB Application for Interlocutory Order (Substitutional Services)
8. SRB Application for Interlocutory Order (Costs)
9. SRB Application for Interlocutory Order (Failure to Comply with Rules of Procedure/Practice Direction)

PROCESS FLOW DIAGRAMS

SRB prepared detailed process flow diagrams that are available on its SRB website and four (4)

SRB Forms which have been enacted by the SRB are as follows:

- Application for Access Order Initial Application Form
- Application for Unforeseen Damage Order Application Form
- Application for Review/Amendment Order Application Form
- Application for Termination of Order Form

The SRB decided that the “Application for Enforcement Order Initial Application Form” was not required, given the SRB adopted a policy to file all of its decisions with the Supreme Court of the NWT, thereby making them enforceable through the Rules of the Supreme Court of the NWT. The SRB will prepare additional Application Forms in the future, likely beginning with an Interlocutory Application (Substitutional Service) Form.

RELATIONSHIPS

EXTERNAL RELATIONSHIPS

This year the SRB took the initiative to promote its presence in the NWT by engaging with the Mackenzie Valley Land and Water Board (MVLWB), the Mackenzie Valley Environmental Impact Review Board (MVEIRB), the Wek'èezhii Land and Water Board (WLWB), the GNWT Office of the Regulator of Oil and Gas Operations; and, by attending various functions such as the 2018 NWT Board Forum and the Geoscience Forum and the NWT Board Forum.

A recommendation from the Chairperson's meeting with the MVLWB, MVEIRB and the WLWB was to inform, engage, and integrate regulators in the SRB's work; and to begin that work by preparing a discussion paper on the potential outcomes of, for example, the SRB making an order that affects regulators (MVLWB, MVEIRB, DFO, etc.); and, to use the discussion paper as a basis for a workshop with regulators.

The workshop is intended to help the regulators understand the SRB and to raise awareness of its role and jurisdiction. Then, to scenario what could potentially happen if the SRB receives an application for an order; or, for example, files an order with the supreme court of the NWT that affects regulators. Another suggestion was research existing access and benefits agreement conditions

to assess which conditions have been working well and those that have been more challenging.

The SRB also met with the NWT Association of Communities (NWTAC) by way of introductions and discussion regarding the SRB's jurisdiction within municipalities.

The SRB Chairperson reached out to the Yukon Surface Rights Board and the SRB continues its productive relationship with the Nunavut Surface Rights Tribunal as demonstrated in this year's signing of a Memorandum of Understanding (MOU) about the development and sharing of the Digital Database of Canadian Surface Rights Law and Policy.

The SRB contributed to several GNWT legislative initiatives. The input of the SRB into the Review

of the Northwest Territories Lands Act and Commissioner's Land Act was incorporated by the GNWT in the drafting of the refreshed legislation. The SRB also provided feedback on the GNWT Discussion Paper entitled "A Mineral Resources Act for the Northwest Territories: Unlocking Our Potential Together", and the Engagement Paper entitled "Updates to the NWT's Petroleum Legislation."

COMMUNICATIONS

SRB Members (including alternates) attended the NWT Geoscience Forum held in Yellowknife and the Chairperson and Executive Director attended the NWT Board Forum in Fort Good Hope. This year the SRB also completed its website build and has trade-marked the SRB logo.

COMMUNICATIONS STRATEGY

This year the SRB commissioned a communications strategy and a five-year summative retrospective of its previous five (5) years. The communications strategy is intended to inform future members about the SRB's cumulative achievements and to map out what the SRB can do to effectively communicate; and the tools with which to do so.

The SRB has hired a consultant to help prepare its communications strategy that has a clear purpose and can be used by the SRB for its budget planning and outreach to its target audiences and all NWT communities. The SRB's communications strategy will have actionable achievable objectives and cost-effective use of media placements, advertising formats, and associated costs.



*Construction of the Tẖicẖ
All Season Road will be complete in 2021.*

PHOTO COURTESY GNWT DEPT. OF INFRASTRUCTURE.

OPERATIONS

HUMAN RESOURCES

No changes to human resources occurred this year. The SRB retained Mr. Doug Rankin as its Executive Director in June 2017. The SRB Human Resources Committee provides advice to the SRB on human resource management and related matters.

OFFICE SPACE AND EQUIPMENT

There are no changes to the SRB's office space and equipment this year. The SRB is located at the Finn Hansen Building situated at 5105-50 St, Yellowknife NT, and is reachable by phone and fax at 867-766-2822 and 867-766-2823 and by email via its website and through its Executive Director, doug.rankin@nwtsrb.ca.

COMPUTER HARDWARE AND SOFTWARE

This year the SRB purchased 6 (six) Surface Pro 7 (15) laptop/tablets with warranties, keypad, mouse, and WIFI. Computer hardware and software for secure communications and data storage are in place.

The SRB has an Information Technology (IT) Policy that guides and directs the planning, acquisition, management, use and disposal of IT; and, ensures appropriate value for money, and, the integration of SRB IT. The policy also serves to mitigate the risks associated with IT, and its transmission and storage to safeguard the integrity, confidentiality, and security of SRB data and assets.

INSURANCE

There was no change to the SRB's insurance providers this year. The Board provides personal insurance coverage for all Members and staff through the NWT Workers' Safety and Compensation Commission. Commercial general liability insurance is secured from the Totten Group.

PROFESSIONAL (NON-LEGAL) AND TECHNICAL SUPPORT SERVICES

The following local Yellowknife contractors are retained by the SRB and their annual contracts extended to March 31, 2020 under the same terms and conditions at the time of award.

- Bookkeeping - Office Compliments and administrative support to the Executive Director.
- Auditing - ERP Yellowknife Accounting Professional Corporation.
- Website - Kellett Communications Inc.
- Information Technology (non-website) - Gray Jay Enterprises Ltd.



Gold Terra Resource diamond drill near Yellowknife, 2020.

LEGAL SERVICES

The SRB continued to retain the legal counsel of Dr. Larry A. Reynolds of Cliffe Tobias Barristers & Solicitors.

The SRB, and its staff strive to be aware of and observe all legislation associated with the creation and operation of the SRB, including the SRB's processes and decisions. To assist the SRB in this regard the SRB has a legal services policy address the use of legal counsel by the SRB and its staff.

FINANCIAL MATTERS

CONTRIBUTION AGREEMENT

The GNWT and the SRB signed a five-year (5) Contribution Agreement on September 3, 2015. This agreement was subsequently amended on June 16, 2017. The Contribution Agreement establishes the annual budget adjusted annually for Final Domestic Demand Implicit Price index (FDDIPI), and a monthly cash flow. With the FDDIPI adjustment the SRB 2019/20 budget was \$356,490.

The SRB was informed in February 2016, that it could carry forward unspent funds from one fiscal year to the next during the GNWT's five-year SRB funding agreement period with the Government of Canada that concludes on March 31, 2020. Subsequent to March 31, 2020, the SRB and the GNWT entered into an one year Contribution Agreement.

BANKING

There were no changes to the SRB's banking. The SRB banks with the Royal Bank of Canada and has implemented spending control authorities and limits. No expenditure can occur without the written authorization of two Board Members.

BOOKKEEPING AND AUDITING

Office Compliments provides bookkeeping services and ERP Yellowknife Accounting Professional Corporation

financial audit services. The Board staff and Chairperson review finance reports monthly; and, the Board at its quarterly meetings. A chart of accounts consistent with the GNWT Contribution Agreement and aligned with SRB's five-year strategic plan and budget is in place. Expenditures are tracked by budgeted activity and electronic payments controlled by the Board's Electronic Fund Transfer standard operating procedure.

FINANCIAL VARIANCE REPORT

The Board is operating on budget and in compliance with the GNWT funding agreement funding and auditor selection requirements.



De Beers/Mountain Province Gahcho Kué diamond mine under construction, July 2014.



PHOTO COURTESY DEBEERS CANADA

CHALLENGES

While the SRB is financially and operationally stable and capable of undertaking its legislative responsibilities, there are challenges that if left unaddressed could impact the SRB's ability to receive, process and render orders on Applications.

Notably, there are Board vacancies in the Gwich'in and Sahtu Settlement areas, and there is limited public awareness of the SRB and its functions. As the SRB is neither mandated nor funded to facilitate public awareness, it rests with the GNWT.

The SRB is also struggling to get a pension and benefits plan for staff and Board members. The SRB tried to enroll in the NEBS pension and benefits plans but has been repeatedly denied, and unfortunately, private sector plans for a small organization like the SRB are cost prohibitive.



Traditional teepees are one of the many attractions for tourists to the NWT.

CONCLUSION

The SRB is pleased to report noteworthy progress in all facets of its work.

Its operations are established with key management controls in place. Rules of Procedure and SRB Bylaws are in place. A professional development framework supports Member capacity to deliver on the SRB's mandate; and, all the SRB's work is consistent with its updated five-year strategic plan, supporting business and expenditure plan, as well as its three key goals and priorities.

APPENDIX ONE

DATE AND TIME	DETAILS
June 3-6, 2019	Full Board Meeting in Yellowknife
June 3: 1:00 PM	FAQ Session facilitated by legal counsel
June 4: 9:00 AM	Training facilitated by legal counsel:
June 5: morning	Mini Hearing: 'Decision Making and Writing
June 5: afternoon	Business Meeting (Office Comp at 2:00PM)
June 6 Business Meeting	Business Meeting
June 17-20, 2019	Board Forum in Fort Good Hope
Various Sept. and Oct.	Business Planning Committee
October 22-24, 2019: 9:00 AM	Full Board Meeting in Yellowknife
October 22: 2:00 PM	Financial update from Office Compliments
October 23: afternoo	FAQ Session facilitated by legal counsel
October 24:	Training facilitated by legal counsel: 'Surface Rights Law and Compensation'
November 19-21, 2019:	Geoscience Forum in Yellowknife 1/2-day Full Board Meeting if required
January 21-23, 2020: 9:00 AM	Full Board Meeting in Yellowknife
January 21: 2:00 PM	Financial update from Office Compliments
January 22: afternoon	FAQ Session facilitated by legal counsel
January 23:	Training facilitated by legal counsel 'Dispute Resolution' re-training
March 9-12, 2019 : 9:00 AM	Full Board Meeting in Yellowknife
March 9: 2:00 PM	Financial update from Office Compliments
March 10: afternoon	FAQ Session facilitated by legal counsel
March 11 and 12	Full Board Training in Yellowknife Training facilitated by legal counsel: Evidence Weighing
June 9-11, 2020: 9:00 AM	Full Board Meeting in Yellowknife
June 9: 2:00 PM	Financial update from Office Compliments
June 10: afternoon	FAQ Session facilitated by legal counsel
June 11 Training	Training

APPENDIX TWO



PHOTO COURTESY GNWT DEPT. OF INFRASTRUCTURE.

Mitigating impact on wildlife is a consideration of any development project. Here, traffic yields to bison during construction of the Tłı̄ch̄q All Season Road, 2020.

KEY PERFORMANCE INDICATORS OF SRB PERFORMANCE

The SRB's annual strategic planning process entails the preparation of strategies with associated Key Performance Indicators (KPIs) that when implemented support the SRB in achieving its goals and objectives. The following is a report card of the SRB's 2019/20 strategies. The results are that the SRB has achieved or is well on its way to achieving the outcomes it envisaged in its 2019/20 strategic plan and this is reflected in its achievements, readiness, and capacity to deliver on its statutory mandate.

GOALS, OBJECTIVES, STRATEGIES & PRIORITIES

The SRB objectives are realistic, results-oriented statements of what the Board expects to achieve in the short term on the way to accomplishing its goals. Objectives are closely linked to strategies. The SRB strategies are specific actions that help accomplish an objective in the next one to five years. The SRB strategies are "do-able" given its resources, and each strategy has an intended outcome and priority. These are the SRB strategies organized by goal and objective.

GOAL I - READY, COMPETENT & TIMELY DISPUTE RESOLUTION

Preparedness, capacity, and process clarity to deliver the public service entrusted to the SRB Members is on-going with noteworthy progress made in the development of the SRB's integrated hearing process support system, delivery of the SRB's training plan, and integration of lessons learned from other surface rights boards in similar jurisdictions. There is still work to accomplish in the development of an operational plan to deliver French and Aboriginal services.

STRATEGY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 1A Establish and continually improve dispute resolution procedures, guidelines and best practices			
<p>STRATEGY 1A1 Develop and main-tain an integrated hearing process support system consisting of an NWT Surface Rights Law and Policy database, which is electronically linked to the SRB Rules of Procedure.</p>	<p>A resource for the SRB to reference (and for training and professional development) when considering a variety of surface rights related legal issues.</p>	<ul style="list-style-type: none"> • Data base formally estab-lished • Database updated annually • Number of formal and infor-mal relationships established • Frequency and types of com-munications 	<p>Database complete; data sharing, MOU with Nunavut Surface Rights Trubunal completed; linkage to SRB Rules of Procedure to be undertaken in 2020/2021.</p>
<p>STRATEGY 1A2 Develop relation-ships with similar jurisdictions to benefit from their lessons learned and best practices</p>	<ul style="list-style-type: none"> • On-going collegial relationship with similar boards in Canada and other management and regulatory bodies in the NWT. • Effective network of formal and informal relationships to advance all aspects of the SRBs work. 		<p>Developed a working relationship with the Nunavut Surface Rights Tribunal and Initiated Contact with the Yukon Surface Rights Board. Investigating reaching out to British Columbia and Alberta surface rights boards.</p>
<p>STRATEGY 1A3 Develop and im-plement an operational plan to provide French and Aboriginal language services.</p>	<p>Obligations pursuant to the NWT Official Languages Act are met.</p>		<p>Obligations pursuant to NWT Official Languages Act are met.</p>

STRATEGY	PRIORITY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 1B Maintain Board competence and proficiency				
<p>STRATEGY 1B1 Develop and maintain a Board member and staff professional development and training plan- including topics such as dispute resolution, surface rights law, running fair hearings, review of relevant Aboriginal land claim agreements, administrative law, resource management law in the NWT and interest-based negotiation.</p>	HIGH	Knowledgeable Board members	<ul style="list-style-type: none"> Member professional development (PD) plan established PD undertaken annually 	Structured training occurring at every SRB meeting supplemented with an annual training exercise.
<p>STRATEGY 1B2 Conduct regular dispute resolution exercises relating to disputes which may arise within the jurisdiction of the SRB.</p>	HIGH	<ul style="list-style-type: none"> Priority areas of Board practice and training aligned Type and frequency of exercises undertaken 		Mediation training delivered; and an evolving theoretical but practical case study regularly pursued.
<p>STRATEGY 1B3 Issue periodic communications to Board members and staff with respect to relevant on-going cases and developments in surface rights law and administration.</p>	LOW	Board members current on relevant surface rights activities and decisions.	Number and nature of updates by legal counsel.	Legal Counsel Regularly Provides Information About relevant case law and supplements the information with videos and Q&A Sessions.

GOAL 2 - RESPECTED, TRUSTED & UNDERSTOOD BY THE PUBLIC & PARTIES TO DISPUTES

The SRB is entrusted with significant independence and responsibility in the resolution of surface rights disputes. Reflecting this responsibility, the SRB has made it a goal to be respected, trusted, and understood by the public and parties to any surface rights dispute. To achieve these aims, in a manner that further informs the public the SRB has built working relationships with governments, resource

management and other relevant organizations; continually improved the appeal and functionality of its website e.g., a public registry; developed and implemented a branding; and, delivered presentation to the public and interested parties on the SRB.

In the future, the SRB will identify and clarify potential areas of jurisdictional conflict between the SRB Act and land

claim agreements including overlap agreements from neighbouring jurisdictions and implement a process to mitigate any disputes regarding jurisdiction and application of the SRB Act. The SRB has developed a communications strategy and key messaging to be conveyed to the public and potential parties to the Board's processes.

STRATEGY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 2A Improve awareness and understanding of the Board's role and dispute resolution process with relevant organizations and individuals			
<p>STRATEGY 2A1 Build relationships with governments, resource management and other relevant organizations</p>	<p>Effective networks for timely access to relevant information and expertise.</p>	<p>Frequency and type of communication.</p>	<ul style="list-style-type: none"> • Met with representatives of the Department of Lands regarding legislative initiatives. • Met with the Executive Director of the WLWB, MVEIRB and the MVLWB • Met with the Executive Director of the NWTAC • Attend the NWT Board Forum • Board Members attended the Geoscience Forms for 2016 through 2019. The Chairman made a presentation of the Board functions at the 2018 Geoscience Forum.

GOAL 3 - CORE CAPACITY & ADMINISTRATIVE REQUIREMENTS ARE MET

The SRB Act is an Act of the NWT Legislative Assembly that came into force on April 1, 2014. Its substantive functions came into force on April 1, 2016. Being a recently inaugurated quasi-judicial administrative tribunal and an institution of public government the SRB made it a goal to ensure it had the core capacity to deliver the administrative requirements associated with fairly resolving matters in dispute regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley and the compensation to be paid for that access.

To achieve its goal the SRB develops annual business plans and budgets based on a regularly reviewed and updated strategic plan; ensures that its day-to-day operating needs are addressed; maintains a full half-time Executive Director; judiciously budgets sufficient funds for Board Honorariums and related travel, meals and accommodation; ensures adequate Board member IT capacity to carry out their duties and responsibilities; has set aside money to establish a standing budget to address Applications as they arise. The SRB has adopted a Bylaw that govern its work and works diligently to maintain the on-going currency of the Board's Bylaws; and, has made considerable progress in the development of the necessary internal operations policies and procedures.

In the future the SRB will prepare a comprehensive update of the strategic plan; develop and implement a formal records management system; develop a Members Questionnaire - to assist the Chairperson in avoiding conflicts when assigning Members to pre-Hearing and / or Hearing duties. To support new Members and facilitate Member capacity the SRB will develop support guides for Board Members, Staff, and service Providers to clearly delineate expectations placed on them by the SRB; and, implement an electronically accessible Board member orientation/reference manual.



PHOTO COURTESY OF TIBBITT TO CONTWOYTO WINTER ROAD JOINT VENTURE

Diamond mines depend on safe reliable winter roads for annual resupply.

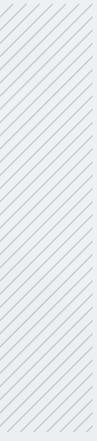
STRATEGY	PRIORITY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 3A Maintain timely and current Strategic and Business Plans and Reports				
STRATEGY 3A1 Submit annual and mid-year reports as required	HIGH	Annual and mid-year reports submitted	<ul style="list-style-type: none"> Submitted on time Acknowledgement of and posting of the annual report on the website 	Reports submitted as required on time.
STRATEGY 3A2 Submit annual business plan as required by funder(s)	HIGH	<ul style="list-style-type: none"> Annual business plan submitted 	<ul style="list-style-type: none"> Funding received and expended in conformance with the business plan as amended during the year Funding approved for new FY 	Annual business plan was submitted as required on time.
STRATEGY 3A3 Prepare/renew the SRB strategic plan once every 5 years.	HIGH	<ul style="list-style-type: none"> Renewal of the strategic plan Review of the impact of the previous strategic plan 	Timely renewal of Strategic Plan	To be initiated and completed by the SRB in its second five-year term. The SRB updates its strategic plan every year, and every five years it will undertake a comprehensive environmental scan and strategic plan refresh to better inform its strategic actions.

STRATEGY	PRIORITY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 1A Conduct efficient day-to-day Board operations				
<p>STRATEGY 3B1 Ensure general operating requirements are met</p>	HIGH	Day-to-day operating needs are addressed.	Required day-to-day operating budgets, facilities and service providers are secured	Day-to-day operations of the SRB are stewarded by the Executive Director. All necessary professional and non-professional service providers are contracted to end of fiscal year 2020. The necessary policies, procedures and guidance documents are complete.
<p>STRATEGY 3B2 Maintain Board Coordinator position</p>	HIGH	Competent Professional Board Coordinator retained by the SRB	Annual performance review conducted, and performance feedback provided	The performance review of the Executive Director was not completed in 2019/20.
<p>STRATEGY 3B3 Maintain sufficient funds for Board Honorariums and related travel, meals and accommodation.</p>	HIGH	Fixed costs for Board meetings and regular operations are met	<ul style="list-style-type: none"> • Number and types of meetings to conduct Board business • Annual budget variance for Board meetings and regular operations 	The SRB tracks all its Board business and reviews budget variances quarterly supplemented with the Executive Director providing daily, weekly and monthly oversight and SRB updates as required.

STRATEGY	PRIORITY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 1A Conduct efficient day-to-day Board operations				
<p>STRATEGY 3B4 Develop and implement a formal records management system for the storage and retrieval of current and archival records that addresses both paper and digital formats.</p>	MEDIUM	<ul style="list-style-type: none"> • Clearly understood and applied records management with supporting documentation and control in place • Compliance with 94.2 of the SRB Act 	<ul style="list-style-type: none"> • Records management policy or procedure in place and applied 	<p>In future years, the SRB will adopt a formal records management policy and supporting system.</p>
<p>STRATEGY 3B5 Develop and maintain Board member IT capacity to carry out duties and responsibilities.</p>	HIGH	<ul style="list-style-type: none"> • Board members properly equipped with IT hardware and software. 	<p>Each Board member has ready access to necessary IT equipment</p>	<p>The SRB maintains its own server, retains a professional IT contractor, and has adopted an IT policy. In addition, all SRB members have access to SRB owned computers.</p>
<p>STRATEGY 3B6 Identify a standing budget to address Applications as they arise.</p>	HIGH	<ul style="list-style-type: none"> • SRB has capacity to proceed with Applications in a timely manner when received 	<p>Standing budget in place</p>	<p>As 2019/20 is the last year in the SRB's Contribution Agreement with the GNWT, and because no carry forward of funds between funding agreements is allowed, the SRB starting out in 2020/21 will in effect have no standing budget to address applications for an order.</p>

STRATEGY	PRIORITY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 3C Establish and maintain clear and comprehensive operating procedures.				
STRATEGY 3C1 Maintain the on-going currency of the Board's Bylaws.	MEDIUM	Effective internal Board governance procedures in place	Approved bylaws and attendant schedules in place as amended from time to time	The SRB has adopted its Bylaws and reviews them periodically to maintain their currency.
STRATEGY 3C2 SRB Members Questionnaire - to assist the Chairperson in avoiding conflicts when assigning Members to pre-Hearing and /or Hearing duties.	LOW	To prevent the possibility of conflicts of interest or reasonable apprehension of bias from arising.	Questionnaire in place and being used	In future years and before appointing Members to a panel of the SRB to consider an application a conflict of interest questionnaire will be prepared and implemented.
STRATEGY 3C3 Support Guides for Board members, Staff and Service Providers to clearly delineate expectations placed on them by the SRB.	LOW	To clearly delineate the expectations placed on them by the Board.	Guide finalized and reviewed periodically	To be prepared in future years.
STRATEGY 3C4 Develop and maintain an electronically accessible Board member orientation/reference manual.	HIGH	Ready reference of Board documents available to Board members.	Manual in place and readily accessible	Work on preparing a SRB Member orientation and reference manual has not started yet.

STRATEGY	PRIORITY	OUTCOME(S)	PERFORMANCE MEASURES	RESULTS
OBJECTIVE 3C Establish and maintain clear and comprehensive operating procedures.				
STRATEGY 3C5 Develop and maintain the necessary internal operations policies.	MEDIUM	A robust management framework for the Board. For example; Finance Policy, Communications Policy, Personnel Policy, Legal Services Policy; Records Management Policy; Board Minutes Disclosure Policy and Aboriginal and French language services policy.	Types and number of policies in place	The SRB has adopted several policies and standard operating procedures and has in place a robust planning, management and auditing framework that ensures high operational standards.
STRATEGY 3C6 Develop and maintain supplementary Process Directives, Reference Bulletins and Guidance Documents to further clarify the Board's processes for parties to disputes and the public	LOW	Parties to disputes and the public have clear descriptions of Board process in addition to the Board's interpretation of specific provisions of the SRB Act where further certainty maybe helpful.	Number of questions regarding uncertainty by parties to disputes and the public about SRB process or the provisions of the SRB Act (that are not covered by SRB Process Directives, Reference Bulletins and guidance documents, policies and procedures) is reduced	Strategy to be implemented in future years.



APPENDIX 3

2019/20 AUDITED

FINANCIAL STATEMENTS



**YELLOWKNIFE
ACCOUNTING**
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL
ACCOUNTANTS

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An Independent
Canadian Member
of AGN International



Independent Auditor's Report

Board of Directors, Northwest Territories Surface Rights Board

Opinion

We have audited the accompanying financial statements of Northwest Territories Surface Rights Board., which comprise the statement of financial position as at March 31, 2019, the statement of changes in net financial asset, statement of operations, statements of accumulated surplus and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northwest Territories Surface Rights Board. as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Northwest Territories Surface Rights Board. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 7 in the audited financial statements, which indicates that due to Covid-19 Pandemic, the board had to cancel its trip and is adjusting its operation to cope up with the existing social distancing rules and travel restrictions. As stated in the note 7, management think there is no going concern issues for the board. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Northwest Territories Surface Rights Board.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Northwest Territories Surface Rights Board. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Northwest Territories Surface Rights Board.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Northwest Territories Surface Rights Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Northwest Territories Surface Rights Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Northwest Territories Surface Rights Board. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

EPR Yellowknife Accounting Professional Corporation
Yellowknife, Northwest Territories
June 29, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Northwest Territories Surface Rights Board are the responsibility of management and have been approved by the Board.

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards (PSAS) as recommended by the board of the Canadian Institute of Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, EPR Yellowknife Accounting Professional Corporation, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Northwest Territories Surface Rights Board and meet when required.

On behalf of Northwest Territories Surface Rights Board



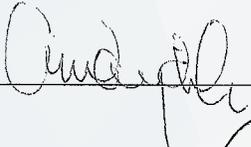
Doug Rankin, Executive Director
Northwest Territories Surface Rights Board
June 29, 2020

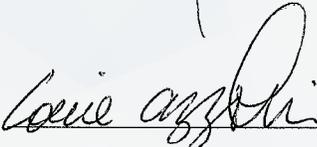
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF FINANCIAL POSITION
As At March 31, 2020

Statement I

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 116,292	\$ 116,701
Accounts receivable (Note 4)	58	50
TOTAL FINANCIAL ASSETS	116,350	116,751
LIABILITIES		
Current liabilities		
Accounts Payable (Note 5)	99,622	84,250
Deferred Revenue (Note 6)	18,371	33,945
	117,993	118,195
NET FINANCIAL ASSETS	(1,643)	(1,444)
NON FINANCIAL ASSETS		
Prepaid Expenses	1,643	1,444
Tangible Capital Assets	-	-
	1,643	1,444
ACCUMULATED SURPLUS	\$ -	\$ -

APPROVED ON BEHALF OF BOARD

 Director

 Director

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2020

Statement II

	2020	2019
REVENUE		
Government of NWT Contributions	306,490	302,595
Prior year surplus	33,945	78,065
Interest revenue	623	622
Transferred to deferred revenue	(18,371)	(33,945)
TOTAL REVENUE	322,687	347,337
OPERATING EXPENSES		
Professional fees	135,817	150,702
Honorarium	44,849	64,811
Board travel and other costs	14,939	24,749
Wages and Benefits	58,083	67,520
Information technology and computer costs	35,673	11,941
Rent	13,758	15,745
Advertising and external communication	1,862	492
Office and other supplies	5,750	5,937
Telephone, fax and Internet	3,404	3,322
Staff Travel and training	6,042	-
Bank charges and interest	519	374
Insurance	1,991	1,744
TOTAL EXPENSES	322,687	347,337
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	-	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ -

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF CHANGES IN NET FINANCIAL ASSET
For The Year Ended March 31, 2020**

Statement III

	2020		2019
NET FINANCIAL ASSET, BEGINNING OF YEAR	(1,444)	\$	(1,262)
Items Affecting Net Financial Asset:			
Net Surplus (Deficit) from Operations	-		-
Use (Acquisition) of Prepaid	(199)		(182)
Consumption of Inventories	-		-
NET FINANCIAL ASSET, END OF YEAR	(1,643)	\$	(1,444)

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF CASH FLOW
For the Year Ended March 31, 2020

Statement IV

	2020	2019
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditure	\$ -	\$ -
Decrease (increase) in accounts receivable	(6)	25
Decrease (increase) in prepaid expenses	(199)	(182)
Increase (decrease) in accounts payable	15,370	37,475
Increase (decrease) in deferred revenue	(15,574)	(44,120)
	(409)	(6,802)
Net increase (decrease) in cash and equivalents	(409)	(6,802)
Cash and equivalents at beginning of Year	116,701	123,503
CASH AND EQUIVALENTS AT END OF YEAR	116,292	116,701
Cash consists of :		
Cash in bank	91,292	91,701
GIC	25,000	25,000
	\$ 116,292	\$ 116,701

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

1. NATURE OF ORGANIZATION

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD (The "Board") is an institution of public government established pursuant to the Surface Right Board (SRB) Act of the NWT. The purpose of the Board is to fairly resolve matters in dispute regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley and the compensation to be paid for that access. These lands include Gwich'in Land Claim Settlement lands, Sahtu land claim settlement lands, tlicho land claim settlements lands, as well as private, commissioner's and crown lands. It also includes inuvialuit land claim settlement lands. The Board is exempt from income taxes under Section 149 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS).

2a) Use of Estimates

The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

2b) Capital Assets

Capital assets, when purchased, are recorded in the Capital Fund at cost minus accumulated amortization, and offset by the Investment in Capital Assets and any related debt. Amortization is provided to reduce the Investment in Capital Assets over the expected useful lives of the particular assets. Amortization is recorded using the diminishing balance method. At March 31, 2020, the Board had not acquired any capital assets.

2c) Revenue and Expenditure Recognition

Government Contracts and Contribution Agreements:

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fund accounting

Revenues and expenses related to Board operations delivery and administrative activities are reported in the Operating Fund. The net book value of capital assets is reported in the Capital Fund, offset by Investment in Capital Assets and any related debt.

2d) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the organization are either recognized or disclosed in the Financial Statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the organization's revenue, the organization's expenses and the organization's financial instruments. The Board does not own a significant number of interest earning assets and the Board does not have a significant number of interest bearing liabilities.

Liquidity Risks

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they become due. The Board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

Financial Instruments (Contd...)

Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts. Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

2e) Risk Management

The Board reviews financial risks and sets appropriate limits and controls when necessary.

3. FUTURE ACCOUNTING CHANGES

PS 3280-Asset retirement obligations: This new section establishes standards on how to account for and report a liability for asset retirement obligations. This section is effective for fiscal periods beginning on or after April 1, 2021. The impact of the transition to these accounting standards has not yet been determined.

PS 3400-Revenue: This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This section is effective for fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

Besides these, PSAB also released new standard PS 2601 Foreign Currency translation and PS 3450 Financial Instrument. However these standards were for Governments only. Government Organizations had already applied these standards on April 1, 2012. The impact of the transition to these accounting standards is being reviewed by the management.

4. ACCOUNTS RECEIVABLE

	2020	2019
GNWT	\$ 5	\$ 5
Interest Receivable	53	45
	\$ 58	\$ 50

5. ACCOUNTS PAYABLE

	2020	2019
Trades payable	\$ 63,109	\$ 46,177
Wages and honoraria fee payable	35,099	28,735
Vacation payable	903	827
WCB payable	275	-
Payroll remittances payable	-	4,836
GNWT payroll tax payable	236	584
RRSP payable	-	3,091
	\$ 99,622	\$ 84,250

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

6. DEFERRED REVENUE

Pursuant to Contribution Agreement Paragraph 7.3, any unspent amount of the Contribution, or amount repayable in accordance with the Agreement, shall be recorded as a liability in the accounts and records of the Board until the amounts have been spent in accordance with the Agreement or repaid to the GNWT, as applicable. The deferred revenue amount of \$18,371 is repayable to GNWT.

	2020	2019
Balance, beginning of period	\$ 33,945	\$ 78,064
Deferred Revenue recognized as revenue during for the year	(33,945)	(78,064)
Comprised of:		
Deferred revenue for processing applications	18,371	33,945
	\$ 18,371	\$ 33,945

7. GOING CONCERN

These financial statements have been prepared in accordance with accounting standards that apply to going concern. Under the going concern assumption, an organization is viewed as being able to continue its operations in the foreseeable future and realize its assets and discharge its liabilities in the normal course of business. As the world has been hit hard by the Covid-19 Pandemic, NWT Surface Right Board is no exception to it. Due to the travel restrictions imposed, the board had to cancel its trip to visit Alberta Surface Right Board. Similarly, due to the closures of the courts, the board would be facing challenges to resolve the legal matter even though there are no cases on horizon for now. Management is in the process of renting bigger than normal board rooms in order to conduct their regular meetings. With the gradual reopening of the business and activities including courts, management also thinks the board should be able to resolve the legal disputes if needed. As per the management, NWT surface right board is an institution of public government and is fully funded by the Government of Canada. Management does not believe that there is a significant doubt on the board ability to continue as going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. As described above, management believes that the measures it has taken or intent to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

8. ECONOMIC DEPENDENCE

Revenues

The Board derives a material amount of its revenues from contribution agreements with the Government of the Northwest Territories. Interruption of this funding would materially affect the operations of the Board.

Supplies and Expenditures

The Board may purchase all of the resources necessary for its operations at fair market values from available vendors deemed to provide best value to the Board.

The Board does not engage in the employment services of skilled individuals who could not be replaced in the labour market.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2020

9. CONTINGENT LIABILITIES

The Board has determined that there have been no events that confirm that an asset has been impaired or liability incurred as at the financial statement date.

The continued operations of the Board is dependent upon the Board securing financing by maintaining a volume of contribution funding. The Board has entered into a long term funding agreement with the Government of the Northwest Territories ending on March 31, 2020.

10. COMMITMENTS

The existing rent agreement expired on March 31, 2020. No new lease agreement has been signed yet. Per management, the landlord is looking for a 5 year lease renewal terms. Management will be discussing the lease agreement in its next board meeting.

11. SUBSEQUENT EVENTS

The Board has determined that there have been no subsequent events that provide further evidence of conditions which existed at the financial statement date, and/or which are indicative of conditions which arose subsequent to the financial statement date.

