



PAUL TEOH

Chartered Professional Accountants

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

2.



Paul Teoh Professional Corporation • Chartered Professional Accountants
408 – 20th Avenue NE • Calgary • Alberta • T2E 1R2 • Canada

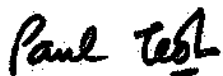
T: 1.403.520.7428 • TF: 1.87.PAUL.TEOH / 1.877.285.8364 • F: 1.403.520.7431 • www.paulteoh.ca

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

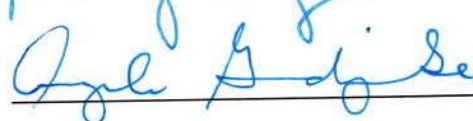
FORT GOOD HOPE DENE COMMUNITY COUNCIL

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| March 31, | 2023 | 2022 |
|---|-------------------|-------------------|
| 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) |
| | - | 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 | E T Capita |
|--|------------------------------|--------------------|------------------|
| For the Year ended March 31, 2023 | | | |
| 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 | \$ |

| | General Operating Fund | Enterprise Fund | E T Capita |
|--|------------------------------|--------------------|------------------|
| For the year ended March 31, 2022 | | | |
| 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 |
| | <u>\$ 294,391</u> | <u>\$ 337,067</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%. 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 | \$ | 11,325 |
| ISC - Consultation and policy development | 2017/18 | | 11,000 | | 11,000 |
| ISC - Community government capacity development | 2018/19 | | 15,500 | | 15,500 |
| First Nations and Inuit skills link program | 2018/19 | | 6,280 | | 6,280 |
| Youth employment strategy | 2020-21 | | 6,182 | | 6,182 |
| AccPac Conversion | 2020-21 | | 13,282 | | 13,282 |
| ISC - Youth employment strategy | 2021-22 | | 2,320 | | 2,320 |
| ISC - IGS build strong governance | 2021-22 | | 18,750 | | 18,750 |
| Government of NWT: | | | | | |
| Justice - Justice committee | 2019/20 | | 16,126 | | 16,126 |
| Justice - Victim services | 2019/20 | | 9,631 | | 9,631 |
| Education, Cultural and Employment - Employment officer | 2018/19 | | 4,749 | | 4,749 |
| Health and Social Services - Community wellness | 2018/19 | | 1,341 | | 1,341 |
| | | | 116,486 | | 116,486 |
| 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'asho Got'ine (KGDC) | (6,657) | (6,657) |
| | <u>\$ 135,646</u> | <u>\$ 30,359</u> |

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 |
| | <u>\$ 154,496</u> | <u>\$ 138,252</u> |

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

| 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 |
| | <u>\$ 408,999</u> | <u>\$ 400,741</u> | <u>\$ 423,699</u> | <u>\$ 386,041</u> |

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 | | Net Book Value | |
| Buildings | \$ 97,921 | \$ 50,953 | \$ 46,968 | \$ | 48,421 | |
| Computer equipment | 152,396 | 152,111 | 285 | | 476 | |
| Furniture and fixtures | 34,280 | 30,950 | 3,330 | | 3,700 | |
| Office equipment | 111,948 | 107,117 | 4,831 | | 5,685 | |
| 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 | | 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.