

**FORT GOOD HOPE DENE
COMMUNITY COUNCIL**

Fort Good Hope, NT

**CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year ended March 31, 2016



PAUL TEOH

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Fort Good Hope Dene Community Council

I have audited the accompanying consolidated financial statements of Fort Good Hope Dene Community Council, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Audit Opinion

The Fort Good Hope Dene Community Council derives significant amount of revenues from donations and fundraising, which are included in other revenues and recoveries. The completeness of which is not susceptible to satisfactory audit verification. Accordingly my verification of these revenues was limited to the amounts recorded in the records of the Fort Good Hope Dene Community Council and I was unable to determine if further adjustments might be necessary to other revenues and recoveries and annual surplus.

2.



On August 27, 2015, I expressed a disclaimer of opinion on the financial statements of the Fort Good Hope Dene Community Council for the year ended March 31, 2015, concerning donations and fundraising and I was unable to satisfy myself by alternative means concerning the opening balances at April 1, 2015. Since opening balances enter into the determination of the financial performance and cash flows, I was unable to determine whether adjustments might have been necessary in respect of annual surplus, accumulated surplus and changes in net financial assets.

Qualified Opinion

In my opinion, except for the matters described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fort Good Hope Dene Community Council as at March 31, 2016, and the consolidated results of its operations, changes in net financial assets and cash flows of the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountant

Calgary, Alberta
August 23, 2016

FORT GOOD HOPE DENE COMMUNITY COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2016	2015
Financial Assets		
Cash (note 2)	\$ 44,036	\$ 128,864
Accounts receivable (note 3)	16,593	10,576
Contributions receivable (note 4)	158,273	94,786
Receivable from related party (note 5)	267,222	17,916
Inventory	-	12,000
Total Financial Assets	486,124	264,142
Liabilities		
Bank indebtedness (note 6)	38,994	-
Accounts payable and accrued liabilities	207,285	168,859
Contributions payable (note 7)	29,832	137,642
Deferred contributions (note 8)	93,260	92,816
Total Liabilities	369,371	399,317
Net Financial Assets (Debt)	116,753	(135,175)
Non-Financial Assets		
Long term Investments (note 9)	382,154	330,249
Tangible capital assets (note 10)	86,520	94,738
Prepaid expenses and deposits	6,044	10,880
Total Non-Financial Assets	474,718	435,867
Accumulated Surplus (note 11)	\$ 591,471	\$ 300,692

Contingent Liabilities (note 12)

Approved on behalf of the Council:

 Councillor

 Councillor

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

FORT GOOD HOPE DENE COMMUNITY COUNCIL

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2016	2016	2015
	Budget	Actual	Actual
Revenue			
Contributions:			
- Aboriginal Affairs and Northern Development Canada	\$ -	\$ 312,086	\$ 265,269
- Government of Canada	-	3,699	2,628
- Government of NWT	-	776,150	836,642
- Others	-	178,165	176,456
Other revenue and recoveries	-	101,656	257,488
Earnings from investments	-	106,705	118,270
Add opening deferred revenue	-	92,816	283,967
Less closing deferred revenue	-	(93,261)	(92,816)
	-	1,478,016	1,847,904
Expenditure			
Administration	-	61,915	46,329
Amortization	-	8,218	10,295
Bad debts (recovered)	-	27,877	70,820
Bank charges and interest	-	3,448	5,199
Community events	-	600	55,750
Contracted services	-	7,449	7,338
Contributions repaid (recovered)	-	(57,983)	146,967
Donations	-	579	12,522
Equipment rental	-	12,150	10,510
Freight and postage	-	1,824	657
Honoraria	-	4,700	33,610
Materials and supplies	-	186,985	207,499
Meeting and workshop	-	57,940	13,250
Miscellaneous	-	11,799	131,361
Office	-	6,481	21,752
Professional fees	-	104,497	60,346
Rent	-	34,800	30,800
Repairs and maintenance	-	28,600	63,447
Telephone and Internet	-	21,962	55,167
Training and scholarships	-	20,637	108,469
Travel and accommodation	-	78,473	125,166
Utilities	-	29,787	49,935
Wages and benefits	-	534,499	633,416
	-	1,187,237	1,900,605
Annual Surplus (Deficit)	-	290,779	(52,701)
Accumulated Surplus, beginning of year	300,692	300,692	353,393
Accumulated Surplus, end of year	\$ 300,692	\$ 591,471	\$ 300,692

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

FORT GOOD HOPE DENE COMMUNITY COUNCIL

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2016	2016	2015
	Budget	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 290,779	\$(52,701)
Amortization of tangible capital assets	-	8,218	10,295
Decrease (increase) in long term investments	-	(51,905)	(93,046)
Decrease (increase) in prepaid expenses and deposits	-	4,836	(19,580)
Increase (Decrease) in Net Financial Assets	-	251,928	(155,032)
Net Financial Debt, beginning of year	(135,175)	(135,175)	19,857
Net Financial Assets, end of year	\$(135,175)	\$ 116,753	\$(135,175)

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

FORT GOOD HOPE DENE COMMUNITY COUNCIL

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2016	2015
Operating Activities		
Cash receipts from contributions	\$ 1,302,251	\$ 1,855,133
Cash payments to suppliers and employees	(1,231,567)	(1,775,506)
	70,684	79,627
Financing Activities		
Decrease (increase) in receivable from related parties	(249,306)	(10,435)
Increase (decrease) in payable to related parties	106,705	-
	(142,601)	(10,435)
Investing Activities		
Decrease (increase) in long term investments	(51,905)	(93,046)
	(51,905)	(93,046)
Net Increase (Decrease) in Cash	(123,822)	(23,854)
Cash, beginning of year	128,864	152,718
Cash, end of year	\$ 5,042	\$ 128,864
Represented by:		
Cash	\$ 44,036	\$ 128,864
Bank indebtedness	(38,994)	-
	\$ 5,042	\$ 128,864

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

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

The Fort Good Hope Dene Community Council (the "Council") is an Indian band which represents the K'asho Got'ine First Nation people in Fort Good Hope, Northwest Territories. It is exempt for income tax purposes under Section 149(1)(c) of the *Income Tax Act*.

1. Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(b) Reporting Entity

Fort Good Hope Dene Community Council reporting entity includes the accounts of Fort Good Hope Dene Community Council and all related entities controlled by the Council.

(c) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Fort Good Hope Dene Community Council's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Fort Good Hope Dene Community Council.

Organizations consolidated in Fort Good Hope Dene Community Council's financial statements include:

- K'asho Got'ine Development Corporation - 100% interest

Organizations accounted for on a modified equity basis include:

- Sahtu Dene Inn Limited Partnership - 24.9% interest

(d) Inventory

Inventory comprised of office supplies, parts inventory for own use, are recorded at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

1. Significant Accounting Policies (Continued)

(e) 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.

(f) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(g) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Amortization expense is recorded over the estimated useful lives of the assets, using the following method and annual rates:

Buildings	3%	Straight Line
Vehicles	30%	Straight Line
Computer equipment	33%	Straight Line
Furniture and fixtures	10%	Straight Line
Office equipment	20%	Straight Line
Sawmill equipment	30%	Straight Line
Sound stage	10%	Straight Line
Language software	33%	Straight Line

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

1. Significant Accounting Policies (Continued)

(h) Allocation of Expenditure

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

(i) Financial Instruments

The Council has elected the following 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.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction cost incurred on acquisition and financing costs, which are amortized using the straight line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

As the Council does not have any unrealized gains or losses, a statement of remeasurement gains and losses has not been prepared.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

1. Significant Accounting Policies (Continued)

(j) Use of Estimates

The preparation of consolidated financial statements in accordance 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.

(k) Related Party Transactions

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

2. Cash

	2016	2015
Bank current account - K'asho Got'ine Development Corporation	\$ 44,036	\$ 64,737
Bank current account - Council	-	64,127
	<u>\$ 44,036</u>	<u>\$ 128,864</u>

3. Accounts Receivable

	2016	2015
Trades and others	\$ 13,179	\$ 9,876
GST refundable	3,414	700
	<u>\$ 16,593</u>	<u>\$ 10,576</u>

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

4. Contributions Receivable

	2016	2015
Aboriginal Affairs and Northern Development Canada:		
Consultation & Policy Development - 2014/15	\$ 2,499	\$ 24,984
Consultation & Policy Development - 2015/16	11,000	-
Others:		
Sahtu Dene Council	70,222	14,869
Natural Resources Canada	10,500	-
Government of NWT:		
GNWT - ENR	11,218	11,218
GNWT - DOT	82,425	56,063
GNWT - ITI	5,279	5,279
GNWT - ECE	6,000	8,662
GNWT - Justice	-	3,578
GNWT - HSS	35,163	20,623
	234,306	145,276
Less allowances for contributions	(76,033)	(50,490)
	\$ 158,273	\$ 94,786

5. Receivable from Related Party

	2016	2015
Charter Community of K'asho Got'ine - common control	\$ 267,222	\$ 17,916

Amount receivable from related party is unsecured, non-interest bearing and repayable on demand though there is no set term of repayment.

6. Bank Indebtedness

The Council has a revolving line of credit up to \$100,000 with the Canadian Imperial Bank of Commerce. It bears interest at prime plus 3.0%.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

7. Contributions Repayable

	2016	2015
Aboriginal Affairs and Northern Development Canada:		
Consultation & Policy Development 2014/15	\$ 21,418	\$ 21,418
Government of NWT:		
Justice - Justice Coordinator 2015/2016	7,919	-
Justice - Moving Forward Victim Services	-	3,085
Justice - Justice Program 2014/2015	-	32,954
Justice - Victim Services 2014/2015	-	39,344
ITI - EDO 2014/2015	-	3,100
ITI - Norman Wells Visit 2014/2015	-	1,154
ITI - Agriculture Strategy 2015/2016	496	-
ITI - Traditional Events 2014/2015	-	5,083
HSS - Nutrition North 2014/2015	-	13,752
ECE - Prenatal Program 2014/2015	-	10,448
ECE - Skills for Success 2014/2015	-	7,304
	\$ 29,832	\$ 137,642

8. Deferred Contributions

	2016	2015
Government of Canada	\$ -	\$ 19,860
Government of NWT:		
ECE - CBQE Radio	2,183	4,890
HSS - Community Wellness	61,373	31,994
ITI - Arts & Crafts	588	1,381
ECE - Literacy Skills, Youth and Adults	-	7,293
Others:		
Akita Drilling - Wood Stoves for Elders	3,750	-
Yamoga-Ladies Spa/Vision Night	2,584	-
Graduation Events	3,663	-
Xahweguweh - Safety Training	17,868	17,868
Xahweguweh-Language & Culture	-	4,450
Cooking & Nutrition	4,915	5,079
	\$ 96,923	\$ 92,815

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

9. Long Term Investments

K'asho Got'ine Development Corporation

The Council owns 100% of K'asho Got'ine Development Corporation. The Corporation was incorporated on July 4, 2011 under the Business Corporation Act of the Northwest Territories and commenced operations in September 2011. The Corporation is a government not-for-profit organization incorporated to pursue community economic development initiatives for the benefit of Fort Good Hope, Northwest Territories.

The Corporation is exempt from income tax under subsection 149(1) of the Income Tax Act. The Corporation is economically dependent on development projects with, and funding received from, the Government of Northwest Territories. The Corporation owns 24.9% of Sahtu Dene Inn Limited Partnership

The following summarizes the consolidated financial position and results of consolidated operations of the Partnership as at and for the year ended March 31, 2016.

	2016	2015
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Consolidated Financial Position		
Total financial assets	\$ 88,124	\$ 64,737
Liabilities	10,262	11,002
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Net financial assets	77,862	53,735
Total non-financial assets	382,156	330,251
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Accumulated surplus	\$ 460,018	\$ 383,986
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Consolidated Financial Performance		
Revenue	\$ 106,705	\$ 118,270
Expenses	30,673	76,857
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Consolidated net earnings (loss)	\$ 76,032	\$ 41,413
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FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

9. Long Term Investments (Continued)

Sahtu Dene Inn Limited Partnership

The Council's wholly owned subsidiary, K'asho Got'ine Development Corporation, owns 24.90% of Sahtu Dene Inn Limited Partnership (the "Partnership"). The Partnership was established in accordance with the partnership agreement dated February 13, 2013 pursuant the *Partnership Act* of Northwest Territories. The Partnership is located in Deline, Northwest Territories.

The Partnership's principal activities are to own and operate the Sahtu Dene Inn (formerly Mackenzie Valley Hotel Ltd.) in Norman Wells, Northwest Territories. The partners are:

(i)	Berah Gutone Tue" Enterprises Ltd. - Limited Partner	249 units
(ii)	K'asho Got'ine Development Corporation - Limited Partner	249 units
(iii)	Techi?q Ltd. - Limited Partner	249 units
(iv)	Tulita Developments Ltd. - Limited Partner	249 units
(v)	Sahtu Dene Inn Inc. - General Partner	4 units

The following summarizes the financial position and results of operations of the Partnership as at and for the year ended March 31, 2016.

	2016	2015
Financial Position		
Current assets	\$ 936,185	\$ 793,676
Non-current assets	2,027,545	1,964,844
Total assets	2,963,730	2,758,520
Liabilities	(1,637,428)	(1,805,897)
Total partnership's equity	\$ 1,326,302	\$ 952,623
Total partnership's equity attributable to the Council	\$ 330,249	\$ 237,203
Financial Performance		
Revenue	\$ 1,399,535	\$ 1,674,356
Expenses	(1,025,856)	(1,022,938)
Net earnings (loss)	\$ 373,679	\$ 651,418
Net earnings attributable to the Council	\$ 93,046	\$ 162,203
Investment:		
Limited Partnership units at cost	\$ 75,000	\$ 75,000
Accumulated earnings	307,154	255,249
Total partnership's equity attributable to the Council	\$ 382,154	\$ 330,249

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

10. Tangible Capital Assets

	Balance, beginning of year	Disposals	Additions	Balance, end of year
Cost				
Buildings	\$ 97,922	\$ -	\$ -	\$ 97,922
Vehicles	2,223	-	-	2,223
Computers	142,396	-	-	142,396
Furniture and fixtures	34,280	-	-	34,280
Office equipment	65,542	-	-	65,542
Sawmill equipment	1	-	-	1
Sound stage	46,406	-	-	46,406
Language software	10,000	-	-	10,000
Total	\$ 398,770	\$ -	\$ -	\$ 398,770

	Balance, beginning of year	Disposals	Current Charge	Balance, end of year
Accumulated Amortization				
Buildings	\$ 37,993	\$ -	\$ 1,799	\$ 39,792
Vehicles	2,095	-	38	2,133
Computers	139,039	-	1,108	140,147
Furniture and fixtures	26,714	-	820	27,534
Office equipment	53,297	-	2,270	55,567
Sawmill equipment	-	-	-	-
Sound stage	39,383	-	702	40,085
Language software	5,511	-	1,481	6,992
Total	\$ 304,032	\$ -	\$ 8,218	\$ 312,250

	Balance, beginning of year	Balance, end of year
Net Book Value	\$ 94,738	\$ 86,520

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

11. Accumulated Surplus

	2016	2015
Unrestricted		
General Operating Fund	\$ 122,797	\$(124,295)
Investment Fund	382,154	330,249
Equity in Tangible Capital Assets	86,520	94,738
	<u>\$ 591,471</u>	<u>\$ 300,692</u>

12. Contingent Liabilities

The Council has a guaranteed line of credit from the Canadian Imperial Bank of Commerce for the Charter Community of K'asho Got'ine in the amount of \$200,000. As at March 31, 2016, the amount extended was \$158,573 (2015: \$175,469).

13. Economic Dependence

The Council receives a major portion of its revenue from the Aboriginal Affairs and Northern Development Canada and the Government of NWT. The nature and extent of this revenue is of such significance that the Council is economically dependent on this source of revenue.

14. Comparative Figures

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

15. Related Party Transactions

	2016	2015
The Council's transactions with related parties during the year are summarized as follows:		
Charter Community of K'asho Got'ine - common control		
- Repairs and maintenance - airstrip maintenance	\$ 25,000	\$ 60,000
- Rent	34,800	30,800
- Other Revenue (Band Support Funds)		
Contribution to operating expenses	-	150,000
	<u>\$ 59,800</u>	<u>\$ 240,800</u>

The transactions are in the normal course of operations and are measured at the exchange amount, being the amount of considerations established and agreed to by both parties.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2016

16. Financial Instruments and Risk Management

The Council'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 Council is exposed mainly to credit risk from funding agencies' refusal to contribute the full funding due to the Council's non-compliance to the contribution agreements. The Council 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 Council is exposed from time to time to interest rate risk in respect of the bank indebtedness due to changes in interest rate.

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

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