

**LYTTON FIRST NATION**

**FINANCIAL STATEMENTS  
MARCH 31, 2014**

**LYTTON FIRST NATION**  
**ANNUAL FINANCIAL REPORT**

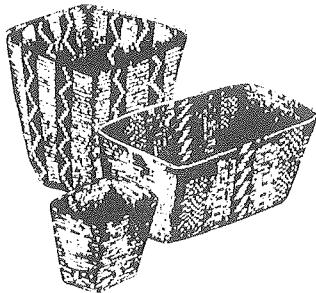
**March 31, 2014**

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# LYTTON FIRST NATION

**Lytton First Nation**

**March 31, 2014**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying financial statements of the Lytton First Nation for the year ended March 31, 2014 and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB). 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.

The Lytton First Nation 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 Lytton First Nation's assets are appropriately accounted for and adequately safeguarded.

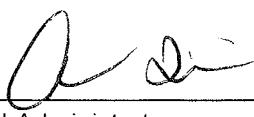
The Lytton First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its Finance Committee.

The Finance Committee, comprised of Council Members, reviews the First Nation's financial statements and recommends their approval to Council. The Finance Committee meets periodically with management, as well as the external auditors, 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 external auditor's report. The Finance Committee reports its findings to the Council for consideration when approving the financial statements for issuance to the Members. The Finance Committee also considers, for review by Council and approval by the Members, the engagement of the external auditors.

The accompanying financial statements have been audited by Reid Hurst Nagy Inc., Certified General Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc., Certified General Accountants have full and free access to the books and records of the First Nation and to the Finance Committee.

Janet M. Webster  
Chief

July 16, 2014  
Date

  
\_\_\_\_\_  
Band Administrator

7/16/14  
Date

## INDEPENDENT AUDITORS' REPORT

### LYTTON FIRST NATION

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#### **Report on the financial statements**

We have audited the accompanying consolidated financial statements of Lytton First Nation, which comprise the summary statement of financial position as at March 31, 2014, the summary statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

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

#### **Auditors' responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Lytton First Nation as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



REID HURST NAGY INC.  
CERTIFIED GENERAL ACCOUNTANTS

RICHMOND, B.C.  
JULY 16, 2014

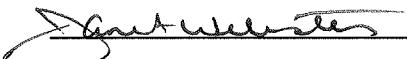
LYTTON FIRST NATION

SUMMARY STATEMENT OF FINANCIAL POSITION

March 31, 2014

	2014	2013
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	1,132,115	1,478,236
Restricted cash	1,890,780	1,892,078
Accounts receivable	722,045	571,909
Rents receivable (Note 2)	750,652	707,822
Inventory of unincorporated enterprise	13,435	26,137
Investment in All Nations Trust, at cost	56,700	56,700
Investment in First Nation Controlled Entities (Note 3)	2,956,532	2,627,012
	<b>7,522,259</b>	7,359,894
<b>LIABILITIES</b>		
Bank indebtedness (Note 5)	40,000	43,000
Accounts payable	2,494,219	2,274,259
Due to Stein Valley Nlakapamux School Society	-	13,956
Long-term debt (Note 8)	2,323,970	2,576,584
	<b>4,858,189</b>	4,907,799
<b>NET FINANCIAL ASSETS</b>	<b>2,664,070</b>	2,452,095
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	31,084,236	31,826,152
Prepaid expenses	66,750	73,078
	<b>31,150,986</b>	31,899,230
<b>EQUITY (Note 9)</b>	<b>33,815,056</b>	34,351,325

APPROVED ON BEHALF OF  
THE LYTTON FIRST NATION

 Chief

 Councilor

**LYTTON FIRST NATION**

**SUMMARY STATEMENT OF OPERATIONS**

**For the year ended March 31, 2014**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>REVENUE</b>		
Aboriginal Affairs and Northern Development Canada	5,752,042	7,284,226
Department of Justice	85,580	85,580
First Nations Health Authority	569,860	121,522
Health Canada	460,060	902,270
Human Resources Development Canada	-	77,064
Province of B.C.	200,400	100,580
Interior Salish Employment & Training Society	141,452	229,341
First Nations Education Steering Committee	26,974	32,696
Works program	29,061	110,279
Administration fees	80,633	84,327
Interest	30,180	30,215
Miscellaneous	380,297	643,572
B.C. Hydro	70,259	70,259
Rental	140,170	150,647
Share of Income of First Nation Controlled Entities	329,521	505,331
Capital fund additions	80,701	68,373
Enterprise fund revenue	248,503	287,276
Social Housing	409,820	410,846
Trust fund revenue	37,005	84,135
	<b>9,072,518</b>	11,278,539
<b>EXPENDITURES</b>		
Band programs	2,236,016	2,062,446
Education	2,420,267	2,725,657
Social development	2,923,953	3,383,744
Capital programs	48,800	748,359
Job creation	746,373	818,674
Enterprise fund expenses	269,051	293,911
Capital fund	759,730	812,100
Social housing	204,597	225,608
	<b>9,608,787</b>	11,070,499
<b>ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>(536,269)</b>	208,040

**LYTTON FIRST NATION****SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS****For the year ended March 31, 2014**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>(536,269)</b>	208,040
Acquisition of tangible capital assets	(18,975)	(8,500)
Amortization of tangible capital assets	759,730	812,100
Amortization of enterprise fund capital asset	1,161	860
Capital assets acquired from operations	-	(4,876)
	<b>205,647</b>	1,007,624
Acquisition of prepaid asset	(66,750)	(73,078)
Use of prepaid asset	73,078	42,029
	<b>6,328</b>	(31,049)
<b>NET CHANGE IN FINANCIAL ASSETS</b>	<b>211,975</b>	976,575
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>2,452,095</b>	1,475,520
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>2,664,070</b>	2,452,095

**LYTTON FIRST NATION**

**SUMMARY STATEMENT OF CASH FLOWS**

**For the year ended March 31, 2014**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenue over expenditures	(536,269)	208,040
Non-cash items:		
Share of income of First Nation Controlled Entities	(329,521)	(505,331)
Amortization	760,891	529,447
Change in operating Net Assets	46,023	865,012
	<b>(58,876)</b>	1,097,168
<b>FINANCING ACTIVITIES</b>		
Principal repayment of capital asset loan	(61,726)	(59,873)
Due to Stein Valley Nlakapamux School Society	(13,956)	-
Repayment of Social Housing Fund long-term debt	(190,886)	(188,033)
	<b>(266,568)</b>	(247,906)
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(18,975)	(13,195)
Purchase of investments	-	(9,999)
	<b>(18,975)</b>	(23,194)
<b>NET CHANGE IN CASH</b>	<b>(344,419)</b>	826,068
<b>CASH, BEGINNING OF YEAR</b>	<b>3,327,314</b>	2,501,246
<b>CASH, END OF YEAR</b>	<b>2,982,895</b>	3,327,314
<b>REPRESENTED BY:</b>		
Cash	1,132,115	1,478,236
Bank indebtedness	(40,000)	(43,000)
Restricted cash	1,890,780	1,892,078
	<b>2,982,895</b>	3,327,314

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 1: SIGNIFICANT ACCOUNTING POLICIES

These Summary Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles for government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

#### a) Fund Accounting

The Lytton First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the Summary Financial Statements. Details of the operations of each fund are set out in the supplementary schedules Lytton First Nation maintains the following funds:

- The Operating Fund which reports the general activities of the First Nation Administration.
- The Capital Fund which reports the capital assets of the First Nation, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Enterprise Fund which reports the First Nation's investments in related entities.

#### b) Reporting Entity and Principles of Financial Reporting

The Lytton First Nation reporting entity includes the Lytton First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Lytton First Nation Operating Fund
- Lytton First Nation Social Housing Fund
- Lytton First Nation Capital Fund
- Lytton First Nation Trust Fund
- Lytton First Nation Enterprise Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specified fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Incorporated business entities, which are owned or controlled by the Lytton First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the Summary Financial Statements using the modified equity method. These include:

- Kumcheen Enterprises Ltd.
- Two Rivers Hardware Ltd. renamed to Lytton Development Corp. on February 20, 2013
- Stein Valley Nlakapamux School Society

#### 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 and do not provide resources to discharge existing operations and are not for resale. Non-financial assets include capital assets, prepaid expenses and inventories of supplies.

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### d) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for the production of goods and delivering of services. Tangible capital assets are presented at net book value.

The acquisition costs of tangible capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as additions to assets of the Capital Fund with a corresponding increase in Equity and Tangible Capital Assets.

Tangible capital assets acquired as part of the Social Housing Fund and Enterprise Fund are recorded as assets of those funds.

#### e) Amortization

Tangible capital assets are recorded and amortized annually with a corresponding reduction to Equity in Tangible Capital Assets. Assets are amortized over their expected useful life using the straight-line method at the following rates:

Automobile	4 years straight-line
Buildings and improvements	40 years straight-line
General equipment	5 years straight-line
Roads and bridge	over the estimated useful life
Water and sewer systems	over the estimated useful life

Social Housing assets acquired under CMHC sponsored housing programs are not being depreciated.

#### f) Inventory

Inventory is recorded at the lower of cost and net realizable value and recorded on the first-in, first-out basis.

#### g) Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Summary Statement of Financial Position.

#### h) Comparative Figures

Prior year's comparative amounts have been reclassified where necessary to conform with the current year's presentation.

#### i) Economic Dependence

The Lytton First Nation receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada and Health Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

#### j) Net Assets

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

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 2: RENTS RECEIVABLE

Rents receivable consists of amounts owing from various Band members on the Social Housing Program and Band-owned homes as follows:

	2014 \$	2013 \$
Band-owned homes	448,020	425,385
Less: allowance for doubtful accounts	(28,002)	(28,002)
	<hr/>	<hr/>
Social Housing Fund	420,018	397,383
	330,634	310,439
<b>TOTAL</b>	<b>750,652</b>	<b>707,822</b>
	<hr/>	<hr/>

### 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	2014 \$	2013 \$
<b>KUMCHEEN ENTERPRISES (100%)</b>		
Shares	90	90
Advances	122,169	122,169
Accumulated equity in earnings	29,802	32,012
	<hr/>	<hr/>
	152,061	154,271
	<hr/>	<hr/>
<b>TWO RIVERS HARDWARE LTD. RENAMED TO LYTTON DEVELOPMENT CORP. (100%)</b>		
Shares	2	2
Accumulated deficit in earnings	(1)	(1)
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>
<b>STEIN VALLEY NLAKAPAMUX SOCIETY</b>		
Accumulated equity in earnings	2,794,471	2,462,741
	<hr/>	<hr/>
<b>TLKEMCHEEN ECONOMIC DEVELOPMENT LLP (99.99%)</b>		
Contributions	9,999	9,999
<b>TOTAL</b>	<b>2,956,532</b>	<b>2,627,012</b>
	<hr/>	<hr/>

Shares are held in trust by specified Band members under trust agreements.

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES (Continued)

Financial information for each of the entities for their respective years ending in 2013 and 2014 are as follows:

	ASSETS \$	LIABILITIES \$	REVENUE \$	NET INCOME (LOSS) \$
Year ended March 31, 2014 Kumcheen Enterprises Ltd.	165,935	136,043	47,551	(2,210)
Year ended March 31, 2014 Two Rivers Hardware Ltd. renamed Lytton Development Corp	1	-	-	-
Year ended June 30, 2013 Stein Valley Nlakapamux School	3,030,716	237,885	2,408,892	515,982

### 4: TRUST FUNDS

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

### 5: BANK INDEBTEDNESS

The First Nation has a \$500,000 operating line of credit with The Bank of Nova Scotia with interest at prime plus 0.5% per annum. The line of credit is to fully revolve to zero annually, upon receipt of funds from AANDC on April 1st. Renewal of the line of credit is at the Bank's discretion. The line of credit is secured by a Band Council resolution pledging \$350,000 in student trust fund term deposits as security for the line of credit.

### 6: MINISTERIAL GUARANTEES

A Government of Canada Ministerial Guarantee has been obtained for the following loans. If these loans default, the Minister may recover the outstanding amounts from the Lytton First Nation.

The Lytton First Nation has guaranteed loans to certain band members as follows:

Band Member	\$
	239,235

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LYTTON FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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7: TANGIBLE CAPITAL ASSETS

	Roads & Bridge	Automotive	Buildings	Equipment	Water & Sewer Systems	Land	Social Housing	Total
<b>March 31, 2014</b>								
<b>Cost</b>								
Balance, beginning of year	4,565,612	905,266	8,444,680	1,189,636	12,314,451	45,000	5,068,560	42,533,205
Acquisitions	-	18,975	-	-	-	-	-	18,975
Balance, end of year	4,565,612	924,241	8,444,680	1,189,636	12,314,451	45,000	5,068,560	42,552,180
<b>Accumulated amortization</b>								
Balance, beginning of year	2,157,787	726,317	1,519,690	913,462	5,389,797	-	-	10,707,053
Amortization	49,967	47,109	339,949	55,235	268,631	-	-	760,891
Balance, end of year	2,207,754	773,426	1,859,639	968,697	5,658,428	-	-	11,467,944
<b>Net Book Value of Tangible Capital Assets</b>	<b>2,357,858</b>	<b>150,815</b>	<b>6,585,041</b>	<b>220,939</b>	<b>6,656,023</b>	<b>45,000</b>	<b>5,068,560</b>	<b>31,084,236</b>
<b>March 31, 2013</b>								
<b>Cost</b>								
Balance, beginning of year	4,565,612	905,266	8,444,680	1,176,441	12,314,451	45,000	5,068,560	42,520,010
Acquisitions	-	-	-	13,195	-	-	-	13,195
Balance, end of year	4,565,612	905,266	8,444,680	1,189,636	12,314,451	45,000	5,068,560	42,533,205
<b>Accumulated amortization</b>								
Balance, beginning of year	2,107,820	666,667	1,172,876	846,068	5,109,108	-	-	9,902,539
Amortization	49,967	59,650	346,814	67,394	280,689	-	-	804,514
Balance, end of year	2,157,787	726,317	1,519,690	913,462	5,389,797	-	-	10,707,053
<b>Net Book Value of Tangible Capital Assets</b>	<b>2,407,825</b>	<b>178,949</b>	<b>6,924,990</b>	<b>276,174</b>	<b>6,924,654</b>	<b>45,000</b>	<b>5,068,560</b>	<b>31,826,152</b>

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 8: LONG-TERM DEBT

	2014 \$	2013 \$
All Nations Trust Company loan, payments of \$2,700 per month including interest at 1.8% per annum, maturing October 1, 2031, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada	488,363	511,780
All Nations Trust Company loan, payments of \$5,678 per month including interest at 1.45% per annum, maturing April 1, 2015, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada	73,195	139,748
All Nations Trust Company loan, payments of \$2,745 per month including interest at 2.35% per annum, maturing August 1, 2018, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada	138,085	167,128
All Nations Trust Company loan, payments of \$2,347 per month including interest at 2.65% per annum, maturing February 1, 2021, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada	177,960	201,110
All Nations Trust Company loan, payments of \$2,203 per month including interest at 1.53% per annum, maturing November 1, 2032, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada	429,186	448,912
All Nations Trust Company loan, payments of \$4,230 per month including interest at 2.17% per annum, maturing November 1, 2035, secured by a Ministerial Guarantee from Aboriginal Affairs and Northern Development Canada	877,752	906,749
GMC loan, 60 monthly payments of \$557 including interest at 3.90% per annum, maturing May 27, 2015, secured by a 2010 GMC Terrain truck	7,617	13,877
Ally Credit Canada, 48 monthly payments of \$802 including interest at 6.49% per annum, maturing September 14, 2015, secured by a 2011 Chevrolet Silverado truck	12,678	21,131
Ally Credit Canada, 48 monthly payments of \$801 including interest at 6.49% per annum, maturing September 23, 2015, secured by a 2011 Chevrolet Traverse sport utility vehicle	9,528	15,881
Ally Credit Canada, 48 monthly payments of \$801 including interest at 6.49% per annum, maturing August 16, 2015, secured by a 2011 GMC Sierra truck	11,974	20,426
Scotiabank, 60 monthly payments of \$3,180 including interest at 5.16% per annum, maturing December 2, 2016, secured by a Leeboy 785 Grader	97,632	129,842
<b>TOTAL</b>	<b>2,323,970</b>	2,576,584

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# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 8: LONG-TERM DEBT (Continued)

#### FUTURE PRINCIPAL REPAYMENTS

The estimated principal payments for the next five years are as follows:

	\$
2015	264,674
2016	176,745
2017	168,706
2018	140,000
2019 and beyond	1,573,845
	<hr/>
	2,323,970
	<hr/>

### 9: EQUITY

	2014 \$	2013 \$
<b>Restricted</b>		
Opening Balance	7,068,207	6,300,320
Enterprise Fund		
Excess of revenue over expenditures	308,973	520,260
Loan repayments	-	3,575
Advances	-	9,339
Write down of investment in Lytton Development Corp	-	(44,477)
Investment in Tkemcheen Economic Development LLP	-	9,999
Social Housing Fund		
Excess of revenue over expenditures	14,337	(2,798)
Mortgage principal repayments	190,886	187,854
Trust Fund		
Excess of revenue over expenditures	37,005	84,135
<hr/> Closing Balance	<hr/> 7,619,408	<hr/> 7,068,207
<b>Unrestricted</b>		
Opening Balance	27,283,118	27,559,633
Operating Fund		
Net excess (shortfall)	(408,441)	467,212
Capital Fund		
Net excess (shortfall)	(679,029)	(743,727)
<hr/> Closing Balance	<hr/> 26,195,648	<hr/> 27,283,118
<b>TOTAL EQUITY</b>	<b>33,815,056</b>	<b>34,351,325</b>
<hr/> <b>Represented by:</b>		
Social Housing Fund	3,466,492	3,261,269
Trust Fund	1,169,962	1,132,957
Enterprise Fund	2,982,954	2,673,981
Operating Fund	324,038	732,479
Capital Fund	25,871,610	26,550,639
<hr/> 33,815,056		34,351,325
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# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 10: REPLACEMENT RESERVE FUND

Under the terms of the agreement with Canada Mortgage & Housing Corporation (CMHC), the Replacement Reserve account is to be credited in the amount of \$45,050 annually in Schedule "B" of the Operating Agreement. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

As at the Summary Statement of Financial Position date, the Fund is underfunded by \$134,334 (2013 - \$99,583).

### 11: SUBSIDY SURPLUS FUND

Under the terms of the agreement with CMHC, excess federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. Withdrawals are credited to interest first and then principal.

As at the Summary Statement of Financial Position date, the Fund has a balance of zero.

### 12: OPERATING RESERVE FUND

Under the terms of the agreement with Canada Mortgage & Housing Corporation (CMHC), any annual operating surplus may be retained in an operating reserve account, to be drawn against in the event of any future deficits. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

As at the Summary Statement of Financial Position date, the Fund is underfunded by \$273,087 (2013 - \$241,688).

### 13: RESTATEMENT OF COMPARATIVE FIGURES

A capital project completed in 2011 was previously not recorded as tangible capital assets. As a result, the following accounts were adjusted:

	As Previously Stated \$	Adjustment \$	As Restated \$
Tangible capital assets	18,347,879	13,478,273	31,826,152
Equity	20,873,058	13,478,273	34,351,331
Capital fund expenditure	528,584	283,516	812,110

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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### 14: SEGMENTED INFORMATION

	Band Programs	Education	Social Dev't	Capital Programs	Job Creation	Social Housing	Capital Fund	Trust Fund	Enterprise Fund	Other	Total 2014
<b>March 31, 2014</b>											
<b>REVENUE</b>											
Aboriginal Affairs and Northern Development Canada	1,501,512	2,339,940	1,707,297	88,624	114,669	-	-	-	-	-	5,752,042
Administration fees	80,633	-	-	-	-	-	-	-	-	-	80,633
B.C. Hydro	70,259	-	-	-	-	-	-	-	-	-	70,259
Canada Mortgage and Housing Corporation	-	-	-	-	-	147,445	-	-	-	-	147,445
Department of Justice	85,580	-	-	-	-	-	-	-	-	-	85,580
First Nations Education Steering Committee	-	17,923	-	-	9,051	-	-	-	-	-	26,974
First Nation Health Authority	-	-	569,860	-	-	-	-	-	-	-	569,860
Health Canada	-	-	460,060	-	-	-	-	-	-	-	460,060
Interest	26,976	3,204	-	-	-	1,868	-	-	-	-	32,048
Interior Salish Employment & Training Society	-	-	-	-	141,452	-	-	-	-	-	141,452
Miscellaneous	123,062	11,650	42,399	-	203,186	-	-	-	-	-	380,297
Works program	-	-	-	-	29,061	-	-	-	-	-	29,061
Province of B.C.	85,580	-	-	-	114,820	-	-	-	-	-	200,400
Rental	140,170	-	-	-	-	260,507	-	-	-	-	400,677
Share of Income of First Nation Controlled Entities	-	-	-	-	-	-	-	-	329,521	-	329,521
Enterprise fund	-	-	-	-	-	-	-	-	248,503	-	248,503
Capital fund	-	-	-	-	-	-	80,701	-	-	-	80,701
Ottawa Trust fund	-	-	-	-	-	-	-	37,005	-	-	37,005
	2,113,772	2,372,717	2,779,616	88,624	612,239	409,820	80,701	37,005	578,024	-	9,072,518

**LYTTON FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2014**

**14: SEGMENTED INFORMATION (Continued)**

	Band Programs	Education	Social Dev't	Capital Programs	Job Creation	Social Housing	Capital Fund	Trust Fund	Enterprise Fund	Other	Total 2014
<b>March 31, 2014</b>											
<b>EXPENSES</b>											
Amortization	-	-	-	-	-	-	759,730	-	-	-	759,730
Administration fees	25,674	-	50,502	-	2,995	21,361	-	-	-	-	100,532
Hot Spot Video Store	-	-	-	-	-	-	-	-	269,051	-	269,051
Contracted services	82,527	-	208,825	48,800	109,469	-	-	-	-	-	449,621
Donations	14,011	-	-	-	15,114	-	-	-	-	-	29,125
Education	-	770,850	-	-	-	-	-	-	-	-	770,850
Equipment purchases	88,851	2,290	35,572	-	9,756	-	-	-	-	-	136,469
Fire protection	49,475	-	-	-	-	-	-	-	-	-	49,475
Honoraria	64,760	4,319	3,092	-	12,298	-	-	-	-	-	84,469
Insurance	77,614	-	2,154	-	3,226	35,426	-	-	-	-	118,420
Miscellaneous	18,975	-	-	-	-	48,077	-	-	-	-	67,052
Office	23,459	12,527	4,557	-	48,762	4,148	-	-	-	-	93,453
Oil & gas	35,567	-	7,076	-	7,226	-	-	-	-	-	49,869
Professional fees	98,540	-	2,692	-	19,607	7,850	-	-	-	-	128,689
Repairs and maintenance	229,060	-	3,490	-	577	44,091	-	-	-	-	277,218
Rent	33,400	12,291	22,952	-	9,960	-	-	-	-	-	78,603
Salaries and benefits	1,048,436	99,042	762,687	-	355,863	-	-	-	-	-	2,266,028
Social assistance program	-	-	1,548,632	-	-	-	-	-	-	-	1,548,632
Stein Valley Nlakapamux	-	1,494,579	-	-	-	-	-	-	-	-	1,494,579
Supplies	110,449	3,377	89,953	-	71,627	-	-	-	-	-	275,406
Telephone	66,779	5,359	24,521	-	13,205	-	-	-	-	-	109,864
Training	8,418	5,872	21,830	-	19,458	-	-	-	-	-	55,578
Travel	44,926	9,761	134,429	-	46,301	-	-	-	-	-	235,417
Utilities	115,095	-	989	-	929	43,644	-	-	-	-	160,657
	2,236,016	2,420,267	2,923,953	48,800	746,373	204,597	759,730	-	269,051	-	9,608,787
	(122,244)	(47,550)	(144,337)	39,824	(134,134)	205,223	(679,029)	37,005	308,973	-	(536,269)

**LYTTON FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2014**

**14: SEGMENTED INFORMATION (Continued)**

	Band Programs	Education	Social Dev't	Capital Programs	Job Creation	Social Housing	Capital Fund	Trust Fund	Enterprise Fund	Other	Total 2013
<b>March 31, 2013</b>											
<b>REVENUE</b>											
Aboriginal Affairs and Northern Development Canada	1,490,268	2,628,370	2,363,229	702,546	99,813	-	-	-	-	-	7,284,226
Administration fees	84,327	-	-	-	-	-	-	-	-	-	84,327
B.C. Hydro	70,259	-	-	-	-	-	-	-	-	-	70,259
Canada Mortgage and Housing Corporation	-	-	-	-	-	156,529	-	-	-	-	156,529
Department of Justice	85,580	-	-	-	-	-	-	-	-	-	85,580
First Nations Education Steering Committee	-	20,601	-	-	12,095	-	-	-	-	-	32,696
First Nation Health Authority	-	-	121,522	-	-	-	-	-	-	-	121,522
Health Canada	-	-	902,270	-	-	-	-	-	-	-	902,270
Human Resources Development Canada	-	-	-	-	77,064	-	-	-	-	-	77,064
Interest	26,863	3,352	-	-	-	1,988	-	-	-	-	32,203
Interior Salish Employment & Training Society	-	-	-	-	229,341	-	-	-	-	-	229,341
Miscellaneous	264,703	-	94,150	-	284,719	-	-	-	-	-	643,572
Province of B.C.	85,580	-	-	-	15,000	-	-	-	-	-	100,580
Rental	150,647	-	-	-	-	252,329	-	-	-	-	402,976
Share of Income of First Nation Controlled Entities	-	-	-	-	-	-	-	-	505,331	-	505,331
Works program	17,219	-	-	-	93,060	-	-	-	-	-	110,279
Capital fund	-	-	-	-	-	-	68,373	-	-	-	68,373
Enterprise fund revenue	-	-	-	-	-	-	-	-	287,276	-	287,276
Ottawa Trust fund	-	-	-	-	-	-	-	84,135	-	-	84,135
	2,275,446	2,652,323	3,481,171	702,546	811,092	410,846	68,373	84,135	792,607	-	11,278,539

**LYTTON FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2014**

**14: SEGMENTED INFORMATION (Continued)**

	Band Programs	Education	Social Dev't	Capital Programs	Job Creation	Social Housing	Capital Fund	Trust Fund	Enterprise Fund	Other	Total 2013
<b>March 31, 2013</b>											
<b>EXPENSES</b>											
Amortization	-	-	-	-	-	-	812,100	-	-	-	812,100
Administration fee	17,135	-	31,931	11,552	2,995	24,902	-	-	-	-	88,515
Business support	-	-	-	-	20,894	-	-	-	-	-	20,894
Contracted services	38,094	-	197,680	736,807	50,187	-	-	-	-	-	1,022,768
Donations	29,505	-	-	-	18,268	-	-	-	-	-	47,773
Education	-	803,159	-	-	-	-	-	-	-	-	803,159
Equipment purchases	95,802	6,920	25,324	-	11,848	-	-	-	-	-	139,894
Fire protection	47,025	-	-	-	-	-	-	-	-	-	47,025
Honoraria	35,089	2,130	1,776	-	2,491	-	-	-	-	-	41,486
Hot Spot Video Store	-	-	-	-	-	-	-	-	293,911	-	293,911
Insurance	94,135	-	851	-	1,916	31,852	-	-	-	-	128,754
Miscellaneous	-	-	-	-	-	59,449	-	-	-	-	59,449
Office	78,296	10,360	5,715	-	57,891	287	-	-	-	-	152,549
Oil & gas	43,250	-	1,973	-	7,882	-	-	-	-	-	53,105
Professional fees	75,478	-	2,692	-	3,122	7,875	-	-	-	-	89,167
Repairs and maintenance	163,709	-	5,653	-	6,279	54,674	-	-	-	-	230,315
Rent	28,800	13,200	30,633	-	9,430	-	-	-	-	-	82,063
Salaries and benefits	988,109	91,748	879,558	-	497,869	-	-	-	-	-	2,457,284
Social assistance program	-	-	1,974,681	-	-	-	-	-	-	-	1,974,681
Stein Valley Nlakapamux	-	1,776,225	-	-	-	-	-	-	-	-	1,776,225
Supplies	94,248	3,390	46,169	-	67,175	-	-	-	-	-	210,982
Telephone	54,886	5,620	24,864	-	12,998	-	-	-	-	-	98,368
Training	12,558	1,500	15,259	-	40,149	-	-	-	-	-	69,466
Travel	50,372	11,405	138,057	-	5,990	-	-	-	-	-	205,824
Utilities	115,955	-	928	-	1,290	46,569	-	-	-	-	164,742
	2,062,446	2,725,657	3,383,744	748,359	818,674	225,608	812,100	-	293,911	-	11,070,499
	213,000	(73,334)	97,427	(45,813)	(7,582)	185,238	(743,727)	84,135	498,696	-	208,040