

K'OMOKS FIRST NATION
Financial Statements
March 31, 2022

K'OMOKS FIRST NATION

Financial Statements

Table of Contents

Year Ended March 31, 2022

Management Report	1
Independent Auditors' Report	2-3
Statement of Financial Position	4
Statement of Operations and Accumulated Surplus	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-17
Schedule 1 - Segment Disclosure	18

K'OMOKS FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2022

The accompanying financial statements of the K'omoks First Nation as at March 31, 2022 and for the year ended are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Management maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The K'omoks First Nation Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Chief and Council reviews the financial statements and approves them. Chief and Council meets periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the independent auditor's report. Chief and Council consider their findings when approving the financial statements for issuance to the Members.

The financial statements have been approved by Chief and Council. In addition, these financial statements have been audited by Chan Nowosad Boates Inc. in accordance with Canadian generally accepted auditing standards on behalf of the members. Chan Nowosad Boates Inc. has full access to Chief and Council for the purpose of their audit.

Jenny Millar

Jenny Millar, Band Administrator

September 1, 2022



INDEPENDENT AUDITORS' REPORT

To Chief and Council and the Members of K'omoks First Nation,

Opinion

We have audited the accompanying financial statements of K'omoks First Nation (the "Nation"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Nation's financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2022, and its financial performance and cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the 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 of our opinion.

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

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

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

Those charged with governance are responsible for over-seeing the Nation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 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 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Chan Nawrood Boates Inc

Chartered Professional Accountants
Courtenay, BC

September 1, 2022

K'OMOKS FIRST NATION

Statement of Financial Position

March 31, 2022

2022

2021

FINANCIAL ASSETS

Cash and Cash Equivalents	\$ 9,068,842	\$ 7,099,306
Portfolio Investments (Note 2)	10,678,734	10,100,753
Trust Funds Held by Federal Government (Note 3)	80,843	80,843
Accounts Receivable (Note 4)	747,611	724,724
Loans Receivable (Note 5)	15,477,499	14,656,594
Investment in Government Business Enterprise (Note 6)	4,012,841	4,062,679
	<u>40,066,370</u>	<u>36,724,899</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 7)	289,642	309,127
Deferred Revenue (Note 8)	2,645,495	1,449,479
Loan Payable (Note 9)	-	248,063
Long Term Debt (Note 10)	11,950	11,950
	<u>2,947,087</u>	<u>2,018,619</u>

NET FINANCIAL ASSETS

37,119,283 34,706,280

NON-FINANCIAL ASSETS

Prepaid Expenses and Deposits	51,007	48,042
Tangible Capital Assets (Note 11)	12,439,019	10,764,679
	<u>12,490,026</u>	<u>10,812,721</u>

ACCUMULATED SURPLUS

\$ 49,609,309 \$ 45,519,001

Contingent Liabilities and Commitments (Note 12)

Approved by:



Chief

R Hardy

Councilor

K'OMOKS FIRST NATION

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2022

	2022		2021
	Actual	Budget (Note 15)	
Revenues			
Indigenous Services Canada	\$ 3,324,984	\$ 4,398,470	\$ 4,872,267
Ottawa Trust Revenue	-	-	758
K'omoks First Nation Business Trust	1,816,712	-	3,488,483
Income (Loss) from Government Business Partnerships	170,129	330,000	(5,708)
Investment Gain	634,805	192,400	2,555,411
Interest Income	61,874	6,000	61,247
Administration Fees	143,562	82,400	48,560
Province of British Columbia	795,092	112,000	501,889
Rental Income	247,400	204,860	195,989
BC Treaty Commission	985,425	850,000	853,200
Other	<u>2,243,754</u>	<u>3,470,980</u>	<u>3,494,880</u>
	<u>10,423,737</u>	<u>9,647,110</u>	<u>16,066,976</u>
Expenditures (Note 13)			
Education	666,513	839,990	404,162
Health	265,062	927,110	165,124
Lands and Economic Development	794,252	1,276,150	1,936,779
Housing	122,404	1,133,990	934,917
Community Services	149,851	551,320	400,754
Social Services	347,026	479,500	309,180
Band Government	2,605,814	2,169,540	1,634,107
Treaty	815,130	1,462,500	857,943
Public Works	518,499	492,500	463,300
Taxation	<u>48,878</u>	<u>51,250</u>	<u>49,596</u>
	<u>6,333,429</u>	<u>9,383,850</u>	<u>7,155,862</u>
Annual Surplus	4,090,308	<u>263,260</u>	8,911,114
Accumulated Surplus - Beginning of Year	<u>45,519,001</u>		<u>36,607,887</u>
Accumulated Surplus - End of Year	<u>\$ 49,609,309</u>		<u>\$ 45,519,001</u>

K'OMOKS FIRST NATION

Statement of Changes in Net Financial Assets

Year Ended March 31, 2022

	2022		2021
	Actual	Budget (Note 15)	
Annual Surplus	\$ 4,090,308	\$ 263,260	\$ 8,911,114
Purchase of Tangible Capital Assets	(2,181,622)	-	(4,295,913)
Disposal of Tangible Capital Assets	-	-	11,748
Amortization of Tangible Capital Assets	507,282	-	225,576
	(1,674,340)	-	(4,058,589)
Acquisition of Prepaid Asset	(51,007)	-	(48,042)
Use of Prepaid Asset	48,042	-	46,417
	(2,965)	-	(1,625)
Increase in Net Financial Assets	2,413,003	\$ 263,260	4,850,900
Net Financial Assets - Beginning of Year	34,706,280		29,855,380
Net Financial Assets - End of Year	\$ 37,119,283		\$ 34,706,280

K'OMOKS FIRST NATION

Statement of Cash Flows

Year Ended March 31, 2022

2022

2021

Cash Flows From Operating Activities:

Cash Received from ISC and Other Sources	\$ 9,032,044	\$ 10,680,714
Cash Paid to Suppliers and Employees	<u>(5,848,597)</u>	<u>(7,144,326)</u>
	<u>3,183,447</u>	<u>3,536,388</u>

Cash Flows From Financing Activities:

Loan Proceeds Received (Repaid)	<u>(248,063)</u>	<u>260,013</u>
---------------------------------	------------------	----------------

Cash Flows From Investing Activities:

Distributions from Government Business Partnerships	1,215,774	439,957
Investments in Portfolio Investments	<u>-</u>	<u>48,836</u>
	<u>1,215,774</u>	<u>488,793</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(2,181,622)	(4,295,913)
Disposition of Tangible Capital Assets	<u>-</u>	<u>11,748</u>
	<u>(2,181,622)</u>	<u>(4,284,165)</u>

Increase in Cash and Cash Equivalents

1,969,536 1,029

Cash and Cash Equivalents - Beginning of Year

7,099,306 7,098,277

Cash and Cash Equivalents - End of Year

\$ 9,068,842 \$ 7,099,306

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

1. Significant Accounting Policies:

a) Basis of Accounting:

These financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments, as recommended by the Public Sector Accounting Board of CPA Canada.

b) Basis of Presentation:

The financial statements include the accounts of the K'omoks First Nation (the "Nation") government administration and the K'omoks First Nation treaty negotiation administration.

The Nation accounts for their investments in government business enterprises (GBE's) or partnerships using the modified equity method. Under the modified equity method of accounting, only the Nation's investment in the business partnerships and the partnerships' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the partnerships that are different from those of the Nation, except that any other comprehensive income of the business partnerships is accounted for as an adjustment to the accumulated surplus or deficit. Inter-organizational transactions and balances are not eliminated.

Investments in the following partnerships are accounted for by the modified equity method and, as such, the accounting policies of these enterprises are not adjusted to conform with those of the Nation:

A-Tlegay Fisheries Limited Partnership (18.00%)
Nanwakolas Carbon Credit Limited Partnership (10.98%)
Nanwakolas Offset Limited Partnership (11.88%)
Nanwakolas Timber Limited Partnership (20.648%)
Nanwakolas Timber Limited Partnership - Investment in Knight Inlet Grizzly Lodge Ltd. (20.648%)

c) 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 provide resources to discharge existing liabilities but are employed to deliver government services and may be consumed in normal operations. Non-financial assets include tangible capital assets and prepaid expenses. Intangible assets, and items inherited by right of the Crown, are not recognized in the financial statements.

d) Cash and Cash Equivalents:

Cash and cash equivalents includes cash on hand, balances with banks, and term deposits. Cash subject to restrictions that prevent its use for current purposes is reflected in restricted cash.

e) Tangible Capital Assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued):

e) Tangible Capital Assets (continued):

Amortization is provided for using the following rates and methods:

Buildings	4%	declining balance
Vehicles	30%	declining balance
Equipment	20%	declining balance
Drainage System	5%	declining balance
Subdivision	5%	declining balance
Fence	10%	declining balance
Campground Improvements	5%	declining balance
Computer Software	45%	declining balance

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Nation's ability to provide goods and services, or when the value of future economic benefits associated with the assets are less than their net book value. The net writedowns are accounted for as expenses in the statement of operations.

f) Loans Receivable:

Loans receivable are initially recorded at cost, and thereafter at the lower of cost and net realizable value. Interest income is recognized in the period earned, and ceases to be earned if the collection of the outstanding principal and interest amounts are not reasonably assured.

g) Portfolio Investments:

Portfolio investments are comprised of funds invested with a third-party investment advisor, including fixed income, equities, and short term cash investments. These portfolio investments are carried entirely at market value.

Investments in limited partnerships which the Nation does not control or significantly influence are accounted for as portfolio investments using the cost method. Investments will be recorded at cost and any share of income received will be recognized as income when received or receivable.

h) Revenue Recognition:

Restricted transfers from other governments are initially deferred to the extent they contain a stipulation that gives rise to a liability. Amounts deferred are recognized as revenue in the period the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions are recorded in the year the contribution becomes receivable under the terms of the applicable funding agreement. Contributions that are specifically designated to fund expenses of a future period, or that are restricted and unspent at the end of a period, are deferred and recognized in the period the related expenses are incurred.

Rents, leases, contributions from non-government agreements, other fees and interest are recognized as revenue in the period earned, when collection is reasonably assured.

The sales of goods and services are recognized as revenue in the period the good or services are provided to the recipient, and collection is reasonably assured.

Taxation revenues are recognized when authorized by Council, the taxable event has occurred, and the definition of an asset is met.

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

1. Significant Accounting Policies (continued):

h) Revenue Recognition (continued):

Other economic activities represent activities of subsidiaries and partnerships controlled by the Nation. Revenues from economic activities consist of sale of goods and services, government transfers, management fees, and lease revenue.

Expenses are recognized as they are incurred and measurable as a result of goods and services being received and/or the creation of a legal obligation to pay.

i) Measurement Uncertainty:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the report amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of tangible capital assets, recoverability of investments and advances, accrued liabilities and the possibility of contingent liabilities. Actual results could differ from these estimates.

j) Liability for Contaminated Sites:

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 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 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 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 sites exists.

k) Loan Guarantees

The Nation accounts for losses due to loan guarantees when it is determined they are likely. When a loss is likely a provision for the estimated loss is recorded as a liability in the statement of operations. The loss to be recognized takes into account the principal, accrued interest, and recoverable amount from the borrower and from sale of pledged assets. In management's view, no provision for loss is required at March 31, 2022.

l) Segment Disclosures

A segment is defined as a distinguishable activity of group of activities of the Nation, for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Nation has provided definitions used by the Nation in Note 17 as well as presented financial information in segment format in Schedule 1.

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

2. Portfolio Investments:

Portfolio investments includes funds invested with a third-party investment advisor recorded at market value and investments in limited partnerships recorded at cost, as follows:

		<u>2022</u>	<u>2021</u>
Portfolio Investments - Market Value	Leith Wheeler	\$ 10,678,624	\$ 10,100,643
Portfolio Investments - Cost	BC Gaming LP	<u>110</u>	<u>110</u>
		\$ <u>10,678,734</u>	\$ <u>10,100,753</u>

Market value of the Leith Wheeler investments includes an unrealized gain of \$1,259,713 (2021 - unrealized gain of \$1,162,591).

3. Trust Funds Held by Federal Government:

	<u>2021</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2022</u>
Capital	\$ <u>80,843</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>80,843</u>

The Trust Funds Held by the Federal Government arise from monies derived from capital 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*.

4. Accounts Receivable:

	<u>2022</u>	<u>2021</u>
Due from Members		
Nation Members	\$ 40,907	\$ 87,014
Allowance for Doubtful Accounts	<u>(32,961)</u>	<u>(32,961)</u>
	<u>7,946</u>	<u>54,053</u>
Due from Others		
Province of British Columbia	311,356	244,173
Other	<u>428,309</u>	<u>426,498</u>
	<u>739,665</u>	<u>670,671</u>
Net Accounts Receivable	\$ <u>747,611</u>	\$ <u>724,724</u>

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

5. Loans Receivable:

	<u>2022</u>	<u>2021</u>
K'omoks Economic Development Corporation: no specific terms of repayment or stated interest rate	\$ 11,759	\$ 11,759
K'omoks Economic Development Corporation Trust: no specific terms of repayment or stated interest rate	8,500	8,500
KFN Economic Development Limited Partnership: no specific terms of repayment or stated interest rate	4,655,838	4,655,838
K'omoks First Nation Training, Education, Capacity Trust: no specific terms of repayment or stated interest rate	537,950	533,757
K'omoks First Nation Business Trust: no specific terms of repayment or stated interest rate	<u>10,263,452</u>	<u>9,446,740</u>
	<u>\$ 15,477,499</u>	<u>\$ 14,656,594</u>

6. Investment in Government Business Enterprise:

The Nation's investment in a Government Business Enterprise consists of the following:

	<u>2022</u>	<u>2021</u>
A-Tlegay Fisheries Limited Partnership	\$ 1,161,256	\$ 931,005
Nanwakolas Carbon Credit Limited Partnership	5,731	6,916
Nanwakolas Offset Limited Partnership	128,652	89,095
Nanwakolas Timber Limited Partnership	<u>2,717,202</u>	<u>3,035,663</u>
	<u>\$ 4,012,841</u>	<u>\$ 4,062,679</u>

A-Tlegay Fisheries Limited Partnership acquires and manages various fishing licences and quota. These licences and quota are made available through negotiations with the Federal Government under the Pacific Integrated Commercial Fisheries Initiative by the Department of Fisheries and Oceans and acquires and leases fishing vessels and equipment.

Nanwakolas Forestry Limited Partnership and Nanwakolas Timber Limited Partnership harvest and manage timber. Nanwakolas Carbon Credit Limited Partnership and Nanwakolas Offset Limited Partnership verifies and sells carbon credits on the open market.

Nanwakolas Timber Limited Partnership (the "Timber LP") is presented on a consolidated basis which includes the balance that would be allocated to NTLF from Knight Inlet Grizzly Tours Ltd ("KIGT"). KIGT operates the Knight Inlet Lodge that provides Grizzly Tours. It is wholly owned by the Timber LP but its operations are not reflected within the financial statements of the Timber LP as it is not consolidated into the Timber LP financial statements, with the Timber LP reporting under Canadian accounting standards for private enterprises (ASPE) and accounting for the investment in KIGT at cost. KIGT has an October 31st year end. For the remainder of this note, its operations are presented as combined with the Nanwakolas Timber Limited Partnership.

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

6. Investment in Government Business Enterprise (continued):

	Quota Businesses	Forestry Businesses	Carbon Credit Businesses	Total 2022	Total 2021
Total Assets	\$ 14,364,506	\$ 23,028,102	\$ 2,596,482	\$ 39,989,090	\$ 38,293,501
Total Liabilities	7,912,437	4,974,413	1,466,506	14,353,356	13,399,981
Total Equity	<u>6,452,069</u>	<u>18,053,689</u>	<u>1,129,976</u>	<u>25,635,734</u>	<u>24,893,520</u>
Total Liabilities and Equity	<u>14,364,506</u>	<u>23,028,102</u>	<u>2,596,482</u>	<u>39,989,090</u>	<u>38,293,501</u>
Revenue	1,675,043	1,377,714	2,358,835	5,411,592	4,213,892
Expenses	<u>395,744</u>	<u>2,920,046</u>	<u>185,077</u>	<u>3,500,867</u>	<u>4,178,087</u>
Net Income (Loss)	\$ <u>1,279,299</u>	\$ <u>(1,542,332)</u>	\$ <u>2,173,758</u>	\$ <u>1,910,725</u>	\$ <u>35,805</u>

7. Accounts Payable and Accrued Liabilities:

	2022	2021
Trade Payables	\$ 213,037	\$ 267,144
Wages and Deductions Payable	<u>76,605</u>	<u>41,983</u>
	\$ <u>289,642</u>	\$ <u>309,127</u>

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

8. Deferred Revenue:

	<u>2021</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>2022</u>
Indigenous Services Canada (ISC):				
Fish Studies	\$ 72,558	\$ -	\$ 15,072	\$ 57,486
Land Management	46,634	280,508	191,909	135,233
TRM - Future Blueprint	-	116,142	112,590	3,552
TRM - Constitution Rat.	-	350,793	212,068	138,725
TRM - Enforcement	-	200,898	159,633	41,265
TRM - Forestry	-	201,799	198,454	3,345
Housing	41,623	50,128	41,380	50,371
Community Wellbeing	51,787	208,205	217,264	42,728
Education	109,537	232,789	314,140	28,186
P&ID Community Planning	5,525	-	-	5,525
Capacity Dev. - Children	-	202,800	912	201,888
IR#1 Roads and Bridges	54,406	130,938	38,495	146,849
Status Cards	-	1,181	24	1,157
COVID	57,600	250,313	119,476	188,437
Income Assistance	98,700	146,471	65,899	179,272
Emergency Management	16,029	-	16,029	-
Enrolment & Ratification	392,366	-	101,888	290,478
Capacity Action Plan	4,494	-	4,494	-
Community Development Plan	200	-	200	-
Post Effective Date Enforcement	367	-	367	-
Socio-Economic Indicators	63,913	-	50,281	13,632
Block Capital	-	75,193	53,044	22,149
Groundwater Seepage/ Drainage	2,897	-	2,897	-
Roads - General Maintenance	-	42,679	6,348	36,331
Water Maintenance	-	7,926	1,106	6,820
Sewer Maintenance	-	37,140	565	36,575
Asset Management Plan	-	40,000	4,479	35,521
New Homes	-	171,564	42,891	128,673
Housing Top-Up	-	50,546	-	50,546
	<u>1,018,636</u>	<u>2,798,013</u>	<u>1,971,905</u>	<u>1,844,744</u>
Other:				
FNHA	-	290,806	20,968	269,838
BC Hydro	59,451	15,000	44,167	30,284
FNLMRC	-	152,915	53,422	99,493
Province of BC	266,000	266,535	382,608	149,927
Miscellaneous	<u>105,392</u>	<u>220,232</u>	<u>74,415</u>	<u>251,209</u>
	<u>430,843</u>	<u>945,488</u>	<u>575,580</u>	<u>800,751</u>
Total	\$ <u>1,449,479</u>	\$ <u>3,743,501</u>	\$ <u>2,547,485</u>	\$ <u>2,645,495</u>

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

9. Loan Payable:

The loan payable balance consists of a multi-loan reducing term facility with held with CIBC. The purpose of the term facility is to provide members of the Nation who are pre-approved for new home mortgages the funds for new home construction. The Nation's term facility may not exceed \$3,000,000. Amounts owing are payable on demand. As at March 31, 2022, the Nation had \$3,000,000 available to it (2021 - \$2,751,937). Interest of commercial prime is charged on the outstanding balance of the facility.

10. Long Term Debt:

Long term debt consists of \$11,950 (2021 - \$11,950) owing to the Government of Canada regarding a Specific Claims negotiation. Debt is interest-free and matures the earlier of March 25, 2025 or the date on which the Specific Claim is settled.

11. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2022	2021
Land	\$ 1,913,100	\$ 976,119	\$ -	\$ 2,889,219	\$ -	\$ -	\$ -	\$ -	\$ 2,889,219	\$ 1,913,100
Buildings	4,907,929	45,627	-	4,953,556	2,243,291	107,498	-	2,350,789	2,602,767	2,664,638
Campground Improvements	380,260	-	-	380,260	217,080	8,159	-	225,239	155,021	163,180
Vehicles	183,717	232,701	-	416,418	135,538	49,359	-	184,897	231,521	48,179
Drainage Systems	424,255	-	-	424,255	242,197	9,103	-	251,300	172,955	182,058
Subdivision	6,149,349	873,647	-	7,022,996	511,709	299,080	-	810,789	6,212,207	5,637,640
Fence	37,482	-	-	37,482	9,022	2,846	-	11,868	25,614	28,460
Equipment	343,797	23,175	-	366,972	243,985	18,401	-	262,386	104,586	99,812
Computer Software	32,485	30,353	-	62,838	4,873	12,836	-	17,709	45,129	27,612
	<u>\$ 14,372,374</u>	<u>\$ 2,181,622</u>	<u>\$ -</u>	<u>\$ 16,553,996</u>	<u>\$ 3,607,695</u>	<u>\$ 507,282</u>	<u>\$ -</u>	<u>\$ 4,114,977</u>	<u>\$ 12,439,019</u>	<u>\$ 10,764,679</u>

During the year, Comox Valley Project Watershed Society ("CVPWS") made significant improvements to land owned jointly by the Nation and the City of Courtenay. The Nation's 51% share of these improvements totalled \$622,350 and were capitalized to Land and recognized as contributed revenue.

12. Contingent Liabilities and Commitments:

a) Loan Commitments

The Nation has entered into contribution agreements with various Federal Government departments. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements. The Nation is contingently liable for \$338,863 (2021 - \$412,492) with respect to its guarantee of loans made by Canada Mortgage and Housing Corporation to band members for homes built on reserve. The Nation is contingently liable for \$658,621 (2021 - \$671,522) with respect to its guarantee of loans made by BMO to band members for homes built on reserve.

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

13. Schedule of Expenses by Object:

	<u>2022</u>	<u>2021</u>
Administration	\$ 62,900	\$ 81,782
Adult Care	-	21,891
Amortization	507,282	225,576
Basic and Special Needs	221,548	189,492
Consulting	816,810	556,731
Honoraria	302,456	300,224
Insurance	57,771	44,787
Interest and Bank Charges	3,459	8,950
Material and Supplies	975,751	3,123,505
Meeting	77,155	33,325
Negotiations	171,725	166,150
Office and Sundry	51,874	86,747
Professional Fees	838,957	579,145
Rent	75,238	47,400
Repairs and Maintenance	137,228	134,583
Research	-	2,250
Training	18,099	9,187
Travel	40,827	5,251
Tuition	276,316	285,900
Utilities and Telephone	242,928	366,548
Wages and Benefits	<u>1,455,105</u>	<u>886,438</u>
	<u>\$ 6,333,429</u>	<u>\$ 7,155,862</u>

14. Economic Dependence:

The Nation receives a significant portion of its revenues from Indigenous Services Canada (ISC) as a result of 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 Nation to continue operations is dependant upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

15. Budget Figures:

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by Chief and Council and have not been audited.

16. Comparative Figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

K'OMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2022

17. Segment Disclosure:

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed:

Education:

Education contains activities that provide education and facilitate educational opportunities to members for primary and secondary schooling and adult vocational training.

Health:

Health contains activities that provide health services, medical services, financial support or support by other means to members that is aimed at developing both the individual as well as the community.

Lands Economic Development:

Lands and Economic Development contains activities that are involved in the development of the community and the development and operation of economic opportunities.

Housing:

Housing contains activities that relate to on reserve housing.

Community Services:

Community Services contains various activities and support administered from own-source revenues.

Social Services:

Social Services contains activities relating to social assistance and other family services provided to the members of the Nation.

Band Government:

Band Government includes general operations, support, and financial management of the Nation, including treaty related matters.

Treaty:

Treaty contains activities associated with the treaty negotiations between the Nation, the province and the federal government.

Public Works:

Public Works includes revenue and expenses associated with the maintenance of roads, water, sewer and community buildings within the Nation.

Taxation:

Taxation includes the provision of municipal services funded by property taxes charged to land users.

K'OMOKS FIRST NATION

Schedule 1 - Segment Disclosure

March 31, 2022

	Education	Health	Lands and Economic Development	Housing	Community Services	Social Services	Band Government	Treaty	Public Works	Taxation	2022 Total	2021 Total
Revenue												
ISC	\$ 548,510	\$ 243,237	\$ 257,904	\$ 88,319	\$ 21,192	\$ 347,026	\$ 1,551,652	\$ 101,888	\$ 165,256	\$ -	\$ 3,324,984	\$ 4,872,267
Other Revenue	118,179	191,909	939,279	48,939	1,890,142	-	2,753,902	1,044,534	48,979	62,890	7,098,753	11,194,709
	666,689	435,146	1,197,183	137,258	1,911,334	347,026	4,305,554	1,146,422	214,235	62,890	10,423,737	16,066,976
Expenses												
Materials and Supplies	595,776	73,733	10,280	95,367	43,726	182,359	(328,497)	14,546	102,073	-	789,363	3,034,196
Other	12,080	39,891	332,496	-	19,580	124,050	2,411,718	800,584	247,890	46,378	4,034,667	3,235,228
Wages and Benefits	58,657	151,438	451,476	27,037	86,545	40,617	522,593	-	168,536	2,500	1,509,399	886,438
	666,513	265,062	794,252	122,404	149,851	347,026	2,605,814	815,130	518,499	48,878	6,333,429	7,155,862
Annual Surplus (Deficit)	\$ 176	\$ 170,084	\$ 402,931	\$ 14,854	\$ 1,761,483	\$ -	\$ 1,699,740	\$ 331,292	\$ (304,264)	\$ 14,012	\$ 4,090,308	\$ 8,911,114

K'OMOKS FIRST NATION
Program Schedules
March 31, 2022



COMPILATION ENGAGEMENT REPORT

To Chief and Council and Members of the K'omoks First Nation,

On the basis of information provided by management, we have compiled the Unaudited Statement of Financial Activities by Program and the Unaudited Schedules of Program Operations of the K'omoks First Nation for the year ended March 31, 2022, and the note to the schedules, Note 1 which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with the Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Chan Nowosad Boates Inc

Chartered Professional Accountants
Courtenay, BC

September 1, 2022

K'OMOKS FIRST NATION

Unaudited Schedules of Program Operations

Table of Contents

Year Ended March 31, 2022

Unaudited Statement of Financial Activities by Program	1-2
Education	3
Health - Community Health	4
Health - Special Programs	5
Health - Youth	6
Health - Elders	7
Lands and Economic Development - COVID-19 Assistance	8
Lands and Economic Development - Rural Dividend Program	9
Lands and Economic Development - Special Projects	10
Lands and Economic Development - Rosewall Start Up	11
Lands and Economic Development - Forestry	12
Lands and Economic Development - Specific Claims Research	13
Lands and Economic Development - Land Use Planning	14
Lands and Economic Development - IR#2 Expansion	15
Lands and Economic Development - IR#1 Roads and Bridges	16
Lands and Economic Development - IR#1, Phase 2	17
Lands and Economic Development - IR#1, Phase 1	18
Lands and Economic Development - Interim Measures - Province of BC	19
Lands and Economic Development - Administration	20
Lands and Economic Development - Intergovernmental Relations	21
Lands and Economic Development - Southland Water Extension	22
Lands and Economic Development - A&C Water and PRV Replacement	23
Lands and Economic Development - Groundwater Seepage and Drainage	24
Lands and Economic Development - Greenshore Erosion	25
Lands and Economic Development - Lands P & ID	26
Housing - Capital Housing Project	27
Housing - Special Projects	28
Housing - New Homes	29
Housing - General Housing	30
Community Services - Band Capacity Building Fund	31
Community Services - Band Revenue	32
Social Services - Social Development	33
Social Services - Family Violence	34
Band Government - Band Support	35
Band Government - Special Projects	36
Band Government- Response COVID-19	37
Band Government - Fleet	38
TRM - Asset Management Plan through Constitutional Ratification	39-58
Treaty	59
Treaty - Enrollment & Ratification Activities	60
Public Works - Community Infrastructure	61
Taxation	62
Notes to the Unaudited Schedules of Program Operations	63