

**Doig River First Nation**  
**Consolidated Financial Statements**  
*March 31, 2018*

# Doig River First Nation

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For the year ended March 31, 2018

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## Management's Responsibility

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To the Members of Doig River First Nation:

The accompanying consolidated financial statements of Doig River First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Doig River First Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 29, 2018

Originally signed by Shona Nelson

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Band Administrator

## Independent Auditors' Report

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To the Members of Doig River First Nation:

We have audited the accompanying consolidated financial statements of Doig River First Nation, which comprise the consolidated statement of financial position as at 2018, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets (net debt) 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Doig River First Nation as at March 31, 2018 and the results of its operations, accumulated surplus, remeasurement gains and losses, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta

July 29, 2018

**MNP LLP**

Chartered Professional Accountants

**Doig River First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*

	2018	2017
<b>Financial assets</b>		
Cash	7,005,440	5,732,713
Accounts receivable (Note 2)	1,822,157	8,032,701
Restricted cash (Note 3)	183,224	183,224
Advances and loans to members (Note 4)	45,084	14,977
Investments in Venturion Oil Ltd. (Note 5)	626,944	626,944
Investments in Nation businesses (Note 6)	1,363,323	1,184,437
Investments in Industrial Shuttle	-	100,000
Investment in EBA Development Corp. - at cost	266,668	266,668
ISC capital and revenue trust funds (Note 7)	76,067	74,418
Doig Not For Profit Trust (Note 8)	176,608	176,608
Portfolio investments -Community Development Trust (Note 9)	7,563,913	2,011,467
<b>Total of assets</b>	<b>19,129,428</b>	<b>18,404,157</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 10)	1,285,539	1,061,525
Contributions carried forward (Note 11)	40,734	47,468
Long term debt (Note 12)	3,736,234	9,564,493
Trust distributions due to members (Note 15)	291,958	-
ISC Treaty Land Entitlement debt (Note 16)	5,671,107	5,924,877
Due to Doig S.E.D. Trust (Note 17)	1,321,650	1,434,543
Distributions due to minors (Note 18)	3,260,415	536,081
<b>Total of financial liabilities</b>	<b>15,607,637</b>	<b>18,568,987</b>
<b>Net financial assets (net debt)</b>	<b>3,521,791</b>	<b>(164,830)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	20,158,186	18,143,334
Prepaid expenses	10,000	10,000
<b>Accumulated surplus</b>	<b>23,689,977</b>	<b>17,988,504</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated surplus	23,495,793	17,988,504
Accumulated remeasurement gains	194,184	-
	<b>23,689,977</b>	<b>17,988,504</b>
<b>Approved on behalf of the Nation</b>		
Originally signed by Trevor Makadahay	Chief	Originally signed by Garry Oker
		Councillor

**Doig River First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>				
Indigenous Services Canada	2,129,387	2,077,764	2,149,091	
OGC revenue	526,451	526,451	478,124	
First Nation Health Authority	386,316	378,987	440,612	
Grant	132,887	132,887	5,000	
C.M.H.C. Subsidy	25,584	25,584	27,742	
Other government funding	2,250	2,250	12,750	
Province of British Columbia	250,734	280,734	62,664	
Capital contribution - Community Development Trust	14,004,486	14,004,486	7,838,157	
Other revenue	9,470,138	2,671,108	10,771,525	
Joint Venture income	2,855,847	2,855,847	1,764,265	
Permanent trust band benefits allocation	460,686	460,686	455,222	
Investment income	141,471	141,471	10,670	
Spectra revenue	139,199	139,199	75,762	
Company sponsorship and donations	135,024	135,024	60,000	
User fees	60,000	85,119	260,800	
Cattle revenue	59,688	59,688	23,250	
TCPL revenue	-	40,000	-	
Site C revenue	15,000	15,000	239,295	
RRSA income	11,607	11,607	6,976	
Interest income	6,103	6,103	-	
Band revenue funds	-	1,649	1,393	
Grant	-	-	4,191	
Social Economic Development trust allocation	-	-	71,523	
Draws to/from Community Development Trust	5,161,078	-	-	
	<b>35,973,936</b>	<b>24,051,644</b>	<b>24,759,012</b>	

*Continued on next page*

**Doig River First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	<i>Schedules</i>	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<i>(Continued from previous page)</i>		<b>35,973,936</b>	<b>24,051,644</b>	24,759,012
<b>Program expenses</b>				
ISC - Administration				
Band administration	4	960,911	960,911	1,121,244
Social assistance	5	358,824	358,824	318,013
Public works	6	179,725	179,725	273,172
Capital program	7	-	517,237	511,556
ISC Economic Development	8	16,805	17,436	16,950
TLE - Trapline	9	-	2,928	-
TLE - Claim Expenditures	10	115,608	117,629	94,810
BC Capacity Initiative - CCP	11	-	56,719	89,407
Mineral Rights General Expense	12	83,405	224,398	98,371
General Education	13	40,476	40,476	17,641
Post Secondary Education	14	145,821	145,821	97,536
ACRS - Group 2	15	-	689	3,597
SPI - West Coast Energy	16	250,000	252,610	312,424
P&ID	17	41,822	59,789	35,000
Long Term Water CPMS 7048	18	95,944	95,944	327,620
Facilities	19	279,110	279,110	257,412
CPMS11682 Lagoon Sludge Removal	20	21,749	21,956	-
CPMS#11676 Well Decommissioning	21	55,516	55,516	441,824
Housing Infrastructure & Maintenance Plan	22	28,900	28,900	77,097
Election	23	8,298	10,587	-
Fisheries & Oceans	24	21,773	21,773	7,518
SPI - RSEA	25	71,429	29,237	-
Industrial Lot Planning	26	200,000	251,574	-
Emergency Management Preparedness	27	10,368	12,232	-
Transportation (Navigation Protection)	28	-	-	6,367
Natural Resources Canada	29	2,250	-	6,506
TLE - Agriculture	30	-	-	81,611
<b>Total ISC - Administration</b>		<b>2,988,734</b>	<b>3,742,021</b>	4,195,676
Province of British Columbia				
G2G Province of BC Negotiations	32	50,000	69,392	20,747
MCFD-FSW Funds	33	6,734	6,734	41,917
G2G Interim	34	801,145	807,145	788,141
EBA Community Comprehensive Planning	35	5,000	5,197	33,014
BC - Indigenous Skills Training Fund	36	177,403	186,220	141,790
BC - Rural Dividend Fund	37	40,904	40,904	-
Class 1 Driver Training	38	-	-	1,392
BC Pipeline Benefit Agreement	39	-	-	203,580
<b>Total Province of British Columbia</b>		<b>1,081,186</b>	<b>1,115,592</b>	1,230,581

*The accompanying notes are an integral part of these consolidated financial statements*

**Doig River First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
First Nations Health Authority				
Head Start on Reserve	43	154,325	154,325	38,152
Prenatal Nutrition	44	6,493	6,493	6,154
Brighter Futures	45	44,816	44,816	37,127
Mental Health	46	24,852	26,542	23,556
Solvent Abuse	47	5,400	5,824	5,178
NNADAP	48	42,416	62,984	40,205
Diabetes Initiative	49	16,446	16,428	15,588
Comm Health Rep	50	47,685	48,227	44,024
HIV/Aids	51	503	508	477
Drinking Water Safety Program	52	16,012	32,109	17,406
Health Planning & Management	53	45,550	46,754	48,176
Facility Maintenance	54	24,121	27,271	27,641
NIHB - Patient Travel	55	50,066	50,066	53,998
NIHB - Visiting Specialist	56	1,467	8,486	2,282
Health services	57	34,872	25,004	6,456
<b>Total First Nations Health Authority</b>		<b>515,024</b>	<b>555,837</b>	<b>366,420</b>
Trust Funded Programs				
Community Development Trust	59	7,784,031	7,784,031	1,521,073
Trust Stay In School	60	89,000	92,180	202,053
Cultural Fur Purchases	61	17,728	15,454	17,385
Trust Funeral Fund	62	23,686	17,537	15,222
Trust Elder's Program	63	168,000	166,452	148,405
Trust On & Off Reserve Housing Expenses	64	35,000	33,085	55,667
Trust Land Acquisition	65	143,300	223,027	338,922
Trust Property Tax	66	45,000	41,155	45,000
Trust Emergency Fund	67	30,000	65,490	44,901
Trust Youth Sponsorship	68	70,000	47,522	61,477
Language & Culture	69	-	562	24,929
Trust Facilities O&M	70	-	-	34,630
<b>Total Trust Funded Programs</b>		<b>8,405,745</b>	<b>8,486,495</b>	<b>2,509,664</b>

*The accompanying notes are an integral part of these consolidated financial statements*



**Doig River First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
<b>Industry Agreements</b>				
Cultural - Special Projects	72	6,300	6,383	28,251
Litigation	73	220,000	218,356	66,100
Site C - Burial Site Work	74	22,000	21,454	111,990
Site C Impact Benefit Agreement Negotiations	75	15,000	17,809	301,333
CNRL	76	60,000	60,000	60,000
Site C - Impact Benefit Agreement	77	697,000	686,261	22,967
Govt of AB - FNCCIP	78	80,000	76,654	-
Govt of AB - Con Policy Review	79	10,000	10,246	-
TCPL - North Path Consultation/Capacity	80	5,050	5,047	-
TCPL - North Path TUS	81	82,500	74,282	-
TCPL - Boundarylake	82	15,000	13,186	-
TCPL - Saddle West Consultation/Capac	83	56,500	14,014	-
BC Hydro - PRES/ GMS - Communi	84	88,791	64,185	16,209
BC Hydro - Pres - CCFA	85	11,000	9,053	179,945
BC Hydro - renewal agreement	86	10,100	8,287	-
Boundary Lake LOA Project (NGT)	87	91,000	89,972	124,943
Encana - UBC Chinook	88	5,000	2,905	-
Site C Custom Consultation - BC Hydro	89	-	-	270,698
TCPL - CGL EMP Review	90	-	-	2,325
Site C - TLUS	91	-	-	100,375
Site C - CCP - BC Hydro	92	-	-	34,717
Cultural - Pattern Agreement	93	-	-	19,680
Petro West Landfill	94	-	-	28,557
TCPL-LNG	95	-	-	967
TCPL - TLUS	96	-	-	215
NGTL	97	-	-	19,642
Amisk Dam - Capacity	98	-	-	4,620
Shell - RSEA	99	-	-	2,600
Greenhouse Project	100	-	-	3,225
Business Development	101	-	-	157,885
<b>Total industry Agreements</b>		<b>1,475,241</b>	<b>1,378,094</b>	<b>1,557,244</b>
<b>Band Owned Companies</b>				
6 Nations	104	14,328	14,328	28,275
Doig River Cattle Limited Partnership	105	384,217	384,217	86,973
6 Acres Industrial Lot - FSJ	106	39,603	39,603	22,939
Joint Venture Dev & Operation	107	447,949	447,949	379,317
Two Rivers Development Corp	108	-	-	941
<b>Total Band Owned Companies</b>		<b>886,097</b>	<b>886,097</b>	<b>518,445</b>

*The accompanying notes are an integral part of these consolidated financial statements*

**Doig River First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2018*

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
<b>Lands and Resources</b>				
Moose Management	110	-	-	76,936
NEB - NGTL North Montney Variance	111	80,000	73,959	8,473
OGC Liaison Position	112	126,451	152,804	74,808
Lands office	113	997,863	998,254	1,160,420
ATK - Caribou Study	114	2,000	1,339	2,493
Enbridge -Spruce Ridge	115	10,000	10,323	-
KTC EcoBase Mapping	116	4,000	3,090	12,105
Spruce Ridge/Atiken TUS	117	-	1,441	-
BC Hydro - CCFA	118	194,000	79,549	-
RSEA - Community Meetings	119	21,879	27,793	4,371
BC - RSEA Capacity Funding	120	100,000	95,515	5,960
CEAA - Towerbirch	121	-	1,699	8,559
BCEAO - Towerbirch	122	-	162	-
BCEAO - North Montney Mainline Project	123	15,000	21,809	-
BCEAO - Sukunka Coal Mine	124	20,000	19,499	-
Tervita Socio Ec	125	18,000	17,728	-
Summer Students - Land	126	-	-	259
CEAA - Environmental Review	127	-	-	10,480
Elders Caribou Camp	128	-	-	4,200
<b>Total Lands and Resources</b>		<b>1,589,193</b>	<b>1,504,964</b>	<b>1,369,064</b>
<b>Other</b>				
Doig River Rodeo	133	60,459	61,196	70
NENAS Training and Employment Programs	134	-	-	9,846
Social housing	135	85,584	120,945	135,740
Band owned housing	136	(46,610)	246,240	396,978
FNESS - Fuel Management	137	9,416	39,554	71,584
Band Office Repairs	138	63,507	63,507	-
MCCAWS - Giving Voices	139	-	-	9,265
<b>Total Other</b>		<b>172,356</b>	<b>531,442</b>	<b>623,483</b>
<b>Community Enhancement</b>				
Community Enhancement - Garden	141	-	-	45,000
Community Enhancement - Silver	142	-	-	33,382
Community Development Projects	143	122,140	122,149	132,416
Community Enhancement - Playground	144	-	-	6,523
Community Enhancement - Maintenance	145	-	-	61,030
Indigenous Prospective Society	146	7,150	6,873	-
Cultural Enhancement	147	-	-	127,930
Community Enhancement - Farming	148	-	-	116,746
Eagle Spirit Energy	149	-	-	16,666
<b>Total Community Enhancement</b>		<b>129,290</b>	<b>129,022</b>	<b>539,693</b>
<b>Total Expenses</b>		<b>17,242,866</b>	<b>18,329,564</b>	<b>12,910,270</b>
<b>Surplus before other items</b>		<b>18,731,070</b>	<b>5,722,080</b>	<b>11,848,742</b>

*Continued on next page*

# Doig River First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2018*

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
<b>Surplus before other items</b> <i>(Continued from previous page)</i>		<b>18,731,070</b>	<b>5,722,080</b>	11,848,742
<b>Other income (expense)</b>				
Gain (loss) on disposal of investments		-	(244,381)	1,092,632
Loss on disposal of tangible capital assets		(906)	(906)	-
Income allocations from Nation Businesses <i>(Note 6)</i>		-	30,496	113,566
		(906)	(214,791)	1,206,198
<b>Surplus</b>		<b>18,730,164</b>	<b>5,507,289</b>	13,054,940
<b>Accumulated surplus, beginning of year</b>		<b>17,988,499</b>	<b>17,988,504</b>	4,933,564
<b>Accumulated surplus, end of year</b>		<b>36,718,663</b>	<b>23,495,793</b>	17,988,504

*The accompanying notes are an integral part of these consolidated financial statements*

**Doig River First Nation**  
**Consolidated Statement of Remeasurement Gains and Losses**  
*For the year ended March 31, 2018*

	<b>2018</b>	<b>2017</b>
<b>Accumulated remeasurement gains, beginning of year</b>	-	-
<b>Unrealized gains (losses) attributable to:</b>		
Unrealized foreign exchange gain	<b>250,596</b>	-
Unrealized remeasurement losses	<b>(56,412)</b>	-
<b>Accumulated remeasurement gains, end of year</b>	<b>194,184</b>	-

*The accompanying notes are an integral part of these consolidated financial statements*

**Doig River First Nation**  
**Consolidated Statement of Change in Net Financial Assets (Net Debt)**

*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Annual surplus</b>	<b>18,740,390</b>	<b>5,507,289</b>	13,054,940
Purchases of tangible capital assets (Schedule 1)	-	<b>(2,541,139)</b>	(6,563,919)
Amortization of tangible capital assets (Schedule 1)	<b>8,144</b>	<b>525,381</b>	520,273
Loss on sale of tangible capital assets	<b>(906)</b>	<b>906</b>	-
Acquisition of prepaid expenses	-	-	(10,000)
Change in remeasurement gains for the year	-	<b>194,184</b>	-
<b>Increase in net financial assets (net debt)</b>	<b>18,747,628</b>	<b>3,686,621</b>	7,001,294
<b>Net debt, beginning of year</b>	<b>(164,830)</b>	<b>(164,830)</b>	(7,166,124)
<b>Net financial assets (net debt), end of year</b>	<b>18,582,798</b>	<b>3,521,791</b>	(164,830)

*The accompanying notes are an integral part of these consolidated financial statements*

**Doig River First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2018*

	2018	2017
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	5,507,289	13,054,940
Non-cash items		
Amortization	525,381	520,273
ISC capital and revenue trust funds re-invested	(1,649)	(1,393)
Income re-invested in Nation's businesses	(30,496)	(134,599)
Community development trust funds re-invested	(5,358,262)	(2,011,467)
Distributions to minors	2,724,334	536,076
Loss on disposal of tangible capital assets	906	-
	3,367,503	11,963,830
Changes in working capital accounts		
Accounts receivable	6,210,544	(7,035,152)
Prepaid expenses	-	(10,000)
Advances and loans to members	(30,107)	7,639
Accounts payable and accruals	224,014	299,642
Contributions carried forward	(6,734)	(110,825)
Trust distributions due to members	291,958	-
	10,057,178	5,115,134
<b>Financing activities</b>		
Advances of current portion of long term debt	-	6,160,000
Repayment of current portion of long term debt	(5,828,259)	(198,113)
Net repayment of S.E.D. Loan	(112,893)	(119,301)
Acquisition of Land Entitlement loans	115,608	176,420
Repayment of Land Entitlement loans	(369,378)	-
	(6,194,922)	6,019,006
<b>Investing activities</b>		
Purchases of tangible capital assets	(2,541,139)	(6,563,919)
Investment in Venturion Oil Ltd.	-	(126,944)
Investment in Nation businesses	(148,390)	-
Investment in Industrial Shuttle	100,000	(100,000)
	(2,589,529)	(6,790,863)
<b>Increase in cash resources</b>	1,272,727	4,343,277
<b>Cash resources, beginning of year</b>	5,915,937	1,572,660
<b>Cash resources, end of year</b>	7,188,664	5,915,937
<b>Cash resources are composed of:</b>		
Cash	7,005,440	5,732,713
Restricted cash	183,224	183,224
	7,188,664	5,915,937

The accompanying notes are an integral part of these consolidated financial statements

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**1. Significant accounting policies**

The consolidated financial statements of the Doig River First Nation ("the First Nation") are the representations of management, and are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada are consistent with accounting policies set out by the Department of Indigenous Services Canada. These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews. Significant aspects of the accounting policies adopted by the First Nation are as follows:

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Unrestricted government transfers are recognized when they become receivable under the terms of applicable funding agreements. Restricted government transfers are deferred and recognized as revenue in the period in which the resources are used for the purposes specified.

Oil and gas royalties are paid in trust to the Government of Canada on behalf of the Doig River First Nation pursuant to the provisions of the Indian Oil and Gas Act and Regulations. This revenue is recognized in the accounts of the Doig River First Nation when reported by the Government of Canada.

Resource and M.O.U. revenue are recognized as they become receivable under the terms of the resource agreement or M.O.U.

***Reporting entity consolidated***

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities not dependent on the Nation for their continuing operations.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Doig River Cattle L.P.
- Doig River Not For Profit Trust
- Community Development Trust

Doig River First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Six Nations Ventures L.P. - 16.6%
- Alamo Contracting L.P.
- Doig River Timber L.P.

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**1. Significant accounting policies** *(Continued from previous page)*

***Tangible capital assets***

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

***Amortization***

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost, less residual value, of the assets over their estimated useful lives.

	<b>Method</b>	<b>Rate</b>
Housing	declining balance	5 %
Infrastructure	declining balance	4 %
Buildings	declining balance	4 %
Buildings - D.R.C.C.	declining balance	4 %
Land - D.R.C.C.	none	0 %
Land - Fort St. John	none	0 %
Land - Traplines	none	0 %
Equipment	declining balance	20 %
Automotive equipment	declining balance	20 %
Computer equipment	declining balance	30 %

***Long-lived assets and discontinued operations***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in surplus for the year ended..

***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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

***Net financial assets (net debt)***

The First Nation's 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 First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

***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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in income in the periods in which they become known.

Accounts receivable, advances and loans to members, are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Investment in Nation business entities is stated after evaluation as to valuation and collectability of advances. Amortization is based on the estimated useful lives of tangible capital assets.



**1. Significant accounting policies** *(Continued from previous page)*

**Segments**

The First Nation conducts its business through 9 of reportable segments:

ISC - Administration

Province of British Columbia

First Nations Health Authority

Trust Funded Programs

Industry Agreements

Band Owned Companies

Lands and Resources

Other

Community Enhancement

These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in this Note.

**ISC capital and revenue trust funds**

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated operating surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**1. Significant accounting policies** *(Continued from previous page)*

**Financial instruments**

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The First Nation subsequently measures investments in equity instruments quoted in an active market, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

**Investments**

Long-term investments in entities that are not owned, controlled or influenced by the First Nation are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

**2. Accounts receivable**

	<b>2018</b>	<b>2017</b>
Oil companies	<b>1,180,164</b>	7,401,948
ISC	<b>8,250</b>	4,675
Other government	<b>314,358</b>	18,750
Joint Venture	<b>1,082,961</b>	1,000,847
Other	<b>589,730</b>	435,759
Province of Alberta	<b>32,000</b>	-
Allowance for doubtful accounts	<b>(1,385,306)</b>	(829,278)
	<b>1,822,157</b>	8,032,701

**3. Restricted cash**

Restricted cash includes:

	<b>2018</b>	<b>2017</b>
CMHC replacement reserve bank account balance	<b>183,224</b>	183,224

# Doig River First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

### 4. Advances and loans to members

Member loans are valued at net realizable value in keeping with accounting standards. This is strictly an accounting valuation and does not reflect the collection policy of the First Nation. Doig River First Nation management has been given the directive to collect all amounts due.

	2018	2017
General member loans	666,895	529,730
Member user fees due	1,160,793	1,102,934
Allowance for doubtful accounts	(1,782,604)	(1,617,687)
	<b>45,084</b>	<b>14,977</b>

### 5. Investment in Venturion Oil Limited - at cost

Doig River First Nation holds 370,340 (2017 - 370,340) common shares of Venturion Oil Limited. As Doig River First Nation does not have significant influence in Venturion Oil Limited this has been recorded at cost.

	2018	2017
Venturion Oil Limited - 370,340 (2017 - 370,340) common shares	626,944	626,944

### 6. Investments in Nation businesses

The First Nation has investments in the following entities:

	Net contributions and (draws)	Current contributions and (draws)	Opening accumulated earnings (loss)	Current earnings (loss)	2018 Total investment
<b>Nation Business</b>					
Six Nation Ventures L.P. 16.6%	20	-	404,416	60,420	464,856
Doig River Timber L.P. 100%	11,455	27,243	495,218	(65,012)	468,904
Alamo Contracting L.P. 100%	1,189,081	121,147	(915,750)	35,085	429,563
	<b>1,200,556</b>	<b>148,390</b>	<b>(16,116)</b>	<b>30,493</b>	<b>1,363,323</b>
					2017
	Net contributions and (draws)	Current contributions and (draws)	Opening accumulated earnings (loss)	Current earnings (loss)	Total investment
<b>Nation Business</b>					
Six Nation Ventures L.P. 16.6%	20	-	394,480	9,936	404,436
Doig River Timber L.P. 100%	(87,477)	98,932	517,805	(22,594)	506,666
Alamo Contracting L.P. 100%	1,266,960	(77,879)	(1,041,971)	126,225	273,335
	<b>1,179,503</b>	<b>21,053</b>	<b>(129,686)</b>	<b>113,567</b>	<b>1,184,437</b>

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**6. Investments in Nation businesses** *(Continued from previous page)*

Condensed financial information for each entity for their respective year end is as follows:

	<b>Six Nation Ventures L.P. - 16.6% As at March 31, 2018</b>	<b>Doig River Timber L.P. - 100% As at March 31, 2018</b>	<b>Alamo Contracting L.P. - 100% As at March 31, 2018</b>	<b>Totals As at March 31, 2018</b>
<b>Assets</b>				
Current assets	274,075	237,971	338,909	850,955
Long term assets	218,936	580,118	466,201	1,265,255
<b>Total assets</b>	<b>493,011</b>	<b>818,089</b>	<b>805,110</b>	<b>2,116,210</b>
<b>Liabilities</b>				
Current liabilities	125,421	50,661	62,092	238,174
Long term liabilities	-	60,550	313,460	374,010
<b>Total liabilities</b>	<b>125,421</b>	<b>111,211</b>	<b>375,552</b>	<b>612,184</b>
<b>Partner capital</b>	<b>367,590</b>	<b>706,878</b>	<b>429,558</b>	<b>1,504,026</b>
<b>Total revenue</b>	<b>390,741</b>	<b>209,778</b>	<b>866,188</b>	<b>1,466,707</b>
<b>Total expenses</b>	<b>330,321</b>	<b>274,790</b>	<b>831,103</b>	<b>1,436,214</b>
<b>Net income (loss)</b>	<b>60,420</b>	<b>(65,012)</b>	<b>35,085</b>	<b>30,493</b>

Doig River First Nation has a 16.6% interest in Six Nations Ventures Limited Partnership through Two Rivers Development Corp., which holds the assets as a trustee. The net earnings shown on these schedules is the 16.6% interest calculated on an accrual basis and does not represent actual distributions made to Doig River First Nation.

Doig River First Nation has a 100% interest in Doig River Timber Limited Partnership through Two Rivers Development Corporation, which holds the assets as a trustee. The net earnings shown on these schedules is the 100% interest calculated on an accrual basis and does not represent actual distributions made to Doig River First Nation.

Doig River First Nation has a 100% interest in Alamo Contractors Limited Partnership through Two Rivers Development Corp., which holds the assets as a trustee. The net earnings shown on these schedules is the 100% interest calculated on an accrual basis and does not represent actual disbursements made to Doig River First Nation.

Advances to these entities are unsecured, non interest bearing and are due on demand.

**7. ISC capital and revenue trust funds**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous and Northern Affairs Canada, with the consent of the Nation's Council.

	<b>2018</b>	<b>2017</b>
<b>Capital Trust</b>		
Balance, beginning of the year	64,352	64,352
Balance, end of year	64,352	64,352
<b>Revenue Trust</b>		
Balance, beginning of year	10,066	8,673
Interest and land leases	1,649	1,393
Balance, end of year	11,715	10,066
	<b>76,067</b>	<b>74,418</b>

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**8. Doig Not For Profit Trust**

Included in the Doig Not For Profit Trust assets of \$176,608 (2017 - \$176,608) is the following loan due from Alamo Contracting L.P.:

- In year ended March 31, 2009, the Doig Not For Profit Trust (N.F.P.) loaned Alamo Contracting L.P. \$170,000. There are no set terms for repayment.

**9. Portfolio investments - Community Development Trust**

	Community Development Trust
<b>Assets</b>	
Doig River community development fund	4,045,364
Doig River minors trust fund	535,459
Doig River minors - AG	2,715,919
Doig River adults - AG	<u>267,171</u>
	7,563,913
<b>Liabilities</b>	
Distributions due to minors	(535,395)
Distributions due to members - AG	(266,958)
Distributions due to minors - AG	<u>(2,750,000)</u>
<b>Net Assets</b>	<u>4,011,560</u>
<b>Receipts</b>	
Capital Contribution from Government of Canada - Agriculture Benefits Claim	14,004,486
Investment income	<u>141,471</u>
<b>Total receipts</b>	<u>14,145,957</u>
<b>Disbursements</b>	
Management fees	77,338
Honorarium payment	1,000
Capital	810,108
PCD members	4,850,000
PCD minors	2,825,000
Western Boundary	255,000
Cultural - Special Project	220,000
Garden	197,608
DRCC	100,000
Loss on sale of investments	<u>244,381</u>
<b>Total disbursements</b>	<u>9,580,435</u>
<b>Surplus</b>	<u>4,565,522</u>

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**9. Portfolio investments - Community Development Trust** *(Continued from previous page)*

The assets of the Community Development trust are made up of portfolio investments. The portfolio investments are denominated in Canadian funds and include investments in money market funds, bond funds, Canadian equity funds, and foreign equity funds. The cost of investments is \$7,620,325 (2017 - \$2,011,467). Cumulative unrealized gains/losses as at March 31, 2018 is \$56,412 (2017 - nil).

**Doig River Community Development Trust**

The Doig River Community Development Trust (the "Trust") was established on June 23, 2016 by Doig River First Nation, to serve as a trust to manage the remainder of the Heritage Trust Fund Transfer, originally managed by Treaty 8 Heritage Trust. The Trust was amended and restated on July 26, 2017. In addition to the above, the Trust was amended to include the management of the Agriculture Benefits Claim settlement with the Government of Canada.

The purpose of the Trust is :

- to hold and keep invested the Trust property;
- to make an initial distribution to members of \$5,000 for the Heritage Fund Transfer, and an additional \$25,000 distribution to members for the Agriculture Benefits Claim settlement;
- to hold any payments due to members that are under the age of 19 years of age until such member reaches the age of 19;
- to use the Trust property for various community projects, that have been budgeted for and approved by majority of members.

**10. Accounts payable**

	<b>2018</b>	2017
Trade payables and accruals	<b>1,075,206</b>	947,895
Chief and Council accumulated severance	<b>108,762</b>	108,762
Payroll related	<b>101,571</b>	4,868
	<b>1,285,539</b>	1,061,525

**11. Contributions carried forward**

	<b>2018</b>	2017
Family Support Worker	<b>40,734</b>	47,468

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**12. Long term debt**

	<b>2018</b>	<b>2017</b>
Farm Credit Canada (FCC) Mortgage repayable at \$47,914 annually, including interest at 3.95%, due April 2022	<b>582,655</b>	606,767
Band Housing - Royal Bank Loan repayable at \$3,110 monthly, including interest at 2.99% due February 2020, secured by ISC Ministerial guarantee	<b>599,368</b>	618,454
Farm Credit Canada (FCC) - interest is payable as incurred at FCC variable rate 3.95% and the principle is repayable on April 2022	<b>500,000</b>	500,000
Farm Credit Canada (FCC) - interest is payable as incurred at FCC variable rate 4.25% and the principle is repayable on April 2022	<b>500,000</b>	500,000
Band Housing - CIBC Mortgage repayable at \$3,325 monthly, including interest at 3.99%, due August 2021, secured by ISC Ministerial guarantee	<b>382,184</b>	402,298
Band Housing - CIBC Mortgage repayable at \$2,279 monthly, including interest at 5.24%, due August 2017, secured by ISC Ministerial guarantee	<b>168,790</b>	186,222
Band Housing - CIBC Mortgage repayable at \$1,526 monthly, including interest at 3.99%, due August 2021, secured by ISC Ministerial guarantee	<b>175,931</b>	185,267
Band Housing - CIBC Mortgage repayable at \$1,937 monthly, including interest at 4.44%, due September 2017, secured by ISC Ministerial guarantee	<b>133,411</b>	149,704
Social Housing - Royal Bank Mortgage repayable at \$3,347 monthly, including interest at 2.93%, due December 2018, secured by ISC Ministerial guarantee	<b>68,448</b>	106,012
Band Housing - Royal Bank Mortgage repayable at \$2,064 monthly, including interest at 2.82%, due March 2018, secured by ISC Ministerial guarantee	<b>115,447</b>	136,640
Royal Bank credit facility - interest is payable as incurred at 3.20%	<b>510,000</b>	510,000
Social Housing - All Nations Trust Company Mortgage paid in full during the year	-	13,129
Royal Bank credit facility - paid in full during the year	-	5,650,000
	<b>3,736,234</b>	<b>9,564,493</b>

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**12. Long term debt** *(Continued from previous page)*

All Farm Credit Corporation of Canada (FCC) loans are secured by land held in the name of Doig River Cattle Company Ltd. with a net book value of \$2,699,230 (2017 - \$2,699,320). The Nation has also guaranteed payment to the FCC up to \$1,000,000.

Some mortgages are secured by guarantees from ISC up to \$695,430 (2017 - \$1,607,130).

RBC credit facilities are secured by pledging of annual revenue and investments due to the Nation from contracts and agreements including but not limited to: BC Hydro Site C Impact and Benefit Agreement, Contracting Agreement and Tripartite Land Agreement with BC Hydro and the Government of British Columbia; Interim Economic Benefits Agreements with the Government of British Columbia; Petrowest Landfill Agreement; Spectra Energy Agreements, including but not limited to the Interim Agreement dated April 1, 2016; and Agricultural Benefits Agreement with the Government of Canada.

Principal repayments on long term debt in each of the next five years, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal
2019	269,159
2020	149,824
2021	125,340
2022	130,865
2023	3,061,046
	<hr/>
	3,736,234

**13. Authorized line of credit**

The Nation has access to a revolving facility by way of a series of term loans authorized to a maximum of \$8,000,000 bearing interest at prime plus 0.5%, sharing security with RBC credit facilities described in note 12, upon which the Nation has not drawn at year end.

The Nation has access to a revolving facility authorized to a maximum of \$1,000,000 bearing interest at prime plus 0.5%, sharing security with RBC credit facilities, described in note 12, upon which the Nation has drawn \$510,000 (\$510,000 in 2017).

**14. Internally restricted funding**

In the year funding of \$243,000 (2017 - \$2,200,000) was received and internally restricted for the building of the Community Church project.

**15. Trust distributions due to members**

The Nation requires that distributions payable to each member who is alive, at least 19 years old, and a member as of the date of the Ratification vote. Distributions of \$25,000 can be in either installments or in one payment as may be determined by each adult member. Trust distributions due to members consist of the total funds held on behalf of the Band Members who have not yet collected their distribution or elected to receive it in installments. Based on the terms of the Trust, interest earned in this segregated account is accrued to members as it is earned. These funds are segregated in a separate investment account as described in Note 9.



**16. ISC Treaty Land Entitlement debt**

Doig River First Nation is negotiating a Treaty Land Entitlement (TLE) claim with the Government of Canada. ISC has made loans to assist the Nation fund these negotiations. Should a loan become due and payable while the claim is still in negotiation, the loan repayment date will be extended for five years or a period deemed appropriate to coincide with the anticipated claim settlement date.

There are eleven components to the loans:

TLE component one, with a balance of \$947,454, is repayable on the earlier of March 31, 2020 or the date on which the claim is settled. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component two, with a balance of \$383,039, is repayable on the earlier of March 31, 2022 or the date on which the claim is settled. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component three, with a balance of \$639,301, is repayable on the earlier of March 31, 2023 or the date on which the claim is settled. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component four, with a balance of \$691,331 is repayable on the earlier of March 31, 2019 or the date on which the claim is settled. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component five, with a balance of \$946,390 is repayable on the earlier of March 31, 2020 or the date on which the claim is settled. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component six, with a balance of \$1,089,201 is repayable on the earlier of March 31, 2021 or the date on which the claim is settled. \$196,000 of this component was repaid in the year. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component seven, with a balance of \$450,885 is repayable on the earlier of March 31, 2022 or the date on which the claim is settled. \$200,000 of this component was repaid in the year. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component eight, with a balance of \$449,824 is repayable on the earlier of March 31, 2023 or the date on which the claim is settled. \$87,768 of this component was repaid in the year. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component nine, with a balance of \$151,032 is repayable on the earlier of March 31, 2019 or the date on which the claim is settled. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component ten, with an original balance of \$176,420 is repayable on the earlier of March 31, 2022 or the date on which the claim is settled. \$81,610 of this component was repaid in the year. The loan is interest free unless the First Nation default or the loans reach maturity.

TLE component eleven, with a balance of \$115,608 is repayable on the earlier of March 31, 2023 or the date on which the claim is settled. The loan is interest free unless the First Nation default or the loans reach maturity.

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**17. Due to Doig S.E.D. Trust**

	2018 \$	2017 \$
S.E.D. - Alamo Contracting L.P.	801,533	873,533
S.E.D. - Doig Loan	520,117	561,010
	<b>1,321,650</b>	<b>1,434,543</b>

The S.E.D. - Doig loan bears no interest and is payable as soon as the funds are available. Doig River First Nation made \$40,893 (2017 - \$47,300) in payments to Doig S.E.D Trust.

The S.E.D. - Alamo Contracting Limited Partnership loan bears no interest and is payable as soon as the funds are available. During the current year Alamo Contracting Limited Partnership made \$72,000 (2017 - \$72,000) in payments to Doig S.E.D. Trust.

**18. Distributions due to minors from Community Development Trust**

The Nation requires that distributions payable to minor Band Members be held by the Trust until the minor reaches the age of 19. Distributions due to minors consist of the total funds held on behalf of the minor Band Members. Based on the terms of the Trust, interest earned in this segregated account is accrued to minors as it is earned. These funds are segregated in a separate investment account as described in Note 9.

**19. Financial Instruments**

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Risk Management Policy***

The First Nation, as part of operations, has established risk management objectives such as avoidance of undue concentrations of risk. In seeking to meet these objectives, the First Nation follows a risk management policy approved by Chief and Council.

***Credit Risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

***Risk management***

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

A credit concentration exists relating to industry accounts receivable. Accounts receivable from BC Hydro represents 11% (2017 - 80%) of total accounts receivable. The balance of accounts receivable is widely distributed among the remainder of the First Nation's large customer base.

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**19. Financial Instruments** *(Continued from previous page)*

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The First Nation enters into transactions to buy and sell shares denominated in United States currency for which the related revenues, expenses, and investment balances are subject to exchange rate fluctuations. As at March 31, 2018, the following items are denominated in United States currency:

	<b>2018</b>	2017
	<b>CAD\$</b>	CAD\$
Portfolio Investments	<b>1,084,782</b>	-

**Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the future cash flow associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities known as price risk.

The Nation is exposed to interest rate cash and flow risk with respect to its operating line of credit and certain long-term debt amounts, which are subject to floating interest rates. The Nation is exposed to interest rate price risk with respect to certain long-term debt amounts which bear interest at rates agreed upon at the time of issuance. The Nation is also exposed to interest rate price risk with respect to its land claims assets which earn interest on investment at fixed annual rates.

**Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The First Nation enters into transactions to purchase portfolio investments, for which the market price fluctuates.

Other price risk is measured using standard deviation, which measures a portfolio investment's volatility regardless of the cause. The First Nation manages its other price risk by utilizing investment managers and custodians to monitor the volatility of the portfolio investments held and manage the investments in accordance to the investment guidelines.

**20. Agricultural benefits claim settlement**

In the current year, the Agricultural Benefits Claim was settled resulting in a total of \$14,004,486 being paid out to the Doig River First Nation. Of this amount, \$369,378 was withheld to settle an outstanding loan with Indigenous Services Canada (ISC).

**21. Comparative figures**

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