
Yellowknives Dene First Nation

Notes to Consolidated Financial Statements

March 31, 2022

24. Risk Management, continued

b) Liquidity risk

Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation has liquidity risk in accounts payable and accrued liabilities, due to related parties, contributions repayable, and impact benefit agreement payable of \$2,562,844 (2021 - \$1,935,024). The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due. This risk has not changed from the prior year.

c) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rate. The fixed rate term deposits are subject to interest rate risk, as the investment value will fluctuate as a result of changes in market rates. This risk has not changed from the prior year.