


Northwest Territories
Surface Rights Board
2018/19 Annual Report

June 26, 2019

MESSAGE FROM THE CHAIRPERSON

June 26, 2019

The Northwest Territories Surface Rights Board (SRB or Board) is pleased to present its 2018/19 annual report. The purpose of the SRB is set out 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.” The substantive functions of the SRB came into force on April 1, 2016.



As prescribed in section 28 of the *Act*, The Board is pleased to report it has well established operations, has received no Applications for orders; and, has not issued any orders.

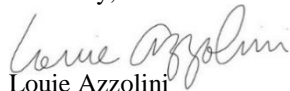
The NWT SRB is achieving the outcomes detailed in its strategic plan and supported through its annual business plan and budget. Notably, the SRB has developed a robust understanding of its legislation and through interactive training sessions and dedicated Board Member collaboration the SRB continues to build on its accomplishments, which include:

- Implementing an SRB 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.
- Keeping current the SRB’s By-laws.
- Developing a suite of Applications governing the public’s access to the services of the SRB.
- Implementing a suite of operating policies and guidance documents.
- Maintaining and further enhancing the functionality of the SRB web site and public registry.
- Delivering a training plan for Board Member and staff that includes 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.
- Preparing for dispute resolution by conducting regular dispute resolution exercises relating to disputes which may arise within the jurisdiction of the SRB.
- Receiving periodic communications about relevant on-going cases and developments in surface rights law and administration.
- Considering potential areas of jurisdictional conflict between the SRB Act and land claim agreements including overlapping land claims.
- Building SRB relationships with similar jurisdictions in Nunavut and the Yukon to benefit from their lessons learned and best practices.

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.

While the Board is fit and ready to deliver on its mandate, there remains work to be done. This work is succinctly described in the Board’s updated strategic plan and its 2019/20 business plan. Together they describe how the Board intends to achieve its vision to be “respected and trusted to resolve land and water access disputes in a fair and timely manner”.

Sincerely,



Louie Azzolini
Chairperson



CONTENTS

MESSAGE FROM THE CHAIRPERSON	1
BOARD MATTERS	1
RELATIONSHIPS	3
OPERATIONS	4
LEGAL SERVICES	5
FINANCIAL MATTERS	5
CHALLENGES	6
CONCLUSION	6
KEY PERFORMANCE INDICATORS OF SRB PERFORMANCE.....	7
APPENDIX 1 2018/19 STRATEGIC PLAN	14
APPENDIX 2 2018/19 AUDITED FINANCIAL STATEMENTS	20

BOARD MATTERS

Board Meetings

the NWT SRB held four (4) meetings in 2018/19. The meetings were held in Yellowknife on June 5-7, 2018, October 16-18, 2018, January 15-17, 2019, and March 5-7, 2019. In addition, the SRB held three (3) interim meetings; one regarding a potential conflict of interest in November 2018; another in December 2018 to adopt the SRB's strategic plan, business plan and budget; and, a final one in January 2019 to adopt its amended 2018/19 budget. Highlights of SRB business conducted this year is provided below.

Applicant Forms

The meetings saw the SRB adopt several applications for order forms and various policies governing its core work, including an access to information and privacy policy.

Of note, the SRB prepared detailed process flow diagrams that are available on its SRB website and four (4) NWT SRB Forms which have been enacted by the NWT 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 that the NWT SRB adopted a policy to file all its decisions with the Supreme Court of the NWT, thereby making them enforceable through the Rules of the Supreme Court of the NWT.

The orders and decisions of the NWT SRB are not subject to Ministerial approval and are not subject to appeal.

The SRB will prepare several additional Application Forms relating to a variety of interlocutory matters identified by the Board and are in the process of being developed and enacted, including:

- NWT SRB Interlocutory Application (General) Form
- NWT SRB Interlocutory Application (Costs) Form
- NWT SRB Interlocutory Application (Insufficient Negotiation/Mediation) Form
- NWT SRB Interlocutory Application (Substitutional Service) Form
- NWT SRB Interlocutory Application (Failure to Comply with Rules) Form

Policies and Procedures

This year the SRB also considered several policies and standard operating procedures; they were:

- Information Technology Policy
- French and Aboriginal Languages Policy
- Access to Information and Privacy Policy
- Employee Compensation Policy
- Security of Information Policy
- Employee Leave and Attendance Policy
- Staffing Policy
- Electronic Mail Policy
- Records Management Policy

- Engagement and Use of Experts Policy
- Legal Services Policy
- Credit Card Standard Operating Procedure

SRB Process Flow Charts

The NWT SRB has developed a series of flow charts that will be posted on the SRB's web site. They graphically depict various aspects of the SRB's jurisdiction, legislative authority, Rules of Procedure, operations, and access to the NWT SRB. While the flow charts are intended to assist in understanding the NWT SRB's jurisdiction and procedures they are not legally binding.

Legislative Initiatives of the Government of the Northwest Territories (GNWT)

The SRB provided constructive contributions 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."

The jurisdiction of the NWT SRB includes Gwich'in Land Claim Settlement lands, Sahtu Land Claim Settlement lands, Tłı̨chǫ Land Claim Settlement lands, Inuvialuit Land Claim Settlement lands, as well as private, Commissioner's and Crown lands.

Strategic Plan, Business Plan, and Budget Committee

The SRB established a committee to review and update its strategic plan, business plan and five-year budget. The committee met regularly in November and December 2018. The committee's work was tabled for approval and adopted by the SRB at its December 2018 meeting. The strategic plan is provided in Appendix One.

Compensation Committee

Retaining, capable professional staff is a high priority for the SRB. To ensure the SRB attracts and retains first-rate staff it decided to benchmark the Board Coordinator position to a comparable GNWT position. The SRB retained Northways Consulting to prepare the Board Coordinator job description, and to recommend a salary benchmark and pay grid for the position.

Northways Consulting compared the work of the SRB's Board Coordinator with similar jobs in the GNWT and in other jurisdictions. Based on the analysis undertaken a recommended job description and classification level for the Board Coordinator position was prepared that included a recommended job category and a benchmark salary grid per the GNWT Collective Agreement.

The result was a change in job title from Board Coordinator to Executive Director, a change in remuneration, and additional employee compensation in lieu of GNWT pension benefits by way of matching employee group registered saving plan.

Training

The NWT SRB's strategic plan prioritizes professional development as the SRB must be ready to consider dispute(s) that could be referred for resolution at any time.

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 2018/19 professional development framework entailed dedicating one day at each regularly scheduled meeting to work through a mock application with legal counsel.

GOVERNANCE

Rules of Procedure and By-laws

The Board adopted its By-laws at its September 2016. They are published on the NWT SRB's website. The By-laws are systematically reviewed considering the SRB's operations and incrementally developed and enhanced. The SRB also regularly augments its suite of policies which are appended to its By-laws. Policies and other governance tools the SRB has adopted include an:

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

While hearings are open to the public, only directly affected persons may participate as "Parties"

RELATIONSHIPS

External Relationships

The Board's strategic objective of building relationships with stakeholders and resource management organizations is being realized. The Chairperson has reached out to the Yukon Surface Rights Board and the SRB continues its productive relationship with the Nunavut Surface Rights Tribunal.

This year the SRB took the initiative to promote its presence in the NWT by engaging the with the Mackenzie Valley Land and Water Board, the Mackenzie Valley Environmental Impact Review Board, the Wek'èezhìi Land and Water Board, the GNWT Office of the Regulator of Oil and Gas Operations; and, making presenting at various functions such as the 2018 NWT Board Forum and the Geoscience Forum.

Communications

SRB Members (including alternates) attended and presented at the NWT Geoscience Forum held in Yellowknife; and, the Chairperson and Executive Director attended the NWT Board Forum in Yellowknife. This year the SRB increased its communications and public education activities to include presentations at the Geoscience Forum, the Board Forum and several additions and improvements to the SRB's web site.

OPERATIONS

Human Resources

The NWT SRB retained Mr. Doug Rankin as its Executive Director in June 2017. The SRB established an employee compensation committee to prepare its employee compensation policy, and has adopted several policies governing its human resources, including a leave and attendance policy and a staffing policy.

The review of the Board Coordinator position, now entitled Executive Director, concluded that the Executive Director will, or is, responsible for more senior and executive level functions such as serving as the liaison between the NWT SRB, the public, and GNWT staff; ensuring all matters are handled effectively and in timely, confidential manner. Responsibilities of the position include managing the exchange of information, supporting SRB operations, and documentation of outcomes in support of SRB activities.

The SRB adopted the compensation committee's recommendations and changed the job title from Board Coordinator to Executive Director, increased remuneration, and provided additional employee compensation in lieu of GNWT pension benefits by way of matching employee group registered saving plan.

Office Space and Equipment

There are no changes to the SRBs office space and equipment. 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

Computer hardware and software for a highly secure communications and data storage system is in place. This includes a server and two laptops, one for the Executive Director and one for Board Members. Final server set-up with Member email accounts, secure document storage / access with a supporting filing system and associated security features exists.

The SRB adopted an Information Technology (IT) Policy this year. The policy guides and direct 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

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.

LEGAL SERVICES

The SRB, including its Members and 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 adopted a legal services policy at its October 2018 meeting. The intent of the policy is to provide guidance to the SRB and its staff about use of legal services retained by the Board.

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

FINANCIAL MATTERS

Contribution Agreement

The GNWT and the NWT 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 2018/19 budget was \$302,589.

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.

Banking

The NWT 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. The SRB has adopted a debit and credit card standard operating procedure.

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 (EFT) standard operating procedure.

The GNWT Department of Lands the SRB agreed that future budget submissions and expenditure reporting shall be consistent with the line items in the SRB's audited financial statements. Those being:

- professional fees
- honorarium
- Board travel and other costs
- wages and benefits
- IT and computer costs
- rent
- advertising and external communication
- office and other supplies
- telephone, fax, and internet
- staff travel and training
- bank charges and interest
- insurance

Financial Variance Report

The Board is operating within its approved Contribution Agreement funding and consistent with SRB approved operating budget as amended during the year. The SRB has reserved \$50,000, as per the Board's strategic plan, to address applications as they arise. If no applications arise, the \$50,000 will be carried forward into FY 2019/20.

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.

CONCLUSION

The NWT 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 By-laws 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.

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 2018/19 strategies benchmarked against KPIs. The results are that the SRB has achieved or is well on its way to achieving the outcomes it envisaged in its 2018/19 strategic plan and this is reflected in its achievements, readiness, and capacity to deliver on its statutory mandate.




Goals, Objectives, Strategies & Priorities

The SRB’s 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’s strategies are specific actions that help accomplish an objective in the next one to five years. The SRB’s strategies are “do-able” given its resources, and each strategy has an intended outcome and priority. These are the SRB’s strategies organized by goal and objective.

Goal 1 - 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 work still to accomplish in the development of an operational plan to deliver French and Aboriginal services.





STRATEGY	PRIORITY	OUTCOME(S)	KPI
<i>Objective 1A – Establish and Continually Improve Dispute Resolution Procedures, Guidelines and Best Practices</i>			
Strategy 1A1 - Develop and maintain 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	High	A resource for the SRB to reference (and for training and professional development) when considering a variety of surface rights related legal issues	<ul style="list-style-type: none"> • Data base formally established • Database updated annually
 Results: Underway with Considerable Progress Achieved. Database of Surface Rights Law Developed, Rules of Procedure Adopted, Linkages Between the Two Initiated.			
Strategy 1A2- Develop relationships with similar jurisdictions to benefit from their lessons learned and best practices	Medium	<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 	<ul style="list-style-type: none"> • Number of formal and informal relationships established • Frequency and types of communications
 Results: Developed a Working Relationship with the Nunavut Surface Rights Tribunal and Initiated Contact with the Yukon Surface Rights Board.			
Strategy 1A3 – Develop and implement an operational plan to provide French and Aboriginal language services	Low	Obligations pursuant to the <i>NWT Official Languages Act</i> are met	Official languages operational plans in place and implemented
 Results: Scheduled for Actioning in Future Years.			

STRATEGY	PRIORITY	OUTCOME(S)	KPI
Objective B – Maintain Board Competence and Proficiency			
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	High	Knowledgeable Board Members	<ul style="list-style-type: none"> • Member professional development (PD) plan established • PD undertaken annually
 Results: Structured Training for SRB Members and Staff Happening at Each SRB Meeting (One Dedicated Day) Supplemented with an Annual Training Exercise.			
Strategy 1B2 -Conduct regular dispute resolution exercises relating to disputes which may arise within the jurisdiction of the SRB	High	Board Members skilled in conduct of their work	<ul style="list-style-type: none"> • Priority areas of Board practice and training aligned • Type and frequency of exercises undertaken
 Results: Structured Training Occurring at Every SRB Meeting and Supplemented with an Annual Training Exercise.			
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	Low	Board Members current on relevant surface rights activities and decisions	Number and nature of updates by legal counsel
 Results: Legal Counsel Regularly Provides Information About Relevant Cases and Supplements the Information with Videos Question and Answer (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. Complementing this work, the SRB will develop a communications strategy and key messaging to be conveyed to the public and potential parties to the Board’s processes.

STRATEGY	PRIORITY	OUTCOME(S)	KPI
<i>Objective A – Improve Awareness and Understanding of The Board’s Role and Dispute Resolution Process with Relevant Organizations and Individuals</i>			
Strategy 2A1 - Build relationships with governments, resource management and other relevant organizations	Medium	Effective networks for timely access to relevant information and expertise	Frequency and type of communication
 <p>Results:</p> <ul style="list-style-type: none"> • Offered to meet with the GNWT Department of Industry Tourism and Investment senior management team • Met with representatives of the Department of Lands regarding legislative initiatives • Met with the Executive Director of the Wek'èezhìi Land and Water Board • Reached out to the Executive Directors of the Mackenzie Valley Environmental Impact Review Board and the Mackenzie Valley Land and Water Board • Attend NWT Board Forums • Presented at the 2018 Geoscience Forum. 			
Strategy 2A2 - Continually improve the Board website – as a public portal for information regarding the Surface Rights Board	High	All public information and resources readily available online	<ul style="list-style-type: none"> • Web site operational, current and readily accessible to public and Board Members • Current and regularly updated and compliant with S.94 of the SRB Act
 <p>Results: Updated the Website to Include Process Flow Charts, a Public Registry with Auto Notification Features and a Suite of Informational and Software Enhancements to Improve the Functionality and End User Experience.</p>			
Strategy 2A3 - Maintain SRB visual identity (branding) graphics standards to govern the “look and feel” of the Board website, graphics design for Board publications, business cards, letterhead, public notices etc.	Medium	Visual identity readily recognized by the public.	<ul style="list-style-type: none"> • Visual identity products in place and periodically reviewed • Integrated into the SRB communications plan
 <p>Results: SRB has Developed a Logo, Developed Standardized Microsoft Office Templates, Provided Members and Staff Business Cards and Purchased a Pop-up Banner. The SRB’s Branding is Applied to All Communications and Products Produced by the SRB.</p>			
Strategy 2A4 – 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 address these potential conflicts	Low	SRB jurisdiction is clarified with respect to land claim agreements.	<ul style="list-style-type: none"> • Potential areas of conflict identified • Processes in place to address potential conflicts
 <p>Results: An Initial High-level Intra-Jurisdictional Assessment of SRB and Land Claim Agreement Overlap was Prepared. Future Years Will See the SRB Further Its Efforts to Identify and Manage Potential Intra-Jurisdictional Matters.</p>			
Strategy 2A5 - Deliver presentations and information sessions to interested parties regarding the SRB’s roles and responsibilities	Medium	Informed stakeholders	<ul style="list-style-type: none"> • Portfolio of stock presentations and information available • Number of presentations delivered and to whom • Information distributed and where

✓ **Results: SRB has Developed a Suite of Stock Branded Presentations and has Delivered Them at Various Forum, e.g., NWT Board Forum, Geoscience Forum, Meetings with Interested Parties.**

STRATEGY	PRIORITY	OUTCOME(S)	KPI
<i>Objective B – Establish Ready Public Access and Transparency to The Board’s Dispute Resolution Process and Its Decisions</i>			
Strategy - 2B1 Finalize and Maintain A Public Registry of Board Decisions to Be Posted on The Board Website	High	<ul style="list-style-type: none"> Operational public registry Board decisions are available and readily accessible to the public online per S.94 of the SRB Act. 	<ul style="list-style-type: none"> Live registry online maintained Public registry operational and complies with s.94 of SRB Act Design of Public Registry periodically reviewed

✓ **Results: The SRB has an Operational Public Registry on Its Website and It Will Be Reviewed Annually for the Purpose of Continual Improvement.**

Strategy - 2B2 Develop a communications strategy and key messaging to be conveyed to the public and potential parties to the Board’s processes	Medium	<ul style="list-style-type: none"> Awareness of the SRB in the minds of those that might require access to the SRB SRB is prepared to deliver strategic messaging to stakeholders 	<ul style="list-style-type: none"> Established communications strategy Critical success indicators monitored and tracked e.g. volume, frequency nature and type of communications
--	--------	---	---

➔ **Results: In Future Years the SRB Intends to Develop a Communications Strategy.**







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 By-laws that govern its work and works diligently to maintain the on-going currency of the Board’s By-laws; 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.

STRATEGY	PRIORITY	OUTCOME(S)	KPI
<i>Objective A – Maintain Timely and Current Strategic and Business Plans and Reports</i>			
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
 Results: Annual and mid-year reports are submitted the GNWT Minister of Lands and posted on the SRB website on time with the prerequisite information.			
Strategy 3A2 - Submit annual business plan as required by funder(s)	High	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
 Results: The SRB submits its annual business plans on time in conformance with funder requirements and its strategic plan.			
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
 Results: The SRB updates its strategic plan every year, and every five years it intends to undertake a comprehensive environmental scan to better inform its strategic actions.			
<i>Objective B – Conduct Efficient Day-To-Day Board Operations</i>			
Strategy 3B1 -Ensure general operating requirements are met	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.			
Strategy 3B2 - Maintain Executive Director position	High	Competent Professional Executive Director retained by the SRB	Annual performance review conducted, and performance feedback provided
 Results: The SRB retained a consultant to benchmark the Board Coordinator position to a comparable GNWT position. The result saw the position renamed to “Executive Director”: with commensurate GNWT comparable salary and benefits; and, adopted two policies - an employee compensation policy and an - employee leave and attendance policy.			
Strategy 3B3 –Maintain enough funds for Board Honorariums and related travel, meals and accommodation	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
 Results: The SRB prudently manages its funds and cash flow to ensure it has funds to cover its planned meetings in any given year. The SRB reviews its budget quarterly at its SRB meetings and amends it, as necessary.			

STRATEGY	STRATEGY	STRATEGY	STRATEGY
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	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 	Records management policy or procedure in place and applied
<p>➔ Results: In future years, the SRB will put in place a formal records management policy and supporting system.</p>			
Strategy 3B5 – Develop and maintain Board Member IT capacity to carry out duties and responsibilities	High	Board Members properly equipped with IT hardware and software	Each Board Member has ready access to necessary IT equipment
<p>✓ Results: The SRB maintains its own server, retains a professional IT contractor, and has adopted an IT policy.</p>			
Strategy 3B6 – Identify a standing budget to address Applications as they arise	High	SRB has capacity to proceed with Applications in a timely manner when received	Standing budget in place
<p>✓ A standing budget of \$50,000 is reserved for potential Applicants to the SRB. The SRB has notified the GNWT that in its future funding arrangements with Canada that a standing budget should be funded.</p>			
<p><i>Objective C – Establish and Maintain Clear and Comprehensive Internal Operating Procedures</i></p>			
Strategy 3C1 – Maintain the on-going currency of the Board’s By-laws	Medium	Effective internal Board governance procedures in place	Approved By-laws and attendant schedules in place as amended from time to time
<p>✓ Results: The SRB has adopted its By-laws and attendant schedules and reviews the By-laws periodically to maintain their currency.</p>			
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
<p>➔ Results: In future years and before appointing Members to a panel of the SRB to consider and Application a conflict of interest questionnaire will be prepared and implemented.</p>			
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
<p>➔ Results: To be prepared in future years.</p>			
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
<p>➔ Results: Work on preparing a SRB Member orientation and reference manual has started and the SRB expects to complete this strategy in 2019/20.</p>			

STRATEGY	STRATEGY	STRATEGY	STRATEGY
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

✓

Results: The SRB has developed the following policies and standard operating procedures:

- Compensation policy
- Employee compensation policy
- French and Aboriginal languages policy
- IT policy
- Access to information and privacy policy
- Legal services policy
- Security policy
- EFT standard operating procedure
- Credit and debit card standard operating procedure
- Confidentiality agreement
- Honoraria policy
- Travel policy
- Code of ethics policy.

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 (prioritized list to be developed)	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
---	-----	---	---

➔ **Results: Strategy to be implemented in future years.**



APPENDIX 1 2018/19 STRATEGIC PLAN

MISSION

To fairly resolve disputes regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley.

The SRB's mission describes its core purpose or "reason for being" and the contribution it makes to society.

VISION

Respected and trusted to resolve land and water access disputes in a fair and timely manner.

The SRB's vision represents the preferred "ultimate" state the Board would like to achieve in the long run. The vision outlives the current membership's tenure and guides short and intermediate term actions.

VALUES

1. **Fairness** – treating people equitably and impartially through clear, objective, transparent, accessible and reasoned decision-making processes
2. **Respect** – sensitivity to the diversity of the parties to the Board's processes and the peoples of the NWT; and the unique values they attach to lands
3. **Integrity** – honest, ethical and reasonable behaviour
4. **Timeliness** – responsive, effective and efficient resolution of disputes
5. **Professionalism** – being competent and proficient while striving for improvement through continuous review and application of lessons learned

The SRB's values reflect its corporate culture and guide its actions.

ENVIRONMENTAL SCAN

The environmental scan identifies key trends and developments relevant to the SRB's operations and legislative mandate that directly impact its ability to deliver its functions in a fiscally prudent and judicious way.

External Factors

Challenges

- The SRB is a new dispute resolution Board in the NWT (opened for business on April 1, 2016) and is unknown to the public and potential clients.
- The existing resource management regime is not well understood by the public, Land and Water Boards, Land Use Planning Boards, the Mackenzie Valley Review Board and Renewable Resources Boards, Inuvialuit Game Council, Federal and NWT Government officials.
- On July 26, 2017, the Supreme Court of Canada released its decision in the case of *Clyde River (Hamlet) v. Petroleum Geo-Services Inc.* In it, the Supreme Court of Canada states clearly that government regulatory tribunals (of which the NWT SRB is one) have, in varying degrees, a duty of consultation with respect to impacts on the rights of Aboriginal people. This decision may affect how the SRB ensures adequate consultation in its land and water access dispute resolution process(es).
- No "case based" funding is provided to the SRB to resolve specific disputes as and when Applications are made.
- There is some uncertainty in jurisdiction of the SRB with land claimant organizations due to specific geographic and legislative overlaps still to be resolved.
- The SRB is on a steep learning curve to achieve and maintain an acceptable state of competence and readiness to resolve disputes.

- Board vacancies may pose a challenge for addressing disputes in a timely manner.

Opportunities

- The SRB appears to be adequately resourced for its core activities.
- The SRB office is centrally located in relation to the GNWT, Federal Government offices, the Mackenzie Valley Review Board, the Mackenzie Valley Land and Water Board and the Board Relations Secretariat; all located in Yellowknife. This will facilitate ready day-to-day communications; ready access to GNWT and Board Forum sponsored training events, as well as access to their infrastructure and other resources (e.g. board rooms) when not in use.
- The GNWT is supportive to the SRB getting organized and operational.
- The Nunavut Surface Rights Tribunal is a similar organization to the SRB operating in Nunavut. It has been very helpful in sharing its expertise and experience with the SRB and appears willing to be as supportive as possible as the SRB gets its “feet on the ground”.
- The SRB Act provides comfort to all parties with an interest in land because it provides a process that will ensure resolution of land access disputes; if the parties cannot successfully resolve the conflict directly.
- The GNWT review of the NWT Lands Act and Commissioner’s Lands Act and development of a new Mineral Resources Act provides an opportunity to improve its understanding of the SRB’s roles and responsibilities.
- Northern Resource Management Board operations are unique compared to southern Canada. There is a large body of northern Board experience to assist the SRB in designing operational approaches and processes appropriate to the NWT.

Internal Factors

Strengths

- The SRB has acquired experienced legal counsel and staff to assist with training and on-going operations.
- The SRB has also retained a competent suite of service providers to address financial, book keeping, IT and website design needs.
- Regular and Alternate Board Members have a relevant and broad base of experience and knowledge.
- Board Members have a good understanding of their role as Members of the SRB.
- Cornerstone documents are now in place and the SRB is operational.

Weaknesses

- The SRB is still maturing in terms of operational readiness.
- The cost of each future dispute resolution process is unknown.
- There is a general lack of locally available training resources to address the needs of Board Members and staff. As a result, this often requires the Board to access more expensive training resources from southern Canada.

Relevant Trends

- The economic trend in the NWT is uncertain which suggests land use conflicts requiring dispute resolution are difficult to predict.
- The younger demographic in the NWT has become differently engaged in land management issues (e.g. through social media). Industry appears to be more engaged in securing a social licence for its activities.
- Uncertainty continues regarding settlement of Aboriginal self-government negotiations, settlement of outstanding Aboriginal land claims and implementation of land use plans.

- Increasing efforts by governments in settled land claim areas to address unauthorized occupancies may result in disputes.

Workload Drivers

- Professional development needs must continue to be addressed to ensure Board readiness to address disputes.
- The administrative requirements (e.g. reporting) of the legislation and the GNWT funder must be satisfied.
- The more people are aware of the SRB’s role and how to access the Board, the more work that may be referred to the Board.
- Completing the foundational work of the SRB.

Issue(s)

- How to maintain a “state of readiness” if there are few or no Applications for many years. This issue may be more problematic at times when there is turnover in Board membership.
- The lack of clarity of jurisdiction between the SRB and authorities in certain land claim agreements may cause process confusion when disputes occur in those areas.
- How to ensure the SRB and land and water regulators have a common understanding regarding the role of the SRB within the NWT resource management regime.
- The lack of awareness of the SRB and its processes among the public, industry, land administrators, land use planning boards, government officials and other relevant individuals.

GOALS

The SRB seeks to achieve these priorities over the next to 5-10-years.

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

OBJECTIVES & STRATEGIES & PRIORITIES

The SRB’s 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’s strategies are specific actions that help accomplish an objective in the next one to five years. The SRB’s strategies are “do-able” given its resources, and each strategy has an intended outcome and priority. These are the SRB’s strategies organized by goal and objective.

Goal 1 - Ready, Competent & Timely Dispute Resolution

Objective A – Establish and continually improve dispute resolution procedures, guidelines and best practices

1. Develop and maintain 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. HIGH PRIORITY
2. Develop relationships with similar jurisdictions to benefit from their lessons learned and best practices. MEDIUM PRIORITY
3. Develop and implement an operational plan to provide French and Aboriginal language services. LOW PRIORITY

Objective B – Maintain Board competence and proficiency

1. 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. HIGH PRIORITY
2. Conduct regular dispute resolution exercises relating to disputes which may arise within the jurisdiction of the SRB. HIGH PRIORITY
3. Issue periodic communications to Board Members and staff with respect to relevant on-going cases and developments in surface rights law and administration. LOW PRIORITY

Goal 2 - Respected, Trusted & Understood by The Public & Parties to Disputes

Objective A – Improve awareness and understanding of the Board’s role and dispute resolution process with relevant organizations and individuals

1. Build relationships with governments, resource management and other relevant organizations MEDIUM PRIORITY
2. Continually improve the Board website – as a public portal for information regarding the Surface Rights Board. HIGH PRIORITY
3. Maintain SRB visual identity (branding) graphics standards to govern the “look and feel” of the Board website, graphics design for Board publications, business cards, letterhead, public notices etc. MEDIUM PRIORITY
4. Identify and clarify potential areas of jurisdictional conflict between the SRB Act and land claim agreements including overlapping land claim agreements from neighbouring jurisdictions and implement a process to address these potential conflicts. LOW PRIORITY
5. Deliver presentations and information sessions to interested parties regarding the SRB’s roles and responsibilities. MEDIUM PRIORITY

Objective B – Establish ready public access and transparency to the Board’s dispute resolution process and its decisions

1. Finalize and maintain a Public Registry of Board Decisions to be posted on the Board website HIGH PRIORITY
2. Develop a communications strategy and key messaging to be conveyed to the public and potential parties to the Board’s processes MEDIUM PRIORITY

Goal 3 - Core Capacity & Administrative Requirements are Met

Objective A – Maintain timely and current Strategic and Business Plans and Reports

1. Submit annual and mid-year reports as required HIGH PRIORITY
2. Submit annual business plan as required by funder(s) HIGH PRIORITY
3. Prepare/renew the SRB strategic plan once every 5 years. HIGH PRIORITY

Objective B – Conduct efficient day-to-day Board operations

1. Ensure general operating requirements are met; including:
 - a. Leased office space, board room space and secure storage space
 - b. General office supplies
 - c. Communications expenses (phones, postage, internet etc.)
 - d. Book keeping services
 - e. Legal counsel services
 - f. Financial auditing services
 - g. IT support services
 - h. Website hosting services

- i. Document digitizing capacity (for the website, public registry and internal records management)
- j. Janitorial services
- k. Budget for minor miscellaneous expenses to address the Board's day-to-day operating requirements. HIGH PRIORITY
2. Maintain Executive Director position HIGH PRIORITY
3. Maintain sufficient funds for Board Honorariums and related travel, meals and accommodation HIGH PRIORITY
4. 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. MEDIUM PRIORITY
5. Develop and maintain Board Member IT capacity to carry out duties and responsibilities. HIGH PRIORITY
6. Identify a standing budget to address Applications as they arise. HIGH PRIORITY

Objective C – Establish and maintain clear and comprehensive internal operating procedures

1. Maintain on-going currency of the Board's By-laws MEDIUM PRIORITY
2. SRB Members Questionnaire – to assist the Chair in avoiding conflicts when assigning Members to pre-Hearing and /or Hearing duties. LOW PRIORITY
3. SRB Support Guides for Board Members, Staff and Service Providers – to clearly delineate the expectations placed on them by the Board e.g. code of conduct, conflict of interest/apprehension of bias etc. LOW PRIORITY
4. Develop and maintain an electronically accessible Board Member orientation/reference manual. HIGH PRIORITY
5. Maintain the necessary internal operations policies. MEDIUM PRIORITY
6. 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 (prioritized list to be developed). LOW PRIORITY



APPENDIX 2
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD 2018/19
AUDITED FINANCIAL STATEMENTS
March 31, 2019



NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

AUDITED FINANCIAL STATEMENTS

March 31, 2019



NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Financial Statements
Year ended March 31, 2019

	Page
INDEPENDENT AUDITOR'S REPORT	
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	
FINANCIAL STATEMENTS	
Statement I	1
Statement II	2
Statement III	3
Statement IV	4
Statement of Financial Position	5-8
Statement of Operation	
Statement of Changes in Net Financial Assets	
Statement of Cash Flow	
Notes to the Financial Statements	



**YELLOWKNIFE
ACCOUNTING**
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL
ACCOUNTANTS

P.O. Box 20072,
4910 – 50th Street
2nd Floor
EPR Yellowknife Building
Yellowknife, NT X1A 3X8

Phone: (867) 669-0242
Fax: (867) 669-7242

www.epryellowknife.ca

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, 2019, 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.

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 5, 2019

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 5, 2019

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF FINANCIAL POSITION
As At March 31, 2019

Statement I

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 116,701	\$ 123,503
Accounts receivable (Note 3)	50	74
TOTAL FINANCIAL ASSETS	116,751	123,577
LIABILITIES		
Current liabilities		
Accounts Payable and Accrued Liabilities	84,250	46,775
Deferred Revenue (Note 4)	33,945	78,064
	118,195	124,839
NET FINANCIAL ASSETS	(1,444)	(1,262)
NON FINANCIAL ASSETS		
Prepaid Expenses	1,444	1,262
Tangible Capital Assets	-	-
	1,444	1,262
ACCUMULATED SURPLUS	\$ -	\$ -

APPROVED ON BEHALF OF BOARD

 Director

 Director

The accompanying notes and schedules form an integral part of the financial statements.

Page 1

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF OPERATIONS
For the Year Ended March 31, 2019

Statement II

	2019	2018
REVENUE		
Government of NWT Contributions	302,595	297,478
Transfer from (to) deferred revenue	44,120	(11,204)
Interest revenue	622	173
TOTAL REVENUE	347,337	286,447
OPERATING EXPENSES		
Professional fees	150,702	122,799
Honorarium	64,811	51,371
Board travel and other costs	24,749	19,755
Wages and Benefits	67,520	49,721
Information technology and computer costs	11,941	6,690
Rent	15,745	17,818
Advertising and external communication	492	5,575
Office and other supplies	5,937	4,698
Telephone, fax and Internet	3,322	3,226
Staff Travel and training	-	2,851
Bank charges and interest	374	172
Insurance	1,744	1,771
TOTAL EXPENSES	347,337	286,447
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	-	-
ACCUMULATED SURPLUS, BEGINNING OF YEAR	-	-
ACCUMULATED SURPLUS, END OF YEAR	\$ -	\$ -

The accompanying notes and schedules form an integral part of the financial statements.

Page 2

**NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF CHANGES IN NET FINANCIAL ASSET
For The Year Ended March 31, 2019**

Statement III

	2019		2018
NET FINANCIAL ASSET, BEGINNING OF YEAR	(1,262)	\$	(1,350)
Items Affecting Net Financial Asset:			
Net Surplus (Deficit) from Operations	-		-
Use (Acquisition) of Prepaid	(182)		88
Consumption of Inventories	-		-
NET FINANCIAL ASSET, END OF YEAR	(1,444)	\$	(1,262)

The accompanying notes and schedules form an integral part of the financial statements

Page 3

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
STATEMENT OF CASH FLOW
For the Year Ended March 31, 2019

Statement IV

	2019	2018
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditure	\$ -	\$ -
Decrease (increase) in accounts receivable	25	29,518
Decrease (increase) in prepaid expenses	(182)	88
Increase (decrease) in accounts payable	37,475	2,643
Increase (decrease) in deferred revenue	(44,120)	11,204
	(6,802)	43,453
Net increase (decrease) in cash and equivalents	(6,802)	43,453
Cash and equivalents at beginning of Year	123,503	80,050
CASH AND EQUIVALENTS AT END OF YEAR	116,701	123,503
Cash consists of :		
Cash in bank	91,701	98,503
GIC	25,000	25,000
	\$ 116,701	\$ 123,503

The accompanying notes and schedules form an integral part of the financial statements.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2019

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, 2019, 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.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2019

Financial Instruments (Contd...)

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.

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.

2f) Going Concern

Financial Statements, under Canadian generally accepted accounting standards, are prepared on the assumption that the entity is a going concern, meaning that it will continue in operations for the foreseeable future and that it will be able to realize assets and discharge liabilities in the normal course of its operations.

3. CHANGES IN ACCOUNTING POLICIES

Prior to April 1, 2018, the board used Accounting Standard for Not-for-Profit Organizations (ASNPO) for its financial statement reporting. However, starting April 1, 2018, the Board is using Public Sector Accounting Standard (PSAS) in order to comply with the financial reporting standard of Government of Northwest Territories (GNWT). The change in accounting policy is applied retrospectively and there was no effect on the statement of financial position as at April 1, 2018 and the statement of operations of the financial year then ended.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2019

4. ACCOUNTS RECEIVABLE

	2019	2018
Office Compliments	5	74
Interest Receivable	45	-
	\$ 50	\$ 74

5. 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.

	2019	2018
Balance, beginning of period	\$ 78,064	\$ 66,860
Deferred Revenue recognized as revenue during for the year	(44,120)	11,204
Balance, end of period	33,944	78,064
Comprised of:		
Deferred revenue for processing applications	33,944	50,000
Deferred revenue, general	-	28,064
	\$ 33,944	\$ 78,064

6. 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.

7. 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.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2019

8. COMMITMENTS

Effective April 1, 2018, the Board entered into an obligation under a 2 year lease for office space. Annual minimum payments for rent are \$13,758.

9. 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.