

**LYTTON FIRST NATION**

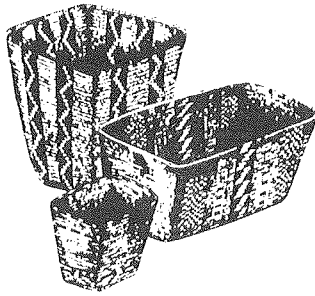
**FINANCIAL STATEMENTS  
MARCH 31, 2015**

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

**March 31, 2015**

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# LYTTON FIRST NATION

Lytton First Nation

March 31, 2015

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Lytton First Nation for the year ended March 31, 2015 and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

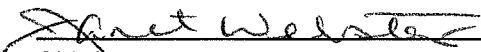
The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB). Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative 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.

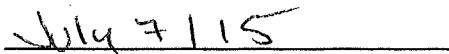
The Lytton First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council carries out this responsibility principally through its Finance Committee.

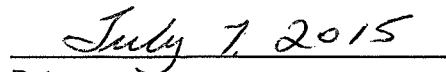
The Finance Committee, comprised of Council Members, reviews the First Nation's financial statements and recommends their approval to Council. The Finance Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, 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., Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc., Chartered Professional Accountants have full and free access to the books and records of the First Nation and to the Finance Committee.

  
Chief

  
Councilor

  
Date

  
Date

## INDEPENDENT AUDITORS' REPORT

### LYTTON FIRST NATION

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#### Report on the financial statements

We have audited the accompanying summary financial statements of Lytton First Nation, which comprise the summary statement of financial position as at March 31, 2015, 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 summary 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 summary financial statements present fairly, in all material respects, the financial position of Lytton First Nation as at March 31, 2015, 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.  
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.  
JULY 7, 2015

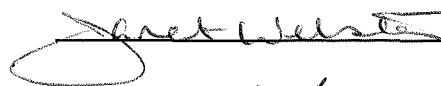
LYTTON FIRST NATION

SUMMARY STATEMENT OF FINANCIAL POSITION

March 31, 2015

	2015 \$	2014 \$
<b>FINANCIAL ASSETS</b>		
Cash	3,466,226	1,132,115
Restricted cash	1,758,759	1,890,780
Accounts receivable	400,544	722,045
Rents receivable (Note 2)	788,378	750,652
Inventory of unincorporated enterprise	11,065	13,435
Investment in All Nations Trust, at cost	56,700	56,700
Investment in First Nation Controlled Entities (Note 3)	2,990,278	2,956,532
	<b>9,471,950</b>	<b>7,522,259</b>
<b>LIABILITIES</b>		
Bank indebtedness (Note 5)	-	40,000
Accounts payable	3,445,113	2,494,219
Long-term debt (Note 8)	2,056,202	2,323,970
	<b>5,501,315</b>	<b>4,858,189</b>
<b>NET FINANCIAL ASSETS</b>	<b>3,970,635</b>	<b>2,664,070</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	30,424,321	31,084,236
Prepaid expenses	98,016	66,750
	<b>30,522,337</b>	<b>31,150,986</b>
<b>EQUITY (Note 9)</b>	<b>34,492,972</b>	<b>33,815,056</b>

APPROVED ON BEHALF OF  
THE LYTTON FIRST NATION

 Chief

 Councilor

**LYTTON FIRST NATION**

**SUMMARY STATEMENT OF OPERATIONS**

**For the year ended March 31, 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Aboriginal Affairs and Northern Development Canada	7,239,200	5,752,042
Administration fees	70,632	80,633
B.C. Hydro	70,259	70,259
Capital fund additions	1,292,346	80,701
Department of Justice	85,580	85,580
Enterprise fund revenue	174,260	248,503
First Nations Education Steering Committee	14,124	26,974
First Nations Health Authority	2,902,824	569,860
Health Canada	-	460,060
Interest	31,690	30,180
Interior Salish Employment & Training Society	166,344	141,452
Miscellaneous	549,541	380,297
Province of B.C.	110,755	200,400
Rental	121,960	140,170
Share of Income of First Nation Controlled Entities	33,745	329,521
Social Housing	642,474	409,820
Trust fund revenue	32,953	37,005
Works program	49,297	29,061
	<b>13,587,984</b>	<b>9,072,518</b>
<b>EXPENDITURES</b>		
Band programs	2,221,812	2,236,016
Education	2,322,062	2,420,267
Social development	2,992,962	2,923,953
Capital programs	2,328,148	48,800
Job creation	570,176	746,373
Enterprise fund expenses	186,139	269,051
Capital fund	753,338	759,730
Social housing	1,535,431	204,597
	<b>12,910,068</b>	<b>9,608,787</b>
<b>ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>677,916</b>	<b>(536,269)</b>

**LYTTON FIRST NATION**

**SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

**For the year ended March 31, 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES</b>	<b>677,916</b>	<b>(536,269)</b>
Acquisition of tangible capital assets	<b>(94,350)</b>	<b>(18,975)</b>
Amortization of tangible capital assets	<b>741,014</b>	<b>759,730</b>
Amortization of enterprise fund capital asset	<b>927</b>	<b>1,161</b>
Proceeds from sale of tangible capital assets	<b>12,324</b>	<b>-</b>
	<b>1,337,831</b>	<b>205,647</b>
Acquisition of prepaid asset	<b>(98,016)</b>	<b>(66,750)</b>
Use of prepaid asset	<b>66,750</b>	<b>73,078</b>
	<b>(31,266)</b>	<b>6,328</b>
<b>NET CHANGE IN FINANCIAL ASSETS</b>	<b>1,306,565</b>	<b>211,975</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>2,664,070</b>	<b>2,452,095</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>3,970,635</b>	<b>2,664,070</b>

The notes to the financial statements are an integral part thereof.

**LYTTON FIRST NATION**

**SUMMARY STATEMENT OF CASH FLOWS**

**For the year ended March 31, 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Excess (shortfall) of revenue over expenditures	<b>677,916</b>	(536,269)
Non-cash items:		
Share of income of First Nation Controlled Entities	<b>(33,745)</b>	(329,521)
Amortization	<b>741,941</b>	760,891
Change in operating Net Assets	<b>1,205,772</b>	46,023
	<b>2,591,884</b>	(58,876)
<b>FINANCING ACTIVITIES</b>		
Principal repayment of capital asset loan	<b>(64,787)</b>	(61,726)
Due to Stein Valley Nlakapamux School Society	-	(13,956)
Repayment of Social Housing Fund long-term debt	<b>(202,981)</b>	(190,886)
	<b>(267,768)</b>	(266,568)
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	<b>(94,350)</b>	(18,975)
Proceeds from sale of tangible capital assets	<b>12,324</b>	-
	<b>(82,026)</b>	(18,975)
<b>NET CHANGE IN CASH</b>	<b>2,242,090</b>	(344,419)
<b>CASH, BEGINNING OF YEAR</b>	<b>2,982,895</b>	3,327,314
<b>CASH, END OF YEAR</b>	<b>5,224,985</b>	2,982,895
<b>REPRESENTED BY:</b>		
Cash	<b>3,466,226</b>	1,132,115
Bank indebtedness	-	(40,000)
Restricted cash	<b>1,758,759</b>	1,890,780
	<b>5,224,985</b>	2,982,895

The notes to the financial statements are an integral part thereof.



# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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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.
- Lytton Development Corp.
- Stein Valley Nakapamux 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, 2015

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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) Economic Dependence

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

#### i) 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, 2015

### 2: RENTS RECEIVABLE

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

	2015 \$	2014 \$
Band-owned homes	536,371	448,020
Less: allowance for doubtful accounts	(28,002)	(28,002)
	508,369	420,018
Social Housing Fund	280,009	330,634
<b>TOTAL</b>	<b>788,378</b>	<b>750,652</b>

### 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	2015 \$	2014 \$
<b>KUMCHEEN ENTERPRISES (100%)</b>		
Shares	90	90
Advances	122,169	122,169
Accumulated equity in earnings	34,077	29,802
	156,336	152,061
<b>LYTTON DEVELOPMENT CORP. (100%)</b>		
Shares	2	2
Accumulated deficit in earnings	(1)	(1)
	1	1
<b>STEIN VALLEY NLAKEPAMUX SOCIETY</b>		
Accumulated equity in earnings	2,823,942	2,794,471
<b>TLKEMCHEEN ECONOMIC DEVELOPMENT LLP (99.99%)</b>		
Contributions	9,999	9,999
<b>TOTAL</b>	<b>2,990,278</b>	<b>2,956,532</b>

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

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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

Financial information for each of the entities for their respective years ending in 2013 and 2015 are as follows:

	ASSETS	LIABILITIES	REVENUE	NET INCOME (LOSS)
	\$	\$	\$	\$
Year ended March 31, 2015 Kumcheen Enterprises Ltd.	159,990	125,823	43,584	4,275
Year ended March 31, 2015 Two Rivers Hardware Ltd. renamed Lytton Development Corp	1	-	-	-
Year ended June 30, 2014 Stein Valley Nlakapamux School	3,278,728	99,655	1,993,400	52,158

### 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	47,611
Band Member	74,181
Band Member	102,637
	<hr/>
	224,429
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LYTTON FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

7: TANGIBLE CAPITAL ASSETS

	Roads & Bridge	Automotive	Buildings	Equipment	Water & Sewer Systems	Land	Social Housing	Total
<b>March 31, 2015</b>								
<b>Cost</b>								
Balance, beginning of year	4,565,612	924,241	18,444,680	1,189,636	12,314,451	45,000	5,068,560	<b>42,552,180</b>
Acquisitions	-	80,092	1,133,209	14,256	-	-	-	<b>1,227,557</b>
Disposals	-	(63,310)	-	-	-	-	1,133,209	<b>(1,196,519)</b>
Balance, end of year	4,565,612	941,023	19,577,889	1,203,892	12,314,451	45,000	3,935,351	<b>42,583,218</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	2,207,754	773,426	1,859,639	968,697	5,658,428	-	-	<b>11,467,944</b>
Amortization	49,967	39,885	344,548	45,613	257,176	-	-	<b>737,189</b>
Disposals	-	(46,236)	-	-	-	-	-	<b>(46,236)</b>
Balance, end of year	2,257,721	767,075	2,204,187	1,014,310	5,915,604	-	-	<b>12,158,897</b>
<b>Net Book Value of Tangible Capital Assets</b>	<b>2,307,891</b>	<b>173,948</b>	<b>7,373,702</b>	<b>189,582</b>	<b>6,398,847</b>	<b>45,000</b>	<b>3,935,351</b>	<b>30,424,321</b>
<b>March 31, 2014</b>								
<b>Cost</b>								
Balance, beginning of year	4,565,612	905,266	18,444,680	1,189,636	12,314,451	45,000	5,068,560	<b>42,533,205</b>
Acquisitions	-	18,975	-	-	-	-	-	<b>18,975</b>
Balance, end of year	4,565,612	924,241	8,444,680	1,189,636	12,314,451	45,000	5,068,560	<b>42,552,180</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	2,157,787	726,317	1,519,690	913,462	5,389,797	-	-	<b>10,707,053</b>
Amortization	49,967	47,109	339,949	55,235	268,631	-	-	<b>760,891</b>
Balance, end of year	2,207,754	773,426	1,859,639	968,697	5,658,428	-	-	<b>11,467,944</b>
<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>

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

### 8: LONG-TERM DEBT

	2015 \$	2014 \$
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	464,522	488,363
All Nations Trust Company loan retired during the year	-	73,195
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	108,056	138,085
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	154,192	177,960
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	409,157	429,186
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	845,633	877,752
GMC loan retired during the year	-	7,617
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	4,226	12,678
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	3,176	9,528
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	3,522	11,974
Scotiabank, 60 monthly payments of \$3,180 including interest at 5.16% per annum, maturing December 2, 2016, secured by a Leeboy 785 Grader	63,718	97,632
<b>TOTAL</b>	<b>2,056,202</b>	<b>2,323,970</b>

**LYTTON FIRST NATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**March 31, 2015**

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

**FUTURE PRINCIPAL REPAYMENTS**

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

	\$
2016	178,080
2017	168,388
2018	153,956
2019	112,600
2020 and beyond	1,443,178
	<u>2,056,202</u>

**9: EQUITY**

	2015 \$	2014 \$
<b>Restricted</b>		
Opening Balance	7,482,266	7,068,207
Enterprise Fund		
Excess of revenue over expenditures	21,866	308,973
Social Housing Fund		
Excess of revenue over expenditures	(154,593)	68,081
Trust Fund		
Excess of revenue over expenditures	32,953	37,005
Closing Balance	7,382,492	7,482,266
<b>Unrestricted</b>		
Opening Balance	26,332,790	27,283,118
Operating Fund		
Net excess (shortfall)	977,046	(408,441)
Social Housing Fund		
Net excess (shortfall)	191,864	(53,744)
Mortgage principal repayments	202,981	190,886
Transfer of equity in housing facilities to the Capital Fund	(1,133,209)	-
Capital Fund		
Net excess (shortfall)	539,008	(679,029)
Closing Balance	27,110,480	26,332,790
<b>TOTAL EQUITY</b>	<b>34,492,972</b>	<b>33,815,056</b>
<b>Represented by:</b>		
Social Housing Fund	2,573,535	3,466,492
Trust Fund	1,202,915	1,169,962
Enterprise Fund	3,004,820	2,982,954
Operating Fund	1,301,084	324,038
Capital Fund	26,410,618	25,871,610
	<b>34,492,972</b>	<b>33,815,056</b>

# LYTTON FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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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 \$72,939 (2014 - \$134,334).

### 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 \$309,943 (2014 - \$273,087).

### 13: CHANGE IN ACCOUNTING POLICIES

#### Liability for Contaminated Site

Effective April 1, 2014 the First Nation adopted new Public Sector Accounting Handbook Standard PS 3260, Liability for Contaminated Sites. The standard requires the recognition of a liability for the remediation of contamination sites in the financial statements when the recognition criteria outlined in the standard is met. This change in accounting policy has been applied prospectively. There was no impact on adoption of this standard to the financial statements of the First Nation as no sites meeting the criteria were recognized by the First Nation.

### 14: COMPARATIVE FIGURES

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



March 31, 2015

15: SEGMENTED INFORMATION

	Band Programs	Education	Social Dev't	Capital Programs	Job Creation	Social Housing	Capital Fund	Trust Fund	Enterprise Fund	Other	Total 2015
March 31, 2015											
REVENUE											
Aboriginal Affairs and Northern Development Canada	1,734,004	2,376,394	2,084,666	920,022	124,114	-	-	-	-	-	7,239,200
Administration fees	70,632	-	-	-	-	-	-	-	-	-	70,632
B.C. Hydro	70,259	-	-	-	-	-	-	-	-	-	70,259
Canada Mortgage and Housing Corporation	-	-	-	-	-	147,197	-	-	-	-	147,197
Department of Justice	85,580	-	-	-	-	-	-	-	-	-	85,580
First Nations Education Steering Committee	-	5,000	-	-	9,124	-	-	-	-	-	14,124
First Nation Health Authority	-	-	1,109,924	1,792,900	-	-	-	-	-	-	2,902,824
Interest	28,464	3,226	-	-	-	1,983	-	-	-	-	33,673
Interior Salish Employment & Training Society	-	-	-	-	166,344	-	-	-	-	-	166,344
Miscellaneous	324,415	8,155	55,556	-	161,415	231,824	-	-	-	-	781,365
Works program	15,652	-	-	-	33,645	-	-	-	-	-	49,297
Province of B.C.	85,580	-	-	-	25,175	-	-	-	-	-	110,755
Rental	121,960	-	-	-	-	261,470	-	-	-	-	383,430
Share of Income of First Nation Controlled Entities	-	-	-	-	-	-	-	-	33,745	-	33,745
Enterprise fund	-	-	-	-	-	-	-	-	174,260	-	174,260
Capital fund	-	-	-	-	-	-	1,292,346	-	-	-	1,292,346
Ottawa Trust fund	-	-	-	-	-	-	-	32,953	-	-	32,953
	2,536,546	2,392,775	3,250,146	2,712,922	519,817	642,474	,292,346	32,953	208,005	-	13,587,984

LYTTON FIRST NATION

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

15: SEGMENTED INFORMATION (Continued)

	Band Programs	Education	Social Dev't	Capital Programs	Job Creation	Social Housing	Capital Fund	Trust Fund	Enterprise Fund	Other	Total 2015
March 31, 2015											
EXPENSES											
Amortization	-	-	-	-	-	-	741,014	-	-	-	741,014
Administration fees	17,227	-	31,310	-	3,151	21,345	-	-	-	-	73,033
Hot Spot Video Store	-	-	-	-	3,500	-	-	-	186,139	-	189,639
Contracted services	137,229	-	202,210	2,037,172	34,412	-	-	-	-	-	2,411,023
Donations	33,917	-	-	-	(1,205)	-	-	-	-	-	32,712
Education	-	642,455	-	-	-	-	-	-	-	-	642,455
Equipment purchases	37,742	610	33,156	-	10,788	-	-	-	-	-	82,296
Fire protection	49,475	-	-	-	-	-	-	-	-	-	49,475
Honoraria	75,106	4,737	7,021	-	3,642	-	-	-	-	-	90,506
Insurance	88,693	-	4,489	-	5,839	32,878	-	-	-	-	131,899
Miscellaneous	93,745	-	-	-	-	41,234	12,324	-	-	-	147,303
Office	82,786	5,745	4,164	-	35,112	1,298	-	-	-	-	129,105
Oil & gas	36,721	-	2,486	-	1,405	-	-	-	-	-	40,612
Professional fees	84,377	-	2,692	-	8,512	7,925	-	-	-	-	103,506
Repairs and maintenance	90,716	-	7,500	164,721	1,206	90,324	-	-	-	-	354,467
Rent	34,651	6,000	25,022	-	5,705	-	-	-	-	-	71,378
Salaries and benefits	1,035,726	84,782	746,631	60,222	281,346	-	-	-	-	-	2,208,707
Social assistance program	-	-	1,622,843	-	-	-	-	-	-	-	1,622,843
Stein Valley Nlakapamux	-	1,561,846	-	-	-	-	-	-	-	-	1,561,846
Supplies	93,155	4,189	109,120	66,033	56,401	-	-	-	-	-	328,898
Telephone	41,949	3,364	25,126	-	11,707	-	-	-	-	-	82,146
Training	12,808	490	21,313	-	92,575	-	-	-	-	-	127,186
Transfer from housing	-	-	-	-	-	1,302,511	-	-	-	-	1,302,511
Travel	68,757	7,844	143,816	-	15,373	-	-	-	-	-	235,790
Utilities	107,032	-	4,063	-	707	37,916	-	-	-	-	149,718
	2,221,812	2,322,062	2,992,962	2,328,148	570,176	1,535,431	753,338	-	186,139	-	12,910,068
	314,734	70,713	257,184	384,774	(50,359)	(892,957)	539,008	32,953	21,866	-	677,916

March 31, 2015

15: SEGMENTED INFORMATION (Continued)

	Band Programs	Education	Social Dev't	Capital Programs	Job Creation	Social Housing	Capital Fund	Trust Fund	Enterprise Fund	Other	Total 2014
March 31, 2014											
REVENUE											
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
Province of B.C.	85,580	-	-	-	114,820	-	-	-	-	-	200,400
Rental	140,170	-	-	-	-	260,507	-	-	-	-	400,677
Works program	-	-	-	-	29,061	-	-	-	-	-	29,061
Share of Income of First Nation Controlled Entities	-	-	-	-	-	-	-	-	329,521	-	329,521
Capital fund	-	-	-	-	-	-	80,701	-	-	-	80,701
Enterprise fund revenue	-	-	-	-	-	-	-	-	248,503	-	248,503
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

