

# **BINCHE WHUT'EN**

Fort St James, BC

## **FINANCIAL STATEMENTS**

For the Year Ended March 31, 2021

# **BINCHE WHUT'EN**

## **FINANCIAL STATEMENTS**

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For the Year Ended March 31, 2021

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### **INDEX**

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITORS' REPORT	2 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Changes in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 17
Schedule 1 - Schedule of Tangible Capital Assets	18
Schedule 2 - Schedule of Changes in Accumulated Surplus	19
Schedule 3 - Schedule of Federal Government Funding	20
Schedule 4 - Schedule of Federal Government Funding Reconciliation	21
Notice to Reader on the Program Revenue and Expenditure	22
Schedule 5 - Schedule of Program Revenue and Expenditure - Band Administration	23 - 24
Schedule 6 - Schedule of Program Revenue and Expenditure - Social Assistance	25
Schedule 7 - Schedule of Program Revenue and Expenditure - Education and Training	26
Schedule 8 - Schedule of Program Revenue and Expenditure - Fundraising and Gaming	27
Schedule 9 - Schedule of Program Revenue and Expenditure - Health and Wellness	28 - 30
Schedule 10 - Schedule of Program Revenue and Expenditure - Operating and Maintenance	31
Schedule 11 - Schedule of Program Revenue and Expenditure - Lands and Resources	32

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


The accompanying financial statements of Binche Whut'en is 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.

Binche Whut'en maintains 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 Binche Whut'en's assets are appropriately accounted for and adequately safeguarded.

Binche Whut'en's Council 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 Binche Whut'en, stating the scope of their examination and opinion on the financial statements, follows.



Chief

Band Manager

Fort St James, BC  
October 29, 2022



## **INDEPENDENT AUDITORS' REPORT**

To the members of Binche Whut'en

### **Qualified Opinion**

We have audited the accompanying financial statements of Binche Whut'en, which comprise the statement of financial position as at March 31, 2021 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, except for effects the matters described in the Basis of Qualified Opinion section of our report, these financial statements present fairly, in all material respects, the financial position of Binche Whut'en (the "Nation") as at March 31, 2021, and the results of its operations, changes net financial assets and cash flows of the Nation for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Qualified Opinion**

The Nation was separated from The Tl'azt'en Nation effective April 1, 2019 pursuant to the Tl'azt'en Nation Terms of Division agreement. Per the terms of agreement, certain assets from The Tl'azt'en Nation were to be transferred to the Nation. We are unable to obtain sufficient appropriate audit evidence to determine the amounts receivable and/or payable for housing arrears, the amount of Ottawa Trust Fund that should be allocated to the Nation from The Tl'azt'en Nation. The effect of the above will impact the financial assets and accumulated surplus.

In addition to the above matters, the Nation did not prepare a budget for the year ended March 31, 2020. Canadian Public Sector Accounting Standards requires the approved budget to be presented in the statements of operations and accumulated surplus and change in net financial assets.

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 Nation 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 Nation'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 Nation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Nation'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.

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 Nation'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 Nation'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 Nation 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.

A handwritten signature in black ink that reads "Paul Teoh". The signature is written in a cursive, flowing style with a horizontal line under the letter 'h'.

Paul Teoh Professional Corporation  
Chartered Professional Accountants


Calgary, Alberta  
October 29, 2022

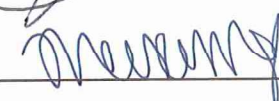
# BINCHE WHUT'EN

## STATEMENT OF FINANCIAL POSITION

March 31,	2021	2020
		(Restated)
<b>Financial Assets</b>		
Cash and cash equivalents (note 2)	\$ 1,760,485	\$ 444,242
Short term investments	374,859	340,741
Accounts receivable (note 3)	1,845,851	1,870,147
<b>Total Financial Assets</b>	<b>3,981,195</b>	<b>2,655,130</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	128,538	74,962
Deferred contributions (note 5)	1,191,679	-
<b>Total Liabilities</b>	<b>1,320,217</b>	<b>74,962</b>
<b>Net Financial Assets</b>	<b>2,660,978</b>	<b>2,580,168</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 6)	2,310,318	2,368,646
<b>Total Non-Financial Assets</b>	<b>2,310,318</b>	<b>2,368,646</b>
<b>Accumulated Surplus (note 8)</b>	<b>\$ 4,971,296</b>	<b>\$ 4,948,814</b>

Approved on behalf of the Council:

 Councillor

 Councillor

The accompanying notes and schedules are an integral part of these financial statements.

# BINCHE WHUT'EN

## STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2021	2021	2020
	Budget (Unaudited)	Actual	Actual (Restated)
<b>Revenue</b>			
Contributions - Indigenous Services Canada	\$ -	\$ 1,376,831	\$ 669,302
Contributions - Government of BC	-	-	7,500
Contributions - Prince George Nechako Aboriginal Employment & Training Association	-	26,768	17,100
Contributions - MCFD	-	7,213	41,089
Contributions - First Nations Health Authority	-	645,151	147,925
Other contributions and grants	-	213,879	80,000
Administration fees	-	89,386	17,127
Interest income	-	58,583	140,541
Other revenue and recoveries	-	305,857	279,842
Less closing deferred revenue	-	( 1,191,678)	-
	-	1,531,990	1,400,426
<b>Expenditure</b>			
Band administration	-	426,164	236,407
Social assistance	-	248,271	256,509
Education and training	-	98,990	55,954
Fundraising and gaming	-	115,754	15,179
Health and wellness	-	273,923	82,437
General operating and maintenance	-	271,641	279,509
Land and resources	-	74,765	38,661
	-	1,509,508	964,656
<b>Annual Surplus (Deficit)</b>	-	22,482	435,770
<b>Accumulated Surplus, beginning of year</b>	4,948,814	4,948,814	4,513,044
<b>Accumulated Surplus, end of year</b>	\$ 4,948,814	\$ 4,971,296	\$ 4,948,814

The accompanying notes and schedules are an integral part of these financial statements.

# BINCHE WHUT'EN

## STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2021	2021	2020
	Budget (Unaudited)	Actual	Actual
<b>Annual Surplus (Deficit)</b>	\$ -	\$ 22,482	\$ 435,770
Acquisition of tangible capital assets	-	( 138,296)	( 6,098)
Amortization of tangible capital assets	-	196,624	203,249
Decrease (increase) in portfolio investment	-	-	( 110)
	-	80,810	632,811
<b>Increase (Decrease) in Net Financial Assets</b>	-	80,810	632,811
<b>Net Financial Assets</b> , beginning of year	2,580,168	2,580,168	1,947,357
<b>Net Financial Assets</b> , end of year	\$ 2,580,168	\$ 2,660,978	\$ 2,580,168

The accompanying notes and schedules are an integral part of these financial statements.

# **BINCHE WHUT'EN**

## **STATEMENT OF CASH FLOWS**

For the year ended March 31,	2021	2020
<b>Cash Flows from Operating Activities</b>		
Cash receipts from government transfers	\$ 1,376,831	\$ 676,802
Cash receipts from contributions and recoveries	1,371,134	807,193
Cash paid to suppliers and employees	( 1,259,308)	( 692,914)
	1,488,657	791,081
<b>Cash Flows from Investing Activities</b>		
Decrease (increase) in short term investment	( 34,118)	( 340,631)
Decrease (increase) in portfolio investments	-	( 110)
	( 34,118)	( 340,741)
<b>Capital Transactions</b>		
Purchase of tangible capital assets	( 138,296)	( 6,098)
	( 138,296)	( 6,098)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,316,243	444,242
<b>Cash and Cash Equivalents, beginning of year</b>	444,242	-
<b>Cash and Cash Equivalents, end of year</b>	\$ 1,760,485	\$ 444,242

The accompanying notes and schedules are an integral part of these financial statements.

# **BINCHE WHUT'EN**

## **NOTES TO FINANCIAL STATEMENTS**

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March 31, 2021

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The Binche Whut'en (the "Nation") is an Indian Band registered under the *Indian Act*. It provides services to the band members of Binche Whut'en. The Nation is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

### **1. Significant Accounting Policies**

(a) Basis of Preparation

These financial statements have been prepared in accordance with generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

(b) Cash and Cash Equivalents

Cash and 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.

(c) Allocation of Expenditure

Certain common expenditure have been allocated to programs based on estimate of services provided.

(d) Revenue Recognition

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenues as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipts of goods or services and/or legal obligations to pay.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired.

Contributions received in advance of making the related expenditure are accounted for as deferred contributions.

(e) Short Term Investments

Short term investments consist of funds held in separate trust fund. They are recorded at cost and accrued interest earned.

# BINCHE WHUT'EN

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2021

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### 1. Significant Accounting Policies (Continued)

#### (f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets (Debt) for the year.

#### (i) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Amortization expense is recorded over the estimated useful lives of the assets, with half the amortization for the year of acquisition, using the straight line basis and following annual rates:

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Buildings	4%
Office furniture and equipment	20%
Road systems	5%
Water and sewer systems	4%
Vehicles	20%

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#### (g) Government Transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

They are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

#### (h) 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

# BINCHE WHUT'EN

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2021

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### 1. Significant Accounting Policies (Continued)

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

The Nation has elected the following classifications with respect to its financial assets and financial liabilities:

- Cash and restricted cash are 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 Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

### 2. Cash and Cash Equivalents

	2021	2020
Bank chequing account	\$ 1,740,504	\$ 439,801
Bank savings account	19,981	4,441
	<u>\$ 1,760,485</u>	<u>\$ 444,242</u>

# **BINCHE WHUT'EN**

## **NOTES TO FINANCIAL STATEMENTS**

March 31, 2021

### **3. Accounts Receivable**

	2021	2020
		(Restated)
Trade and others	\$ 76,567	\$ 123,293
Receivable from The Tl'azt'en Nation	1,766,101	1,745,111
GST refundable	3,183	1,743
	<u>\$ 1,845,851</u>	<u>\$ 1,870,147</u>

Amount receivable from The Tl'azt'en Nation represents balance of assets to be transferred to the Nation as a result of the separation agreement effective April 1, 2019. The amount is unsecured, non-interest bearing and there is no fixed term of repayment.

### **4. Accounts Payable and Accrued Liabilities**

	2021	2020
Trade and others	\$ 128,543	\$ 74,963

# BINCHE WHUT'EN

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

### 5. Deferred Contributions

		2020 Opening	Additions	Utilized	2021 Closing
ISC-Emergency Management COVID-19	\$	-	\$ 192,076	\$ 22,934	\$ 169,142
FPPC BCLI-First Peoples Cultural Council		-	80,621	50,803	29,818
ISC-Society Flow Through		-	35,000	20,000	15,000
ISC-ICMS #9-00128621 Solid Waste Upgrade		-	289,854	30,267	259,587
ISC-Basic Needs		-	241,000	177,899	63,101
ISC-Special Needs		-	77,732	2,489	75,243
ISC-In-Home Care		-	21,896	-	21,896
PNGAETA-SETS		-	26,768	26,461	307
ISC-Post Secondary		-	71,967	52,708	19,259
ISC-Guidance and Counselling		-	3,759	376	3,383
ISC-Provincial School Tuition		-	82,652	8,265	74,387
ISC-CISS Provincial		-	4,420	570	3,850
MCFD-Building Blocks		-	7,213	-	7,213
FNHA-Health Planning & Management		-	180,312	29,410	150,902
FNHA-Canada Prenatal Nutrition Program		-	4,918	501	4,417
FNHA-Aboriginal Diabetes Initiative		-	7,525	72	7,453
FNHA-Brighter Futures		-	21,901	174	21,727
FNHA-Building Healthy Communities Mental Health		-	17,686	-	17,686
FNHA-Building Healthy Communities Solvent Abuse		-	3,840	-	3,840
FNHA-National Native Alcohol Drug Abuse Program		-	70,000	181	69,819
FNHA-Communicable Disease Control		-	120,300	28,069	92,231
FNHA-First Nations Home & Community Care		-	42,410	22,331	20,079
FNHA-Environmental Public Health Drinking Water		-	12,827	-	12,827
FNHA-First Nations Health Benefits Medical Transpo		-	33,383	15,904	17,479
FNHA-Traditional Based Healing		-	12,785	-	12,785
FNHA-Other Grants		-	62,622	44,374	18,248
	\$	-	\$ 1,725,467	\$ 533,788	\$ 1,191,679

# BINCHE WHUT'EN

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

### 6. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 3,245,643	\$ 1,828,268	\$ 1,417,375	\$ 1,516,826
Office furniture and equipment	18,644	2,474	16,170	5,489
Roads	959,865	959,865	-	-
Vehicles	242,652	133,372	109,280	26,145
Water and sewer system	2,406,617	1,639,124	767,493	820,186
	\$ 6,873,421	\$ 4,563,103	\$ 2,310,318	\$ 2,368,646

### 7. Equity in Tangible Capital Assets

	2021		2020	
Tangible capital assets	\$ 6,873,421	\$ 6,735,124		
Accumulated amortization	( 4,563,103)	( 4,366,479)		
Related debt	( 5,928)	( 12,395)		
	\$ 2,304,390	\$ 2,356,250		

### 8. Accumulated Surplus

	2021		2020	
			(Restated)	
Unrestricted - General Operating Fund	\$ 785,698	\$ 732,346		
Ottawa Trust equity	1,881,208	1,860,218		
Equity in Tangible Capital Assets	2,304,390	2,356,250		
	\$ 4,971,296	\$ 4,948,814		

### 9. Government Transfers

	2021		2020	
Indigenous Services Canada	\$ 1,376,831	\$ 669,302		
Government of BC	-	7,500		
	\$ 1,376,831	\$ 676,802		

# BINCHE WHUT'EN

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

### 10. Expenditure by Object

	2021	2020
Administration	\$ 89,283	\$ 17,127
Advertising	-	1,025
Amortization	196,624	203,249
Bank charges and interest	1,972	910
Basic needs	105,353	135,055
Community events	98,487	32,560
Contracted services	157,491	6,101
Donations	28,336	15,914
Freight and postage	1,191	1,446
Honoraria	1,250	1,639
Insurance	20,103	19,198
Licences and dues	4,489	15,271
Materials and supplies	22,613	18,842
Meetings and workshops	1,174	1,949
Mobile equipment costs	19,978	9,469
Office	18,397	6,947
Professional fees	66,499	109,682
Rent	47,891	45,989
Repairs and maintenance	7,957	23,905
Student supports	27,800	36,182
Telephone and Internet	18,749	13,820
Training and scholarships	21,200	16,107
Travel and accommodation	11,257	10,574
Utilities	22,363	24,845
Wages and benefits	519,051	196,850
<b>Total Expenditure</b>	<b>\$ 1,509,508</b>	<b>\$ 964,656</b>

# BINCHE WHUT'EN

## NOTES TO FINANCIAL STATEMENTS

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March 31, 2021

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### 11. Budget Figures

No budget was prepared by the Nation in the current year. As such, no budget amounts have been disclosed in the financial statements.

Canadian public sector accounting standards ("PSAB") require disclosure of budget information for comparison to the Nation's actual revenues and expenses. The consolidated budgeted revenues and expenses, and surplus (deficit) has not been reported in these consolidated financial statements as there was no approved budget. While having no effect on reported revenues, expenses, and surplus (deficit), omission of this information is considered a departure from PSAB.

### 12. Economic Dependence

The Nation receives a major portion of its revenue from the Indigenous Services Canada of the Government of Canada and other government agencies. The nature and extent of this revenue is of such significance that the Nation is economically dependent on this source of revenue.

### 13. Comparative Figures

The Nation was separated from the Tl'azt'en Nation effective April 1, 2019 pursuant the Tl'azt'en Nation Terms of Division Agreement. During the year, the Council has determined that the allocation of Ottawa Trust Fund from the Tl'azt'en Nation was understated by \$365,013.

As a result, the comparative figures for the amount receivable from the Tl'azt'en Nation and Ottawa Trust equity have been restated to increase by the same amount.

The comparative figures have been restated as follows:

	Originally Stated	Adjustments	Re-stated
<hr/>			
Statement of Financial Position:			
Accounts Receivable			
Receivable from Tl'azt'en Nation	\$ 1,380,098	\$ 365,013	\$ 1,745,111
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Accumulated Surplus:			
Ottawa Trust Equity	\$ 1,495,205	\$ 365,013	\$ 1,860,218
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Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

# **BINCHE WHUT'EN**

## **NOTES TO FINANCIAL STATEMENTS**

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March 31, 2021

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

The Nation'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 Nation is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Nation's non-compliance to the contribution agreements. The Nation manages credit risk by ensuring that it complies with the terms and conditions of the contribution agreements.

**Interest Rate Risk** - Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Nation does not have debts that are subject to changes in interest rate and therefore is not exposed to interest risk.

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

Unless otherwise noted, it is management's opinion that the Nation is not exposed to other significant currency and market risks arising from these financial instruments.