

LIIDLII KUE FIRST NATION
Fort Simpson, NT

**CONSOLIDATED
FINANCIAL STATEMENTS**

For the Year ended March 31, 2017

LIIDLII KUE FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended March 31, 2017

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PAUL TEOH

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the members of Liidlil Kue First Nation

I have audited the consolidated financial statements of Liidlil Kue First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, 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 consolidated 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 audit opinion.

Opinion

In my opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Liidlil Kue First Nation as at March 31, 2017, and the consolidated results of its operations, changes net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountant

Calgary, Alberta
August 8, 2017

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LIIDLII KUE FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31,	2017	2016
		(Restated)
Financial Assets		
Cash (note 2)	\$ 484,591	\$ 656,049
Accounts receivable (note 3)	181,149	123,822
Contributions receivable (note 4)	201,719	269,114
Total Financial Assets	867,459	1,048,985
Liabilities		
Accounts payable and accrued liabilities (note 5)	449,766	168,594
Contributions repayable (note 6)	1,025	-
Deferred contributions (note 7)	674,924	939,601
Deferred government assistance	1,303,218	-
Total Liabilities	2,428,933	1,108,195
Net Financial Debt	(1,561,474)	(59,210)
Non-Financial Assets		
Tangible capital assets (note 8)	2,279,458	477,131
Long term investments (note 9)	1,805,417	1,643,121
Buildings under construction	367,927	574,020
Prepaid expenses and deposits	39,268	21,876
Total Non-Financial Assets	4,492,070	2,716,148
Accumulated Surplus (note 10)	\$ 2,930,596	\$ 2,656,938

Approved on behalf of the Council:

 Councillor

 Councillor

The accompanying notes and schedules are an integral part of these consolidated financial statements. 3.

LIIDLII KUE FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31,	2017	2017	2016
	Budget (Unaudited)	Actual	Actual (Restated)
Revenue			
Contributions - INAC	\$ 241,992	\$ 401,074	\$ 313,512
Contributions - DFN	292,716	628,890	308,779
Contributions - GNWT	802,129	894,282	695,495
Contributions - Government of Canada	-	156,394	152,500
Enterprise income	-	458,202	450,492
Other revenue and recoveries	505,300	466,056	685,962
Equity earnings (loss) from subsidiaries	-	142,105	365,103
Add opening deferred revenue	-	34,949	171,053
Less closing deferred revenue	-	(322,207)	(34,949)
	1,842,137	2,859,745	3,107,947
Expenditure			
Administration - hosting	50,000	57,066	45,907
Administration - support	365,300	212,906	242,190
Advocacy	153,000	153,121	161,467
Cultural and historical	149,431	170,096	135,957
Education	85,429	182,837	100,847
Enterprises	-	199,556	104,456
Family development	278,000	397,910	270,932
Family health	361,470	507,157	674,192
Family youth	33,100	33,100	46,844
Governance	158,892	346,669	309,318
Lands, resource management, and economic development	207,515	322,146	259,817
Treaty	-	3,523	3,938
	1,842,137	2,586,087	2,355,865
Annual Surplus	-	273,658	752,082
Accumulated Surplus, beginning of year	2,656,938	2,656,938	1,904,856
Accumulated Surplus, end of year	\$ 2,656,938	\$ 2,930,596	\$ 2,656,938

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

LIIDLII KUE FIRST NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL DEBT

For the year ended March 31,	2017	2017	2016
	Budget (Unaudited)	Actual	Actual
Annual Surplus (Deficit)	\$ -	\$ 273,658	\$ 752,082
Acquisition of tangible capital assets	-	(1,874,457)	(45,140)
Amortization of tangible capital assets	-	72,130	11,987
Acquisitions of buildings under construction	-	206,093	(356,667)
Decrease (increase) in long term investments	-	(162,296)	-
	-	(1,484,872)	362,262
Decrease (increase) in prepaid expenses and deposits	-	(17,392)	(16,176)
Increase (Decrease) in Net Financial Assets	-	(1,502,264)	346,086
Net Financial Assets, beginning of year	(59,210)	(59,210)	(405,296)
Net Financial Assets, end of year	\$ (59,210)	\$ (1,561,474)	\$ (59,210)

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

LIIDLII KUE FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2017	2016
Cash Flows from Operating Activities		
Cash receipts from government transfers	\$ 2,148,035	\$ 1,462,484
Cash receipts from contributions and recoveries	1,619,239	1,221,398
Cash paid to suppliers and employees	(2,250,177)	(2,450,051)
	1,517,097	233,831
Cash Flows from Investing Activities		
Decrease (increase) in buildings under constructions	206,093	(356,667)
Decrease (increase) in long term investment	(20,191)	(208,918)
	185,902	(565,585)
Capital Transactions		
Purchase of tangible capital assets	(1,874,457)	(45,140)
	(1,874,457)	(45,140)
Net Increase (Decrease) in Cash and Cash Equivalents	(171,458)	(376,894)
Cash and Cash Equivalents, beginning of year	656,049	1,032,943
Cash and Cash Equivalents, end of year	\$ 484,591	\$ 656,049

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

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

The Liidlil Kue First Nation ("LKFN") is an Indian Band registered under the *Indian Act*. It provides services to the band members of Liidlil Kue First Nation.

LKFN 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 by Council 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. In addition, a separate set of general purpose consolidated financial statements for the year ended March 31, 2017 have been prepared in accordance with PSAB.

(b) Reporting Entity

The consolidated financial statements includes the accounts of Liidlil Kue First Nation along with the following subsidiaries and associated business enterprises using the method listed below.

	Consolidation Method	Percentage Owned	Year End
Liidlil Kue Society	Line by Line	100%	March 31, 2017
Nogha Enterprises Ltd.	Modified Equity	100%	March 31, 2017
Deh Cho Helicopters Regional Limited Partnership	Modified Equity	14.3%	May 31, 2016

(c) Long Term Investments

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 LKFN 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 Council and inter-organizational transactions and balances are not eliminated.

(d) 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.

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(e) Fund Accounting

The Liidlil Kue First Nation follows the deferral method of accounting for capital contributions. Externally restricted contributions are recognized as revenue when the related capital expenditures are incurred. Contributions received in advance of making the related expenditures is recorded as deferred revenue.

The general operating fund reports the core operating accounts of LKFN and other programs in accordance with contribution agreements with funding agencies.

The Enterprise fund reports the assets, liabilities, revenue and expenditure relating to investments held by LKFN.

(f) Allocation of Expenditure

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

(g) Revenue Recognition

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

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

(h) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(i) Government Transfers

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

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(i) Government Transfers (Continued)

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

(j) 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 consolidated 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 rates:

Buildings	4%	Declining Balance
Automotive equipment	30%	Declining Balance
Furniture and fixtures	30%	Declining Balance
Heavy equipment	40%	Declining Balance
Tools and equipment	30%	Declining Balance

(ii) Inventories

Inventories held for consumption are recorded at the lower of cost and replacement cost. There is no significant inventory at year end.

(k) Financial Instruments - Recognition and Measurement

LKFN 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.

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

1. Significant Accounting Policies (Continued)

(k) Financial Instruments - Recognition and Measurement (Continued)

- 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 LKFN is not exposed to significant interest, currency or credit risks arising from these financial instruments.

2. Cash and Cash Equivalents

	2017	2016
Liidlil Kue First Nation:		
- Liidlil Kue Dene Trust fund	\$ 137,164	\$ 136,374
- Daycare Trust fund	-	135,979
- Bank current account	238,262	340,413
Liidlil Kue Society:		
- Bank current account	109,165	43,283
	<u>\$ 484,591</u>	<u>\$ 656,049</u>

3. Accounts Receivable

	2017	2016
Trade and other	\$ 191,297	\$ 121,337
GST refundable	51,141	17,168
	242,438	138,505
Less allowances for doubtful for trade and other	(61,289)	(14,683)
	<u>\$ 181,149</u>	<u>\$ 123,822</u>

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

4. Contributions Receivable

	2017	2016
Dehcho First Nations	\$ 100,637	\$ 63,122
Indigenous and Northern Affairs Canada	30,930	13,411
Government of NWT	61,002	142,581
Health Canada	9,150	-
Village of Fort Simpson	-	50,000
	<u>\$ 201,719</u>	<u>\$ 269,114</u>

5. Accounts Payable and Accrued Liabilities

	2017	2016
Trade and other	\$ 345,741	\$ 137,238
Accrued wages and benefits	89,044	31,323
Remittances payable	14,981	33
	<u>\$ 449,766</u>	<u>\$ 168,594</u>

6. Contributions Repayable

	2017	2016
Government of NWT	\$ 1,025	\$ -

7. Deferred Contributions

	2017	2016
		(Restated)
GNWT HSS - Community Wellness Initiatives	\$ 262,365	\$ 72,721
Liidlil Kue community support services	59,842	17,034
Sub-total	322,207	89,755
DFN - Construction of daycare fund	-	555,721
Liidlil Kue trust fund	137,164	136,374
Minnie Letcher Memorial Trust	6,010	6,010
Construction of daycare funds	84,543	151,741
Construction of new office complex	125,000	-
	<u>\$ 674,924</u>	<u>\$ 939,601</u>

LIIDLII KUE FIRST NATION **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2017

8. Tangible Capital Assets

Cost	Beginning of Year	Additions	Disposals	End of Year
Lands	\$ 156,691	\$ -	\$ -	\$ 156,691
Buildings	546,097	1,874,457	-	2,420,554
Automotive equipment	545,980	-	-	545,980
Furniture and fixtures	8,019	-	-	8,019
Heavy equipment	25,000	-	-	25,000
Tools and equipment	70,951	-	-	70,951
Total Cost	\$ 1,352,738	\$ 1,874,457	\$ -	\$ 3,227,195

Accumulated Amortization	Beginning of Year	Current Charge	Disposals	End of Year
Land	\$ -	\$ -	\$ -	\$ -
Buildings	271,843	51,948	-	323,791
Automotive equipment	502,030	19,718	-	521,748
Furniture and fixtures	6,488	306	-	6,794
Heavy equipment	24,830	51	-	24,881
Tools and equipment	70,416	107	-	70,523
Total Accumulated Amortization	\$ 875,607	\$ 72,130	\$ -	\$ 947,737

Net Book Value	Beginning of Year	End of Year
Total Net Book Value	\$ 477,131	\$ 2,279,458

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

9. Long Term Investments

Liidlil Kue Society

Liidlil Kue Society (the "Society") was incorporated under the *Societies Act of Northwest Territories* on April 1, 2003. On behalf of Dene members of the Liidlil Kue First Nation, the objects of the Society are to:

1. carry out the Dene Organization activities in the Fort Simpson areas;
2. assist Dene People in participating in the Canadian economic structure;
3. provide a vehicle to develop self-sufficiency, education, social and cultural programs

The Society is a government not-for-profit organization and is exempt for income tax purposes under Section 149 of the *Income Tax Act*.

The consolidated financial statements of Liidlil Kue Society includes the accounts of Liidlil Kue Society and its wholly owned subsidiary, Nogha Enterprises Ltd. using the modified equity method.

The following summarizes the consolidated financial position and consolidated results of operations of Liidlil Kue Society as at and for the year ended March 31, 2017.

	2017	2016
Consolidated Financial Position		
Current assets	\$ 229,701	\$ 91,183
Non-current assets	4,043,618	2,183,396
Total assets	4,273,319	2,274,579
Total liabilities	1,666,785	51,983
Net assets	\$ 2,606,534	\$ 2,222,596
Consolidated Financial Performance		
Revenue	\$ 583,495	\$ 832,577
Expenditure	(199,557)	(104,458)
Net earnings	\$ 383,938	\$ 728,119

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

9. Long Term Investments (Continued)

Nogha Enterprises Ltd.

Liidlil Kue Society owns 100% of Nogha Enterprises Ltd. The principal activities of the Company are general contracting, aviation fuel sales and fire suppression.

The following summarizes the financial position and results of operations of Nogha Enterprises Ltd. as at and for the year ended March 31, 2017.

	2017	2016
Financial Position		
Current assets	\$ 1,547,302	\$ 1,108,310
Non-current assets	846,604	705,200
Total assets	2,393,906	1,813,510
Total liabilities	1,420,408	965,306
Total shareholder's equity (capital deficiency)	\$ 973,498	\$ 848,204
Financial Performance		
Revenue	\$ 4,034,144	\$ 3,037,961
Direct costs	(2,007,320)	(1,608,108)
General and administration	(2,016,577)	(1,451,314)
Other revenue (expenses)	136,212	397,909
Income taxes recovered	(21,165)	5,637
Net income (loss)	\$ 125,294	\$ 382,085
Investment		
Share at cost	\$ 35	\$ 35
Amount receivable	564,831	544,640
Accumulated earnings (loss)	973,462	848,168
	\$ 1,538,328	\$ 1,392,843

Deh Cho Helicopters Regional Limited Partnership

Liidlil Kue First Nation owns 14.3 % of Deh Cho Helicopters Regional Limited Partnership.

Deh Cho Helicopters Regional Limited Partnership ("Partnership") was established in accordance with the limited partnership agreement dated June 1, 2004 pursuant the Partnership Act. The Partnership's principal activities are to own and lease an Eurocopter AS350 B2 Helicopter and other helicopter charters through Great Slave Helicopters Ltd. in the Deh Cho areas in Northwest Territories. The partners are:

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

9. Long Term Investments (Continued)

Deh Cho Helicopters Regional Limited Partnership (Continued)

(i)	Deh Cho Air Limited Partnership - Limited Partner	5,000 units
(ii)	Fort Simpson Metis Local 52 - Limited Partner	5,000 units
(iii)	Nahanni Butte Dene Band - Limited Partner	5,000 units
(iv)	Samba Ke First Nation - Limited Partner	5,000 units
(v)	Jean Marie River First Nation - Limited Partner	5,000 units
(vi)	Pehdzeh Ki First Nation - Limited Partner	5,000 units
(vii)	Liidlil Kue First Nation - Limited Partner	5,000 units

The following summarizes the financial position and results of operations of Deh Cho Helicopters Regional Limited Partnership as at and for the year ended May 31, 2016.

	2016	2015
Financial Position		
Current assets	\$ 1,611,342	\$ 1,502,013
Equipment	1,093,580	1,259,624
Total assets	2,704,922	2,761,637
Total liabilities	20,109	19,517
Total partners' equity	\$ 2,684,813	\$ 2,742,120
Partners' equity attributable to LKFN	\$ 292,089	\$ 300,276
Financial Performance		
Total revenue	\$ 439,571	\$ 559,998
Total expenses	321,878	255,327
Net earnings	117,693	304,671
Net earnings attributable to LKFN	\$ 16,813	\$ 43,524
Investment		
Capital	\$ 5,000	\$ 5,000
Accumulated earnings	262,089	270,278
Distribution of earnings	-	(25,000)
Net investment	\$ 267,089	\$ 250,278
Total Net Investments	\$ 1,805,417	\$ 1,643,121

LIIDLII KUE FIRST NATION **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2017

10. Accumulated Surplus

	2017	2016
Unrestricted		
General Operating Fund	\$ 1,125,179	\$ 1,013,817
Enterprise Fund	1,805,417	1,643,121
	\$ 2,930,596	\$ 2,656,938

11. Government Transfers

	2017	2016
Government of Canada - INAC	\$ 401,074	\$ 313,512
Dehcho First Nation	628,890	308,779
Government of NWT	894,282	695,495
Government of Canada	156,394	152,500
	\$ 2,080,640	\$ 1,470,286

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

12. Expenditure by Object

	2017	2017	2016
	Budget	Actual	Actual
Administration	\$ 68,082	\$ 76,957	\$ 91,329
Advertising and promotion	-	3,673	1,498
Amortization	-	72,130	11,987
Bad debts	-	50,106	40,144
Bank charges and interest	1,800	3,264	3,757
Community events	-	32,427	104,687
Contracted services	29,020	79,675	27,143
Contributions repaid	-	8,467	-
Donations	1,100	26,183	92,012
Honoraria	23,400	55,010	15,497
Insurance	12,300	23,780	7,041
Materials and supplies	394,593	284,834	256,264
Meeting and workshop	32,825	14,088	25,612
Office	30,625	62,169	102,316
Professional fees	88,865	259,966	176,844
Property taxes	-	25,378	31,626
Rent	62,800	42,578	34,955
Repairs and maintenance	12,205	89,733	22,330
Telephone and Internet	16,600	20,411	22,334
Training and scholarships	3,000	4,740	17,359
Travel and accommodation	67,457	68,833	85,919
Utilities	46,555	85,066	68,712
Wages and benefits	950,911	1,196,619	1,116,499
Total Expenditure	\$ 1,842,138	\$ 2,586,087	\$ 2,355,865

13. Economic Dependence

LKFN receives a major portion of its revenue from the Indigenous and Northern Affairs Canada of the Government of Canada and the Government of Northwest Territories. The nature and extent of this revenue is of such significance that LKFN is economically dependent on this source of revenue.

LIIDLII KUE FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

14. Comparative Figures

The comparative figure for deferred contributions were restated to account for \$204,806 of contributions for the purpose of acquisition of capital assets. The \$204,806 was originally recognized as revenue.

As a result, the comparative figure was restated as follow:

	Originally Reported	Adjustments	Re-stated
Statement of Financial Position:			
Deferred contributions (note 7)	\$ 734,795	\$ 204,806	\$ 939,601
Statement of Operations:			
Revenue	\$ 3,312,753	\$(204,806)	\$ 3,107,947
Annual surplus	\$ 956,888	\$(204,806)	\$ 752,082

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

15. 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.

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 and market risks arising from these financial instruments.