

**GWICH'IN LAND AND  
WATER BOARD**  
Inuvik, NT

**FINANCIAL STATEMENTS**

For the Year Ended March 31, 2023

# **GWICH'IN LAND AND WATER BOARD**

## **FINANCIAL STATEMENTS**

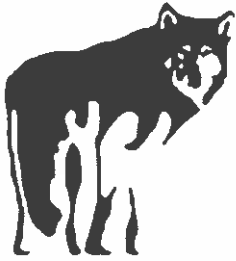
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For the year ended March 31, 2023

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## **GWICH'IN LAND AND WATER BOARD**

**P.O. Box 2018, Inuvik, NT X0E 0T0**

 **867-777-4954**

 **867-777-2304**

 **glwb.com**

### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements of Gwich'in Land and Water Board are the responsibility of management.

The financial statements have been prepared by management in accordance with the Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Gwich'in Land and Water Board maintain systems of internal accounting and administrative controls of high quality, consistent with reasonable costs. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Gwich'in Land and Water Board's assets are appropriately accounted for and adequately safeguarded.

Gwich'in Land and Water Board's Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by Paul Teoh Professional Corporation Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards. Their report to the members of Gwich'in Land and Water Board, stating the scope of their examination and opinion on the financial statements, follows.



Executive Director

Inuvik, NT  
August 11, 2023



**PAUL TEOH**

*Chartered Professional Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the members of Gwich'in Land and Water Board

### **Opinion**

We have audited the accompanying financial statements of Gwich'in Land and Water Board, which comprise of the statement of financial position as at March 31, 2023, and the statements of operations and accumulated surplus, changes in net financial assets, changes in accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Gwich'in Land and Water Board (the "Board") as at March 31, 2023, and the results of its operations and 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 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 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 these 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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objective is 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.

2.



Paul Teoh Professional Corporation • Chartered Professional Accountants

408 – 20<sup>th</sup> Avenue NE • Calgary • Alberta • T2E 1R2 • Canada

T: 1.403.520.7428 • TF: 1.87.PAUL.TEOH / 1.877.285.8364 • F: 1.403.520.7431 • www.paulteoh.ca

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.



Paul Teoh Professional Corporation  
Chartered Professional Accountants

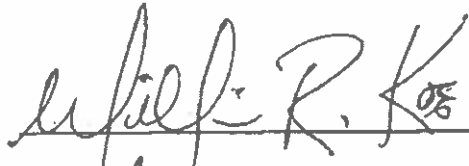

Calgary, Alberta  
August 11, 2023

# GWICH'IN LAND AND WATER BOARD

## STATEMENT OF FINANCIAL POSITION

March 31,	2023	2022
<b>Financial Assets</b>		
Cash (note 2)	\$ 313,473	\$ 281,860
Accounts receivable	9,806	5,427
<b>Total Financial Assets</b>	<b>323,279</b>	<b>287,287</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	317,235	70,008
Deferred contributions (note 3)	-	91,621
<b>Total Liabilities</b>	<b>317,235</b>	<b>161,629</b>
<b>Net Financial Assets</b>	<b>6,044</b>	<b>125,658</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 4)	33,748	35,875
Prepaid expenses and deposits	4,793	3,257
<b>Total Non-Financial Assets</b>	<b>38,541</b>	<b>39,132</b>
<b>Accumulated Surplus (note 5)</b>	<b>\$ 44,585</b>	<b>\$ 164,790</b>

Approved on behalf of the Board:

 Director  
 Director

The accompanying notes and schedule are integral parts of these financial statements.

# GWICH'IN LAND AND WATER BOARD

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2023	2023	2022
	Budget (Unaudited)	Actual	Actual
<b>Revenue</b>			
Contributions - Crown-Indigenous Relations and Northern Affairs Canada	\$ 1,087,155	\$ 1,087,155	\$ 1,052,834
Add opening deferred contributions	-	91,621	93,224
Less closing deferred contributions	-	-	( 91,621)
	1,087,155	1,178,776	1,054,437
<b>Expenditure</b>			
Administration	887,346	1,073,980	787,965
Board governance	199,809	225,001	264,185
	1,087,155	1,298,981	1,052,150
<b>Excess Revenue/(Expenditure)</b>	-	( 120,205)	2,287
<b>Accumulated Surplus, beginning of year</b>	164,790	164,790	162,503
<b>Accumulated Surplus, end of year</b>	\$ 164,790	\$ 44,585	\$ 164,790

The accompanying notes and schedule are integral parts of these financial statements.

**GWICH'IN LAND AND WATER BOARD**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

For the year ended March 31,	2023	2023	2022
	Budget (Unaudited)	Actual	Actual-
<b>Annual Surplus (Deficit)</b>	\$ -	\$( 120,205)	\$ 2,287
Acquisition of tangible capital assets	-	( 11,671)	( 12,661)
Amortization of tangible capital assets	-	9,621	10,375
Loss (gains) on disposal of tangible capital assets	-	4,177	-
Decrease (increase) in prepaid expenses and deposits	-	( 1,536)	( 892)
<b>Increase (Decrease) in Net Financial Assets</b>	-	( 119,614)	( 891)
<b>Net Financial Assets, beginning of year</b>	125,658	125,658	126,549
<b>Net Financial Assets, end of year</b>	\$ 125,658	\$ 6,044	\$ 125,658

The accompanying notes and schedule are integral parts of these financial statements.



## GWICH'IN LAND AND WATER BOARD

### STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

For the Year ended March 31, 2023	General Operating Fund	Training Fund	Equity in Tangible Capital Assets	Total
<b>Annual Surplus (Deficit)</b>	\$( 120,205)	\$ -	\$ -	\$( 120,205)
<b>Net Interfund Transfers:</b>				
Amortization	9,621	-	( 9,621)	-
Loss (gain) on disposal of tangible capital assets	4,177	-	( 4,177)	-
Additions of tangible capital assets	( 11,671)	-	11,671	-
<b>Changes in Accumulated Surplus</b>	( 118,078)	-	( 2,127)	( 120,205)
<b>Accumulated Surplus, beginning of year</b>	60,668	68,247	35,875	164,790
<b>Accumulated Surplus, end of year</b>	\$( 57,410)	\$ 68,247	\$ 33,748	\$ 44,585

For the year ended March 31, 2022	General Operating Fund	Training Fund	Equity in Tangible Capital Assets	Total
<b>Annual Surplus (Deficit)</b>	\$ 2,287	\$ -	\$ -	\$ 2,287
<b>Net Interfund Transfers:</b>				
Amortization	10,374	-	( 10,374)	-
Additions of tangible capital assets	( 12,661)	-	12,661	-
<b>Changes in Accumulated Surplus</b>	-	-	2,287	2,287
<b>Accumulated Surplus, beginning of year</b>	60,668	68,247	33,588	162,503
<b>Accumulated Surplus, end of year</b>	\$ 60,668	\$ 68,247	\$ 35,875	\$ 164,790

The accompanying notes and schedule are integral parts of these financial statements.

# GWICH'IN LAND AND WATER BOARD

## STATEMENT OF CASH FLOWS

For the year ended March 31,	2023	2022
<b>Cash Flows From Operating Activities</b>		
Cash receipts from contributions and others	\$ 1,082,776	\$ 1,055,257
Cash paid to suppliers and employees	( 1,039,492)	( 1,025,780)
	43,284	29,477
<b>Capital Transactions</b>		
Purchase of tangible capital assets	( 11,671)	( 12,661)
	( 11,671)	( 12,661)
<b>Net Increase (Decrease) in Cash</b>	31,613	16,816
<b>Cash, beginning of year</b>	281,860	265,044
<b>Cash, end of year</b>	\$ 313,473	\$ 281,860

The accompanying notes and schedule are integral parts of these financial statements.

# GWICH'IN LAND AND WATER BOARD

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2023

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The Gwich'in Land and Water Board (the "Board"), was created upon the enactment of the *Mackenzie Valley Resource Management Act* on December 22, 1998.

The objective of the Board is to regulate land and water use throughout the settlement area, including Gwich'in lands and to provide for conservation, development and utilization of the land and water resources of the settlement area in a manner that will provide the optimum benefit there from for present and future residents of the settlement area and the Mackenzie Valley and for all Canadians.

The Board is a not-for-profit organization and is exempt for income tax purposes under Section 149(1)(e) of the *Income Tax Act*.

### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Board are as follows:

#### (a) Fund Accounting

The Board follows the deferral method of accounting for contributions. Related revenue and expenditures are grouped into funds based on their purposes.

General operating fund - a restricted fund, reports contributions from the Crown-Indigenous Relations and Northern Affairs Canada as outlined in the Implementation Plan for the Gwich'in Comprehensive Land Claim Agreement, its related expenditure, assets and liabilities in respect of the core operations of the Board. Contributions which are unused by the agreement termination date shall be retained by the Board, provided the Board meets the commitments under the contribution agreement.

Training fund reports revenue the Board generated or contributions received for training purposes, its related expenditure, assets and liabilities in respect of the Board's training activities. The fund may be used by the Board for any specific projects at its discretion.

#### (b) Revenue Recognition

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

Funding received in advance of the related expenditures is recorded as deferred contributions of the appropriate fund.

#### (c) Cash and Cash Equivalents

Cash includes cash and demand deposits. Cash equivalents includes highly liquid investments that can be readily converted into cash for a fixed amount and that matures less than three months from the date of acquisition.

# GWICH'IN LAND AND WATER BOARD

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2023

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### 1. Significant Accounting Policies (Continued)

#### (d) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Amortization is provided on a declining balance method over the estimated useful lives of the assets as follows:

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Computer hardware	30%
Computer software	100%
GIS data	4%
Telecommunications equipment	20%
Office equipment and furniture	20%

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#### (e) Use of Estimates

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 the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

#### (f) Financial Instruments - Recognition and Measurement

The Board has elected the following balance sheet classifications with respect to its financial assets and financial liabilities:

- Cash is classified as assets held-for-trading and is subsequently measured at fair value with gains and losses arising from changes in the fair value recognized in net income in the period in which they arise. The estimated fair value of cash is assumed to approximate its carrying amount.
- Accounts receivable are classified as loans and receivables and are subsequently measured at amortized cost using the effective interest method. The amortized cost using the effective interest method approximates their fair values due to the short term nature.
- Accounts payable and accrued liabilities are classified as other financial liabilities and are subsequently measured at amortized cost using the effective interest method. At inception, the estimated fair values of accounts payable and accrued liabilities are assumed to approximate their carrying amounts.

Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments.

# GWICH'IN LAND AND WATER BOARD

## NOTES TO FINANCIAL STATEMENTS

March 31, 2023

**2. Cash**

	2023	2022
Bank account	\$ 313,473	\$ 281,860

**3. Deferred Contributions**

	2022 Opening	Additions	Utilized	2023 Closing
CIRNAC - General Operating	\$ 91,621	\$ 1,087,155	\$ 1,178,776	\$ -

**4. Tangible Capital Assets**

	2022 Opening	Additions	Disposals/ Write-downs	2023 Closing
<b>Cost</b>				
Computer hardware	\$ 44,895	\$ 10,316	\$( 19,849)	\$ 35,362
Computer software	5,669	-	( 5,669)	-
GIS data	5,489	-	-	5,489
Telecommunication equipment	6,934	-	-	6,934
Office equipment and furniture	43,872	1,354	( 26,178)	19,048
	106,859	11,670	( 51,696)	66,833
<b>Accumulated Amortization</b>				
Computer hardware	24,868	6,344	( 15,812)	15,400
Computer software	5,669	-	( 5,669)	-
GIS data	2,183	661	-	2,844
Telecommunication equipment	4,889	409	-	5,298
Office equipment and furniture	33,375	2,207	( 26,039)	9,543
	\$ 70,984	\$ 9,621	\$( 47,520)	\$ 33,085
Net Book Value	\$ 35,875			\$ 33,748

**5. Accumulated Surplus**

	2023	2022
General Operating Fund	\$( 57,410)	\$ 60,668
Training Fund	68,247	68,247
Equity in Tangible Capital Assets	33,748	35,875
	\$ 44,585	\$ 164,790

# GWICH'IN LAND AND WATER BOARD

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2023

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### 6. Expenditure by Object

	2023	2023	2022
	Budget (Unaudited)	Actual	Actual
Amortization	\$ -	\$ 9,621	\$ 10,375
Bank charges and interest	600	770	2,407
Board executive work	32,459	86,005	94,190
Board meetings	167,350	138,996	171,595
Computer and Internet services	24,324	14,573	6,073
Insurance	2,300	2,945	2,101
Land permit advertising	4,000	3,444	909
Loss (gain) on disposal of tangible capital assets	-	4,177	-
Office	29,100	42,802	34,228
Professional fees	35,000	72,192	34,543
Rent	39,564	214,083	39,638
Repairs and maintenance	-	1,256	-
Staff and board travel	3,960	5,413	5,570
Staff professional development	34,452	30,233	22,943
Telephone	15,000	15,708	14,164
Vehicle	1,800	2,530	1,412
Wages and benefits	697,246	654,233	612,002
	<b>\$ 1,087,155</b>	<b>\$ 1,298,981</b>	<b>\$ 1,052,150</b>

### 7. Comparative Figures

Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

# **GWICH'IN LAND AND WATER BOARD**

## **NOTES TO FINANCIAL STATEMENTS**

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March 31, 2023

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### **8. Financial Instruments and Risk Management**

The Board's financial instruments are exposed to certain risks, which include credit risk, market risk, interest rate risk and liquidity risk.

**Credit Risk** - Credit risk refers to the potential that the funding agencies or counter party to a financial instrument will fail to discharge its contractual obligations. The Board is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Board's non-compliance to the contribution agreements. The Board manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

**Market Risk** - Market risks is the risk that the fair value of financial instruments will fluctuate due to changes in market factors. Market risk includes fair value risk, interest rate risk and foreign currency risk. The Board is not exposed to these risks from its financial instruments.

**Liquidity Risk** - Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they fall due. The Board manages liquidity risk through the management of its capital structure.

# GWICH'IN LAND AND WATER BOARD

## SCHEDULE OF REVENUE AND EXPENDITURE - FEDERAL FUNDING ANNUAL REPORTING

For the year ended March 31, 2023

	Core Operating	
	Budget (Unaudited)	Actual
<b>Revenue</b>		
Contributions - Crown-Indigenous Relations and Northern Affairs Canada	\$ 1,087,155	\$ 1,087,155
Add opening deferred contributions	-	91,621
	1,087,155	1,178,776
<b>Expenditure</b>		
Bank charges and interest	600	770
Board executive work	32,459	86,005
Board meetings	167,350	138,996
Computer and Internet services	24,324	14,573
Insurance	2,300	2,945
Land permit advertising	4,000	3,444
Office	29,100	42,802
Professional fees	35,000	72,192
Rent	39,564	214,083
Repairs and maintenance	-	1,256
Staff and board travel	3,960	5,413
Staff professional development	34,452	30,233
Telephone	15,000	15,708
Vehicle	1,800	2,530
Wages and benefits	697,246	654,234
	1,087,155	1,285,184
<b>Excess Revenue /(Expenditure)</b>	-	( 106,408)
<b>Purchase of Tangible Capital Assets</b>	-	11,670
<b>Net Excess Revenue /(Expenditure)</b>	\$ -	\$( 118,078)