



INDEPENDENT AUDITORS' REPORT

To the members of Fort Good Hope Dene Community Council

Opinion

We have audited the accompanying consolidated financial statements of Fort Good Hope Dene Community Council, which comprise of the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, consolidated statements of changes in net financial assets and accumulated surplus 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 the effects of the matter described in the Basis of Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the consolidated financial position of Fort Good Hope Dene Community Council (the "Council") as at March 31, 2023 and the consolidated results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified 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 Council 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.

The Council owns a 100% interest in K'asho Got'ine Development Corporation which in turn owns 24.9% of Sahtu Dene Inn Limited Partnership. We were unable to obtain sufficient appropriate audit evidence about equity adjustments recorded in the current year because the financial statements of Sahtu Dene Inn Limited Partnership year ended March 31, 2023 were not available. As such, we were unable to determine if further adjustments were necessary to the investments in government business enterprises, earnings from government business enterprises, deficiency of revenues over expenditures and changes in net debt.

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 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.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

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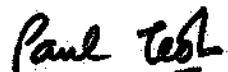


In accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions 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 Council'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 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 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 Council 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Council to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.



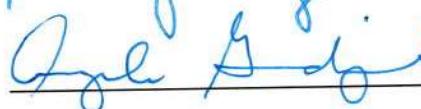
Paul Teoh Professional Corporation
Chartered Professional Accountants

Calgary, Alberta
April 3, 2025

FORT GOOD HOPE DENE COMMUNITY COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2023	2022
March 31,		
Financial Assets		
Cash and cash equivalents (note 2)	\$ 294,391	\$ 337,067
Accounts receivable (note 3)	124,909	64,002
Contributions receivable (note 4)	77,616	77,616
Receivable from related parties (note 5)	135,646	30,359
Total Financial Assets	632,562	509,044
Liabilities		
Accounts payable and accrued liabilities (note 6)	154,496	138,252
Contributions repayable (note 7)	23,834	23,834
Deferred contributions (note 8)	386,041	408,999
Total Liabilities	564,371	571,085
Net Financial Assets	68,191	(62,041)
Non-Financial Assets		
Long term investment (note 9)	406,800	406,800
Tangible capital assets (note 10)	55,414	58,282
Total Non-Financial Assets	462,214	465,082
Accumulated Surplus (note 12)	\$ 530,405	\$ 403,041

Approved on behalf of the Council:

 Councillor
 Councillor

The accompanying notes and schedules are integral parts of these consolidated financial statements. 4.

FORT GOOD HOPE DENE COMMUNITY COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2023	2023	2022
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions - Indigenous Services Canada	\$ -	\$ 453,229	\$ 509,484
Contributions - Government of NWT	- -	39,485	10,772
Contributions - Sahtu Dene Council	- -	106,664	263,071
Other contributions and grants	- -	149,400	10,000
Share of earnings (loss)	- -	- -	5,810
Interest income	- -	3,351	- -
Other revenue and recoveries	- -	148,692	191,932
Add opening deferred revenue	- -	408,998	318,351
Less closing deferred revenue	- - (386,041)	(408,998)	- -
	- -	923,778	900,422
Expenditure			
Band administration	- -	223,049	275,683
Band governance	- -	- -	35,910
Community development programs	- -	- -	238,549
Daycare programs	- -	394,438	209,343
Enterprises	- -	- -	824
Language programs	- -	38,927	4,781
Youth programs	- -	140,000	20,880
	- -	796,414	785,970
Annual Surplus (Deficit)	- -	127,364	114,452
Accumulated Surplus, beginning of year	403,041	403,041	288,589
Accumulated Surplus, end of year	\$ 403,041	\$ 530,405	\$ 403,041

The accompanying notes and schedules are integral parts of these consolidated financial statements. 5.

FORT GOOD HOPE DENE COMMUNITY COUNCIL
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended March 31,	2023	2023	2022
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 127,364	\$ 114,452
Amortization of tangible capital assets	- -	2,868	3,098
Decrease (Increase) in long term investment	- -	- (5,808)	(5,808)
	- -	130,232	111,742
Increase (Decrease) in Net Financial Assets	- -	130,232	111,742
Net Financial Assets, beginning of year	(62,041)	(62,041)	(173,783)
Net Financial Assets, end of year	\$(62,041)	\$ 68,191	\$(62,041)

The accompanying notes and schedules are integral parts of these consolidated financial statements. 6.

FORT GOOD HOPE DENE COMMUNITY COUNCIL
CONSOLIDATED SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS

	General Operating Fund	Enterprise Fund	Capita Fund	E T
<u>For the Year ended March 31, 2023</u>				
Annual Surplus (Deficit)	\$ 127,364	\$ -	\$ -	\$ -
Net Interfund Transfers:				
Amortization	2,866			()
Changes in Accumulated Surplus	130,230			()
Accumulated Surplus, beginning of year	(50,515)	395,273		
Accumulated Surplus, end of year	\$ 79,715	\$ 395,273	\$ -	\$ -
<u>For the year ended March 31, 2022</u>				
Annual Surplus (Deficit)	\$ 114,452	\$ -	\$ -	\$ -
Net Interfund Transfers:				
Amortization	3,098			()
Operations from enterprises	(4,986)	4,986		
Changes in receivable from related parties	(5,810)	5,810		
Changes in Accumulated Surplus	106,754	10,796	()	()
Accumulated Surplus, beginning of year	(157,269)	384,477		
Accumulated Surplus, end of year	\$(50,515)	\$ 395,273	\$ -	\$ -

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

FORT GOOD HOPE DENE COMMUNITY COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2023	2022
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 492,714	\$ 497,175
Cash receipts from contributions and recoveries	347,199	443,849
Cash paid to suppliers and employees	(777,302)	(670,025)
	62,611	270,999
Cash Flows from Financing Activities		
Increase (decrease) in payable to related party	- (58,632)	
	- (58,632)	
Cash Flows from Investing Activities		
Decrease (increase) in receivable from related parties	(105,287)	(30,359)
Decrease (increase) in long-term investments	- (5,810)	
	(105,287)	(36,169)
Net Increase (Decrease) in Cash and Cash Equivalents	(42,676)	176,198
Cash and Cash Equivalents, beginning of year	337,067	160,869
Cash and Cash Equivalents, end of year	\$ 294,391	\$ 337,067

The accompanying notes and schedules are integral parts of these consolidated financial statements. -8.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

The Fort Good Hope Dene Community Council (the "Council") is an Indian Band registered under the *Indian Act*. The Band represents the aboriginal people of the Charter Community of Fort Good Hope. The Council is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

1. Significant Accounting Policies

(a) Basis of Preparation

These consolidated 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) Reporting Entities

The consolidated financial statements includes the accounts of Fort Good Hope Dene Community Council and its following subsidiary and associated companies using the modified equity method.

	Percentage Owned
K'asho Got'ine Development Corporation	100%
Sahtu Dene Inn Limited Partnership	24.9%

(c) Long Term Investments

The Band's long term investments have been accounted for on a modified equity basis. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the Nation and inter-organizational transactions and balances are not eliminated. Further, the business enterprise's accounting principles are not adjusted to conform with those of the Nation and inter-organizational transactions and balances are not eliminated.

(d) 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.

(e) Allocation of Expenditure

The Band records a number of its expenses by program. The cost of each program includes the personnel, premises and other expenses that are directly related to providing the program.

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

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

1. Significant Accounting Policies (Continued)

(f) Revenue Recognition

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 consolidated 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.

(g) 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 using the following basis and annual rates:

Buildings	Declining Balance	3%
Computer equipment	Declining Balance	33%
Furniture and fixtures	Declining Balance	10%
Office equipment	Declining Balance	10% - 20%
Vehicles	Declining Balance	30%

(h) Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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

	2023	2022
Bank chequing account	\$ 285,359	\$ 328,035
Bank savings account	9,032	9,032
	\$ 294,391	\$ 337,067

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%. The balance as at March 31, 2023 was \$nil.

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

3. Accounts Receivable	2023	2022
Trade and others	\$ 169,043	\$ 66,367
K'ahsho Got'ine Government Negotiation Secretariat	-	45,000
GST refundable	18,125	14,697
Payroll remittances refundable	4,484	-
	191,652	126,064
Less allowances for doubtful for trade and others	(66,743)	(62,062)
	\$ 124,909	\$ 64,002
4. Contributions Receivable	2023	2022
Indigenous Services Canada:		
ISC - Band support	2019/20	\$ 11,325
ISC - Consultation and policy development	2017/18	11,000
ISC - Community government capacity development	2018/19	15,500
First Nations and Inuit skills link program	2018/19	6,280
Youth employment strategy	2020-21	6,182
AccPac Conversion	2020-21	13,282
ISC - Youth employment strategy	2021-22	2,320
ISC - IGS build strong governance	2021-22	18,750
Government of NWT:		
Justice - Justice committee	2019/20	16,126
Justice - Victim services	2019/20	9,631
Education, Cultural and Employment - Employment officer	2018/19	4,749
Health and Social Services - Community wellness	2018/19	1,341
Less allowances for contributions receivable	(38,870)	(38,870)
	\$ 77,616	\$ 77,616

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

5. Receivable from Related Parties	2023	2022
Charter Community of K'asho Got'ine (FGHDCC)	\$ 142,303	\$ 37,016
Charter Community of K'ahsho Got'ine (KGDC)	(6,657)	(6,657)
	\$ 135,646	\$ 30,359

The amount receivable from related party is unsecured, non-interest bearing and there is no set term of repayment.

6. Accounts Payable and Accrued Liabilities	2023	2022
Trade and others	\$ 154,496	\$ 133,276
Government remittances payable	4,976	
	\$ 154,496	\$ 138,252

7. Contributions Repayable	2023	2022
Government of Canada:		
ISC - Professional Development and Institutional	\$ 23,834	\$ 23,834
	\$ 23,834	\$ 23,834

8. Deferred Contributions	2022 Opening	Additions/ (Transfer)	Utilized	2023 Closing
CIRNAC Youth Employment Strategy	\$ 126,940	\$ 140,000	\$ 140,000	\$ 126,940
Community Wellness	102,528	-	-	102,528
CIRNAC-Professional and Institutional Development	31,614	-	-	31,614
Daycare Operations-GNWT	116,037	221,076	244,772	92,341
SDC Language Nest Program- Daycare	31,880	39,665	38,927	32,618
	\$ 408,999	\$ 400,741	\$ 423,699	\$ 386,041

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

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 Corporation as at and for the year ended March 31, 2023.

	2023	2022
Consolidated Financial Position		
Total financial assets	\$ -	\$ 16,282
Liabilities	\$ -	\$ 11,141
Net financial assets	\$ -	\$ 5,141
Total non-financial assets	\$ -	\$ 406,800
Accumulated surplus	\$ -	\$ 411,941
Share of accumulated surplus attributable to the Council	\$ -	\$ 411,941
Financial Performance		
Revenues	\$ -	\$ 5,810
Expenses	\$ -	(\$ 824)
Net earnings (loss)	\$ -	\$ 4,986
Share of net earnings (loss) attributable to the Council	\$ -	\$ 4,986
Investments:		
Investment at cost	\$ 75,000	\$ 75,000
Accumulated equity earnings	\$ 331,800	\$ 331,800
	\$ 406,800	\$ 406,800

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

10. Tangible Capital Assets

		2023	2022
	Cost	Accumulated Amortization	Net Book Value
Buildings	\$ 97,921	\$ 50,953	\$ 46,968
Computer equipment	152,396	152,111	285
Furniture and fixtures	34,280	30,950	3,330
Office equipment	111,948	107,117	4,831
Vehicles	2,222	2,222	-
	\$ 398,767	\$ 343,353	\$ 55,414
			\$ 58,282

11. Equity in Tangible Capital Assets

		2023	2022
Tangible capital assets	\$ 398,767	\$ 398,767	
Accumulated amortization	(343,353)	(340,487)	
	\$ 55,414	\$ 58,280	

12. Accumulated Surplus

		2023	2022
Unrestricted			
General Operating Fund	\$ 79,718	\$(50,515)	
Enterprise Fund	395,273	395,273	
Equity in Tangible Capital Assets	55,414	58,283	
	\$ 530,405	\$ 403,041	

13. Government Transfers

		2023	2022
Indigenous Services Canada	\$ 453,229	\$ 509,484	
Government of NWT	39,485	10,772	
	\$ 492,714	\$ 520,256	

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

14. Expenditure by Object		2023	2023	2022
		Budget (Unaudited)	Actual	Actual
Administration	\$ -	\$ 4,103	\$ 25,337	
Amortization	-	2,866	3,098	
Bad debts (recovered)	-	4,681	88,170	
Bank charges and interest	-	2,465	4,038	
Community events	-	18,094	43,300	
Computer and software	-	-	36,085	
Contracted services	-	177,573	193,413	
Contributions repaid	-	15,789	-	
Donations and contributions	-	-	3,825	
Equipment rental	-	17,710	10,500	
Freight and postage	-	10,160	2,550	
Honoraria	-	4,900	38,727	
Honoraria Chief and Council	-	32,775	56,099	
Insurance	-	12,851	10,987	
Materials and supplies	-	121,352	59,421	
Meetings and workshops	-	1,200	-	
Mobile equipment costs	-	1,496	5,199	
Professional fees	-	46,850	6,142	
Rent	-	40,520	60,000	
Repairs and maintenance	-	150	-	
Telephone and Internet	-	-	2,400	
Training and scholarships	-	642	-	
Travel and accommodation	-	10,739	-	
Utilities	-	4,445	3,057	
Wages and benefits	-	265,053	133,622	
Total Expenditure	\$ -	\$ 796,414	\$ 785,970	

15. Economic Dependence

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

16. Comparative Figures

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

FORT GOOD HOPE DENE COMMUNITY COUNCIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2023

17. 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.