

Independent Auditor's Report

To the Members of
Fort Good Hope Dene Community Council

Qualified Opinion

We have audited the consolidated financial statements of Fort Good Hope Dene Community Council (the "Council"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of revenue and expenses and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Except for the effects of the matter described in the Basis for Qualified Opinion section of our report, in our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2021 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 Qualified Opinion

The payroll records for April 1 - December 31, 2020 were unavailable to us during and subsequent to the audit. As a result, we are unable to provide a conclusion on the salaries and wages included in the statement of revenue and expenses for the year ending March 31, 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 qualified opinion.

Independent Auditor's Report, continued

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 13 to the consolidated financial statements, concerning the worldwide spread of a novel coronavirus known as COVID-19 subsequent to year-end and its effect on the global economy. Our opinion is not modified in respect of this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of Fort Good Hope Dene Community Council taken as a whole. The supplementary information included on various schedules is presented for purposes of additional information. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.

In preparing the consolidated financial statements, management is responsible for assessing the Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Council's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report, continued

- ◆ 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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd
Chartered Professional Accountants
Yellowknife, NT

December 14, 2023

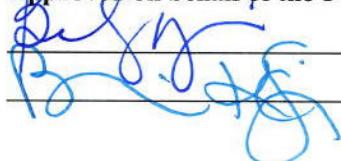
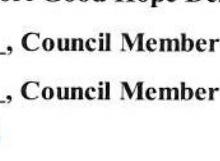
FORT GOOD HOPE DENE COMMUNITY COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (Note 3)	\$ 160,871	\$ 84,574
Accounts receivable (Note 4)	36,484	23,142
Contributions receivable (Note 5)	75,952	311,316
	<hr/> 273,307	419,032
LIABILITIES		
Accounts payable and accrued liabilities	49,241	152,031
Contributions repayable (Note 9)	23,834	23,834
Wages payable	3,688	4,257
Deferred revenue (Note 10)	318,351	398,566
Payable to related party (Note 7)	51,975	70,087
	<hr/> 447,089	648,775
NET DEBT (per page 2)	(173,782)	(229,743)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	61,381	65,474
Long-term Investments (Note 6)	400,990	466,749
	<hr/> 462,371	532,223
ACCUMULATED SURPLUS (Note 11) and page 4	\$ 288,589	\$ 302,480

CONTINGENCIES (Note 14)

Approved on behalf of the Fort Good Hope Dene Community Council


 _____, Council Member

 _____, Council Member

The accompanying notes are an integral part of the financial statements

FORT GOOD HOPE DENE COMMUNITY COUNCIL
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the year ended March 31, 2021

	2021	2020
EXCESS OF REVENUE OVER EXPENSES (per page 4)	\$ 370,219	\$ 354,171
Amortization of tangible capital assets	4,092	4,061
Deferred Revenue (Note 10)	(318,350)	(398,566)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	55,961	(40,334)
NET DEBT AT BEGINNING OF YEAR	(229,743)	(189,409)
NET DEBT AT END OF YEAR	\$ (173,782)	\$ (229,743)

The accompanying notes are an integral part of the financial statements

FORT GOOD HOPE DENE COMMUNITY COUNCIL

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES AND ACCUMULATED SURPLUS

For the year ended March 31, 2021

	2021	2020
REVENUE (per page 19)		
Government Funding:		
AANDC - Band Support Funding	\$ 411,296	\$ 550,923
GNWT-Department of Education, Culture & Employment	-	55,000
GNWT - Department of Transportation	90,000	144,000
GNWT - Department of Justice	-	108,757
Sahtu Dene Council	-	33,332
Expense recoveries	-	21,011
Fundraising	-	37,004
Revenue	1,000	7,441
Deferred revenue - prior	398,567	217,800
AANDC - Summer Work Experience Program	61,820	-
TOTAL REVENUE	962,683	1,175,268
EXPENSES (per page 19)		
Professional & Institutional	171,468	35,011
Band Support Funds	227,646	257,792
Airport Maintenance	79,622	154,574
ECE Student Employment	-	15,247
Victim Services - Crime	-	54,631
C.B.Q.E. Radio	2,925	10,000
Community Wellness	-	94,058
Justice	-	54,126
Justice - on the Land	-	31,184
Outreach	-	76,737
Health - Casino Fund Raising	-	30,000
K'asho Got'ine Development Corporation	5,356	732
Grieving Fund	-	7,005
AccPac Conversion Project	103,032	-
Economic Development Officer	2,415	-
TOTAL EXPENSES	592,464	821,097
EXCESS OF REVENUE OVER EXPENSES	-	370,219
DEFERRED REVENUE (per page 19)	-	(318,351)
DEFICIENCY OF REVENUE OVER EXPENSES	-	51,868
EQUITY IN INCOME (LOSS) FROM GOVERNMENT		(44,396)
BUSINESS ENTERPRISES AND PARTNERSHIPS (Note 6)	-	(65,759)
DEFICIT	-	(13,891)
		(77,979)

The accompanying notes are an integral part of the financial statements

FORT GOOD HOPE DENE COMMUNITY COUNCIL

**CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES AND ACCUMULATED
SURPLUS**

For the year ended March 31, 2021

	2021	2020
EQUITY AT BEGINNING OF YEAR	-	302,480
EQUITY AT END OF YEAR	\$ -	\$ 288,589
		\$ 302,480

The accompanying notes are an integral part of the financial statements

FORT GOOD HOPE DENE COMMUNITY COUNCIL

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

	2021	2020
		Restated
Cash flows from		
OPERATING ACTIVITIES		
Excess of Revenue over Expenses	\$ 370,219	\$ 354,171
Items not affecting cash		
Amortization	4,095	4,064
Deferred revenue included in excess of revenue over expenses	(318,350)	(398,566)
	55,964	(40,331)
Change in non-cash operating working capital		
Accounts receivable	222,022	(239,061)
Receivable from related party	(18,114)	179,535
Accounts payable and accrued liabilities	(102,791)	84,292
Contributions repayable	-	(217,800)
Deferred revenue	(80,215)	398,566
Wages payable	(569)	(5,752)
INCREASE IN CASH AND CASH EQUIVALENTS	76,297	159,449
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	84,574	(74,875)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 160,871	\$ 84,574
REPRESENTED BY		
Cash	\$ 160,871	\$ 84,574

The accompanying notes are an integral part of the financial statements

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

1. NATURE OF OPERATIONS

The Fort Good Hope Dene Community Council's primary function is to administer the affairs of the K'asho Got'ine First Nation. The main focus of the Council is the social and political programs of the First Nation. The Council is exempt from income tax under paragraph 149(1)(c) of the Income Tax Act (Canada).

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are 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.

(a) Reporting entity principles of financial reporting

The Council reporting entity includes the Council and all related entities that are controlled by the Council. The organization consolidated in the Council's financial statements includes:

1. K'asho Got'ine Development Corporation (KGDC)

The controlled entity is fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis. All inter-entity balances and transactions have been eliminated upon consolidation. KGDC was incorporated in the NWT on July 4, 2011. KGDC is a government not-for-profit organization incorporated to pursue community economic development initiatives for the benefits of Fort Good Hope, NWT and is wholly-owned by Fort Good Hope Dene Community Council.

2. Sahtu Dene Inn Limited Partnership

KGDC owns 24.9% of this government business enterprise.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Basis of Accounting

Revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Government transfers, such as funding received under the terms of contribution agreements with the federal and territorial governments, are recognized as revenue once eligibility criteria, if any, have been met, the transfer is authorized, and a reasonable estimate of the amount can be made. Funding is recorded as deferred revenue if it has been restricted by the transferring government for a stated purpose, such as a specific program.

Contributions received to assist in the acquisition of tangible capital assets are reported as revenue.

Deferred revenue is recognized in revenue over time as the recognition criteria are met.

Expenses are recognized as they are incurred and measurable based upon receipt of the goods and services and/or the legal obligation to pay.

(c) Cash

The Council has determined the composition of cash and cash equivalents to include cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

(d) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future risks.

Cash is classified as held-for-trading and is measured at fair value. Accounts receivable are classified as loans and receivables and are measured at amortized cost. Trade payables and accrued liabilities, and wages and benefits payable and are classified as other financial liabilities and are measured at amortized cost. Due to/from related parties are classified at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Fort Good Hope Dene Community Council's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings	3%
Vehicle	30%
Computers	33%
Furniture and fixtures	10%
Other equipment	20%
Radio equipment	10%
Sound stage	10%
Language software	33%

50% of the usual amortization is calculated in the year of acquisition, with no amortization in the year of disposal.

Tangible capital assets are written down when conditions indicate that they no longer contribute to Fort Good Hope Dene Community Council's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Asset Classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and long-term investment.

(g) Net Financial Assets (Net Debt)

The Council's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the Council is determined by its financial assets less its liabilities. Net financial assets (net debt) is comprised of two components, non-financial assets and accumulated surplus.

(h) Use of estimates

In preparing the consolidated financial statements for the Council, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

(i) Segment disclosures

The presentation by segment is based on the same accounting policies as described above. Management determines the basis for identifying segments and their activities with reference to the underlying contribution agreements or major activities, and reports those segments in the form of schedules of revenue and expenses in these consolidated financial statements. The Council makes allocations to program expenses consisting of administration fees as authorized by the applicable contribution agreements.

3. CASH/(BANK INDEBTEDNESS)

	2021	2020
Cash in bank	<u>\$ 160,871</u>	<u>\$ 84,574</u>

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 1.5%. At March 31, 2020 it was not being used.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

4. ACCOUNTS RECEIVABLE

	2021	2020
Trade accounts	\$ 36,484	\$ 23,142
	\$ 36,484	\$ 23,142

5. Due from Government and Other Government Organizations

	2021	2020
Federal government - Indigenous Services Canada		
Band support funds (2019/20 amendment re SAO/DOF training)	\$ -	\$ 31,278
Band support funds (final payment 2019/20)	11,325	11,325
Consultation and policy development (2017/18)	11,000	11,000
Community involvement government capacity development (2018/19)	15,500	15,500
First Nations and Inuit skills link program (2018/19)	6,280	6,280
	44,105	75,383
Government of the Northwest Territories		
Health and Social Services - Community wellness (2019/20)	- -	196,587
Justice - Justice committee (2019/20)	16,126	16,125
Justice - Victims services (2019/20)	9,631	9,631
Education, Culture & Employment - Employment officer outreach (2018/19)	4,749	4,749
Health and Social Services - Community wellness (2018/19)	1,341	1,341
	31,847	228,433
Other government organizations		
Sahtu Dene Council - Summer student funding balance	- -	7,500
	\$ 75,952	\$ 311,316

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

6. Investment in KGDC

K'asho Got'ine Development Corporation

The following summarizes the consolidated financial position and results of consolidated operations of the Corporation as at and for the year ended March 31, 2020.

Consolidated Financial Position

	2021	2020
Total financial assets	\$ 17,121	\$ 22,392
Liabilities	11,157	11,073
Net financial assets	5,964	11,319
Total non-financial assets	400,990	466,751
Accumulated surplus	\$ 406,954	\$ 478,070

Consolidated Financial Performance

	2021	2020
Expenses	\$ 5,356	\$ 732

The Council's wholly owned subsidiary, K'asho Got'ine Development Corporation, owns 24.9% of Sahtu Dene Inn Limited Partnership (the "Partnership"). The Partnership was established in accordance with the partnership agreement dated February 3, 2013 pursuant to the Partnership Act of the Northwest Territories. The Partnership is located in Deline, Northwest Territories.

The Partnership acquired 392,500 Limited Partnership units in Sahtu Hotel and Conference Centre for \$392,500 on January 26, 2016 pursuant to the Limited Partnership agreement. The investment in and share of earnings were omitted from the financial records. See details in Note 12.

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) Techiq Ltd. - Limited Partner - 249 units
- iv) Tulita Developments Ltd. - Limited Partner - 249 units
- v) Sahtu Dene Inn Inc. - General Partner - 4 units.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

6. Investment in KGDC, continued

The following summarizes the financial position and results of operations of the Partnership as at and for the year ended March 31, 2020.

Financial position

	2021	2020
Current assets	\$ 728,890	\$ 933,757
Non-current assets	<u>2,352,254</u>	<u>2,418,641</u>
 Total assets	 3,081,144	 3,352,398
Liabilities	1,470,739	1,477,902
 Total partnership's equity	 \$ 1,610,405	 \$ 1,874,496
 Total partnership's equity attributable to the Council	 \$ 400,990	 \$ 466,751

Consolidated Financial Performance

	2021	2020
Revenue	\$ 106,551	\$ 314,170
Expenses	<u>370,643</u>	<u>449,026</u>
 Net earnings (loss) for the partnership	 \$ (264,092)	 \$ (134,856)
 Net earnings attributable to the Council	 \$ (65,759)	 \$ (33,583)

Investment:

	2021	2020
Limited Partnership units, at cost	\$ 75,000	\$ 75,000
Accumulated earnings	<u>325,990</u>	<u>391,751</u>
 Total partnership's equity attributable to the Council	 \$ 400,990	 \$ 466,751

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

7. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and have been valued in these consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to with related parties. During the year, the Council entered into transactions with Charter Community of K'asho Got'ine, a municipality controlled by common Council.

	2021	2020
EXPENSES:		
Charter Community of K'asho Got'ine:		
Airport Maintenance - Airstrip maintenance	\$ -	\$ 4,000
Community Justice - Rent	-	12,000
Outreach - Rent	-	12,000
Wellness - Rent	-	12,000
Justice On-the-land - Rent	-	12,000
Radio - Rent	-	3,000
Administration fee - Justice	-	7,600
Administration fee - Crime Prevention	-	9,000
Administration fee - Wellness	-	3,110
Wage Allocation	51,975	-
	<hr/>	<hr/>
	\$ 51,975	\$ 74,710

Balances with related parties are unsecured, non-interest bearing, due on demand, with no specified repayment terms. At March 31, 2021, the Council owed Charter Community of K'asho Got'ine \$51,975 (2020 - \$70,087 receivable).

FORT GOOD HOPE DENE COMMUNITY COUNCIL
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

8. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	Balance, beginning of year	Amortization	Balance, end of year	2021 net book value
Buildings	\$ 97,923	\$ 97,923	\$ 46,460	\$ 1,543	\$ 48,003	\$ 49,920
Vehicle	2,223	2,223	2,201	21	2,222	1
Computers	142,396	142,396	141,943	149	142,092	304
Furniture and fixtures	35,280	35,280	30,441	728	31,169	4,111
Other equipment	60,759	60,759	57,126	726	57,852	2,907
Radio equipment	3,783	3,783	3,472	311	3,783	-
Sound stage	46,406	46,406	42,259	415	42,674	3,732
Language software	10,000	10,000	9,394	200	9,594	406
	\$ 398,770	\$ 398,770	\$ 333,296	\$ 4,093	\$ 337,389	\$ 61,381

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

9. CONTRIBUTIONS REPAYABLE

Contributions repayable are amounts received from funding agencies which were not expended on program delivery and must be refunded. Contributions are net of transfers and repayments.

During the year, the Council has various contribution agreements with the Aboriginal Affairs and Northern Development Canada (AANDC, formerly INAC), and the Departments of Education, Culture and Employment (ECE), Justice, Environment and Natural Resources (ENR), Health and Social Services (H&SS), Industry, Tourism and Investment (ITI), and Justice, of the Government of the Northwest Territories (GNWT). Changes in contributions repayable during the year are as follows:

	Opening balance	Net Adjustment	Revenue Recognized	Closing balance
Professional and Institutional Development	\$ 23,834	\$ -	\$ -	\$ 23,834

10. DEFERRED REVENUE

	March 31, 2020	Funding received, 2021	Revenue recognized, 2021	March 31, 2021
Government				
AANDC Professional and Institutional Development - training	\$ 98,858	\$ -	\$ (98,858)	\$ -
AANDC Professional and Institutional Development - computer upgrade				
2018/19 (transferred from contributions repayable in current year)	134,381	-	(72,967)	61,414
AANDC Skills Line - Youth Employment Strategy 2018/19 (transferred from contributions repayable in current year)	62,800	61,820	-	124,620
GNWT Health and Social Services (Wellness)	102,527	-	-	102,527
AccPac Conversion	-	132,822	(103,032)	29,790
	\$ 398,566	\$ 194,642	\$ (274,857)	\$ 318,351

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

11. ACCUMULATED SURPLUS

	2021	2020
Unrestricted - General Operating Fund	\$ (173,781)	\$ (229,743)
Investment Fund	400,990	466,749
Equity in Tangible Capital Assets	61,380	65,474
	<hr/> \$ 288,589	<hr/> \$ 302,480

12. PRIOR PERIOD ADJUSTMENTS

The wholly-owned subsidiary, K'asho Got'ine Development Corporation (KGDC), owns units in Sahtu Hotel and Conference Centre Limited Partnership (SHCCLP), pursuant to a limited partnership agreement. Earnings in the Sahtu Hotel and Conference Centre Limited Partnership are allocated to the limited partners based on the number of limited partnership units owned. The net change to equity is an increase of \$36,77.

13. SUBSEQUENT EVENTS

During the year, there was a global outbreak of COVID-19, which has had a significant impact on businesses through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Council as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, U.S. and other countries to fight the virus. The Council continues to assess the impact COVID-19 will have on its business activities. The extent of the effect of the COVID-19 pandemic on the Council is uncertain however thus far business has not been significantly impacted.

Subsequent the year-end, the Council was advised it was unsuccessful in its bid to renew the Airport Operations and Maintenance contract.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

14. CONTINGENT LIABILITIES

The Council has guaranteed a line of credit from the Canadian Imperial Bank of Commerce for the Charter Community of K'asho Got'ine in the amount of \$100,000. As at March 31, 2021, the line of credit was not being used (2020 - \$nil).

Fort Good Hope Dene Community Council has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Fort Good Hope Dene Community Council becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Fort Good Hope Dene Community Council's financial statements.

15. BUDGET INFORMATION

Budget figures for the Band Support Funding were not provided by management.

16. FINANCIAL INSTRUMENTS

The entity's financial instruments consist of cash and bank indebtedness, accounts receivable, due to/from related party, long-term investment, accounts payable and accrued liabilities, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the entity is not exposed to significant interest rate, market, currency, credit, liquidity, cash flow risks, nor is the entity exposed to significant concentrations of such risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

17. ECONOMIC DEPENDENCE

Fort Good Hope Dene Community Council receives a major portion of its revenue from the Government of the Northwest Territories (GNWT) and the Government of Canada. The nature and extent of this revenue is of such significance that the Council is economically dependent on these sources of revenue.

18. COMPARATIVE AMOUNTS

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

19. Expenses by Object

Accounting	11,938	8,175
Administration fees	98,665	19,710
Amortization of tangible capital assets and other	4,093	4,061
Bad debts	(15,968)	15,872
Building Maintenance	12,190	46,439
Communications	1,279	30,028
Community Events	-	5,969
Computer equipment	36,943	-
Consultants	115	7,950
Contract Expenses	-	1,620
Contractors	7,659	42,024
Donations	-	9,654
Dues, Fees & Licences	89,322	521
Equipment O & M	2,000	-
Equipment Rentals	-	4,399
Freight, Courier, Express	2,473	-
Gift Presentations	-	1,500
Honorariums	-	43,768
Insurance	-	10,000
Interest and bank charges	3,961	7,786
Materials and supplies	27,460	41,911
Meeting expenses	-	600
Office expenses	-	6,950
Professional fees	18,972	33,860
Rent	1,320	48,000
Software	14,159	-
Training	95,850	9,775
Travel	(417)	39,823
Vehicle	-	582
Wages and benefits	180,450	380,120
	592,464	821,097

20. SCHEDULE OF SALARY, HONORARIA AND TRAVEL EXPENSES

The Schedule of Salary, Honoraria and Travel Expenses for elected or appointed officials is as follows:

	Salary	Honoraria	Travel
Wilfred McNeely Jr., Chief	<u>\$ 60,307</u>	<u>\$ -</u>	<u>\$ -</u>