K'ÓMOKS FIRST NATION

Financial Statements

March 31, 2023

K'ÓMOKS FIRST NATION

Financial Statements
Table of Contents
Year Ended March 31, 2023

K'ÓMOKS FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 31, 2023

The accompanying financial statements of the K'ómoks First Nation as at March 31, 2023 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'ómoks 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.

Brian Parschauer, CPA

Brian Parschauer, CPA, CMA
Director of Finance

August 29, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinion
We have audited the accompanying financial statements of the K'ómoks First Nation (the "Nation"), which comprise the statement of financial position as at March 31, 2023, 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, 2023, 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.

Campbell River Office: 980 Alder Street, Campbell River, BC V9W 2P9 | Tel: 250.286.0744 | Fax: 250.286.1067 | Toll Free: 1.888.262.4829
Courtenay Office: #201 – 1532 Cliffe Avenue, Courtenay, BC V9N 2K4 | Tel: 778.225.1010 | Fax: 778.225.1011
Email: cnb@cnbcpa.ca | www.cnbcpa.ca

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 Nowosad Boates Inc

Chartered Professional Accountants
Courtenay, BC

August 29, 2023

K'ÓMOKS FIRST NATION

Statement of Financial Position

March 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and Cash Equivalents	$ 14,527,032	$ 9,068,842
Portfolio Investments **(Note 3)**	10,674,360	10,678,734
Trust Funds Held by Federal Government **(Note 4)**	80,843	80,843
Accounts Receivable **(Note 5)**	11,058,419	747,611
Loans Receivable **(Note 6)**	18,699,308	15,477,499
Investment in Government Business Enterprise **(Note 7)**	4,525,058	4,012,841
	59,565,020	40,066,370
LIABILITIES		
Accounts Payable and Accrued Liabilities **(Note 8)**	574,539	289,642
Deferred Revenue **(Note 9)**	10,075,841	2,645,495
Loan Payable **(Note 10)**	843,997	-
Long Term Debt **(Note 11)**	11,950	11,950
	11,506,327	2,947,087
NET FINANCIAL ASSETS	48,058,693	37,119,283
NON-FINANCIAL ASSETS		
Prepaid Expenses and Deposits	141,679	51,007
Tangible Capital Assets **(Note 12)**	13,572,806	12,439,019
	13,714,485	12,490,026
ACCUMULATED SURPLUS	$ 61,773,178	$ 49,609,309

Contingent Liabilities and Commitments (Note 13)

Approved by:

Chief

Councilor

K'ÓMOKS FIRST NATION

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2023

	2023 Actual	2023 Budget (Note 16)	2022
Revenues			
Indigenous Services Canada	$ 4,339,812	$ 3,760,180	$ 3,324,984
K'ómoks First Nation Business Trust	3,204,313	-	1,816,712
Income from Government Business Partnerships	688,617	220,000	170,129
Investment Gain	50,201	750,000	634,805
Interest Income	430,105	58,100	61,874
Administration Fees	99,388	139,760	143,562
Province of British Columbia	2,615,679	4,090,730	1,239,128
First Nations Health Authority	585,774	805,680	10,131
Rental Income	251,448	248,590	247,400
BC Treaty Commission	775,000	775,000	985,425
Comox Valley Regional District	3,258,620	-	-
Specific Claims	2,110,096	-	-
Comox Valley Project Watershed Society	741,586	-	622,350
Other	1,433,849	3,056,540	1,167,237
	20,584,488	13,904,580	10,423,737
Expenditures (Note 14)			
Education	531,394	866,050	666,513
Health	596,409	822,030	265,062
Lands and Economic Development	1,017,346	1,626,990	794,252
Housing	1,102,254	2,084,600	122,404
Community Services	294,546	3,173,340	149,851
Social Services	317,659	527,770	347,026
Band Government	2,739,048	2,568,620	2,605,814
Treaty	1,136,436	1,452,290	815,130
Public Works	636,831	763,430	518,499
Taxation	48,696	58,830	48,878
	8,420,619	13,943,950	6,333,429
Annual Surplus (Deficit)	12,163,869	(39,370)	4,090,308
Accumulated Surplus - Beginning of Year	49,609,309		45,519,001
Accumulated Surplus - End of Year	$ 61,773,178		$ 49,609,309

K'ÓMOKS FIRST NATION

Statement of Changes in Net Financial Assets

Year Ended March 31, 2023

	2023 Actual	2023 Budget (Note 16)	2022
Annual Surplus	$ 12,163,869	$ (39,370)	$ 4,090,308
Purchase of Tangible Capital Assets	(1,692,506)	-	(2,181,622)
Amortization of Tangible Capital Assets	558,719	-	507,282
	(1,133,787)	-	(1,674,340)
Acquisition of Prepaid Asset	(141,679)	-	(51,007)
Use of Prepaid Asset	51,007	-	48,042
	(90,672)	-	(2,965)
Increase (Decrease) in Net Financial Assets	10,939,410	$ (39,370)	2,413,003
Net Financial Assets - Beginning of Year	37,119,283		34,706,280
Net Financial Assets - End of Year	$ 48,058,693		$ 37,119,283

K'ÓMOKS FIRST NATION

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022
Cash Flows From Operating Activities:		
Cash Received from ISC and Other Sources	$ 13,073,884	$ 8,409,694
Cash Paid to Suppliers and Employees	(7,667,675)	(5,848,597)
	5,406,209	2,561,097
Cash Flows From Financing Activities:		
Loan Proceeds Received (Repaid)	843,997	(248,063)
Cash Flows From Investing Activities:		
Distributions from Government Business Partnerships	158,904	1,215,774
Cash Flows From Capital Activities:		
Purchase of Tangible Capital Assets	(950,920)	(1,559,272)
Increase in Cash and Cash Equivalents	5,458,190	1,969,536
Cash and Cash Equivalents - Beginning of Year	9,068,842	7,099,306
Cash and Cash Equivalents - End of Year	$ 14,527,032	$ 9,068,842

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'ómoks First Nation (the "Nation") government administration and the K'ómoks 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 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.

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 reasonable 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.

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, 2023.

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, 2023, 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, 2023.

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.

m) Asset Retirement Obligations

The Nation recognizes a liability for an asset retirement obligation when there is legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date.

2. Change in Accounting Policy:

On April 1, 2022, the Nation adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The Nation determined that at both April 1, 2021 and April 1, 2022, it did not have any tangible capital assets that would result in a material asset retirement obligation.

3. 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:

		2023	2022
Portfolio Investments - Market Value	Leith Wheeler	$ 10,674,250	$ 10,678,624
Portfolio Investments - Cost	BC Gaming LP	110	110
		$ 10,674,360	$ 10,678,734

Market value of the Leith Wheeler investments includes an unrealized gain of $723,089 (2022 - unrealized gain of $1,259,713).

4. Trust Funds Held by Federal Government:

	2022	Additions	Withdrawals	2023
Capital	$ 80,843	$ -	$ -	$ 80,843

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*.

5. Accounts Receivable:

	2023	2022
Due from Members		
Nation Members	$ 41,462	$ 40,907
Member Housing Loan	843,997	-
	885,459	40,907
Allowance for Doubtful Accounts	(32,961)	(32,961)
	852,498	7,946
Due from Others		
Province of British Columbia	6,893,214	311,356
Government of Canada	2,624,675	-
Other	688,032	428,309
	10,205,921	739,665
Net Accounts Receivable	$ 11,058,419	$ 747,611

6. Loans Receivable:

	2023	2022
K'ómoks Economic Development Corporation: no specific terms of repayment or stated interest rate	$ 11,759	$ 11,759
K'ómoks 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'ómoks First Nation Training, Education, Capacity Trust: no specific terms of repayment or stated interest rate	555,446	537,950
K'ómoks First Nation Business Trust: no specific terms of repayment or stated interest rate	13,467,765	10,263,452
	$ 18,699,308	$ 15,477,499

The shares of K'ómoks Economic Development Corporation and partnership units of KFN Economic Development Limited Partnership are held in-trust for the benefit of the members of the Nation. The amounts receivable from the K'ómoks First Nation Business Trust represent the Nation's share of the accumulated and undistributed income of the KFN Economic Development Limited Partnership. Amounts due from the K'ómoks First Nation Business Trust represent funds held in-trust for which the Nation is the beneficiary.

7. Investment in Government Business Enterprise:

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

	2023	2022
A-Tlegay Fisheries Limited Partnership	$ 1,418,127	$ 1,161,256
Nanwakolas Carbon Credit Limited Partnership	-	5,731
Nanwakolas Offset Limited Partnership	218,451	128,652
Nanwakolas Timber Limited Partnership	2,888,480	2,717,202
	$ 4,525,058	$ 4,012,841

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.

7. Investment in Government Business Enterprise (continued):

Nanwakolas Timber Limited Partnership (the "Timber LP") is presented on a consolidated basis which includes the balance that would be allocated to NTLP 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.

	Quota Businesses	Forestry Businesses	Carbon Credit Businesses	Total 2023	Total 2022
Total Assets	$ 19,661,559	$ 25,996,472	$ 3,668,492	$ 49,326,523	$ 39,989,090
Total Liabilities	11,782,287	6,879,613	1,837,438	20,499,338	14,353,356
Total Equity	7,879,272	19,116,859	1,831,054	28,827,185	25,635,734
Total Liabilities and Equity	$ 19,661,559	$ 25,996,472	$ 3,668,492	$ 49,326,523	$ 39,989,090
Revenue	$ 1,973,372	$ 6,672,559	$ 2,347,678	$ 10,993,609	$ 5,411,592
Expenses	546,169	5,843,044	156,613	6,545,826	3,500,867
Net Income	$ 1,427,203	$ 829,515	$ 2,191,065	$ 4,447,783	$ 1,910,725

8. Accounts Payable and Accrued Liabilities:

	2023	2022
Trade Payables	$ 507,316	$ 213,037
Wages and Deductions Payable	67,223	76,605
	$ 574,539	$ 289,642

9. Deferred Revenue:

	2022	Funding Received	Revenue Recognized	2023
Indigenous Services Canada (ISC):				
Fish Studies	$ 57,486	$ -	$ 18,677	$ 38,809
Land Management	135,233	283,513	282,084	136,662
TRM - Future Blueprint	3,552	117,802	121,354	-
TRM - Constitution Rat.	138,725	154,246	173,092	119,879
TRM - Enforcement	41,265	134,505	175,655	115
TRM - Forestry	3,345	147,350	150,695	-
Housing	50,371	190,416	101,859	138,928
Community Wellbeing	42,728	753,385	796,113	-
Education	28,186	453,498	413,952	67,732
P&ID Community Planning	5,525	-	5,525	-
Capacity Dev. - Children	201,888	-	-	201,888
IR#1 Roads and Bridges	146,849	-	-	146,849
Status Cards	1,157	-	1,157	-
COVID	188,437	-	163,012	25,425
Income Assistance	179,272	437,687	347,893	269,066
Enrolment & Ratification	290,478	-	93,664	196,814
Socio-Economic Indicators	13,632	-	13,625	7
Block Capital	22,149	76,697	98,846	-
Roads - General Maintenance	36,331	-	6,272	30,059
Water Maintenance	6,820	31,500	1,129	37,191
Sewer Maintenance	36,575	-	215	36,360
Asset Management Plan	35,521	14,579	27,767	22,333
New Homes	128,673	1,100,474	608,072	621,075
Housing Top-Up	50,546	-	38,046	12,500
Water Testing	-	77,005	-	77,005
TRM - Implementation	-	98,632	81,085	17,547
	1,844,744	4,071,289	3,719,789	2,196,244
Other:				
FNHA	269,838	654,569	515,875	408,532
BC Hydro	30,284	35,000	5,148	60,136
FNLMRC	99,493	6,588	74,649	31,432
Province of BC	149,927	7,228,194	664,933	6,713,188
Federal Government	-	389,056	147,550	241,506
Miscellaneous	251,209	271,250	97,656	424,803
	800,751	8,584,657	1,505,811	7,879,597
Total	$ 2,645,495	$ 12,655,946	$ 5,225,600	$ 10,075,841

10. Loan Payable:

The loan payable balance consists of a multi-loan reducing term facility 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, 2023, the Nation had $2,156,003 available to it (2022 - $3,000,000). Interest of commercial prime is charged on the outstanding balance of the facility.

11. Long Term Debt:

Long term debt consists of $11,950 (2022 - $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.

12. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2023	2022
Land	$ 2,889,219	$ 779,682	$ -	$ 3,668,901	$ -	$ -	$ -	$ -	$ 3,668,901	$ 2,889,219
Buildings	4,953,556	768,463	-	5,722,019	2,350,789	119,480	-	2,470,269	3,251,750	2,602,767
Campground Improvements	380,260	-	-	380,260	225,239	7,751	-	232,990	147,270	155,021
Vehicles	416,418	22,676	-	439,094	184,897	72,764	-	257,661	181,433	231,521
Drainage Systems	424,255	-	-	424,255	251,300	8,648	-	259,948	164,307	172,955
Subdivision	7,022,996	83,039	-	7,106,035	810,789	312,686	-	1,123,475	5,982,560	6,212,207
Fence	37,482	-	-	37,482	11,868	2,561	-	14,429	23,053	25,614
Equipment	366,972	38,646	-	405,618	262,386	21,290	-	283,676	121,942	104,586
Computer Software	62,838	-	-	62,838	17,709	13,539	-	31,248	31,590	45,129
	$ 16,553,996	$ 1,692,506	$ -	$ 18,246,502	$ 4,114,977	$ 558,719	$ -	$ 4,673,696	$ 13,572,806	$ 12,439,019

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 $741,586 (2022 - $622,350) and were capitalized to Land and recognized as contributed revenue.

13. 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 $1,283,566 (2022 - $338,863) 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 $623,920 (2022 - $658,621) with respect to its guarantee of loans made by BMO to band members for homes built on reserve.

b) Contract Commitments

On January 20, 2023, The Nation entered into a contract for the purchase of solar panels and related equipment for the installation on reserve. The contract is to be completed in the year ended March 31, 2024. As at March 31, 2023, the Nation was contractually obligated to pay the remaining $246,560 of the contract price.

14. Schedule of Expenses by Object:

	2023	2022
Administration	$ 116,370	$ 62,900
Amortization	558,719	507,282
Basic and Special Needs	211,989	221,548
Consulting	1,012,924	816,810
Honoraria	334,957	302,456
Insurance	66,163	57,771
Interest and Bank Charges	6,085	3,459
Material and Supplies	1,558,110	1,035,266
Meeting	58,158	17,640
Negotiations	212,600	171,725
Office and Sundry	49,913	51,874
Professional Fees	1,753,162	838,957
Rent	86,267	75,238
Repairs and Maintenance	169,611	137,228
Training	21,542	18,099
Travel	74,868	40,827
Tuition	244,543	276,316
Utilities and Telephone	311,798	242,928
Wages and Benefits	1,572,840	1,455,105
	$ 8,420,619	$ 6,333,429

15. 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.

16. 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.

17. Comparative Figures:

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

18. 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'ÓMOKS FIRST NATION

Schedule 1 - Segment Disclosure

March 31, 2023

	Education	Health	Lands and Economic Development	Housing	Community Services	Social Services	Band Government	Treaty	Public Works	Taxation	2023 Total	2022 Total
Revenue												
ISC	$ 413,952	$ -	$ 425,122	$ 747,976	$ 796,113	$ 382,203	$ 1,286,976	$ 93,664	$ 193,806	$ -	$ 4,339,812	$ 3,324,984
Other Revenue	113,714	574,183	1,098,107	404,609	3,341,527	-	9,717,683	832,684	98,103	64,066	16,244,676	7,098,753
	527,666	574,183	1,523,229	1,152,585	4,137,640	382,203	11,004,659	926,348	291,909	64,066	20,584,488	10,423,737
Expenses												
Materials and Supplies	206,196	94,967	61,015	622,478	91,231	44,675	245,748	30,078	161,722	-	1,558,110	1,035,266
Other	256,194	198,725	576,849	419,006	122,937	255,817	2,099,974	1,051,387	263,084	45,696	5,289,669	3,843,058
Wages and Benefits	69,004	302,717	379,482	60,770	80,378	17,167	393,326	54,971	212,025	3,000	1,572,840	1,455,105
	531,394	596,409	1,017,346	1,102,254	294,546	317,659	2,739,048	1,136,436	636,831	48,696	8,420,619	6,333,429
Annual Surplus (Deficit)	$ (3,728)	$ (22,226)	$ 505,883	$ 50,331	$ 3,843,094	$ 64,544	$ 8,265,611	$ (210,088)	$ (344,922)	$ 15,370	$ 12,163,869	$ 4,090,308