

**Doig River First Nation**  
**Consolidated Financial Statements**  
*March 31, 2021*

# Doig River First Nation

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*For the year ended March 31, 2021*

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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 Chief and 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.

August 19, 2021

Originally signed by Shona Nelson

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Band Manager

# Independent Auditor's Report

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To the Members of Doig River First Nation:

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, 2021, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net debt 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, 2021, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net financial assets (net debt) and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## **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

August 19, 2021

*MNP LLP*

Chartered Professional Accountants

**Doig River First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2021*

	2021	2020
<b>Financial assets</b>		
Cash	1,464,402	1,706,544
Accounts receivable (Note 2)	1,619,877	1,952,415
Inventory for resale (Note 3)	339,138	339,138
Advances and loans to members (Note 4)	40,052	60,555
Investments in Venturion Oil Ltd. (Note 5), (Note 23)	111,000	626,944
Investments in Nation businesses (Note 6)	9,334,927	6,912,367
Investment in EBA Development Corp. - at cost	266,668	266,668
ISC capital and revenue trust funds (Note 7)	79,984	79,061
Doig Not For Profit Trust (Note 8)	6,608	176,608
Portfolio investments -Community Development Trust (Note 9)	5,411,529	4,860,813
<b>Total of assets</b>	<b>18,674,185</b>	<b>16,981,113</b>
<b>Liabilities</b>		
Accounts payable and accruals (Note 11)	1,990,008	1,644,598
Deferred revenue (Note 12)	2,260,855	1,726,841
Long term debt (Note 13)	10,755,052	11,083,590
Trust distributions due to members (Note 9), (Note 14)	48,533	54,533
ISC Treaty Land Entitlement debt (Note 15)	6,174,934	6,159,934
Due to Doig S.E.D. Trust (Note 16)	785,493	956,615
Distributions due to minors (Note 9), (Note 17)	2,919,640	3,016,302
Reclamation liability (Note 18)	98,438	98,438
Promissory note (Note 19)	100,000	-
<b>Total of financial liabilities</b>	<b>25,132,953</b>	<b>24,740,851</b>
<b>Net debt</b>	<b>(6,458,768)</b>	<b>(7,759,738)</b>
<b>Contingencies (Note 20)</b>		
<b>Subsequent events (Note 23)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	34,093,146	32,426,517
Prepaid expenses	18,000	15,000
<b>Total non-financial assets</b>	<b>34,111,146</b>	<b>32,441,517</b>
<b>Accumulated surplus</b>	<b>27,652,378</b>	<b>24,681,779</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated surplus	27,126,309	24,796,580
Accumulated remeasurement gains (losses)	526,069	(114,801)
	<b>27,652,378</b>	<b>24,681,779</b>

Approved on behalf of the First Nation

Originally signed by Trevor Makadahay

Chief

Originally signed by Kelvin Davis Jr.

Councilor

**Doig River First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2021*

	<i>Schedules</i>	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
<b>Revenue</b>				
Indigenous Services Canada		2,721,444	<b>2,358,225</b>	1,539,111
OGC revenue		700,000	<b>751,098</b>	749,460
First Nation Health Authority		496,231	<b>615,851</b>	429,786
Grant		100,393	<b>172,181</b>	22,045
Other government funding		250,318	<b>140,562</b>	212,333
Employment and Social Development Canada		-	<b>99,977</b>	-
C.M.H.C. Subsidy		-	<b>19,030</b>	-
Province of British Columbia		2,016,185	<b>4,202,894</b>	3,807,317
Other revenue		3,818,071	<b>3,188,490</b>	3,206,131
Permanent trust band benefits allocation		443,710	<b>512,823</b>	458,555
Rental income		-	<b>345,958</b>	325,425
Company sponsorship and donations		45,000	<b>201,600</b>	453,227
Investment income		5,000	<b>54,620</b>	63,338
Capacity agreement		-	<b>30,806</b>	-
Joint Venture income		200,000	<b>23,258</b>	550
Cattle revenue		-	<b>17,600</b>	36,125
Interest income		-	<b>6,749</b>	17,749
Band revenue funds		-	<b>923</b>	2,107
Social Economic Development trust allocation		-	-	122,356
Draws to/from Community Development Trust		970,020	-	-
Site C revenue		150,000	-	-
Capital contribution - Community Development Trust		50,925	-	-
Social Economic Development trust allocation		6,523	-	-
Deferred revenue - current year		-	<b>(457,580)</b>	-
		<b>11,973,820</b>	<b>12,285,065</b>	11,445,615
<b>Expenses</b>				
ISC	3	3,119,152	<b>4,478,104</b>	3,045,341
Province of British Columbia	4	2,300,185	<b>1,299,333</b>	2,347,423
First Nations Health Authority	5	616,623	<b>714,034</b>	545,324
Trust Funded Programs	6	1,738,478	<b>831,725</b>	846,411
Industry Agreements	7	922,725	<b>321,729</b>	285,866
Band Owned Companies	8	96,550	<b>430,178</b>	606,004
Land and Resources	9	3,005,113	<b>1,973,925</b>	2,074,711
Other	10	600,864	<b>2,002,928</b>	2,348,631
Community Enhancement	11	317,396	<b>215,892</b>	120,425
		12,717,086	<b>12,267,848</b>	12,220,136
<b>Surplus (deficit) before other items</b>		<b>(743,266)</b>	<b>17,217</b>	<b>(774,521)</b>
<b>Other income (expense)</b>				
Income allocations from Nation Businesses (Note 6)		-	<b>2,816,132</b>	2,200,395
Gain on disposal of investments		-	<b>12,324</b>	23,348
Investment write-down		-	<b>(515,944)</b>	-
		-	<b>2,312,512</b>	2,223,743
<b>Surplus</b>		<b>(743,266)</b>	<b>2,329,729</b>	<b>1,449,222</b>

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**Doig River First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2021*

	<i>Schedules</i>	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
<b>Surplus</b> <i>(Continued from previous page)</i>		<b>(743,266)</b>	<b>2,329,729</b>	1,449,222
<b>Accumulated surplus, beginning of year</b>		-	<b>24,796,580</b>	23,347,358
<b>Accumulated surplus, end of year</b>		<b>(743,266)</b>	<b>27,126,309</b>	24,796,580



**Doig River First Nation**  
**Consolidated Statement of Remeasurement Gains and Losses**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Accumulated remeasurement gains (losses), beginning of year</b>	<b>(114,801)</b>	<b>88,948</b>
<b>Unrealized gains (losses) attributable to:</b>		
Unrealized foreign exchange gains (losses)	<b>1,512</b>	<b>(13,822)</b>
Unrealized remeasurement gains (losses)	<b>627,034</b>	<b>(213,275)</b>
<b>Amounts reclassified to the statement of operations:</b>		
Portfolio investments	<b>12,324</b>	<b>23,348</b>
<b>Change in remeasurement gains (losses), for the year</b>	<b>640,870</b>	<b>(203,749)</b>
<b>Accumulated remeasurement gains (losses), end of year</b>	<b>526,069</b>	<b>(114,801)</b>

**Doig River First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2021*

	<i>2021 Budget</i>	<i>2021</i>	<i>2020</i>
<b>Annual surplus</b>	<b>(743,266)</b>	<b>2,329,729</b>	1,449,222
Purchases of tangible capital assets <i>(Schedule 1)</i>	-	<b>(2,241,843)</b>	(2,112,398)
Amortization of tangible capital assets <i>(Schedule 1)</i>	-	<b>575,214</b>	566,237
	-	<b>(1,666,629)</b>	(1,546,161)
Acquisition of prepaid expenses	-	<b>(3,000)</b>	(5,000)
Change in remeasurement gains (losses) for the year	-	<b>640,870</b>	(203,749)
	-	<b>637,870</b>	(208,749)
<b>Increase in net debt/(Decrease) to net financial assets</b>	<b>(743,266)</b>	<b>1,300,970</b>	(305,688)
<b>Net debt, beginning of year</b>	<b>(7,454,050)</b>	<b>(7,759,738)</b>	(7,454,050)
<b>Net debt, end of year</b>	<b>(8,197,316)</b>	<b>(6,458,768)</b>	(7,759,738)

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

**Doig River First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus	2,329,729	1,449,222
Non-cash items		
Amortization	575,214	566,237
ISC capital and revenue trust funds re-invested	(923)	(2,107)
Income re-invested in Nation's businesses	(2,815,851)	(2,200,395)
Distributions to minors	(96,681)	(156,863)
Community Development Trust income re-invested	56,143	63,338
	47,631	(280,568)
Changes in working capital accounts		
Accounts receivable	332,538	(60,285)
Prepaid expenses	(3,000)	(5,000)
Advances and loans to members	20,503	14,615
Accounts payable and accruals	345,146	68,796
Deferred revenue	534,014	1,726,841
Trust distributions due to members	(6,000)	(12,000)
	1,270,832	1,452,399
<b>Financing activities</b>		
Repayment of long term debt	(328,538)	(338,687)
Net repayment of S.E.D. Loan	(171,122)	(280,895)
Acquisition of Land Entitlement loans	15,000	122,026
Write-off of NFP trust loan	170,000	-
Advance of promissory note	100,000	-
	(214,660)	(497,556)
<b>Capital activities</b>		
Purchases of tangible capital assets	(2,241,843)	(2,112,398)
Investment in Nation businesses	393,571	(1,378,310)
Withdrawals from portfolio investments	34,014	246,988
Write down of investment in Venturion	515,944	-
	(1,298,314)	(3,243,720)
<b>Decrease in cash resources</b>	(242,142)	(2,288,877)
<b>Cash resources, beginning of year</b>	1,706,544	3,995,421
<b>Cash resources, end of year</b>	1,464,402	1,706,544

The accompanying notes are an integral part of these financial statements

**1. Significant accounting policies**

These consolidated financial statements are the representations of management, 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:

***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. Trusts administered on behalf of third parties by Doig River First Nation are excluded from the First Nation reporting entity.

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

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

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 Development L.P.
- Uujo Management G.P. Ltd.

Investments in First Nation partnerships are accounted for using the proportionate consolidation method. The First Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the First Nation partnership have been combined on a line-by-line basis with similar items of the First Nation.

***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.

***Cash and cash equivalents***

Cash include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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

**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.

**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. Contributed tangible assets are recorded at their fair value at the date of contribution.

When conditions indicate that a tangible capital asset no longer contributes to the First Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the First Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

**Amortization**

Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost 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	
Land - Fort St. John	none	
Land - Traps	none	
Equipment	declining balance	20 %
Automotive equipment	declining balance	20 %
Computer equipment	declining balance	30 %

**Investments**

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

**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.

**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. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. 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.

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

**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, prepaid expenses and inventories of supplies.

**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.

**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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

**Inventory**

Management has estimated the value of the inventory based upon their assessment of the realizable amount less selling costs.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

**Segments**

The First Nation conducts its business through nine reportable segments: ISC - Administration, Province of British Columbia, First Nations Health Authority, Trusted Funded Programs, Industry Agreements, Band Owned Companies, Lands and Resources, Other and 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

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.

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**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 and all derivative instruments, 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. Interest income is recognized in the statement of operations. 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 (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, 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.

**2. Accounts receivable**

	<b>2021</b>	<b>2020</b>
Accounts receivable	<b>28,170</b>	28,170
Oil companies	<b>642,265</b>	624,412
Joint Venture	-	500
Other	<b>1,487,579</b>	1,414,946
	<b>2,158,014</b>	2,068,028
Less: Allowance for doubtful accounts	<b>538,137</b>	115,613
	<b>1,619,877</b>	1,952,415

**3. Inventory for resale**

	<b>2021</b>	<b>2020</b>
Inventory for resale	<b>339,138</b>	339,138

The cost of inventories recognized as an expense amounted to \$nil (2020 – \$nil).

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**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 Nation. Doig River First Nation management has been given the directive to collect all amounts due.

	2021	2020
General member loans	586,863	623,000
Member user fees due	1,739,820	1,560,217
Allowance for doubtful accounts	(2,286,631)	(2,122,662)
	<b>40,052</b>	<b>60,555</b>

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

Doig River First Nation holds 370,340 (2020 - 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. Subsequent to year-end, Venturion was sold to Cardinal Energy Ltd (note 23). An impairment loss was recognized during the year to adjust the cost of Venturion oil to reflect the value of shares redeemed for the investment in Cardinal Energy Ltd. An impairment loss of \$515,944 was recognized.

**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)	2021 Total investment
<b>Nation Business</b>					
Six Nation Ventures L.P. - 16.6%	20	(50,000)	455,355	(61,971)	343,404
Uujo Development L.P. - 100%	4,829,555	(343,571)	1,719,304	2,808,532	9,013,820
Uujo Management G.P. Ltd. - 100%	-	-	(91,868)	69,571	(22,297)
	<b>4,829,575</b>	<b>(393,571)</b>	<b>2,082,791</b>	<b>2,816,132</b>	<b>9,334,927</b>
	-	-	-	-	-
					2020
	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	-	529,862	(74,506)	455,376
Uujo Development L.P. 100%	3,451,245	1,378,310	(417,944)	2,137,248	6,548,859
Uujo Management G.P. Ltd. 100%	-	-	(229,521)	137,653	(91,868)
	<b>3,451,265</b>	<b>1,378,310</b>	<b>(117,603)</b>	<b>2,200,395</b>	<b>6,912,367</b>

*Continued on next page*



**Doig River First Nation**  
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**7. Investments in Nation businesses** *(Continued from previous page)*

Summary financial information for each First Nation, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Six Nation Ventures L.P. - 16.6% As at December 31, 2020</i>	<i>Uujo Development L.P. 100% As at December 31, 2020</i>	<i>Uujo Management G.P. Ltd. 100% As at December 31, 2020</i>
<b>Assets</b>			
Current assets	143,739	6,043,549	63,594
Long term assets	202,116	3,660,359	502
<b>Total assets</b>	<b>345,855</b>	<b>9,703,908</b>	<b>64,096</b>
<b>Liabilities</b>			
Current liabilities	2,450	3,467,634	86,166
Long term liabilities	343,405	41,441	-
<b>Total liabilities</b>	<b>345,855</b>	<b>3,509,075</b>	<b>86,166</b>
<b>Partner capital</b>	<b>-</b>	<b>6,194,833</b>	<b>(22,070)</b>
<b>Total revenue</b>	<b>(1,327)</b>	<b>3,626,901</b>	<b>161,149</b>
<b>Total expenses</b>	<b>60,644</b>	<b>818,369</b>	<b>91,578</b>
<b>Net income (loss)</b>	<b>(61,971)</b>	<b>2,808,532</b>	<b>69,571</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% 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 Development Limited Partnership. Doig River First Nation has a 100% interest in Uujo Development 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 Partner Ltd. 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.

**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 Services Canada, with the consent of the First Nation's Council.

	<b>2021</b>	<b>2020</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	14,709	12,602
Interest and land leases	923	2,107
Balance, end of year	15,632	14,709
	<b>79,984</b>	<b>79,061</b>

**Doig River First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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**8. Doig Not For Profit Trust**

Included in the Doig Not For Profit Trust assets of \$6,608 (2020 - \$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.
- During the year the loan receivable from Alamo Contracting L.P. was forgiven.

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

	Community Development Trust
<b>Assets</b>	
Doig River community development fund	2,168,566
Doig River minors trust fund	533,563
Doig River minors - AG	2,705,615
Doig River adults - AG	3,785
	<u>5,411,529</u>
<b>Liabilities</b>	
Distributions due to minors (Note 17)	(479,621)
Distributions due to members (Note 14)	(48,533)
Distributions due to minors - AG (Note 17)	(2,440,019)
	<u>(2,968,173)</u>
<b>Net Assets</b>	<u>2,443,356</u>
<b>Receipts</b>	
Investment income	57,066
Gain on sale of investments	12,324
<b>Total receipts</b>	<u>69,390</u>
<b>Disbursements</b>	
Management fees	46,657
Joint Working Group	1,000
<b>Total disbursements</b>	<u>47,657</u>
<b>Surplus (excess) of receipts over disbursements</b>	<u>21,733</u>

**Doig River First Nation**  
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**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 \$4,884,062 (2020 - \$4,987,603). Cumulative unrealized gains as at March 31, 2021 are \$546,802 (2020 - gains of \$114,801).

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.

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. 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 (2020 - \$nil).

The Nation has access to a operating loan to a maximum of \$150,000, bearing interest at prime plus 0.5%, upon which the Nation has drawn \$nil (2020 - \$nil).

Doig River Cattle Company Limited Partnership has access to a demand operating credit of \$150,000 bearing interest a prime plus 0.5% sharing security with CIBC credit facilities, described in note 13, upon which they have drawn \$nil (2020 - \$nil).

**11. Accounts payable and accruals**

	2021	2020
Trade payables and accruals	1,734,599	1,119,301
Payroll related	54,756	206,145
Chief and Council accumulated severance	200,653	319,152
	<b>1,990,008</b>	<b>1,644,598</b>

**12. Deferred revenue**

	2021	2020
Indigenous Services Canada	1,676,481	1,722,341
Indigenous Skills and Employment Training	88,855	-
Other	495,519	4,500
	<b>2,260,855</b>	<b>1,726,841</b>

**Doig River First Nation**  
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**13. Long term debt**

	2021	2020
Royal Bank term loan - interest only payments payable as incurred at prime plus 0.5%, due December 2020.	8,157,047	8,157,047
CIBC Loan payable at \$16,199 monthly, including interest at 4.00%, due November 2023	1,281,772	1,421,839
Band Housing - Royal Bank Loan repayable at \$2,964 monthly, including interest at 2.33% due February 2025,	540,476	561,357
Band Housing - CIBC Mortgage repayable at \$1,803 biweekly, including interest at 3.54%, due March 2025, secured by ISC Ministerial guarantee	276,162	312,840
CIBC Loan payable at \$3,911 monthly, including interest at 4.00%, due November 2023	159,842	199,519
Band Housing - CIBC Mortgage repayable at \$1,812 monthly, including interest at 3.54%, due April 2025, secured by ISC Ministerial guarantee	127,363	144,269
Band Housing - CIBC Mortgage repayable at \$2,424 monthly, including interest at 3.54%, due April 2025,	96,177	121,378
Band Housing - CIBC Mortgage repayable at \$2,122 monthly, including interest at 3.49%, due April 2023, secured by ISC Ministerial guarantee	67,841	90,758
Band Housing - Royal Bank Mortgage repayable at \$2,075 monthly, including interest at 3.04%, due March 2023, secured by ISC Ministerial guarantee	48,372	71,419
Social Housing - Royal Bank Mortgage repaid during the year,	-	3,164
	<b>10,755,052</b>	<b>11,083,590</b>

Some mortgages are secured by guarantees from ISC up to \$1,054,562.14 (2020 - \$640,697).

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.

CIBC credit facilities are secured by a guarantee from Doig River Cattle Co. Ltd., a \$2,000,000 guarantee from Doig River First Nation, a band council resolution authorizing the facilities, securities and terms of the agreement approving access to reserve land, a first priority interest on all present and future personal property of the Borrower and first priority security on specific assets.

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

	Principal
2022	8,494,468
2023	350,441
2024	331,711
2025	297,068
2026	1,281,364
	<b>10,755,052</b>

**14. 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.

**15. 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.

TLE component thirteen, with a balance of \$122,026 is repayable on the earlier of March 31, 2025 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 fourteen, with a balance of \$15,000 is repayable on the earlier of March 31, 2025 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**  
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**16. Due to Doig S.E.D. Trust**

	2021 \$	2020 \$
S.E.D. - Alamo Contracting L.P.	415,533	535,533
S.E.D. - Doig Loan	369,960	421,082
	<b>785,493</b>	<b>956,615</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 \$55,122 (2020 - \$52,443) in payments to Doig S.E.D. Trust.

The S.E.D. - Alamo Contracting Limited Partnership loan bears no interest so long as repayment plan is followed and is payable in monthly payments of \$5,000 (2020 - \$5,000). During the current year Alamo Contracting Limited Partnership made \$120,000 (2020 - \$230,000) in payments to Doig S.E.D. Trust.

**17. 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.

**18. Reclamation liability**

Under Provincial legislation, the 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 First Nation owns and operates aggregate extraction sites. The aggregate is intended to be sold. An amount of \$98,438 (2020 - \$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.

**19. Promissory note**

On March 31, 2021 The Nation entered into an asset transfer agreement with Uujo Contracting Ltd. \$100,000. The promissory note is secured by assets with a total net book value of \$100,000, are non interest bearing, and are due on demand.

**20. 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.

**21. 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, avoidance of undue concentrations of risk, and requirements for collateral to mitigate credit risk, as risk management objectives. In seeking to meet these objectives, the First Nation follows a risk management policy approved by Chief and Council.

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

**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 First Peoples' Heritage, Language represents 17% (2020 - \$nil) of total accounts receivable and accounts receivable from the Province of BC represents 21% (2020 - 34%) of 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**

The First Nation entered 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, 2021, the following items are denominated in United States currency:

	<b>2021</b>	2020
	<b>CAD\$</b>	CAD\$
Portfolio Investments	<b>736,769</b>	521,481

**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 stock'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 manager the investments in accordance to the investment guidelines.

**22. Significant event**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Nation's operations and financial condition.

**23. Subsequent event**

Subsequent to year-end, Venturion Oil Ltd. was acquired by Cardinal Energy Ltd. The investment in shares of Venturion Oil Ltd. (note 5) were purchased by Cardinal Energy Ltd. for fair market value of \$0.30 per share.