

Doig River First Nation
Consolidated Financial Statements
March 31, 2017

Doig River First Nation

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For the year ended March 31, 2017

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

July 31, 2017



Band Administrator

Independent Auditors' Report

To the Members of Doig River First Nation:

We have audited the accompanying consolidated financial statements of Doig River First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

Edmonton, Alberta

July 31, 2017

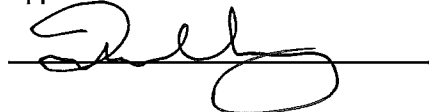
MNP LLP

Chartered Professional Accountants

Doig River First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Cash	5,732,713	1,392,538
Accounts receivable (Note 2)	8,032,699	997,556
Restricted cash (Note 3)	183,224	180,122
Advances and loans to members (Note 4)	14,977	22,616
Investments in Venturion Oil Ltd. (Note 5)	626,944	500,000
Investments in Nation businesses (Note 6)	1,184,437	1,049,826
Investments in Industrial Shuttle	100,000	-
Investment in EBA Development Corp. - at cost	266,668	266,668
I.N.A.C. capital and revenue trust funds (Note 7)	74,418	73,025
Doig Not For Profit Trust (Note 8)	176,608	176,608
Portfolio investments - Community Development Trust (Note 9)	2,011,467	-
Total of assets	18,404,155	4,658,959
Liabilities		
Accounts payable and accruals (Note 10)	1,061,525	761,883
Contributions carried forward (Note 11)	47,468	158,293
Long term debt (Note 12)	9,564,493	3,602,607
INAC Treaty Land Entitlement debt (Note 15)	5,924,877	5,748,457
Due to Doig S.E.D. Trust (Note 16)	1,434,543	1,553,843
Distributions due to minors (Note 17)	536,081	-
Total of financial liabilities	18,568,987	11,825,083
Net debt	(164,832)	(7,166,124)
Non-financial assets		
Tangible capital assets (Schedule 1)	18,143,334	12,099,688
Prepaid expenses	10,000	-
Accumulated surplus	17,988,502	4,933,564

Approved on behalf of the Nation



Chief



Councillor

Doig River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Revenue				
Indigenous and Northern Affairs Canada	2,314,519	2,070,615	1,233,024	
OGC revenue	478,124	478,124	748,724	
Health Canada	352,173	440,612	344,958	
C.M.H.C. Subsidy	30,000	27,742	28,235	
Other government funding	19,484	18,750	-	
Grant	10,000	5,000	5,000	
Province of British Columbia	60,000	62,664	122,496	
Other revenue	12,269,809	10,544,001	4,528,258	
Company sponsorship and donations	60,000	60,000	204,497	
Grant	-	4,191	-	
Capacity agreement	-	-	348,500	
User fees	258,600	260,800	258,351	
Band revenue funds	-	1,393	1,472	
RRSA income	5,000	6,976	15,859	
Social Economic Development trust allocation	74,045	71,523	217,522	
Cattle revenue	-	23,250	24,038	
Joint Venture income	1,834,301	1,764,265	443,695	
H.R.O.W. Trust Revenue	200,000	175,000	-	
Permanent trust band benefits allocation	125,000	280,222	250,000	
Site C revenue	150,000	239,295	373,703	
Capital contribution - Community Development Trust	2,944,985	7,838,157	-	
Investment income	-	10,670	-	
TCPL revenue	-	-	1,065	
Spectra revenue	75,000	75,762	200,000	
	21,261,040	24,459,012	9,349,397	

Continued on next page

Doig River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	Schedules	2017 Budget	2017	2016
<i>(Continued from previous page)</i>		21,261,040	24,459,012	9,349,397
Program expenses				
INAC - Administration				
Band administration	4	75,000	1,121,244	793,334
Social assistance	5	310,114	318,013	446,769
Public works	6	288,477	273,172	185,848
Capital program	7	-	511,556	471,068
INAC Economic Development	8	16,785	16,950	26,595
TLE - Claim Expenditures	9	3,000	94,810	69,248
TLE - Agriculture	10	-	81,611	2,956
Mineral Rights General Expense	11	37,400	98,371	51,305
General Education	12	21,950	17,641	33,855
Post Secondary Education	13	148,000	97,536	127,927
ACRS - Group 2	14	3,500	3,597	-
SPI	15	305,030	312,424	-
P&ID	16	30,872	35,000	31,153
Facilities	17	199,500	257,412	109,280
Housing Infrastructure & Maintenance Plan	18	150,000	77,097	170,698
CPMS#11676 Well Decommissioning	19	469,751	441,824	13,340
BC Capacity Initiative - CCP	20	75,000	89,407	-
Long Term Water CPMS 7048	21	451,130	327,620	-
Fisheries & Oceans	22	6,367	7,518	-
Transportation (Navigation Protection)	23	6,367	6,367	-
Natural Resources Canada	24	6,750	6,506	-
Election	25	-	-	7,500
CORP - Commercial Development	26	-	-	106,848
CPMS11682 Lagoon Sludge Removal	27	-	-	90,511
Total INAC - Administration		2,604,993	4,195,676	2,738,235
Province of British Columbia				
Class 1 Driver Training	29	-	1,392	44,010
EBA New Negotiations	30	-	20,747	100,101
BC Pipeline Benefit Agreement	31	150,000	203,580	121,769
EBA Interim	32	805,000	788,141	332,323
MCFD-FSW Funds	33	35,000	41,917	22,496
EBA Community Comprehensive Planning	34	150,000	33,014	-
BC - Pipeline Training	35	160,251	137,599	-
Pipeline Negotiations	36	-	-	12,517
Total Province of British Columbia		1,300,251	1,226,390	633,216
First Nations Health Authority				
Health services	38	315,822	366,420	352,110
Total First Nations Health Authority		315,822	366,420	352,110
Trust Funded Programs				
Trust fund programs	40	571,500	688,591	413,236
Community Development Trust	41	955,000	1,521,073	-
Total Trust Funded Programs		1,526,500	2,209,664	413,236

The accompanying notes are an integral part of these financial statements

Doig River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	Schedules	2017 Budget	2017	2016
Industry Agreements				
Business Development	43	218,500	157,885	221,222
Cultural - Special Projects	44	-	28,251	15,400
Greenhouse Project	45	-	3,225	34,170
Litigation	46	303,000	66,100	236,292
Shell - RSEA	47	-	2,600	8,306
Amisk Dam - Capacity	48	5,000	4,620	19,929
NGTL	49	47,000	19,642	251,155
Site C Impact Benefit Agreement Negotiations	50	-	301,333	192,578
TCPL-TLUS	51	-	215	8,563
TCPL-LNG	52	-	967	9,902
Petro West Landfill	53	35,000	28,557	270,824
Cultural - Pattern Agreement	54	-	19,680	5,000
Site C - CCP - BC Hydro	55	35,200	34,717	4,800
Site C - TLUS	56	175,376	100,375	184,528
Site C - Impact Benefit Agreement	57	-	22,967	156,770
TCPL - CGL EMP Review	58	-	2,325	-
Site C - Burial Site Work	59	107,850	111,990	-
BC Hydro - PRES/ GMS - Communi	60	65,000	16,209	-
BC Hydro - Pres - CCFA	61	425,583	179,945	-
Boundary Lake LOA Project (NGT	62	341,000	124,943	-
CNRL	63	60,000	60,000	75,359
Site C Custom Consultation - BC Hydro	64	273,000	270,698	75,000
Site C - CEEA Clean Energy Project	65	-	-	2,753
NGTL - Towerbirch	66	-	-	75,260
Merrick (TCPL)	67	-	-	151,208
TCPL_PRGT - TLUS	68	-	-	1,065
Spectra-FNITR	69	-	-	244
Spectra-TLUS	70	-	-	51,697
Spectra - LNG West Coast Gas Connector	71	-	-	2,325
Negotiations				
Site C - Archeology Work	72	-	-	66,869
Site C - Communication Commit	73	-	-	1,900
Site C - Culture & Heritage	74	-	-	4,902
TCPL_PRGT - IBA	75	-	-	77,000
TCPL_CGL - IBA	76	-	-	77,000
TCPL_PRGT - Social Ec	77	-	-	2,187
TCPL_PRGT - FNITR	78	-	-	1,760
Site C - Mitigation & Monitoring Plans	79	-	-	72,610
Total industry Agreements		2,091,509	1,557,244	2,358,578
Band Owned Companies				
6 Nations	81	10,000	28,275	5,445
Doig River Cattle Limited Partnership	82	-	86,973	111,247
Two Rivers Development Corp	83	1,000	941	556
Fort St. John Property	84	45,000	22,939	36,394
Joint Venture Dev & Operation	85	364,900	379,317	-
Total Band Owned Companies		420,900	518,445	153,642

The accompanying notes are an integral part of these financial statements

Doig River First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2017

	Schedules	2017 Budget	2017	2016
Lands and Resources				
Moose Management	87	-	76,936	90,134
Elders Caribou Camp	88	-	4,200	-
OGC Liaison Position	89	99,000	74,808	68,395
Lands office	90	777,125	1,160,420	1,566,099
Summer Students - Land	91	-	259	-
ATK - Caribou Study	92	-	2,493	3,523
Tribal Park	93	-	12,105	15,990
RSEA - Community Meetings	94	8,750	4,371	-
BC - RSEA Capacity Funding	95	-	5,960	-
CEAA - Environmental Review	96	9,000	10,480	-
CEAA - Towerbirch	97	8,473	8,559	-
NGTL-NEB	98	8,473	8,473	11,771
Total Lands and Resources		910,821	1,369,064	1,755,912
Other				
Doig River Rodeo	107	-	70	143,747
New Relationship Trust	108	-	4,191	606
NENAS Training and Employment Programs	109	-	9,846	47,365
Social housing	110	164,250	135,740	181,672
Band owned housing	111	497,400	396,978	314,390
MCCAWS - Giving Voices	112	-	9,265	3,875
FNESS - Fuel Management	113	159,750	71,584	-
Adult recreation	114	-	-	3,477
Total Other		821,400	627,674	695,132
Community Enhancement				
Community Enhancement - Garden	116	38,996	45,000	-
Community Enhancement - Silver	117	17,528	33,382	-
Community Enhancement - Hunter	118	81,301	132,416	-
Comm. Enhancement - Playground	119	4,643	6,523	-
Comm. Enhancement - Farming	120	116,527	116,746	-
Comm. Enhancement - Maintenance	121	31,969	61,030	-
Eagle Spirit Energy	122	-	16,666	-
Cultural Enhancement	123	68,097	127,930	-
Total Community Enhancement		359,061	539,693	-
Total Expenses		10,351,257	12,610,270	9,100,061
Surplus before other items		10,909,783	11,848,742	249,336
Other expense				
Gain (loss) on disposal of investments		-	1,092,632	-
Income allocations from Nation Businesses (Note 6)		-	113,566	(61,178)
Surplus		10,909,783	13,054,940	188,158
Accumulated surplus, beginning of year		4,933,564	4,933,564	4,745,406
Accumulated surplus, end of year		15,843,347	17,988,504	4,933,564

The accompanying notes are an integral part of these financial statements

Doig River First Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2017

	<i>2017 Budget</i>	<i>2017</i>	<i>2016</i>
Annual surplus	10,759,783	13,054,940	188,158
Purchases of tangible capital assets (Schedule 1)	(6,563,919)	(6,563,919)	(108,384)
Amortization of tangible capital assets (Schedule 1)	-	520,273	481,769
Acquisition of prepaid expenses	-	(10,000)	-
Use of prepaid expenses	-	-	34,140
Increase in net financial assets	4,195,864	7,001,294	595,683
Net debt, beginning of year	(7,166,126)	(7,166,124)	(7,761,807)
Net debt, end of year	(2,970,262)	(164,830)	(7,166,124)

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, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Surplus	13,054,940	188,158
Non-cash items		
Amortization	520,273	481,769
I.N.A.C. capital and revenue trust funds re-invested	(1,393)	(1,472)
Income re-invested in Nation's businesses	(134,599)	(2,784)
Community development trust funds re-invested	(2,011,467)	-
Distributions to minors	536,076	-
	11,963,830	665,671
Changes in working capital accounts		
Accounts receivable	(7,035,152)	(79,131)
Prepaid expenses	(10,000)	34,140
Advances and loans to members	7,639	96,288
Accounts payable and accruals	299,642	(259,385)
Contributions carried forward	(110,825)	(84,419)
	5,115,134	373,164
Financing activities		
Advances of current portion of long term debt	6,160,000	-
Repayment of current portion of long term debt	(198,113)	(214,006)
Net repayment of S.E.D. Loan	(119,301)	(116,927)
Acquisition of Land Titlement loans	176,420	-
	6,019,006	(330,933)
Investing activities		
Purchases of tangible capital assets	(6,563,919)	(108,384)
Investment in Venturion Oil Ltd.	(126,944)	-
Investment in Industrial Shuttle	(100,000)	-
Increase (decrease) in cash resources	4,343,277	(66,153)
Cash resources, beginning of year	1,572,660	1,638,813
Cash resources, end of year	5,915,937	1,572,660
Cash resources are composed of:		
Cash	5,732,713	1,392,538
Restricted cash	183,224	180,122
	5,915,937	1,572,660

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 and Northern Affairs Canada. These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews. Significant aspects of the accounting policies adopted by the First Nation are as follows:

Basis of presentation

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

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

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

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

Reporting entity consolidated

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

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

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

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

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

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.

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

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

Segments

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

I.N.A.C

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.

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.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

I.N.A.C 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.

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

	2017	2016
Oil companies	7,401,948	619,662
I.N.A.C.	4,675	-
Other government	18,750	-
Joint Venture	1,000,847	-
Other	435,757	847,393
CHMC	-	2,311
Province of Alberta	-	65,000
Allowance for doubtful accounts	(829,278)	(536,810)
	8,032,699	997,556

3. Restricted cash

Restricted cash includes:

	2017	2016
CMHC replacement reserve bank account balance	183,224	180,122

4. Advances and loans to members

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

	2017	2016
General member loans	529,730	617,843
Member user fees due	1,102,934	1,065,818
Allowance for doubtful accounts	(1,617,687)	(1,661,045)
	14,977	22,616

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

5. Investment in Venturion Oil Limited - at cost

Doig River First Nation holds 370,340 (2016 - 285,714) 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.

	2017	2016
Venturion Oil Limited - 370,340 (2016 - 285,714) common shares	626,944	500,000

6. 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>	<i>2017 Total investment</i>
Nation Business					
Six Nation Ventures L.P. 16.6%	20	-	394,480	9,936	404,436
Doig River Timber L.P. 100%	(87,477)	98,932	517,805	(22,594)	506,666
Alamo Contracting L.P. 100%	1,266,960	(77,879)	(1,041,971)	126,225	273,335
	1,179,503	21,053	(129,686)	113,567	1,184,437

	<i>Net contributions and (draws)</i>	<i>Current contributions and (draws)</i>	<i>Opening accumulated earnings (loss)</i>	<i>Current earnings (loss)</i>	<i>2016 Total investment</i>
Nation Business					
Six Nation Ventures L.P. 16.6%	20	-	367,570	26,909	394,499
Doig River Timber L.P. 100%	(110,416)	22,949	620,522	(102,717)	430,338
Alamo Contracting L.P. 100%	1,225,947	41,013	(1,056,600)	14,629	224,989
	1,115,551	63,962	(68,508)	(61,179)	1,049,826

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

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, 2017	Doig River Timber L.P. - 100% As at March 31, 2017	Alamo Contracting L.P. - 100% As at March 31, 2017	Totals As at March 31, 2017
Assets				
Current assets	188,296	248,383	367,549	804,228
Long term assets	227,894	418,001	273,864	919,759
Total assets	416,190	666,384	641,413	1,723,987
Liabilities				
Current liabilities	11,754	50,728	27,766	90,248
Long term liabilities	-	108,990	340,312	449,302
Total liabilities	11,754	159,718	368,078	539,550
Partner capital	404,436	506,666	273,335	1,184,437
Total revenue	310,038	568,530	697,834	1,576,402
Total expenses	300,103	591,124	571,609	1,462,836
Net income (loss)	9,935	(22,594)	126,225	113,566

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

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

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

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

7. I.N.A.C. 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.

	2017	2016
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	8,673	7,201
Interest and land leases	1,393	1,472
Balance, end of year	10,066	8,673
	74,418	73,025

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

8. Doig Not For Profit Trust

Included in the Doig Not For Profit Trust assets of \$176,608 (2016 - \$176,608) is the following loan due from Alamo Contracting L.P.:

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

9. Portfolio investments - Community Development Trust

	Community Development Trust
Assets	
Doig River community development fund	1,475,386
Doig River minors trust fund	536,081
	<u>2,011,467</u>
Liabilities	
Distributions due to minors	(536,081)
	<u>1,475,386</u>
Net Assets	
Receipts	
Capital Contribution from Treaty 8 Trust	7,838,157
Investment income	10,685
Gain on sale of investment	1,092,632
	<u>8,941,474</u>
Disbursements	
Management fees	8,465
Honorarium payment	1,500
Bank charges	15
PCD members	955,000
PCD minors	556,108
Community church	2,200,000
Land purchase	3,000,000
Garden	45,000
Hunter lakes	107,179
Silver lakes	8,383
Venturion investment	127,000
Housing upgrades	173,000
Band administration	240,600
Maintenance	43,838
	<u>7,466,088</u>
Total disbursements	
Surplus	<u>1,475,386</u>

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

9. Settlement trust funds *(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. The cost of investments is \$2,011,467. Cumulative unrealized gains/losses as at March 31 is nil.

Doig River Community Development Trust

The Doig River Community Development Trust (the "Trust") was established on June 23, 2016 by Doig River First Nation, to serve as a trust to manage the remainder of the Heritage Trust Fund Transfer, originally managed by Treaty 8 Heritage Trust.

The purpose of the Trust is :

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

10. Accounts payable

	2017	2016
Trade payables and accruals	943,239	632,609
Chief and Council accumulated severance	108,762	45,867
Payroll related	4,868	78,822
I.N.A.C.	-	4,585
	1,056,869	761,883

11. Contributions carried forward

	2017	2016
Family Support Worker	47,468	89,385
Headstart	-	68,908
	47,468	158,293

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

12. Long term debt

	2017	2016
Farm Credit Canada (FCC) Mortgage repayable at \$47,914 annually, including interest at 3.95%, due April 2022	606,767	630,250
Band Housing - Royal Bank Loan repayable at \$3,110 monthly, including interest at 2.99% due February 2020, secured by INAC Ministerial guarantee	618,454	636,979
Farm Credit Canada (FCC) - interest is payable as incurred at FCC variable rate (3.95%) and the principle is repayable on April 2022	500,000	500,000
Farm Credit Canada (FCC) - interest is payable as incurred at FCC variable rate (4.25%) and the principle is repayable on April 2022	500,000	500,000
Band Housing - CIBC Mortgage repayable at \$3,325 monthly, including interest at 3.99%, due August 2021, secured by INAC Ministerial guarantee	402,298	424,541
Band Housing - CIBC Mortgage repayable at \$2,279 monthly, including interest at 5.24%, due August 2017, secured by INAC Ministerial guarantee	186,222	203,430
Band Housing - CIBC Mortgage repayable at \$1,526 monthly, including interest at 3.99%, due August 2021, secured by INAC Ministerial guarantee	185,267	194,874
Band Housing - CIBC Mortgage repayable at \$1,761 monthly, including interest at 4.44%, due September 2017, secured by INAC Ministerial guarantee	149,704	165,971
Social Housing - Royal Bank Mortgage repayable at \$3,347 monthly, including interest at 2.93%, due December 2018, secured by INAC Ministerial guarantee	106,012	142,492
Band Housing - Royal Bank Mortgage repayable at \$2,064 monthly, including interest at 2.82%, due March 2018, secured by INAC Ministerial guarantee	136,640	157,223
Social Housing - All Nations Trust Company Mortgage repayable at \$1,346 monthly, including interest at 2.69%, due January 2018, secured by INAC Ministerial guarantee	13,129	28,746
Royal Bank credit facility - interest is payable as incurred at 3.20%	510,000	-
Royal Bank credit facility - interest is payable as incurred at 3.20%	5,650,000	-
Farm Credit Canada (FCC) Mortgage paid in full during the year	-	18,101
	9,564,493	3,602,607

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

All Farm Credit Corporation of Canada (FCC) loans are secured by land held in the name of Doig River Cattle Company Ltd. with a net book value of \$2,699,230 (2016 - \$2,699,320). The Nation has also guaranteed payment to the FCC up to \$1,000,000.

Some mortgages are secured by guarantees from I.N.A.C. up to \$1,607,130 (2016 - \$1,112,405).

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
2018	182,381
2019	176,099
2020	172,229
2021	148,393
2022	8,885,391
	<hr/>
	9,564,493

13. Authorized line of credit

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

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

14. Internally restricted funding

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

15. I.N.A.C. Treaty Land Entitlement debt

Doig River First Nation is negotiating a Treaty Land Entitlement (TLE) claim with the Government of Canada. I.N.A.C. 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 ten 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, 2018 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 \$450,885 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 \$449,824 is repayable on the earlier of March 31, 2018 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 a balance of \$176,420 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.

Doig River First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

	2017 \$	2016 \$
S.E.D. - Alamo Contracting L.P.	873,533	945,533
S.E.D. - Doig Loan	561,010	608,310
	1,434,543	1,553,843

The S.E.D. - Doig loan bears no interest and is payable as soon as the funds are available. Doig River First Nation made \$47,300 (2016 - \$38,926) in payments to Doig S.E.D Trust.

The S.E.D. - Alamo Contracting Limited Partnership loan bears no interest and is payable as soon as the funds are available. During the current year Alamo Contracting Limited Partnership made \$72,000 (2016 - \$78,000) 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. Financial Instruments

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

Risk Management Policy

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

Credit Risk

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

Risk management

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

A credit concentration exists relating to industry accounts receivable. Accounts receivable from BC Hydro represents 80% (March 31, 2016 – 2%) of total accounts receivable as at March 31, 2017. The balance of accounts receivable is widely distributed among the remainder of the First Nation's large customer base.

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 cash flows 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 risk with respect to its bank indebtedness and certain long-term debt amounts which are subject to floating interest rates. The Nation is exposed to significant interest rate risk on its bank indebtedness and certain long-term debt amounts which are subject to floating interest rates. The Nation is also exposed to interest rate price risk with respect to its Community Development Trust assets which earn interest on investment at fixed annual rates.

19. Comparative figures

Doig River First Nation
Notes to the Consolidated Financial Statements
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Certain comparative figures have been reclassified to conform with current year's presentation.