



June 16, 2020

The Honourable Shane Thompson
Minister of Environment and Natural Resources
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NT X1A 2L9

Dear Minister Thompson:

Inuvialuit Water Board 2019 – 2020 Annual Report and Financial Statements

As per the *Waters Act* Section 57 (1), the Inuvialuit Water Board is pleased to provide you with its 2019 – 2020 Annual Report and attached Financial Statements.

As outlined in our report, in addition to ongoing water licensing activities the IWB was active throughout the year in communicating and working with communities, GNWT departments and other regulatory bodies on issues of common interest or concern regarding the conservation, development and utilization of waters within the Inuvialuit Settlement Region.

The Board will be pleased to respond to any questions or concerns you may have regarding these documents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Roger Connelly', is written over a circular stamp or seal. The signature is fluid and cursive.

Roger Connelly
Chairperson

Attachments

cc: Dr. Erin Kelly, Deputy Minister - Environment and Natural Resources (ENR)
Joyce Taylor, Director – Finance and Capital Planning - ENR



**Inuvialuit Water Board
Annual Report
April 1, 2019 – March 31, 2020**

1.0 Overview

The mandate of the Inuvialuit Water Board (IWB) is described in the *Waters Act* (s. 24) as being: *“To provide for the conservation, development and utilization of waters in a manner that will provide the optimum benefit for all Canadians in general and, in particular, for the residents of the portion of the Inuvialuit Settlement Region located in the Northwest Territories for which the Board is authorized to issue licences.”*

While the IWB operates within the authority and direction of the *Waters Act* and *Waters Regulations*, its activities are also subject to the requirements of the *Inuvialuit Final Agreement* (IFA). The IWB may not issue a water licence unless the provisions of the *Inuvialuit Final Agreement* (IFA) environmental impact screening and review process have been complied with. IWB members consider the results of this assessment process when reviewing and determining whether a water license should be issued and, if so, the terms and conditions of the license.

Once a water license is issued, the enforcement of the terms and conditions of the licence is the responsibility of the Government of the Northwest Territories (GNWT) Department of Environment and Natural Resources (ENR).

2.0 IWB Board Membership and Operations

The IWB is composed of a Board, made up of five members including a Chairperson, and an administrative structure established to support the IWB’s mandated activities. The GNWT Minister of ENR appoints board members. Two members of the Board are appointed on the nomination of the Inuvialuit Regional Corporation (IRC), and one member of the Board is appointed on the nomination of the federal Minister. All members of the Board hold office for a term of three years.

The Chairperson of the Board serves as the Chief Executive Officer of the IWB.

As of March 31, 2020, the members of the IWB were:

- Mr. Roger Connelly, Chairperson
- Mr. Richard Binder, member
- Mr. Mark Cleveland, member
- Mrs. Elizabeth Arey, member
- Mr. Louis Covello, alternate member

During the year the Board met seven (7) times as follows:

Meeting 442	April 12, 2019	Teleconference
Meeting 443	June 6, 2019	Teleconference
Meeting 444	August 20 – 22, 2019	Inuvik, NT
Meeting 445	October 10, 2019	Teleconference
Meeting 446	November 29, 2019	Teleconference
Meeting 447	January 30, 2020	Teleconference
Meeting 448	February 17, 2020	Teleconference

3.0 IWB Operations

Based in Inuvik, NT, the IWB administrative personnel are members of the GNWT Public Service. The staff members are:

- Mardy Semmler – Executive Director
- Freda Wilson – Office Administrator
- Bijaya Adhikari, PhD – Science and Regulatory Coordinator
- Vacant (August 18, 2019) – IWB Regulatory Officer

The IWB operates based upon a fiscal year that matches that of the GNWT – April through March of the following calendar year. Core funding for IWB activities is provided through a contribution agreement between the GNWT (ENR) and the IWB. In addition, in any particular year, the IWB may also receive financial support from various organizations, governments or government departments and/or agencies for specific projects or activities. During 2019 - 2020 the IWB received \$913,000 under the contribution agreement with ENR. In addition, in-kind contribution for office facilities with a value of \$61,693 was provided by GNWT.

Financial details related to IWB activities during the past year are outlined in the IWB's 2019 - 2020 audited financial statements. The IWB's external auditor for the fiscal year was Crowe MacKay LLP, chartered accountants, located in Yellowknife, NT. The financial statements are enclosed with this report.

In support of its mandate, the IWB has established standardized licensing rules and procedures. These include documentation to guide administrative licensing matters as well as specific rules to guide the conduct of water licence application reviews and assessments. This information is publicly available through the IWB website (www.inuvwb.ca).

To promote public understanding of the mandate and ongoing activities of the IWB, a newsletter is published on a periodic basis. The IWB Newsletter of July 2019 was distributed to GNWT and Federal departments, Inuvialuit organizations and other stakeholders. The newsletter can also be viewed on the IWB website.

4.0 IWB Water Licensing Activities 2019 – 2020

Water Licensing

The IWB issues Type A and Type B Water Licences. A determination of the type of licence to be issued is largely dependent upon the volume of water used and the waste disposed during a licensed activity.

In general terms:

- Type A Water Licences – are issued for larger scale industrial and commercial developments such as the Inuvik to Tuktoyaktuk Highway.
- Type B Water Licences – are issued for municipalities' water/waste services and smaller scale activities including most environmental clean-up projects.

As of March 31, 2020, there were fifteen (15) active water licences and twenty-one (21) expired water licences for which no ENR inspections had been completed. Discussions with ENR regarding the need and process for final inspections and formal licence closures are ongoing.

Type A or B Water Licences Issued (New)

- Type B Licence N5L8-1840 was issued to Environment and Climate Change Canada (ECCC) on April 15, 2019 to complete the Causeway Repair Project at the Mould Bay Weather Station on Prince Patrick Island.
- Type B Licence N5L8-1841 was issued to Imperial Oil Environmental and Property Solutions on July 10, 2019 to complete the Tuk Base Remediation Project.
- Type B Licence N5L1-1841 was issued to Government of the NWT Department of Infrastructure on January 31, 2020 to complete the culvert removal and bridge installation project at Gunghi Creek on the Inuvik to Tuktoyaktuk Highway.
- Type B Licence N3L8-1842 was issued to Government of the NWT Department of Infrastructure (GNWT INF) on February 17, 2020 to complete the drainage improvement project at the Aklavik Freddy Carmichael Airport.
- Type B Licence N3L8-1844 was issued to Northwestel (NWTel) Incorporated on February 17, 2020 to complete the Taglu Microwave Site Asset Removal Project.

Type A or B Water Licences Issued (Renewed):

- Type B Licence N3L3-00570, was renewed and issued to the Hamlet of Aklavik on October 10, 2019. This licence renewed a prior licence and authorized the use of water and the deposit of waste for municipal services in the community. The terms and conditions of the license allow for the use of the existing water treatment plant and the solid and sewage waste disposal facilities operated by the Hamlet.

Prior to licence renewal the IWB Board and senior staff members visited the community of Aklavik, toured the fresh water intake, solid and sewage waste

disposal facilities and met with the hamlet Deputy Mayor and councillors and staff to discuss a broad range of issues related to the provision of water and waste services in their community. The ENR Water Resources Officer also accompanied the Board on the community tour.

- Type B Licence N3L8-1838 was renewed and issued to the Northwest Territories Power Corporation on November 29, 2019 for the remediation of the Aklavik former power plant site. Upon review of site remediation data, the IWB initiated this licence renewal on its own initiative pursuant to Section 36 (1) (a) (ii) of the *Waters Act*. Apart from providing an additional three (3) years for the continuation of the bioremediation project, all other terms and conditions of the licence remain unchanged.
- Type B Licence N7L1-1836, issued to Imperial Oil Resources, was extended by three months by the Board on February 17, 2020 to allow Imperial Oil additional time to submit a renewal application for the continuation of the Bar C/Tununuk Point Remediation Project.

Type A or B Water Licence Assignment, Cancellation or Amendment

- The IWB did not assign, cancel, or amend any water licences during this reporting period.

Type A or B Water Licences Expiring During the Year

- No Type A or B Water Licences expired during the fiscal year.

Licence Management Activities

In addition to processing licence applications, the IWB is charged with reviewing and approving management plans associated with licences, as well as reviewing water licence inspection reports and annual reports from licence holders. During the year the following activities related to this responsibility occurred.

Management Plan approvals

- N3L3-0570 – Hamlet of Aklavik – Municipal Water Licence
 - Solid Waste Disposal Facilities Operation and Maintenance Plan
 - Sewage Waste Disposal Facilities Operation and Maintenance Plan
 - Spill Contingency Plan
 - Hazardous Waste Management Plan
- N7L1-1834 – Shell Canada Energy – Camp Farewell, NWT
 - Closure and Reclamation Plan (updated)
 - Barge Waste Management Plan
- N5L8-1840 – ECCC – Mould Bay, Prince Patrick Island, NWT
 - Erosion and Sediment Control Plan

- Water Management Plan
- Spill Contingency Plan
- N5L8-1841 – Imperial Oil Environmental and Property Solutions – Tuk Base, NWT
 - Remedial Action Plan
 - Waste Management Plan
 - Spill Contingency Plan
 - Erosion and Sediment Control Plan
 - Permafrost Monitoring Plan
 - Reclamation, Closure and Monitoring Plan
 - Dock Repair and Removal Plan
 - Wildlife Encounter Management Plan
 - Emergency Response Plan
- N3L8-1842 – GNWT INF Aklavik Freddy Carmichael Airport, Aklavik, NWT
 - Erosion and Sediment Control Plan
 - Spill Contingency Plan
 - Waste Management Plan
 - Closure and Reclamation Plan
- N3L8-1844 – NWTel – Taglu Microwave Tower Site, Taglu, NWT
 - Spill Contingency Plan

Annual and Sump Monitoring Reports Reviewed

- N3L3-0570 – Hamlet of Aklavik – 2018 Annual Report
- N5L3-0714 – Hamlet of Tuktoyaktuk – 2018 Annual Report
- N5L3-0714 – Hamlet of Tuktoyaktuk – 2019 Annual Report
- N7L3-1525 – Hamlet of Ulukhaktok – 2018 Annual Report
- N7L3-1525 – Hamlet of Ulukhaktok – 2019 Annual Report
- N7L3-1531 – Hamlet of Sachs Harbour – 2018 Annual Report
- N7L3-1619 – Hamlet of Paulatuk – 2018 Annual Report
- N7L1-1835 – GNWT INF - ITH – 2017 - 2018 Annual Report (revised)
- N7L1-1835 – GNWT INF - ITH
 - SNP 1835- 24AB – lab results
 - SNP 1835-46AB – lab results
 - SNP 1835-47AB – lab results
 - SNP 1835-48AB – lab results
 - SNP 1835-73 – lab results
 - SNP 1835-17AB – lab results
 - SNP 1835-18AB – lab results
 - SNP 1835-21AB – lab results
 - SNP 1835-31AB – lab results
 - SNP 1835-37AB – lab results
- N7L1-1834 – Shell Canada, Camp Farewell – 2018 Annual Report
- N7L1-1836 – Imperial Oil Resources, Bar “C” - 2019 Annual Report
- N5L8-1837 – Repsol Oil and Gas Canada Inc. – Post Construction Information
- N3L8-1838 – Northwest Territories Power Corporation – Aklavik, NT

- 2019 Annual Report
- Remediation Compilation Report
- N5L8-1840 – ECCCC – 2019 Annual Report

Inspection Reports Received and Reviewed

- N3L3-0570 – Hamlet of Aklavik
- N5L8-0714 – Hamlet of Tuktoyaktuk
- N7L3-1525 – Hamlet of Ulukhaktok
- N7L3-1531 – Hamlet of Sachs Harbour
- N7L3-1619 – Hamlet of Paulatuk
- N7L1-1835 – GNWT INF – ITH
- N7L1-1836 – Imperial Oil Resources – Bar C/Tununuk Point
- N3L1-1710 – Inuvialuit Petroleum Corporation – Ikhil Drilling Waste Sump
- N3L1-1727 – Inuvialuit Petroleum Corporation – Ikhil Camp Sump
- N3L8-1844 – NWTel – Taglu Microwave Tower Site

5.0 Other IWB Activities

During the year the IWB was engaged in a number of additional activities in support of its mandate. These included:

World Water Day

Initiatives identified in the IWB’s Communications Strategy included public education and awareness projects dealing with water and waste management. During this fiscal year, the members continued supporting ongoing education efforts for both municipal council members and community residents in general, on responsibilities and impacts related to municipal water and waste management.

The IWB coordinated a World Water Day (WWD) event in the Hamlet of Aklavik. IWB staff visited Aklavik in October 2019 to present the WWD concept to Moose Kerr School staff and students, the municipal government and aboriginal organizations. Pamphlets and various information sheets outlining the proposed activities for WWD were provided to each of the organizations and each class at Moose Kerr School.

Similar to the 2019 World Water Day event, which was held in Tuktoyaktuk, educational and informative activities were completed for the Moose Kerr School students by World Water Day federal partners, Fisheries and Oceans and Parks Canada provided activities in both January and February 2020. IWB staff also returned to Aklavik and the Moose Kerr School in early March 2020 to post signs for the upcoming March 27, 2020 event within the community and deliver reusable World Water Day water bottles for each of the students and staff at Moose Kerr School.

With the Moose Kerr School closure and NWT State of Emergency for the COVID-19 Pandemic the IWB had to postpone the World Water Day event scheduled for March 27, 2020. This event may be rescheduled once Moose Kerr School resumes classes in the fall.

NWT Board Forum

IWB representatives attended a meeting of the NWT Board Forum in Fort Good Hope on June 18 – 19, 2019. The meeting was co-sponsored by the Sahtu Land and Water Board and the Sahtu Land Use Planning Board. The Board Forum provides an opportunity for senior representatives of regional and territorial environmental review, licensing/permitting, wildlife management and land use planning authorities to meet and discuss a broad range of issues related to their collective mandates.

Common objectives of the Forum include:

- a. Increasing mutual awareness among Forum members regarding their respective activities.
- b. Identifying and developing collaborative approaches to resolve issues of common concern.
- c. Collaborating on strategic and operational planning initiatives.
- d. Identifying opportunities to share resources and expertise.
- e. Providing a venue for Forum members to hear from industry, government and other interested parties on issues of common interest.
- f. Pursuing collaborative training and development initiatives.

Municipal Water and Waste Management Workshop

The Inuvialuit Water Board (IWB) hosted the annual Municipal Water and Waste Management (MWWM) Workshop in Inuvik on February 12 – 13, 2020. The overall objective of this and previous workshops is to assist municipal governments in providing adequate, safe and reliable water and waste management services to their communities while ensuring the provision of these services does not have a negative impact on the receiving environment.

Specific objectives of this year's workshop were to:

- Increase collective awareness of current issues and concerns.
- Provide an effective forum for sharing information.
- Promote and support community understanding and compliance with water licensing requirements.
- Identify actions to address or mitigate concerns.

These objectives were advanced through interactive presentations from ENR and IWB including:

- the impacts of climate change on water and waste infrastructure and possible measures to adapt to these changes,
- inspection and enforcement of water licences and the role of the Water Resources Officer,
- building demolition procedures and proper management of demolition waste; and
- upcoming initiatives to celebrate World Water Day, Canada's Waste Reduction Week, updates on the ISR Waste Management Documentary project and community water/waste management initiatives and experiences.

The 2020 workshop was attended by representatives from the Hamlets of Aklavik, Sachs Harbour, Paulatuk, Tuktoyaktuk and Ulukhaktok, GNWT departments ENR and Health and Social Services, Aurora College, Inuvialuit Communications Society and representatives of the (IFA) Environmental Impact Screening Committee. GNWT departmental representatives from ENR provided presentations regarding their ongoing projects and activities related to the provision of municipal water and waste services.

IWB Communication Strategy

The IWB continues to implement components of its Communication Strategy. Activities during the year included an introduction to community organizations regarding the development of an Inuvialuit Settlement Region (ISR) Waste Management Documentary. This documentary will showcase how residents of the ISR communities relate to and manage the various types of waste produced within their community and how these wastes can impact the quality of the water resources in their area.

Given the increasing world-wide recognition of the major environmental concerns resulting from unregulated waste disposal, MWWW workshop participants supported the development of such a documentary as a means to share thoughts and observations on this topic across the ISR, to increase the level of awareness of the environmental impacts of unregulated waste disposal, and advance broader community recognition of the importance of reducing, recycling and effectively managing the waste produced through everyday life in our communities.

As a community-based project, its measure of success will depend, in large part, on broad participation by community leaders, municipal organizations, businesses, and individuals and families of all ages. The project was planned to get underway in March 2020 with community discussions, led by IWB, to identify and guide how community residents should be approached to participate in the production of the documentary, the types of issues to be discussed, the listing of current concerns regarding the nature, management and impact of waste on their community, and how community members feel reduction, recycling and new management approaches can minimize the impacts of waste on their surrounding environment. The use of drones to capture certain aspects of community waste management will be included. Due to the impacts of Covid-19, implementation of this initiative has been delayed.

Involvement in Meetings and Conferences

IWB Board members and staff are regularly asked to participate in meetings and conferences related to the IWB mandate. Some of the meetings and conferences attended in the past year include:

- Arctic Development Expo (Inuvik) – June 10 – 12, 2019
- NWT Board Forum (Fort Good Hope) – June 18 – 19, 2019
- Pan Territorial Board Forum (Whitehorse) – October 7 – 10, 2019
- NWT Water Strategy Implementation Workshop (Yellowknife) – October 21 – 24, 2019

- Hydrocarbon Contaminated Soil Treatment Facilities Guideline - final working group meeting (teleconference) – October 2019
- Meetings with Stakeholders: (Inuvik)
 - Imperial Oil – Tuk Base
 - Japex – Sump Assessments and Reporting
 - Imperial Oil – Bar C / Tununuk Point
 - NWTel – Taglu Microwave Tower Site

Activities with other Regulatory Boards within the NWT

The IWB has continued to communicate and collaborate with other regulatory boards within the Mackenzie Valley and the Inuvialuit Settlement Region on areas of common interest related to water and waste licencing.

Other Administrative and Board Activities

The IWB completed a review and update of its strategic plan. The updated IWB Strategic Plan 2020 – 2025 was approved by the Board in February 2020. This document was distributed to the ENR Minister and municipal governments in March 2020.

The IWB completed an independent Staffing Research Report. This report outlines the responsibilities required for the IWB to independently hire their own staff as provided for in the *Waters Act* section 104.

As required under the *Waters Act*, the IWB maintains a Public Register (all documents related to all water licence applications, licensing and reporting). The Public Register is housed in the Inuvik IWB office. A copy of the Public Register can be accessed on-line through the IWB website (www.inuvwb.ca).

Throughout the year, in addition to fulfilling its core-mandated responsibilities, the IWB channelled significant time and effort in communicating with and discussing issues of shared interest or concern with communities and other regional and territorial bodies holding contributing responsibilities in the overall management of the regional and territorial environment. This beneficial sharing of information and broad coordination of approach and effort will continue throughout 2020 - 2021.

6.0 Areas of Focus for 2020/2021

During the 2020/2021 year the IWB will focus on the following priorities:

- As per Goal 1 of the IWB Strategic Plan, the IWB will continue its efforts to monitor and improve the efficiency, effectiveness and timeliness of all licensing processes; will develop clear policies and procedures that reflect best practices and are generally consistent with other jurisdictions; and will engage in regulatory improvement processes and discussions related to water and waste management.

- As per Goal 2 of the IWB Strategic Plan, the IWB will implement its Communications Strategy to ensure all parties are aware of the IWB's processes, decisions and actions and the responsibilities of applicants and licence holders - including but not limited to the development of information and fact sheets or brochures for general distribution.
- As per Goal 3 of the IWB Strategic Plan, the IWB will continue to work in partnership with government, resource management boards and communities with the aim of collaboratively enhancing community awareness and capacity in effective water use and waste management. Related initiatives will be rescheduled as permitted under the Covid-19 pandemic.
- As per Goal 4 of the IWB Strategic Plan, the IWB will review its staffing requirements to ensure the IWB is functioning efficiently and effectively.
- Follow up on commitments made during the 2020 Municipal Water and Waste Management Workshop and planning for the next Water and Waste Management Workshop in February 2021.
- In advance of considering a renewal of the community of Paulatuk water licence (expiring in November 2020), Board members and senior staff will tour the community's municipal water and waste management facilities and meet with the Mayor, Council members and senior staff to discuss issues related to the provision of water and waste services in their community once the NWT State of Emergency for COVID-19 is lifted.

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Inuvialuit Water Board

Financial Statements

March 31, 2020

Inuvialuit Water Board

Financial Statements

March 31, 2020

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Management's Responsibility for Financial Reporting

June 08, 2020

**To the Directors of
Inuvialuit Water Board**

The accompanying financial statements were prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, with the information contained in the financial statements.

Inuvialuit Water Board maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Board acts in accordance with the laws of the Northwest Territories. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an organization of this type.

The external auditors annually provide an independent, objective audit for the purposes of expressing an opinion on the financial statements. They also consider whether transactions which come to their notice in the course of this audit are, in all significant respect, in accordance with the specified legislation.



**Mardy Semmier
Executive Director
Inuvialuit Water Board**



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Independent Auditors' Report

To the Directors of
Inuvialuit Water Board

We have audited the accompanying financial statements of the Inuvialuit Water Board, which comprise of the statement of financial position as at March 31, 2020, and the statements of operations, change in accumulated surplus, change in net financial resources and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Inuvialuit Water 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company 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 the 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 the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 the 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 the 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 auditors' 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 auditors' report. However, future events or conditions may cause the 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 our audit.

Yellowknife, Northwest Territories
June 08, 2020

Crowe MacKay LLP
Chartered Professional Accountants

Inuvialuit Water Board

Statement of Operations

For the year ended March 31,	Budget (Unaudited)	2020	2019
Revenue			
Government of the Northwest Territories	\$ 913,000	\$ 913,000	\$ 913,000
Donation in kind	61,693	61,693	61,693
Other revenue	-	-	6
Total revenues before contribution repayable	-	974,693	974,699
Contribution repayable	-	(121,489)	(185,846)
Total revenues	974,693	853,204	788,853
Expenses			
Advertising	2,000	9,798	4,114
Amortization	10,000	14,360	12,870
Board travel and training	14,500	5,421	5,032
Communications	29,500	29,665	30,819
Communication Strategy Implementation	60,000	22,259	20,020
Community Capacity Initiative	50,000	36,587	27,303
Community Tour	10,000	11,408	7,576
Conferences	9,000	4,986	2,173
Consulting	5,000	-	180
Equipment maintenance	3,000	3,827	2,128
Equipment rental	5,000	5,206	5,198
Honoraria	78,300	78,263	73,915
Hospitality	-	457	1,576
Interest and bank charges	1,000	535	561
Office supplies	4,200	3,320	10,798
Postage	2,000	961	1,879
Professional fees	55,000	59,093	39,651
Rent	61,693	61,693	61,693
Salaries and benefits	517,000	479,507	472,505
Implications of In House Staffing - Ph II	45,000	11,853	-
Staff travel	12,500	7,800	14,889
Total expenses	974,693	846,999	794,880
Surplus (deficit) before other items	-	6,205	(6,027)
Transfer to capital assets	-	(6,205)	6,034
Surplus	\$ -	\$ -	\$ 7

Inuvialuit Water Board**Statement of Accumulated Surplus**

For the year ended March 31,			2020	2019
	Capital Asset Fund	Operating Fund	Total	Total
Balance, beginning of year	\$ 31,837	\$ 290,964	\$ 322,801	\$ 328,828
Operating surplus (deficit)	-	6,205	6,205	(6,027)
Acquisition of tangible capital assets	20,564	(20,564)	-	-
Amortization	(14,360)	14,360	-	-
Balance, end of year	\$ 38,041	\$ 290,965	\$ 329,006	\$ 322,801

Inuvialuit Water Board**Statement of Change in Net Financial Resources**

For the year ended March 31,	Budget (Unaudited)	2020	2019
Operating surplus	\$ -	\$ 6,205	\$ (6,027)
Acquisition of tangible capital assets	(3,000)	(20,564)	(6,836)
Amortization of tangible capital assets	10,000	14,360	12,870
Net change in financial resources	7,000	1	7
Net financial resources at beginning of year	290,964	290,964	290,957
Net financial resources at end of year	\$ 297,964	\$ 290,965	\$ 290,964

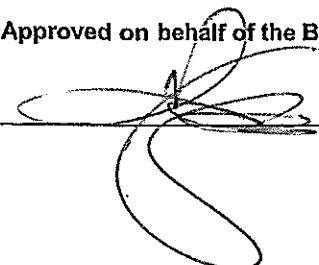
Inuvialuit Water Board

Statement of Financial Position

As at March 31,	2020	2019
Financial Assets		
Cash	\$ 538,956	\$ 640,691
Accounts receivable (Note 4)	5,058	3,574
	544,014	644,265
Liabilities		
Accounts payable and accrued liabilities	131,560	167,455
Repayable contributions (Note 5)	121,489	185,846
	253,049	353,301
Net financial resources	290,965	290,964
Non-Financial Assets		
Tangible capital assets (Note 6)	38,042	31,837
	38,042	31,837
Accumulated surplus	\$ 329,006	\$ 322,801

Commitments (Note 8)

Approved on behalf of the Board



Director



Director

Inuvialuit Water Board**Statement of Cash Flows**

For the year ended March 31,	2020	2019
Cash provided by (used in)		
Operating activities		
Surplus (deficit)	\$ 6,205	\$ (6,027)
Item not affecting cash		
Amortization	14,360	12,870
Change in non-cash operating working capital		
Accounts receivable	(1,484)	2,530
Accounts payable and accrued liabilities	(35,895)	11,241
Repayable contributions	(64,357)	72,649
	(81,171)	93,263
Capital activity		
Investment in tangible capital assets	(20,564)	(6,836)
Change in cash position	(101,735)	86,427
Cash position, beginning of year	640,691	554,264
Cash position, end of year	\$ 538,956	\$ 640,691

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2020

1. Organization and Jurisdiction

The Inuvialuit Water Board (the "Board") is established under the *Northwest Territories Waters Act* (Federal) and continued under the *Waters Act* (Territorial). It monitors and approves water use and disposal of waste in that portion of the Northwest Territories located in the Inuvialuit Settlement Region.

The Board is exempt from income tax under section 149(1)(d) of the *Income Tax Act*.

2. Accounting Policies

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS") as established by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Financial Instruments

The Board classifies its financial instruments at cost or amortized cost. The Board's accounting policy for this financial instrument category is as follows:

This category includes cash, accounts receivable, accounts payable and accrued liabilities, and repayable contributions. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

(b) Tangible Capital Assets

Tangible capital assets are recorded in the Capital Asset Fund at cost. Amortization is recorded in the capital asset fund using the declining balance method at the annual rates set out in Note 6.

(c) Fund Accounting

The Board uses fund accounting to segregate transactions between its Operating and Capital Asset Fund. The Operating Fund accounts for the Board's operating and administrative activities. The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to tangible capital assets.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2020

2. Accounting Policies (continued)

(d) Revenue Recognition

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and its collection is reasonably assured. Restricted contributions which are not fully used during the contribution term are set up as repayable contributions and must be repaid to the contributor.

The Board receives services in kind. The Board has estimated the value of these services and recognized them as donation in kind revenue.

Other revenue is recognized when services and goods are provided.

(e) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2020

3. Future Accounting Standards

(a) Asset Retirement Obligations, Proposed Section PS 3280

This section will be effective for fiscal years beginning on or after April 1, 2021 and is intended to enhance comparability of financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have previously been reported. This section would require public sector entities to review existing contract, legislation, etc., to identify retirement activities associated with its controlled capital assets. The impact of the transition to this proposed accounting standard, if any, has not yet been determined.

(b) Revenue, Section PS 3400

This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

The impact of the transition to these accounting standards is not expected to be significant.

4. Accounts Receivable

	2020	2019
Accounts Receivable	\$ 12	\$ -
Goods and Services Tax	5,046	3,574
	<u>\$ 5,058</u>	<u>\$ 3,574</u>

As at March 31, 2020 allowance for doubtful accounts is nil (2019 - nil).

5. Repayable Contributions

	2020	2019
Government of Northwest Territories	<u>\$ 121,489</u>	<u>\$ 185,846</u>

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2020

6. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Furniture and equipment	20%	\$ 46,096	\$ 23,172	\$ 22,924	\$ 22,363
Computer equipment	30%	77,345	62,227	15,118	9,474
Computer software	100%	609	609	-	-
		\$ 124,050	\$ 86,008	\$ 38,042	\$ 31,837

7. Economic Dependence

The Board is dependent upon funding in the form of contributions from the Government of the Northwest Territories. Management is of the opinion that if the funding was reduced or altered, operations would be significantly affected.

8. Commitments

The Board's total commitments under various operating leases are as follows:

2021	\$ 4,956
2022	4,945
2023	4,945
	\$ 14,846

9. Risk Management

The Board is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Board's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Board if a debtor fails to make payments of interest and principal when due. The Board is exposed to this risk relating to its cash and accounts receivable.

Accounts receivable are due from various governments, government agencies and corporations. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment.

The Board's maximum exposure to credit risk is represented by the financial assets balance for a total of \$544,014 (2019 - \$644,265)

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2020

9. Risk Management (Continued)

(ii) Concentration of credit risk

Concentration risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Board in the event of a default. The Board does not have concentration of credit risk.

A significant portion of the Board's cash is held with one financial institution, exposing the Board to the risk that this institution may not have the liquidity to honour withdrawals of the Board's funds. At March 31, 2020, 100% (2019 - 100%) of the Board's cash were held within one of Canada's chartered banks. This risk has not changed from the prior year.

(iii) Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet all cash outflow obligations as they come due. The Board does have a liquidity risk in accounts payable and accrued liabilities \$253,049 (2019 - \$ 353,301). The Board mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. All of the Board's financial assets and financial liabilities at March 31, 2020 mature within the next six months. The Board has disclosed future financial liabilities and commitments in Note 8.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

10. Related Party Transactions

During the year, honoraria and travel expenditures were paid to members of the Board of Directors. These expenditures were in the normal course of the Board's operations and were measured at the exchange amount.

The Board regularly transacts with the Government of the Northwest Territories including contribution funding, salaries and wages, donation in kind and rent expense. These transactions were in the normal course of the Board's operations and were measured at the exchange amount.

11. Budget Amounts

The budget figures presented are unaudited, and are those approved by the Board.