

K'ÓMOKS FIRST NATION
Financial Statements
March 31, 2024

K'ÓMOKS FIRST NATION

Financial Statements

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Year Ended March 31, 2024

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K'ÓMOKS FIRST NATION
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
March 31, 2024

The accompanying financial statements of the K'ómoks First Nation as at March 31, 2024 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, CMA
Director of Finance

August 29, 2024



INDEPENDENT AUDITORS' REPORT

To the 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, 2024, 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, 2024, 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 Narend Boates Inc

Chartered Professional Accountants
Courtenay, BC

August 29, 2024

K'ÓMOKS FIRST NATION

Statement of Financial Position

March 31, 2024

2024

2023

FINANCIAL ASSETS

Cash and Cash Equivalents	\$ 18,378,405	\$ 14,527,032
Portfolio Investments (Note 2)	11,874,324	10,674,360
Trust Funds Held by Federal Government (Note 3)	80,843	80,843
Accounts Receivable (Note 4)	2,057,503	10,214,422
Loans Receivable (Note 5)	22,037,668	18,699,308
Investment in Government Business Enterprises (Note 6)	<u>12,404,676</u>	<u>4,525,058</u>
	<u>66,833,419</u>	<u>58,721,023</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 7)	705,975	574,539
Deferred Revenue (Note 8)	4,937,893	10,075,841
Long Term Debt (Note 9)	<u>883,940</u>	<u>11,950</u>
	<u>6,527,808</u>	<u>10,662,330</u>
	<u>60,305,611</u>	<u>48,058,693</u>

NET FINANCIAL ASSETS

NON-FINANCIAL ASSETS

Prepaid Expenses and Deposits	159,786	141,679
Tangible Capital Assets (Note 10)	<u>18,309,459</u>	<u>13,572,806</u>
	<u>18,469,245</u>	<u>13,714,485</u>

ACCUMULATED SURPLUS

\$ 78,774,856 \$ 61,773,178

Contingent Liabilities and Commitments (Note 11)

Approved by:



Chief



Councilor

K'ÓMOKS FIRST NATION

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2024

	2024		2023
	Actual	Budget (Note 14)	
Revenues			
Indigenous Services Canada	\$ 3,141,164	\$ 3,429,550	\$ 4,339,812
K'ómoks First Nation Business Trust	3,307,306	-	3,204,313
Income from Government Business Partnerships	1,532,387	423,000	688,617
Investment Gain	1,258,636	230,000	50,201
Interest Income	1,328,074	580,600	430,105
Administration Fees	114,184	143,020	99,388
Province of British Columbia	8,738,053	2,118,300	2,165,871
BC Gaming LP	415,414	400,000	449,808
First Nations Health Authority	723,592	761,890	585,774
Rental Income	256,698	279,610	251,448
BC Treaty Commission	1,030,000	1,181,200	775,000
Comox Valley Regional District	5,000	-	3,258,620
Specific Claims	-	-	2,110,096
Comox Valley Project Watershed Society	657,724	-	741,586
Town of Comox	1,821,000	-	-
Other	<u>1,755,361</u>	<u>6,031,630</u>	<u>1,433,849</u>
	<u>26,084,593</u>	<u>15,578,800</u>	<u>20,584,488</u>
Expenditures (Note 12)			
Education	452,898	759,990	531,394
Health	748,587	787,410	596,409
Lands and Economic Development	1,439,245	1,395,830	1,017,346
Housing	620,098	2,051,160	1,102,254
Community Services	345,211	4,228,410	294,546
Social Services	308,097	469,470	317,659
Band Government	3,216,151	4,359,370	2,739,048
Treaty	1,203,078	1,293,160	1,136,436
Public Works	672,400	834,600	636,831
Taxation	<u>77,150</u>	<u>61,880</u>	<u>48,696</u>
	<u>9,082,915</u>	<u>16,241,280</u>	<u>8,420,619</u>
Annual Surplus (Deficit)	17,001,678	\$ <u>(662,480)</u>	12,163,869
Accumulated Surplus - Beginning of Year	<u>61,773,178</u>		<u>49,609,309</u>
Accumulated Surplus - End of Year	<u>\$ 78,774,856</u>		<u>\$ 61,773,178</u>

K'ÓMOKS FIRST NATION

Statement of Changes in Net Financial Assets

Year Ended March 31, 2024

	2024		2023
	Actual	Budget (Note 14)	
Annual Surplus	\$ 17,001,678	\$ (662,480)	\$ 12,163,869
Acquisition of Tangible Capital Assets	(5,346,451)	-	(1,692,506)
Disposal of Tangible Capital Assets	6,703	-	-
Amortization of Tangible Capital Assets	<u>603,095</u>	<u>-</u>	<u>558,719</u>
	<u>(4,736,653)</u>	<u>-</u>	<u>(1,133,787)</u>
Acquisition of Prepaid Asset	(159,786)	-	(141,679)
Use of Prepaid Asset	<u>141,679</u>	<u>-</u>	<u>51,007</u>
	<u>(18,107)</u>	<u>-</u>	<u>(90,672)</u>
Increase (Decrease) in Net Financial Assets	12,246,918	\$ (662,480)	10,939,410
Net Financial Assets - Beginning of Year	<u>48,058,693</u>		<u>37,119,283</u>
Net Financial Assets - End of Year	\$ 60,305,611		\$ 48,058,693

K'ÓMOKS FIRST NATION

Statement of Cash Flows

Year Ended March 31, 2024

2024

2023

Cash Flows From Operating Activities:

Cash Received from ISC and Other Sources	\$ 22,374,369	\$ 13,073,884
Cash Paid to Suppliers and Employees	<u>(8,366,491)</u>	<u>(7,667,675)</u>
	<u>14,007,878</u>	<u>5,406,209</u>

Cash Flows From Financing Activities:

Loan Proceeds Received	871,990	843,997
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Cash Flows From Investing Activities:

Distributions from Government Business Partnerships	610,949	158,904
Investments in Government Business Partnerships	<u>(6,957,420)</u>	<u>-</u>
	<u>(6,346,471)</u>	<u>158,904</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(4,688,727)	(950,920)
Disposition of Tangible Capital Assets	<u>6,703</u>	<u>-</u>
	<u>(4,682,024)</u>	<u>(950,920)</u>

Increase in Cash and Cash Equivalents	3,851,373	5,458,190
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Cash and Cash Equivalents - Beginning of Year	14,527,032	9,068,842
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Cash and Cash Equivalents - End of Year	\$ 18,378,405	\$ 14,527,032
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K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

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%)
La-kwa sa muqw Forestry Limited Partnership (6.589%)
TFL 64 Limited Partnership (18.981%)

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'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

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'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

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, 2024.

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, 2024, 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, 2024.

l) Segment Disclosures

A segment is defined as a distinguishable activity or 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 16 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.

K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

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>2024</u>	<u>2023</u>
Portfolio Investments - Market Value	Leith Wheeler	\$ 11,874,214	\$ 10,674,250
Portfolio Investments - Cost	BC Gaming LP	110	110
		<u>\$ 11,874,324</u>	<u>\$ 10,674,360</u>

Market value of the Leith Wheeler investments includes an unrealized gain of \$1,342,178 (2023 - unrealized gain of \$723,089).

3. Trust Funds Held by Federal Government:

	<u>2023</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>2024</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>2024</u>	<u>2023</u>
Due from Members		
Nation Members	\$ 50,228	\$ 41,462
Member Housing Program	<u>191,000</u>	<u>-</u>
	241,228	41,462
Allowance for Doubtful Accounts	<u>(36,689)</u>	<u>(32,961)</u>
	204,539	8,501
Due from Others		
Province of British Columbia	975,095	6,893,214
Government of Canada	416,804	2,624,675
Other	<u>461,065</u>	<u>688,032</u>
	1,852,964	10,205,921
Net Accounts Receivable	<u>\$ 2,057,503</u>	<u>\$ 10,214,422</u>

K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

5. Loans Receivable:

	<u>2024</u>	<u>2023</u>
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	586,500	555,446
K'ómoks First Nation Business Trust: no specific terms of repayment or stated interest rate	<u>16,775,071</u> <u>\$ 22,037,668</u>	<u>13,467,765</u> <u>\$ 18,699,308</u>

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.

6. Investment in Government Business Enterprises:

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

	<u>2024</u>	<u>2023</u>
A-Tlegay Fisheries Limited Partnership	\$ 1,805,315	\$ 1,418,127
Nanwakolas Offset Limited Partnership	445,730	218,451
Nanwakolas Timber Limited Partnership	3,012,728	2,888,480
La-kwa sa muqw Ltd.	659	-
La-kwa sa muqw Limited Partnership	6,957,420	-
TFL 64 (GP) Ltd.	1	-
TFL 64 Limited Partnership	<u>182,823</u> <u>\$ 12,404,676</u>	<u>-</u> <u>\$ 4,525,058</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.

La-kwa sa muqw Limited Partnership, TFL 64 Limited Partnership, Nanwakolas Forestry Limited Partnership and Nanwakolas Timber Limited Partnership harvest and manage timber. Nanwakolas Offset Limited Partnership verifies and sells carbon credits on the open market.

K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

6. Investment in Government Business Enterprises (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 2024	Total 2023
Total Assets	\$ 20,297,330	\$ 140,785,918	\$ 3,890,966	\$ 164,974,214	\$ 49,326,523
Total Liabilities	10,266,793	16,252,042	146,878	26,665,713	20,499,338
Total Equity	10,030,537	124,533,876	3,744,088	138,308,501	28,827,185
Total Liabilities and Equity	\$ 20,297,330	\$ 140,785,918	\$ 3,890,966	\$ 164,974,214	\$ 49,326,523
Revenue	\$ 2,960,338	\$ 8,363,730	\$ 4,052,444	\$ 15,376,512	\$ 10,993,609
Expenses	1,134,073	6,595,052	369,161	8,098,286	6,545,826
Net Income	\$ 1,826,265	\$ 1,768,678	\$ 3,683,283	\$ 7,278,226	\$ 4,447,783

7. Accounts Payable and Accrued Liabilities:

	2024	2023
Trade Payables	\$ 642,426	\$ 507,316
Wages and Deductions Payable	63,549	67,223
	\$ 705,975	\$ 574,539

8. Deferred Revenue:

	2023	Funding Received	Revenue Recognized	2024
Indigenous Services Canada	\$ 2,196,244	\$ 3,107,149	\$ 3,144,641	\$ 2,158,752
BC Hydro	60,136	94,637	69,431	85,342
FNHA	408,532	834,691	806,329	436,894
FNLMRC	31,432	28,718	54,062	6,088
Province of BC	6,713,188	998,735	6,792,582	919,341
Federal Government	241,506	414,423	294,995	360,934
Miscellaneous	424,803	1,350,128	804,389	970,542
	\$ 10,075,841	\$ 6,828,481	\$ 11,966,429	\$ 4,937,893

K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

9. Long Term Debt:

	<u>2024</u>	<u>2023</u>
CMHC Loan (Elders' 6-Plex): repayable at \$4,524 per month including interest at 3.84% per annum; for renewal on April 1, 2029; secured by buildings with a net book value of \$1,174,337	\$ 871,990	\$ -
Government of Canada: Specific claim negotiation loan without interest; matures the earlier of March 25, 2025 or the date on which the specific claim is settled	<u>11,950</u> <u>\$ 883,940</u>	<u>11,950</u> <u>\$ 11,950</u>

Principal repayments on the CMHC Loan over the next 5 years and thereafter are estimated as follows:

2025	\$ 19,292
2026	21,833
2027	22,687
2028	23,573
2029 and thereafter	784,605

10. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2024	2023
Land	\$ 3,668,901	\$ 2,540,556	\$ -	\$ 6,209,457	\$ -	\$ -	\$ -	\$ -	\$ 6,209,457	\$ 3,668,901
Buildings	5,722,019	1,586,456	-	7,308,475	2,470,269	161,799	-	2,632,068	4,676,407	3,251,750
Campground Improvements	380,260	-	-	380,260	232,990	7,363	-	240,353	139,907	147,270
Vehicles	439,094	-	-	439,094	257,661	54,336	-	311,997	127,097	181,433
Drainage Systems	424,255	-	-	424,255	259,948	8,215	-	268,163	156,092	164,307
Subdivision	7,106,035	1,105,289	-	8,211,324	1,123,475	326,760	-	1,450,235	6,761,089	5,982,560
Fence	37,482	-	-	37,482	14,429	2,305	-	16,734	20,748	23,053
Equipment	405,618	114,150	11,637	508,131	283,676	32,840	4,934	311,582	196,549	121,942
Computer Software	62,838	-	-	62,838	31,248	9,477	-	40,725	22,113	31,590
	<u>\$ 18,246,502</u>	<u>\$ 5,346,451</u>	<u>\$ 11,637</u>	<u>\$ 23,581,316</u>	<u>\$ 4,673,696</u>	<u>\$ 603,095</u>	<u>\$ 4,934</u>	<u>\$ 5,271,857</u>	<u>\$ 18,309,459</u>	<u>\$ 13,572,806</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 \$657,724 (2023 - \$741,586) and were capitalized to Land and recognized as contributed revenue.

K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

11. Contingent Liabilities and 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 \$4,685,662 (2023 - \$2,751,483) with respect to its guarantee of mortgages made by financial institutions to band members for homes built on reserve.

12. Schedule of Expenses by Object:

	<u>2024</u>	<u>2023</u>
Administration	\$ 111,890	\$ 116,370
Amortization	603,097	558,719
Basic and Special Needs	187,270	211,989
Consulting	2,558,540	2,356,100
Honoraria	387,693	334,957
Insurance	79,857	66,163
Interest and Bank Charges	21,098	6,085
Material and Supplies	1,142,353	1,558,110
Meeting	63,877	58,158
Negotiations	291,798	212,600
Office and Sundry	73,425	49,913
Professional Fees	533,031	409,986
Rent	52,991	86,267
Repairs and Maintenance	172,724	169,611
Training	42,956	21,542
Travel	150,391	74,868
Tuition	301,520	244,543
Utilities and Telephone	295,809	311,798
Wages and Benefits	<u>2,012,595</u>	<u>1,572,840</u>
	<u>\$ 9,082,915</u>	<u>\$ 8,420,619</u>

13. 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. The ability of the Nation to continue operations at its present state is dependant upon the Government of Canada's continued financial commitments as guaranteed by these agreements.

K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

14. 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.

15. Comparative Figures:

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

16. 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.

K'ÓMOKS FIRST NATION

Notes to the Financial Statements

March 31, 2024

16. Segment Disclosure (continued):

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, 2024

	Education	Health	Lands and Economic Development	Housing	Community Services	Social Services	Band Government	Treaty	Public Works	Taxation	2024 Total	2023 Total
Revenue												
ISC	\$ 370,540	\$ 15,630	\$ 508,820	\$ 452,889	\$ 187,006	\$ 472,692	\$ 851,603	\$ 49,050	\$ 232,934	\$ -	\$ 3,141,164	\$ 4,339,812
Other Revenue	<u>168,195</u>	<u>709,780</u>	<u>1,577,516</u>	<u>167,654</u>	<u>4,124,074</u>	<u>-</u>	<u>15,042,227</u>	<u>1,043,468</u>	<u>47,332</u>	<u>63,183</u>	<u>22,943,429</u>	<u>16,244,676</u>
	<u>538,735</u>	<u>725,410</u>	<u>2,086,336</u>	<u>620,543</u>	<u>4,311,080</u>	<u>472,692</u>	<u>15,893,830</u>	<u>1,092,518</u>	<u>280,266</u>	<u>63,183</u>	<u>26,084,593</u>	<u>20,584,488</u>
Expenses												
Materials and Supplies	63,627	88,321	195,495	267,951	103,148	30,353	290,064	16,025	87,369	-	1,142,353	1,558,110
Other	338,861	321,653	722,856	271,709	150,664	222,212	2,315,593	1,186,040	324,229	74,150	5,927,967	5,289,669
Wages and Benefits	<u>50,410</u>	<u>338,613</u>	<u>520,894</u>	<u>80,438</u>	<u>91,399</u>	<u>55,532</u>	<u>610,494</u>	<u>1,013</u>	<u>260,802</u>	<u>3,000</u>	<u>2,012,595</u>	<u>1,572,840</u>
	<u>452,898</u>	<u>748,587</u>	<u>1,439,245</u>	<u>620,098</u>	<u>345,211</u>	<u>308,097</u>	<u>3,216,151</u>	<u>1,203,078</u>	<u>672,400</u>	<u>77,150</u>	<u>9,082,915</u>	<u>8,420,619</u>
Annual Surplus (Deficit)	\$ 85,837	\$ (23,177)	\$ 647,091	\$ 445	\$ 3,965,869	\$ 164,595	\$ 12,677,679	\$ (110,560)	\$ (392,134)	\$ (13,967)	\$ 17,001,678	\$ 12,163,869