

Doig River First Nation
Consolidated Financial Statements
March 31, 2019

Doig River First Nation

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For the year ended March 31, 2019

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Management's Responsibility

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 Members 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, 2019

Originally signed by Shona Nelson

Administrator

Independent Auditor's Report

To the Members of Doig River First Nation:

Opinion

We have audited the consolidated financial statements of Doig River First Nation and its subsidiaries (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations and accumulated surplus, its consolidated remeasurement gains and losses, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 consolidated 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 First Nation'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 First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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.

Edmonton, Alberta

July 29, 2019

MNP LLP

Chartered Professional Accountants

Doig River First Nation

Consolidated Statement of Financial Position

As at March 31, 2019

	2019	2018
Financial assets		
Cash	3,812,197	7,005,440
Accounts receivable (Note 2)	1,892,129	1,822,157
Inventory for resale (Note 3)	339,138	-
Restricted cash (Note 4)	183,224	183,224
Advances and loans to members (Note 5)	75,170	45,084
Investments in Venturion Oil Ltd. (Note 6)	626,944	626,944
Investments in Nation businesses (Note 7)	3,334,677	1,363,323
Investment in EBA Development Corp. - at cost	266,668	266,668
ISC capital and revenue trust funds (Note 8)	76,954	76,067
Doig Not For Profit Trust (Note 9)	176,608	176,608
Portfolio investments -Community Development Trust (Note 10)	5,374,888	7,563,913
Total of assets	16,158,597	19,129,428
Liabilities		
Accounts payable and accruals (Note 11)	1,576,818	1,285,539
Contributions carried forward (Note 12)	-	40,734
Long term debt (Note 13)	11,422,275	3,736,234
Trust distributions due to members (Note 16)	66,533	291,958
ISC Treaty Land Entitlement debt (Note 17)	6,037,908	5,671,107
Due to Doig S.E.D. Trust (Note 18)	1,237,510	1,321,650
Distributions due to minors (Note 19)	3,173,165	3,260,415
Reclamation liability (Note 20)	98,438	-
Total of financial liabilities	23,612,647	15,607,637
Net financial assets (net debt)	(7,454,050)	3,521,791
Contingencies (Note 21)		
Non-financial assets		
Tangible capital assets (Schedule 1)	30,880,356	20,158,186
Prepaid expenses	10,000	10,000
Accumulated surplus	23,436,306	23,689,977
Accumulated surplus is comprised of:		
Accumulated surplus	23,347,358	23,495,793
Accumulated remeasurement gains	88,948	194,184
	23,436,306	23,689,977

Approved on behalf of the Nation

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, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue				
Indigenous Services Canada	2,396,566	2,396,566	2,077,764	
OGC revenue	700,000	792,073	526,451	
First Nation Health Authority	492,302	492,302	378,987	
Grant	55,393	138,400	132,887	
Other revenue	39,000	112,000	-	
C.M.H.C. Subsidy	17,517	17,517	25,584	
Other government funding	170,318	13,500	2,250	
Province of British Columbia	1,476,660	836,732	280,734	
Other revenue	12,263,102	5,336,107	2,760,108	
Joint Venture income	2,061,151	1,507,315	2,855,847	
Permanent trust band benefits allocation	712,210	557,317	371,686	
Social Economic Development trust allocation	-	338,184	-	
Rental income	-	289,850	-	
Company sponsorship and donations	15,000	45,776	135,024	
Investment income	5,000	173,817	141,471	
Draws to/from Community Development Trust	6,315,345	6,000	-	
Cattle revenue	337,462	19,872	59,688	
RRSA income	-	8,714	11,607	
Band revenue funds	-	887	1,649	
Site C revenue	150,000	-	15,000	
User fees	132,400	-	85,119	
Spectra revenue	80,000	-	139,199	
Capital contribution - Community Development Trust	50,925	-	14,004,486	
Social Economic Development trust allocation	38,067	-	-	
TCPL revenue	-	-	40,000	
Interest income	-	-	6,103	
	27,508,418	13,082,929	24,051,644	

Continued on next page

Doig River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
<i>(Continued from previous page)</i>		27,508,418	13,082,929	24,051,644
Program expenses				
ISC - Administration				
Band administration	4	971,010	1,708,706	960,911
Social assistance	5	339,568	420,004	358,824
Public works	6	132,634	320,212	179,725
Capital program	7	-	511,240	517,237
ISC Economic Development	8	16,664	16,664	17,436
TLE - Claim Expenditures	9	365,555	366,801	117,629
Mineral Rights General Expense	10	-	36,844	224,398
General Education	11	16,295	31,170	40,476
Post Secondary Education	12	97,536	129,313	145,821
SPI - West Coast Energy	13	250,000	255,236	252,610
Long Term Water CPMS 7048	14	323,842	329,106	95,944
Facilities	15	239,642	406,738	279,110
SPI - RSEA	16	42,192	23,352	29,237
Industrial Lot Planning	17	676,729	5,000	251,574
CWJI - Community Wellbeing	18	162,131	162,131	-
P&ID	19	-	-	59,789
Housing Infrastructure & Maintenance Plan	20	-	-	28,900
BC Capacity Initiative - CCP	21	-	-	56,719
CPMS11682 Lagoon Sludge Removal	22	-	-	21,956
CPMS#11676 Well Decommissioning	23	-	-	55,516
Election	24	-	-	10,587
Fisheries & Oceans	25	-	-	21,773
Emergency Management Preparedness	26	-	-	12,232
Specific Claims - Trapline	27	-	-	2,928
Total ISC - Administration		3,633,798	4,722,517	3,741,332
Province of British Columbia				
MCFD-FSW Funds	29	-	8,743	6,734
G2G Interim	30	-	555,321	807,145
Employment and Training	31	189,108	90,338	186,909
BC - Rural Dividend Fund	32	62,500	44,763	40,904
Tsaa? Che Ne Dane Cultural Program	33	103,833	40,663	-
BC Govt - RSEA - Trails	34	220,083	9,179	-
Kema - LTK Award	35	50,330	43,606	-
BC - Indigenous Skill Training	36	55,688	59,865	-
Province of BC - T8 Visibility	37	218,750	7,655	-
TLE - Province of BC	38	50	32,252	-
Family Support Worker	39	-	3,634	-
EBA Community Comprehensive Planning	40	-	-	5,197
G2G Province of BC Negotiations	41	-	-	69,392
Total Province of British Columbia		900,342	896,019	1,116,281

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, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
First Nations Health Authority				
Head Start on Reserve	44	63,116	63,116	154,325
Brighter Futures	45	40,820	40,820	44,816
Mental Health	46	24,852	24,852	26,542
NNADAP	47	70,000	70,000	62,984
Diabetes Initiative	48	16,446	16,446	16,428
Comm Health Rep	49	46,172	46,172	48,227
HIV/Aids	50	503	503	508
Drinking Water Safety Program	51	16,012	16,012	32,109
Health Planning & Management	52	55,661	55,661	46,754
Facility Maintenance	53	24,121	24,121	27,271
NIHB - Patient Travel	54	30,250	30,250	50,066
NIHB - Visiting Specialist	55	1,956	4,703	8,486
Community Nurse	56	70,557	70,557	25,004
CAI - Alcohol-related Harms	57	15,000	10,116	-
Prenatal Nutrition	58	6,493	6,493	6,493
Solvent Abuse	59	5,400	5,400	5,824
FNHA - TLBH	60	10,629	10,629	-
FNHA - ELCC	61	15,000	15,000	-
Total First Nations Health Authority		512,988	510,851	555,837
Trust Funded Programs				
Community Development Trust	63	2,840	134,849	7,784,031
Trust Stay In School	64	89,000	84,803	92,180
Cultural Fur Purchases	65	35,000	22,752	15,454
Trust Funeral Fund	66	1,638	33,135	17,537
Trust Elder's Program	67	400,000	156,761	166,452
Trust On & Off Reserve Housing Expenses	68	35,000	28,177	33,085
Community Development Trust Land Acquisition	69	440,000	584,162	223,027
Permanent Trust Property Tax	70	40,000	47,410	41,155
Trust Emergency Fund	71	50,000	58,043	65,490
Trust Youth Sponsorship	72	165,000	96,611	47,522
Trust fund programs	73	40,000	340,660	-
Language & Culture	74	-	-	562
Total Trust Funded Programs		1,298,478	1,587,363	8,486,495

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, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Industry Agreements				
Cultural - Special Projects	77	271,833	150,373	6,383
Litigation	78	303,000	46,567	218,356
Site C - Burial Site Work	79	-	637	21,454
CNRL	80	65,000	51,308	60,000
Site C - Impact Benefit Agreement	81	955,000	707,687	686,261
Govt of AB - FNCCIP	82	80,000	98,189	76,654
BC Hydro - PRES/ GMS - Communi	83	60,000	79,727	64,185
BC Hydro - Pres - CCFA	84	-	7,171	9,053
BC Hydro - renewal agreement	85	-	6,339	8,287
Boundary Lake LOA Project (NGTL)	86	623,369	27,759	89,972
Encana	87	-	15,000	2,905
West Coast Energy Fund - NRT	88	58,000	66,351	-
TCPL - North Path Consultation/Capacity	89	-	-	5,047
TCPL - North Path TUS	90	-	-	74,282
TCPL - Boundarylake	91	-	-	13,186
Site C Impact Benefit Agreement Negotiations	92	-	-	17,809
Govt of AB - Con Policy Review	93	-	-	10,246
TCPL - Saddle West Consultation/Capac	94	-	-	14,014
Total industry Agreements		2,416,202	1,257,108	1,378,094
Band Owned Companies				
6 Nations	98	147,500	18,199	14,328
Doig River Cattle Limited Partnership	99	227,062	329,717	384,217
Doig River Enterprises	100	40,000	6,644	39,603
Uujo Developments	101	1,000,042	896,359	447,949
1166187 BC Ltd.	102	1,000	9,401	-
1086234 BC Ltd.	103	1,000	2,698	-
1166191 BC Ltd.	105	1,000	376	-
Total Band Owned Companies		1,417,604	1,263,394	886,097

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, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Lands and Resources				
OGC Liaison Position	108	120,100	188,638	152,804
Lands office	109	1,824,500	720,016	998,254
KTP EcoBase Mapping	110	-	1,413	3,090
BC Hydro - CCFA	111	318,000	95,508	79,549
BC - RSEA Capacity Funding	112	35,250	63,537	95,515
Tervita Socio Ec	113	51,750	2,131	17,728
KTP - Quick Start	114	125,000	293,692	-
BC Hydro - GMS Riprap Project	115	108,450	6,862	-
TransCanada-Coastal Gas Link	116	127,500	3,749	-
Monitors	117	125,100	218,630	-
Govt of Canada - CWS - Caribou	118	95,550	4,696	-
NEB - NGTL North Montney Variance	119	-	-	73,959
ATK - Caribou Study	120	-	-	1,339
Enbridge - Spruce Ridge	121	-	-	10,323
RSEA - Community Meetings	122	-	-	27,793
CEAA - Towerbirch	123	-	-	1,699
BCEAO - Towerbirch	124	-	-	162
Spruce Ridge/Atiken TUS	125	-	-	1,441
BCEAO - North Montney Mainline Project	126	-	-	21,809
BCEAO - Sukunka Coal Mine	127	-	-	19,499
Total Lands and Resources		2,931,200	1,598,872	1,504,964
Other				
Doig River Rodeo	129	-	12,172	61,196
NENAS Training and Employment Programs	130	57,245	59,000	-
Social housing	131	131,250	165,498	120,945
Band owned housing	132	520,750	581,078	246,240
Band Office Repairs	133	200,000	236,026	63,507
Band Education	134	-	20,329	-
MCF - Strengthening Families	135	-	61,985	-
Elders Utility Supports	136	-	114	-
FNESS - Fuel Management	137	-	-	39,554
Total Other		909,245	1,136,202	531,442
Community Enhancement				
Community Development Projects	139	276,013	215,427	122,149
Community Church	140	243,000	21,779	-
Community Bus	141	3,000	200	-
Indigenous Prospective Society	142	-	-	6,873
Total Community Enhancement		522,013	237,406	129,022
Total Expenses		14,541,870	13,209,732	18,329,564
Surplus (deficit) before other items		12,966,548	(126,803)	5,722,080

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Doig River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Surplus (deficit) before other items <i>(Continued from previous page)</i>		12,966,548	(126,803)	5,722,080
Other income (expense)				
Gain (loss) on disposal of investments	-	65,049	(244,381)	
Gain (loss) on disposal of tangible capital assets	-	44,287	(906)	
Income allocations from Nation Businesses <i>(Note 7)</i>	-	(130,968)	30,496	
	-	(21,632)	(214,791)	
Surplus (deficit)		12,966,548	(148,435)	5,507,289
Accumulated surplus, beginning of year		36,718,663	23,495,793	17,988,504
Accumulated surplus, end of year		49,685,211	23,347,358	23,495,793

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, 2019

	2019	2018
Accumulated remeasurement gains, beginning of year	194,184	-
Unrealized gains (losses) attributable to:		
Unrealized foreign exchange gain (loss)	(4,463)	250,596
Unrealized remeasurement gains (losses)	(165,822)	187,969
Amounts reclassified to the statement of operations:		
Portfolio investments	65,049	(244,381)
Change in remeasurement gains, for the year	(105,236)	194,184
Accumulated remeasurement gains, end of year	88,948	194,184

Doig River First Nation
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2019

	2019 Budget	2019	2018
Annual surplus (deficit)	15,572,672	(148,435)	5,507,289
Purchases of tangible capital assets <i>(Schedule 1)</i>	-	(11,283,114)	(2,541,139)
Amortization of tangible capital assets <i>(Schedule 1)</i>	-	552,731	525,381
(Gain) loss on sale of tangible capital assets	(44,287)	(44,287)	906
Proceeds of disposal of tangible capital assets	-	52,500	-
Change in remeasurement gains for the year	-	(105,236)	194,184
Increase (decrease) in net debt	15,528,385	(10,975,841)	3,686,621
Net financial assets (net debt), beginning of year	18,852,798	3,521,791	(164,830)
Net financial assets (net debt), end of year	34,381,183	(7,454,050)	3,521,791

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, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(148,435)	5,507,289
Non-cash items		
Amortization	552,731	525,381
ISC capital and revenue trust funds re-invested	(878)	(1,649)
Income re-invested in Nation's businesses	130,968	(30,496)
Community development trust funds withdrawn (re-invested)	-	(5,358,262)
Distributions to minors	(87,250)	2,724,334
Loss on disposal of tangible capital assets	(44,287)	906
	402,849	3,367,503
Changes in working capital accounts		
Accounts receivable	(69,972)	6,210,544
Inventory	(339,138)	-
Advances and loans to members	(30,086)	(30,107)
Accounts payable and accruals	291,279	224,014
Contributions carried forward	(40,734)	(6,734)
Trust distributions due to members	(225,425)	291,958
	(11,227)	10,057,178
Financing activities		
Advances of long term debt	9,951,112	-
Repayment of long term debt	(2,265,071)	(5,828,259)
Net repayment of S.E.D. Loan	(84,140)	(112,893)
Acquisition of Land Entitlement loans	366,801	115,608
Repayment of Land Entitlement loans	-	(369,378)
Reclamation liability	98,438	-
	8,067,140	(6,194,922)
Investing activities		
Purchases of tangible capital assets	(11,283,114)	(2,541,139)
Investment in Nation businesses	(2,102,331)	(148,390)
Withdrawals from portfolio investments	2,083,789	-
Investment in Industrial Shuttle	-	100,000
Proceeds of disposal of tangible capital assets	52,500	-
	(11,249,156)	(2,589,529)
Increase (decrease) in cash resources	(3,193,243)	1,272,727
Cash resources, beginning of year	7,188,664	5,915,937
Cash resources, end of year	3,995,421	7,188,664
Cash resources are composed of:		
Cash	3,812,197	7,005,440
Restricted cash	183,224	183,224
	3,995,421	7,188,664

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, 2019

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. 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%
- Uujo Management L.P.
- Uujo Management G.P.

During the year a corporate reorganization took place in which Doig River Timber L.P. and Alamo Contracting L.P. moved under the umbrella of Uujo Management L.P. effective January 1, 2019.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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.

	Method	Rate
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 (deficit).

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. Reclamation liability, is stated after evaluation of future costs to restore the gravel pit to useful land after sale of gravel inventory.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

Reclamation liability

Expenditures that relate to on-going environmental and remediation programs are charged against surplus (deficit) as incurred. A liability for reclamation reflects management's best estimate of the amount required to remediate the site. The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future site reclamation.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

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 monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies 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, 2019

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

	2019	2018
Oil companies	1,866,285	1,180,164
Joint Venture	312,088	1,082,961
Other	1,244,044	589,730
Other Government	-	314,358
Province of Alberta	-	32,000
ISC	-	8,250
Allowance for doubtful accounts	(1,530,288)	(1,385,306)
	1,892,129	1,822,157

3. Inventory

Inventory includes:

	2019	2018
Gravel	339,138	-

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

4. Restricted cash

Restricted cash includes:

	2019	2018
CMHC replacement reserve bank account balance	183,224	183,224

5. 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.

	2019	2018
General member loans	674,933	666,895
Member user fees due	1,324,383	1,160,793
Allowance for doubtful accounts	(1,924,146)	(1,782,604)
	75,170	45,084

6. Investment in Venturion Oil Limited - at cost

Doig River First Nation holds 370,340 (2018 - 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.

	2019	2018
Venturion Oil Limited - 370,340 (2018 - 370,340) common shares	626,944	626,944

7. Investments in Nation businesses

The First Nation has investments in the following entities:

	<i>Net contributions and (draws)</i>	<i>Current contributions and (draws)</i>	<i>Opening accumulated earnings (loss)</i>	<i>Current earnings (loss)</i>	2019 Total investment
Nation Business					
Six Nation Ventures L.P. 16.6%	20	-	464,836	65,026	529,882
Uujo Management L.P. 100%	1,348,926	2,103,315	(450,456)	33,527	3,035,312
Uujo Management G.P. 100%	-	-	-	(229,521)	(229,521)
	1,348,946	2,103,315	14,380	(130,968)	3,335,673

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

7. Investments in Nation businesses (Continued from previous page)

	Net contributions and (draws)	Current contributions and (draws)	Opening accumulated earnings (loss)	Current earnings (loss)	2018 Total investment
Nation Business					
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	(65,005)	468,911
Alamo Contracting L.P. 100%	1,189,081	121,147	(915,750)	35,081	429,559
	1,200,556	148,390	(16,116)	30,496	1,363,326

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

	Six Nation Ventures L.P. - 16.6% As at March 31, 2019	Uujo Management L.P. - 100% As at March 31, 2019	Uujo Management G.P. - 100% As at March 31, 2019
Assets			
Current assets	294,109	2,289,558	41,188
Long term assets	262,025	1,246,286	-
Total assets	556,134	3,535,844	41,188
Liabilities			
Current liabilities	33,552	117,390	808
Long term liabilities	-	388,667	170,000
Total liabilities	33,552	506,057	170,808
Partner capital	522,582	3,029,787	(129,620)
Total revenue	443,432	1,293,698	-
Total expenses	378,406	1,261,167	229,521
Net income (loss)	65,026	32,531	(229,521)

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% net-income calculated on an accrual basis and does not represent actual distributions made to Doig River First Nation.

January 1, 2019, Doig River Timber Limited Partnership and Alamo Contracting Limited Partnership re-organized into Uujo Management Limited Partnership. Doig River First Nation has a 100% interest in Uujo Management Limited Partnership through Uujo Holdings Ltd., which holds the assets as a bare trustee. The net earnings shown on these schedules are the net income 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 Uujo Management General Partnership through Uujo Holdings Ltd., which holds the assets as a trustee. The net earnings shown on these schedules are the net income 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.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. 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.

	2019	2018
Capital Trust		
Balance, beginning of the year	64,352	64,352
Balance, end of year	64,352	64,352
Revenue Trust		
Balance, beginning of year	11,715	10,066
Interest and land leases	887	1,649
Balance, end of year	12,602	11,715
	76,954	76,067

9. Doig Not For Profit Trust

Included in the Doig Not For Profit Trust assets of \$176,608 (2018 - \$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.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Portfolio investments - Community Development Trust

	Community Development Trust
Assets	
Doig River community development fund	2,103,681
Doig River minors trust fund	538,486
Doig River minors - AG	2,710,935
Doig River adults - AG	21,786
	<u>5,374,888</u>
Liabilities	
Distributions due to minors	(3,173,165)
Distributions due to members	(66,533)
	<u>(3,239,698)</u>
Net Assets	<u>2,135,190</u>
Receipts	
Investment income	176,695
Gain on sale of investments	65,049
Foreign exchange gain	4,537
	<u>246,281</u>
Total receipts	<u>246,281</u>
Disbursements	
Management fees	72,567
Withholding tax	2,878
Capital	800,000
PCD members	227,425
PCD minors	178,043
Disbursements to DRFN	1,286,169
	<u>2,567,082</u>
Total disbursements	<u>2,567,082</u>
Deficit	<u>(2,320,801)</u>

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 \$5,285,940 (2018 - \$7,620,325). Cumulative unrealized gains as at March 31, 2019 are \$140,776 (2018 - losses of 56,412).

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 to include the management of the Agriculture Benefits Claim settlement with the Government of Canada.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

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.

11. Accounts payable

	2019	2018
Trade payables and accruals	1,372,181	1,075,206
Chief and Council accumulated severance	108,762	108,762
Payroll related	95,875	101,571
	1,576,818	1,285,539

12. Contributions carried forward

	2019	2018
Family Support Worker	-	40,734

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

13. Long term debt

	2019	2018
Royal Bank term loan - interest only payments payable as incurred at variable rate 4.45%, due June 2019.	8,157,047	510,000
CIBC Loan payable at \$16,199 monthly, including interest at 4.00%, due November 2023	1,556,422	-
Band Housing - Royal Bank Loan repayable at \$3,110 monthly, including interest at 2.99% due February 2020, secured by ISC Ministerial guarantee	579,703	599,368
Band Housing - CIBC Mortgage repayable at \$1,803 biweekly, including interest at 3.54%, due March 2025, secured by ISC Ministerial guarantee	348,118	382,184
CIBC Loan payable at \$3,911 monthly, including interest at 4.00%, due November 2023	237,643	-
Band Housing - CIBC Mortgage repayable at \$1,812 monthly, including interest at 3.54%, due April 2025, secured by ISC Ministerial guarantee	160,629	175,931
Band Housing - CIBC Mortgage repayable at \$2,424 monthly, including interest at 3.54%, due April 2025, secured by ISC Ministerial guarantee	145,738	168,790
Band Housing - CIBC Mortgage repayable at \$2,122 monthly, including interest at 3.49%, due April 2023, secured by ISC Ministerial guarantee	112,660	133,411
Social Housing - Royal Bank Mortgage repayable at \$3,091 monthly, including interest at 3.05%, due December 2019, secured by ISC Ministerial guarantee	30,554	68,448
Band Housing - Royal Bank Mortgage repayable at \$2,075 monthly, including interest at 3.04%, due March 2023, secured by ISC Ministerial guarantee	93,761	115,447
Farm Credit Canada (FCC) Mortgage paid in full during the year	-	582,655
Farm Credit Canada (FCC) paid in full during the year	-	500,000
Farm Credit Canada (FCC) paid in full during the year	-	500,000
	11,422,275	3,736,234

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

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

All Farm Credit Corporation of Canada (FCC) loans were secured by land held in the name of Doig River Cattle Company Ltd. with a net book value of \$2,699,230 (2018 - \$2,699,230). The Nation has also guaranteed payment to the FCC up to \$Nil (2018 - \$1,000,000).

Some mortgages are secured by guarantees from ISC up to \$712,163 (2018 - \$695,430).

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
2020	9,036,484
2021	280,552
2022	292,422
2023	304,922
2024	1,507,895
	11,422,275

14. Authorized line of credit

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 13, upon which the Nation has drawn \$nil (\$510,000 in 2018).

15. Internally restricted funding

In the 2019 year, funding of \$67,085 (2018 - \$243,000) was received and internally restricted for the building of the Community Church project.

16. 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 10.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

17. 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 twelve 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. The loan is interest free unless the First Nation defaults or the loans reach maturity.

TLE component seven, with a balance of \$250,885 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 eight, with a balance of \$362,056 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 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 \$94,810 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 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.

TLE component twelve, with a balance of \$366,801 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, 2019

18. Due to Doig S.E.D. Trust

	2019 \$	2018 \$
S.E.D. - Alamo Contracting L.P.	765,533	801,533
S.E.D. - Doig Loan	471,977	520,117
	1,237,510	1,321,650

The S.E.D. - Doig loan bears no interest and is payable as soon as the funds are available. Doig River First Nation made \$48,140 (2018 - \$40,893) 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 \$36,000 (2018 - \$72,000) in payments to Doig S.E.D. Trust.

19. 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 10.

20. Reclamation liability

Under Provincial legislation, the First Nation is required to reclaim certain land used for the extraction of aggregate material. Reclamation requirements have been defined in accordance with industry standards and include re-vegetation of sites upon closure. The County owns and operates aggregate extraction sites. The aggregate is intended to be sold. An amount of \$98,438 has been accrued.

The reported liabilities are based on estimates and assumptions using the best information available at the end of the reporting period. Future events, such as changes to regulatory requirements, may result in significant changes to the estimated total liabilities and will be recognized prospectively, as a change in estimate, when applicable.

21. Contingencies

These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments, that may include repayment of amounts funded, could be made based on the results of their reviews.

22. 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.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

22. Financial Instruments (Continued from previous page)

Risk management

2019 **2018**

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 13% (2018 - 11%) of total accounts receivable and accounts receivable from Province of BC represents 15% (2018 - \$nil) or total accounts receivable. The balance of accounts receivable is widely distributed among the remainder of the First Nation's large customer base.

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, 2019, the following items are denominated in United States currency:

	2019	2018
	CAD\$	CAD\$
Portfolio Investments	588,326	1,084,782

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.

23. Agricultural benefits claim settlement

In the prior year, the Agricultural Benefits Claim was settled resulting in a total of \$nil (2018 - \$14,004,486) being paid out to the Doig River First Nation. Of this amount, \$nil (2018 - \$369,378) was withheld to settle an outstanding loan with Indigenous Services Canada (ISC).

24. Comparative figures

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