

Dzawada'enuxw First Nation
Consolidated Financial Statements
March 31, 2022

Dzawada'enuxw First Nation

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For the year ended March 31, 2022

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Management's Responsibility

To the Members of Dzawada'enuxw First Nation:

The accompanying consolidated financial statements of Dzawada'enuxw First Nation are the responsibility of management and have been approved by the Chair 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 Dzawada'enuxw First Nation Chair and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chair and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chair and Council are also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Chair 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 both the Chair and Council and management to discuss their audit findings.

February 13, 2023

Signed by: Dawn Nicolson

Administrator

Independent Auditor's Report

To the Members of Dzawada'enuxw First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Dzawada'enuxw First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net financial assets (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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The First Nation recorded all unspent funds as at March 31, 2022 as deferred revenue on the consolidated statement of financial position. Canadian Public Sector Accounting Standards ("PSAS") require that specific criteria be met before funds can be recorded as deferred revenue. We were unable to obtain sufficient appropriate audit evidence to support the deferral of \$14,477,633 at March 31, 2022. As a result, we were unable to determine whether any adjustments were required to deferred revenue, revenue, annual surplus and accumulated surplus at March 31, 2022. Our opinion for the year ending March 31, 2021 was also modified accordingly for this matter.

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends 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.

MNP LLP

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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 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.

Nanaimo, British Columbia

February 13, 2023

MNP LLP

Chartered Professional Accountants

Dzawada'enuxw First Nation
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents	13,605,710	6,465,572
Accounts receivable (Note 3)	752,393	590,659
Investments in First Nation business entities (Note 4)	282,436	221,394
Funds held in trust (Note 5)	52,022	49,849
Restricted cash (Note 6)	64,013	28,112
Total financial assets	14,756,574	7,355,586
Liabilities		
Accounts payable and accruals (Note 7)	404,180	310,677
Deferred revenue (Note 8)	14,592,757	7,028,916
Long-term debt (Note 9)	-	10,972
Total liabilities	14,996,937	7,350,565
Net financial assets (debt)	(240,363)	5,021
Commitments (Note 10)		
Contingency (Note 11)		
Non-financial assets		
Tangible capital assets (Schedule 1)	4,581,850	3,874,857
Prepaid expenses	161,826	141,255
Total non-financial assets	4,743,676	4,016,112
Accumulated surplus (Note 12)	4,503,313	4,021,133
Approved on behalf of the Dzawada'enuxw First Nation		

Signed by: Farron Soukochoff

Councilor

Signed by: Julia McIntyre-Smith

Councilor

Dzawada'enuxw First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2022

	<i>Schedules</i>	<i>2022 Budget (Note 17)</i>	<i>2022</i>	<i>2021</i>
Revenue				
Indigenous Services Canada (Note 13)		2,935,480	2,785,113	3,376,067
First Nations Health Authority		1,199,080	1,180,358	775,462
Province of British Columbia		24,925	263,898	540,435
Canada Mortgage and Housing Corporation		14,040	110,038	175,174
First Nations Education Steering Committee		71,881	80,987	148,551
North Vancouver Island Aboriginal Training Society		23,408	20,957	21,625
Ottawa Trust		-	2,174	1,781
Other revenue		1,900,658	997,919	1,006,622
Income from investment in First Nation partnerships (Note 4)		-	61,042	37,433
Rental income		54,360	48,310	48,790
Interest income		30,000	20,545	16,461
		6,253,832	5,571,341	6,148,401
Expenses (Schedule 2)				
Public Works	3	1,500,603	1,585,989	1,204,580
Band Government	4	1,303,341	1,285,562	1,780,888
Education	5	1,540,690	1,044,787	766,362
Health	6	1,090,495	671,322	621,112
Community and Social Services	7	523,003	247,682	333,754
Economic Development	8	162,423	83,715	147,931
Housing	9	52,066	114,314	210,124
		6,172,621	5,033,371	5,064,751
Annual surplus		172,411	482,180	1,083,650
Accumulated surplus, beginning of year		4,021,133	4,021,133	2,937,483
Accumulated surplus, end of year		4,193,544	4,503,313	4,021,133

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

Dzawada'enuxw First Nation
Consolidated Statement of Changes in Net Financial Assets (Debt)
For the year ended March 31, 2022

	2022 Budget (Note 17)	2022	2021
Annual surplus	172,410	482,180	1,083,650
Purchases of tangible capital assets	-	(1,166,189)	(1,677,599)
Amortization of tangible capital assets	-	459,196	508,306
Acquisition of prepaid expenses	-	(20,571)	(45,058)
Change in net financial assets	172,410	(245,384)	(130,701)
Net financial assets, beginning of year	5,021	5,021	135,722
Net financial assets (debt), end of year	177,431	(240,363)	5,021

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

Dzawada'enuxw First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	482,180	1,083,650
Non-cash items		
Amortization	459,196	508,306
Funds held in trust	(2,173)	(1,782)
Income from investment in First Nation partnerships	(61,042)	(37,433)
	878,161	1,552,741
Changes in working capital accounts		
Accounts receivable	(161,734)	(291,444)
Prepaid expenses	(20,571)	(45,058)
Accounts payable and accruals	93,503	(272,537)
Deferred revenue	7,563,841	3,077,283
	8,353,200	4,020,985
Financing activities		
Repayment of long-term debt	(10,972)	(15,106)
Capital activities		
Purchases of tangible capital assets	(1,166,189)	(1,677,599)
Investing activities		
Change in restricted cash	(35,901)	-
Increase in cash and cash equivalents	7,140,138	2,328,280
Cash and cash equivalents, beginning of year	6,465,572	4,137,292
Cash and cash equivalents, end of year	13,605,710	6,465,572

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

Dzawada'enuxw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1. Operations

The Dzawada'enuxw First Nation (the "First Nation") is located in the province of British Columbia, and provides various services to its members. Dzawada'enuxw First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business partnerships. Trusts administered on behalf of third parties by Dzawada'enuxw 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

- CMHC Social Housing Program

All inter-entity balances have been eliminated on consolidation.

Dzawada'enuxw First Nation business partnerships, owned or controlled by the First Nation's Chair and Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that business partnership accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these partnerships 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. Partnerships accounted for by the modified equity basis include:

- Musgamagw Dzawada'enuxw Fisheries Group Limited Partnership
- Dzawada'enuxw Development Corporation

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.

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.

Cash and cash equivalents

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

Funds held in Ottawa Trust Fund

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

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

Dzawada'enuxw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

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

Tangible capital assets

Tangible capital assets are initially recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

All intangible assets and items inherited by the right of the First Nation, such as reserved land, forests, water and mineral resources, are not recognized in the First Nation's consolidated financial statements.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	straight-line	25 years
Infrastructure	straight-line	25-50 years
Automotive equipment	straight-line	5-10 years
Furniture and equipment	straight-line	5-10 years
Computer equipment	straight-line	3-6 years

Long-lived assets

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

The First 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. Fair value is measured using quoted market prices. Any impairment is included in surplus (deficit) for the year.

Measurement uncertainty (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. Amortization is based on the estimated useful lives of tangible capital assets.

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the First Nation are determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

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

Revenue recognition

i) Government Transfers

Government transfers are recorded as revenue and are matched to the corresponding expenses as they occur, the resulting surpluses, if any, are then recorded as a liability. This is not in accordance with the PSAS standards where government transfers are recognized as revenue when the transfer is authorized and all eligibility criteria have been met. Consequently, the deferred revenue is overstated as the entire balance does not reflect an obligation of the First Nation, the audit report has modified in respect of this matter. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

ii) First Nation Capital and Revenue Trust Funds

The First Nation recognizes revenue of the Capital and Revenue Trust Fund at the time funds are contributed from the accounts held in Ottawa. Interest revenue is recognized when earned.

iii) Canada Mortgage and Housing Corporation ("CMHC")

CMHC revenue is recognized as it becomes receivable under the terms of the applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

iv) Housing rental income

Rental revenue is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

v) Other revenue

Other revenue is recognized when performance is completed, amounts are measurable and collection is reasonably assured.

Segments

The First Nation conducts its business through a number of reportable segments as described in Note 16. 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.

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2022.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. As at March 31, 2022, no liability for contaminated site exists.

Dzawada'enuxw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

3. Accounts receivable

	2022	2021
Members	318,302	298,782
First Nations Health Authority	157,039	-
Indigenous Services Canada	164,622	177,002
CMHC subsidy assistance receivable	-	88,448
Other accounts receivable	260,242	195,168
Goods and Services Tax	43,739	15,000
Less: Allowance for doubtful accounts	(191,551)	(183,741)
	752,393	590,659

4. Investments in First Nation entities

Summary financial information for Musgamagw Dzawada'enuxw Fisheries Group Limited Partnership, accounted for using the modified equity method is as follows:

	<i>Investment cost</i>	<i>Earnings</i>	<i>2022 Total investment</i>
Musgamagw Dzawada'enuxw Fisheries Group Limited Partnership - 33.33%	221,394	61,042	282,436

	<i>Investment cost</i>	<i>Earnings</i>	<i>2021 Total investment</i>
Musgamagw Dzawada'enuxw Fisheries Group Limited Partnership - 33.33%	183,961	37,433	221,394

Continued on next page

Dzawada'enuxw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

4. Investments in First Nation partnerships *(Continued from previous page)*

Musgamagw Dzawada'enuxw Fisheries Group Limited Partnership (the "Partnership") is a partnership formed on April 13, 2015 between Musgamagw Fisheries Group GP Ltd., the First Nation, Kwicksutaineuk-ah-kwaw-ah-mish First Nation and Gwawaenuk Tribe. The principal purpose of the Partnership is to participate and manage business opportunities generated by marine activities and related economic development activities occurring within the Musgamagw Territory.

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

	<i>As at March 31, 2022</i>	<i>As at March 31, 2021</i>
Assets		
Cash	420,484	378,131
Accounts receivable	352,628	286,203
Prepaid expenses	9,932	6,373
Deposit	75,275	-
Due from related party	92,745	-
Other assets	131,546	131,546
Tangible capital assets	140,335	161,639
Total assets	1,222,945	963,892
Liabilities		
Accounts payable and accruals	24,280	25,111
Deferred revenue	352,105	274,711
Other liabilities	663	345
Total liabilities	377,048	300,167
	845,897	663,725
Total revenue	451,062	370,616
Total expenses	267,919	258,305
	183,143	112,311

5. Funds held in trust

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.

	2022	2021
Capital Trust		
Balance, beginning and end of year	11,516	11,516
Revenue Trust		
Balance, beginning of year	38,333	36,551
Interest	970	570
British Columbia special distribution	1,203	1,212
Balance, end of year	40,506	38,333
	52,022	49,849

Dzawada'enuxw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

5. Funds held in trust *(Continued from previous page)*

Ottawa Trust Funds

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

6. Restricted cash

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$4,913 (2021 - \$4,913) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. At year end, the reserve was adequately funded (2021 - underfunded by \$29,313).

7. Accounts payable and accruals

	2022	2021
Trade payables	320,798	178,030
Wages and vacation payable	49,499	89,081
Amounts owed to members	18,083	16,675
Government remittances payable	15,799	26,891
	404,179	310,677

Dzawada'enuxw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

8. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of funding:

	<i>Balance, beginning of year</i>	<i>Contributions received, net of recovery</i>	<i>Recognized as revenue</i>	<i>Balance, end of year</i>
ISC - Housing admin (11534/811)	3,675	-	-	3,675
ISC - Post secondary education program	49,792	83,160	49,792	83,160
ISC - Adult education	6,147	-	3,977	2,170
ISC - Community based initiative	147,544	286,384	26,516	407,412
ISC - Membership	13,746	5,000	-	18,746
ISC - Student accommodation	87,575	48,392	35,065	100,902
ISC - Teacher residence	19,785	20,988	19,785	20,988
ISC - Band support	189,833	358,241	184,833	363,241
ISC - Instructional services	542,348	491,881	542,348	491,881
ISC - Community waste sanitation	156,677	-	89,942	66,735
ISC - Covid-19 assistance	244,872	52,366	244,872	52,366
ISC - Off Reserve Covid-19	23,940	18,650	23,940	18,650
ISC - BCCI	54,786	-	54,786	-
ISC - Vogel Padakus Creek	-	5,342,304	-	5,342,304
ISC - Hydro Roads upgrade	-	701,328	-	701,328
Province of British Columbia - FRA	485,190	-	87,891	397,299
Province of British Columbia - Gaming	945,084	353,257	178,465	1,119,876
Province of British Columbia - Other	354,650	-	354,650	-
Province of British Columbia - Adult Ed	40,000	-	-	40,000
Province of British Columbia - Vogel Creek	-	200,000	-	200,000
Coast Funds - Padakus	1,320,000	-	-	1,320,000
Province of British Columbia - Padakus	422,952	-	-	422,952
First Nations Education Steering Committee	18,000	267,728	18,000	267,728
Wharf Project	282,339	38,297	282,339	38,297
ISC - Other amounts	151,828	599,028	145,430	605,426
Vancouver Foundation	99,000	198,000	-	297,000
Other amounts	1,369,153	1,816,163	974,695	2,210,621
	7,028,916	10,881,167	3,317,326	14,592,757

9. Long-term debt

	2022	2021
Royal Bank of Canada (social housing); demand loan, paid in full during the year	-	10,972

10. Commitments

The First Nation has entered into various lease agreements with estimated minimum annual payments as follows:

2023	13,256
2024	1,068
	14,324

Dzawada'enuxw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

11. Contingency

The financial results of the CMHC Social Housing program are subject to review by CMHC. It is possible that adjustments could be made based on the results of their review.

12. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Equity in tangible capital assets (general)	4,581,850	3,860,977
Equity in tangible capital assets (social housing)	-	2,907
Equity in Ottawa Trust Fund	52,022	49,849
Replacement reserve	(14,571)	57,425
Equity in investment in First Nation partnerships	282,436	221,394
Deficit in operating fund	(398,424)	(171,419)
	4,503,313	4,021,133

13. Indigenous Services Canada ("ISC") funding reconciliation

	2022	2021
Revenue per confirmation	9,541,615	4,409,624
ISC funding deferred	(8,244,069)	(1,642,603)
Recoveries	-	(17,557)
Deferred revenue recognized as revenue	1,487,567	626,603
	2,785,113	3,376,067

14. Economic dependence

Dzawada'enuxw First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of funding agreements entered into with the Government of Canada. These agreements are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

15. Defined contribution plan

The First Nation has a defined contribution pension plan covering eligible members. Members are required to contribute 5.5% of their salary, and the First Nation matches this 5.5% contribution. The amount of retirement benefits to be received by the members will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. The First Nation contributions and corresponding expense totaled \$20,147 in 2022 (2021 - \$19,127). The First Nation does not have any other obligations with regards to the pension plan as at March 31, 2022.

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16. Segments

The First Nation receives revenue and incurs expenses from many different projects and sources. For management and reporting purposes, the revenue, expenses and surplus or deficits are organized by the following segments:

Public Works:

Includes the maintenance of infrastructure owned by the First Nation.

Band Government:

Includes general operations, support, and financial management of the First Nation.

Education:

Includes revenue and expenses related to primary, secondary and post secondary education of the members of the First Nation.

Health:

Includes activities related to the provision of health services within the First Nation.

Community and Social Services:

Includes revenue and expenditures related to programs put on to support the First Nation community.

Economic Development:

Includes activities related to the growth of revenue producing projects with the First Nation.

Housing:

Includes revenue and expenditures related to band-owned and CMHC housing.

17. Budget information

The disclosed budget information has been approved by the Chair and Council of Dzawada'enuxw First Nation. The original budget was approved on September 9, 2021.

Budget figures on the Consolidated Statement of Operations and Accumulated Surplus are presented using the same basis of accounting as the actual results.

18. Comparative figures

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