LYTTON FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019

LYTTON FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019 **Page**

LYTTON FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
March 31, 2019

The accompanying consolidated financial statements of Lytton First Nation and all the information in this annual report for the year ended March 31, 2019 are the responsibility of management and have been approved by the Chief and Council.

The consolidated 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 judgement. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated 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 Nation's assets are appropriately accounted for and adequately safeguarded.

The Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council reviews the Nation's financial statements and recommends their approval. The Council 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 annual report, the consolidated financial statements and the external auditor's report. The Council approves the financial statements for issuance to the Members. The Council also considers, for review and approval by the Members, the engagement of the external auditors.

The consolidated 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. has full access to the books and records of the Nation. Reid Hurst Nagy Inc. has full and free access to the Council for information purposes.

Chief	July 24/19 Date
Councillor	JULY 24/19 Date

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CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditors' Report

To the Members of
Lytton First Nation

Opinion
We have audited the consolidated financial statements of Lytton First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with PSAB.

Basis for 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 Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 users taken on the basis of these financial statements. 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 consolidated 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 First 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 First 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 consolidated 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 First Nation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Reid Hurst Nagy Inc.

REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.
JULY 24, 2019

LYTTON FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash	$ **3,683,252**	$ 3,325,576
Restricted cash (Note 5)	**2,025,724**	1,941,915
Accounts receivable (Note 6)	**429,884**	319,628
Loans receivable (Note 7)	**125,851**	125,851
Other receivables	**760,738**	1,042,644
Long-term investments (Note 8)	**196,834**	192,463
	7,222,283	6,948,077
LIABILITIES		
Accounts payable (Note 10)	**2,269,897**	1,314,834
Deferred revenue	**8,558**	-
Long-term debt (Note 11)	**2,496,445**	1,660,661
	4,774,900	2,975,495
NET FINANCIAL ASSETS	**2,447,383**	3,972,582
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	**31,305,351**	29,872,534
Prepaid expenses	**90,631**	111,338
	31,395,982	29,983,872
ACCUMULATED SURPLUS (Note 13)	**$ 33,843,365**	**$ 33,956,454**

APPROVED ON BEHALF OF THE LYTTON FIRST NATION

_______________, **Chief**

_______________, **Councillor**

LYTTON FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended March 31, 2019

	2019	2018
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	**$ (113,089)**	$ 1,518,628
Acquisition of tangible capital assets	**(2,489,122)**	(168,415)
Amortization of tangible capital assets	**1,056,305**	1,170,853
	(1,432,817)	1,002,438
Acquisition of prepaid asset	**(90,631)**	(111,338)
Use of prepaid asset	**111,338**	92,422
	20,707	(18,916)
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	**(1,525,199)**	2,502,150
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	**3,972,582**	1,470,432
NET FINANCIAL ASSETS AT END OF YEAR	**$ 2,447,383**	$ 3,972,582

LYTTON FIRST NATION

CONSOLIDATED SUMMARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
For the year ended March 31, 2019

	2019 Budget	2019 Actual	2018 Actual (Note 18)
REVENUE			
Indigenous Services Canada	$ 4,831,453	**$ 6,504,840**	$ 8,492,228
B.C. Hydro	-	**70,259**	70,259
Canada Mortgage and Housing Corporation	148,134	**691,578**	853,501
Community Partners - Legal Aid	20,411	**20,411**	36,411
Community to Community - UBCM	-	**5,000**	-
Department of Justice	85,580	**85,580**	85,580
Equipment rental	-	**45,753**	8,398
First Nations Education Steering Committee	12,982	**46,414**	51,260
First Nations Health Authority	1,149,635	**1,336,988**	1,250,631
First Nations Land Management	-	**29,000**	47,500
Interest income	48,519	**122,843**	66,547
Miscellaneous	61,292	**374,242**	544,619
Province of British Columbia	119,743	**506,805**	212,576
Rental Income	436,580	**418,741**	421,538
Share of income (loss) from First Nation controlled entities	-	**4,371**	120,531
Taxation	-	**334**	-
Works Program	8,520	**23,029**	121,746
Other	268,457	**527,698**	493,970
	7,191,306	**10,813,886**	12,877,295
EXPENDITURES			
Band Programs	2,344,043	**3,011,001**	2,802,639
Education	1,835,050	**3,141,827**	2,267,637
Social Development	3,302,389	**3,296,479**	3,328,164
Capital Programs	-	**1,675,048**	1,491,450
Job Creation	154,776	**163,140**	283,663
Social Housing Fund	287,730	**369,146**	398,688
Capital Fund	-	**923,661**	1,028,229
	7,923,988	**12,580,302**	11,600,470
ANNUAL DEFICIT BEFORE OTHER	(732,682)	**(1,766,416)**	1,276,825
OTHER			
Tangible capital asset additions	-	**2,489,111**	168,415
Principal reduction of long-term debt	-	**159,660**	157,263
Proceeds from long-term debt	-	**(995,444)**	(83,875)
	-	**1,653,327**	241,803
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(732,682)	**(113,089)**	1,518,628
EQUITY AT BEGINNING OF YEAR	-	**33,956,454**	32,437,826
EQUITY AT END OF YEAR	$ (732,682)	**$ 33,843,365**	$ 33,956,454

The accompanying notes are an integral part of the financial statements

LYTTON FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	**$ (113,089)**	$ 1,518,628
Items not affecting cash		
Amortization	**1,056,305**	1,170,853
Share of income (loss) of First Nation controlled entities	**(4,371)**	(120,531)
	938,845	2,568,950
Change in non-cash operating working capital	**1,155,967**	(869,450)
	2,094,812	1,699,500
FINANCING ACTIVITIES		
Principal repayment of capital asset loan	**(27,015)**	(14,645)
Proceeds from capital asset loan	**-**	83,875
Repayment of Social Housing Fund long-term debt	**(132,645)**	(142,618)
Proceeds from Social Housing Fund long-term debt	**995,444**	-
	835,784	(73,388)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	**(2,489,111)**	(168,415)
INCREASE IN CASH AND CASH EQUIVALENTS	**441,485**	1,457,697
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**5,267,491**	3,809,794
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 5,708,976**	$ 5,267,491
CASH AND CASH EQUIVALENTS ARE REPRESENTED BY:		
Cash	**$ 3,683,252**	$ 3,325,576
Restricted cash	**2,025,724**	1,941,915
	$ 5,708,976	$ 5,267,491

The accompanying notes are an integral part of the financial statements

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board.

(a) Reporting Entity

The Lytton First Nation reporting entity includes the Lytton First Nation government and all related entities that are controlled by the First Nation.

(b) Principles of Consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Lytton First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Lytton First Nation.

Organizations consolidated in Lytton First Nation's financial statements include:
1. Lytton First Nation Operating Fund
2. Lytton First Nation Social Housing Fund
3. Lytton First Nation Capital Fund
4. Lytton First Nation Trust Fund
5. Lytton First Nation Enterprise Fund

Organizations accounted for on a modified equity basis include:
6. Kumcheen Enterprises Ltd.
7. Lytton Development Corp.
8. Tlkemcheen Economic Development LLP

(c) Fund Accounting

The Lytton First Nation maintains the following funds and reserves as part of its operations:

- The Operating Fund which reports the general activities of the First Nation administration.

- The Capital Fund which reports the tangible capital assets of the First Nation not included in other funds, together with their related activities.

- The Trust Fund which reports on the trust funds of the First Nation and held by third parties.

- The Social Housing Fund which reports on the social housing assets of the First Nation together with their related activities.

- The Enterprise Fund which reports the First Nation's investment in self-supporting commercial entities.

(d) Measurement Uncertainty

In preparing the consolidated financial statements for the First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include collectability of accounts receivable, useful life of tangible assets and accounts payable and accruals. Actual results could differ from these estimates.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(f) Segments

The First Nation conducts its business through reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives, aid in resource allocation decisions, and to assess operational performance. For each reported segment, revenues and expenses represent both amounts that are directly attributed to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

(g) Cash

Cash and cash equivalents include cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

(h) Loans Receivable

Loans receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

(i) Long-term Debt

Proceeds from long-term debt are recorded as program revenue. Payments of principal and interest are treated as program expenditures. Long-term debt is recorded as a liability on the balance sheet. Reductions of long-term debt are offset with an increase to Equity in Tangible Capital Assets.

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the lease, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contract and Lytton First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

Buildings*	40 years	Straight line
Automotive equipment	4 years	Straight line
Computer equipment	5 years	Straight line
Equipment	5 years	Straight line
Roads and bridge	99 years	Straight line
Water and sewer systems	98 years	Straight line
Office equipment	5 years	Straight line
Other capital assets	25 years	Straight line

*Social Housing assets acquired under CMHC sponsored housing programs are being depreciated at a rate equal to the principal reduction on the mortgage on the assets.

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

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(k) Replacement Reserve

The Replacement Reserve is funded by an annual charge against earnings as opposed to an appropriation of surplus.

(l) Budget

The budget reported in the financial statements was provided by management and is unaudited.

(m) Surplus Recoveries and Deficit Funding

Under the terms of funding arrangements, remaining surpluses of certain programs may be recovered by the funding agency, and remaining deficits may be funded by the funding agency.

(n) Internal charges and transfers

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees."

2. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

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.

3. 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 Indigenous Services Canada on April 1st. Renewal of the line of credit is at the Bank’s discretion.

4. ECONOMIC DEPENDENCE

Lytton First Nation receives a significant portion of its revenue pursuant to an agreement referred to as "The Comprehensive Funding Arrangement". This agreement has been entered into by the Lytton First Nation Band and Indigenous Services Canada. It is expected that the agreement will be renewed on an annual basis.

The Band also receives major funding pursuant to an arrangement with the First Nations Health Authority and under which certain surpluses and deficits may be offset, but with the net balance repayable or refundable as the case may be.

5. RESTRICTED CASH

Replacement Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Replacement Reserve Fund.

Operating Reserve Fund:

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is to set aside any surplus revenue to an operating reserve for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance. The Fund may be replenished to its original limit from subsequent operating surpluses.

Ottawa Trust Funds:

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	2019	**2018**
Replacement Reserve Fund - restricted cash	**$ 286,738**	$ 242,734
Operating Reserve Fund - restricted cash	**35,891**	36,031
Ottawa Trust Fund - restricted cash	**1,420,953**	1,384,589
Student Trust Funds - restricted cash	**282,142**	278,561
	$ 2,025,724	**$ 1,941,915**

6. ACCOUNTS RECEIVABLE

	2019	2018
Accounts receivable - general	$ **294,855**	$ 99,610
Indigenous Services Canada	**122,754**	59,155
Canada Mortgage and Housing Corporation	**12,275**	151,982
First Nation Emergency Services Society	**-**	8,881
	$ **429,884**	$ **319,628**

7. LOANS RECEIVABLE

	2019	2018
Due from Tlkemcheen Economic Development LLP	$ **125,851**	$ 125,851

Loans have no specific terms of repayment and bear no interest.

8. LONG-TERM INVESTMENTS

	2019	2018
Investment in Non-Controlled Entities		
All Nations Trust Company - shares at cost	$ **56,700**	$ 56,700
	56,700	56,700
Investment in Kumcheen Enterprises Ltd. (100%)		
Shares	**90**	90
Advances	**122,169**	122,169
Accumulated equity in earnings	**20,742**	11,133
	143,001	133,392
Investment in Lytton Development Corp. (100%)		
Shares	**2**	2
Accumulated deficit in earnings	**(1)**	(1)
	1	1
Investment in Tlkemcheen Economic Development LLP (99.99%)		
Contributions	**9,999**	9,999
Accumulated partner's deficit	**(12,867)**	(7,629)
	(2,868)	2,370
	$ **196,834**	$ **192,463**

9. GOVERNMENT BUSINESS ENTERPRISES

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	Kumcheen Enterprises Ltd. - year ended March 31, 2019	Lytton Development Corp. - year ended March 31, 2019	Tlkemcheen Economic Development LLP - year ended March 31, 2019	2019 Total
Cash	$ 15,625	$ -	$ 120,982	$ 136,607
Accounts receivable	3,004	-	-	3,004
Tangible capital assets	124,872	-	-	124,872
Investments	-	1	-	1
Due from related parties	-	-	1	1
Total assets	$ 143,501	$ 1	$ 120,983	$ 264,485
Accounts payable	$ 2,500	$ -	$ -	$ 2,500
Due to related parties	122,169	1	125,851	248,021
Total liabilities	124,669	1	125,851	250,521
Share capital	90	2	-	92
Accumulated surplus (deficit)	18,742	(2)	(2,868)	15,872
Total equity	18,832	-	(2,868)	15,964
Total liabilities and equity	$ 143,501	$ 1	$ 122,983	$ 266,485

	Kumcheen Enterprises Ltd. - year ended March 31, 2019	Lytton Development Corp. - year ended March 31, 2019	Tlkemcheen Economic Development LLP - year ended March 31, 2019	2019 Total
Revenue	$ 49,499	$ -	$ 2,297	$ 51,796
Expenses	41,890	-	4,036	45,926
Net income	$ 7,609	$ -	$ (1,739)	$ 5,870

10. ACCOUNTS PAYABLE

	2019	2018
Accounts payable - general	$ **476,510**	$ 328,907
Receiver General - payroll deductions	**12,533**	37,612
Stein Valley Nlakapamux School Society	**1,780,854**	948,315
	$ 2,269,897	**$ 1,314,834**

11. LONG-TERM DEBT

	2019	2018
All Nations Trust Company loan, payments of $2,544 per month including interest at 1.03% per annum, maturing October 1, 2023, secured by a Ministerial Guarantee from Indigenous Services Canada	$ **361,640**	$ 388,425
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 Indigenous Services Canada	**-**	13,641
All Nations Trust Company loan, payments of $2,263 per month including interest at 1.11% per annum, maturing February 1, 2021, secured by a Ministerial Guarantee from Indigenous Services Canada	**51,472**	77,897
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 Indigenous Services Canada	**326,729**	347,374
All Nations Trust Company loan, payments of $3,900 per month including interest at 1.30% per annum, maturing November 1, 2035, secured by a Ministerial Guarantee from Indigenous Services Canada	**701,159**	738,606
All Nations Trust Company loan, payments of $4,568 per month including interest at 2.68% per annum, maturing October 1, 2043, secured by a Ministerial Guarantee from Indigenous Services Canada	**987,743**	-
Scotiabank, 84 monthly payments of $586.65 including interest at 4.98% per annum, maturing April 30, 2021, secured by a 2014 Chevrolet Silverado	**13,375**	19,580
Finning Cat loan, payments of $1,747.40 per month without interest, maturing October 9, 2021, secured by a Caterpillar 307E2 Hydraulic Excavator	**54,327**	75,138
	$ 2,496,445	$ 1,660,661

11. LONG-TERM DEBT, continued

Principal portion of long-term debt due within the next five years:

2020	$	**169,043**
2021		**169,390**
2022		**131,036**
2023		**120,819**
2024 and thereafter		**1,906,157**
	$	**2,496,445**

12. TANGIBLE CAPITAL ASSETS

2019

	Cost				Accumulated amortization			
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2019 net book value
Land	$ 45,000	$ -	$ -	$ 45,000	$ -	$ -	$ -	$ 45,000
Buildings	22,530,947	533,299	-	23,064,246	3,744,570	569,937	4,680,914	18,383,332
Automotive equipment	1,168,733	77,079	-	1,245,812	1,007,257	88,218	1,095,475	150,337
Equipment	1,687,090	47,770	-	1,734,860	1,341,216	128,771	1,469,987	264,873
Roads and bridge	4,565,612	-	-	4,565,612	2,403,773	23,058	2,426,831	2,138,781
Water and sewer systems	12,314,451	1,094,161	-	13,408,612	6,525,264	113,668	6,638,932	6,769,680
Social Housing	3,935,351	1,270,103	(533,299)	4,672,155	1,352,570	132,644	1,118,807	3,553,348
	$ 46,247,184	$ 3,022,412	$ (533,299)	$ 48,736,297	$ 16,374,650	$ 1,056,296	$ 17,430,946	$ 31,305,351

2018

	Cost				Accumulated amortization			
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2018 Net book value
Land	$ 45,000	$ -	$ -	$ 45,000	$ -	$ -	$ -	$ 45,000
Buildings	22,530,947	-	-	22,530,947	3,181,295	563,275	3,744,570	18,786,377
Automotive equipment	1,168,733	-	-	1,168,733	874,140	133,117	1,007,257	161,476
Equipment	1,518,675	168,415	-	1,687,090	1,181,149	160,067	1,341,216	345,874
Roads and bridge	4,565,612	-	-	4,565,612	2,357,655	46,118	2,403,773	2,161,839
Water and sewer systems	12,314,451	-	-	12,314,451	6,399,606	125,658	6,525,264	5,789,187
Social Housing	3,935,351	-	-	3,935,351	1,209,952	142,618	1,352,570	2,582,781
	$ 46,078,769	$ 168,415	$ -	$ 46,247,184	$ 15,203,797	$ 1,170,853	$ 16,374,650	$ 29,872,534

13. ACCUMULATED SURPLUS

	2019	2018
Unrestricted		
Band Programs	$ **2,652,880**	$ 3,455,322
Capital Fund	**27,684,292**	27,195,036
Enterprise Fund	**140,134**	135,763
	30,477,306	30,786,121
Restricted		
Social Housing Fund	**1,945,107**	1,785,744
Ottawa Trust Funds	**1,420,952**	1,384,589
	3,366,059	3,170,333
	$ **33,843,365**	$ **33,956,454**

14. REPLACEMENT RESERVE FUND

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the Replacement Reserve account is to be credited in the amount of $36,500 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 Consolidated Statement of Financial Position date, the Fund is underfunded by $46,635 (2018 - $69,165).

15. 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 Consolidated Statement of Financial Position date, the Fund has a balance of zero.

16. 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 Consolidated Statement of Financial Position date, the Fund is underfunded by $452,103 (2018 - $424,975).

17. CONTINGENT LIABILITIES

a) Indigenous Services Canada

Under the terms of the contribution agreements with Indigenous Services Canada and other governmental departments, certain surpluses may be repayable to the government and certain deficits may be reimbursable to the First Nation.

b) Loan Guarantee

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

The First Nation has guaranteed loans totalling $149,971.

c) Litigation

Lytton First Nations was named as a defendant in two lawsuits brought by separate independent third parties. Liabilities, if any, are undeterminable at this time and no provision has been made in these financial statements for any costs related to these outstanding lawsuits.

18. SEGMENTED INFORMATION

As previously discussed in note 1 (e), the First Nation conducts its business through reportable segments as follows:

The Band Programs department is responsible for administering projects the First Nation is involved in annually and on an on-going basis relating to the overall objectives of the First Nation and the development of stable, legitimate and accountable community governments. It also provides overall support of the First Nation including advisory services relating to financial management, band government, economic development, community services and technical services.

Education supports the members in expressing, preserving, developing and promoting its cultural heritage through the establishment and operation of First Nation education centres and programs, it also provides services for students at the elementary/secondary and post secondary level, including; instructional services both on and off reserve as well as support services such as transportation, accommodation, guidance and counselling.

Social Development provides assistance to community members unable to provide for themselves and their dependents. The services provided by this department include, but are not limited to, income assistance, child and family services, assisted living and early childhood development.

The Health department oversees the delivery of health programs and initiatives for the betterment of the lives of the members of the First Nation.

Job Creation supports the development of employment opportunities for members of the First Nation.

Capital Projects manages capital projects within the community undertaken to support the growth and/or maintenance of the First Nation's infrastructure.

Social Housing is responsible for the administration and management of Social Housing units.

Other operations include Capital Fund, Ottawa Trust Fund and Enterprise Fund transactions.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

18. SEGMENTED INFORMATION, continued

	Band Programs			Education			Social Development		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues									
Indigenous Services Canada	$ 994,685	$ 1,422,032	$ 1,581,993	$ 1,844,298	$ 2,908,643	$ 2,926,976	$ 1,992,470	$ 1,993,651	$ 1,815,656
Administration fee	126,700	-	2,197	67,081	-	-	-	-	-
Community Partners - Legal Aid	20,411	20,411	20,411	-	-	-	-	-	16,000
Department of Justice	85,580	85,580	85,580	-	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	12,982	29,629	35,528	-	-	-
First Nations Health Authority	-	-	-	-	-	-	1,149,635	1,336,988	1,250,631
Interest income	48,519	79,844	31,062	-	3,581	2,241	-	-	-
Rental Income	226,400	227,735	213,175	-	-	-	18,000	20,400	27,000
Other revenue	208,257	469,249	830,504	6,226	49,600	6,458	27,298	414,614	431,834
Total revenue	1,710,552	2,304,851	2,764,922	1,930,587	2,991,453	2,971,203	3,187,403	3,765,653	3,541,121
Expenses									
Administration fees	20,238	166	1,449	67,081	-	-	34,489	-	-
Contracted services	19,800	232,084	332,169	500	41,757	-	154,736	285,584	321,873
Honoraria	11,275	6,982	6,211	2,500	8,310	4,199	-	15,551	3,360
Professional fees	52,125	121,422	147,021	-	-	-	-	9,844	2,700
Travel	64,835	65,394	52,530	5,500	5,321	6,622	43,474	106,848	116,060
Utilities	173,695	245,204	190,878	2,350	4,996	1,311	16,560	32,942	27,154
Salaries, wages and benefits	1,355,806	1,299,559	1,268,008	131,952	113,936	111,560	959,175	859,699	943,399
Other expenses	646,269	1,040,190	804,373	1,625,167	2,967,507	2,143,945	2,093,955	1,986,011	1,913,618
Total expenses	2,344,043	3,011,001	2,802,639	1,835,050	3,141,827	2,267,637	3,302,389	3,296,479	3,328,164
Annual surplus (deficit)	$ (633,491)	$ (706,150)	$ (37,717)	$ 95,537	$ (150,374)	$ 703,566	$ (114,986)	$ 469,174	$ 212,957

18. SEGMENTED INFORMATION, continued

	Capital Programs			Job Creation		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues						
Indigenous Services Canada	$ -	$ 77,010	$ 2,071,686	$ -	$ 103,504	$ 95,917
Administration fee	-	-	-	20,000	-	-
First Nations Education Steering Committee	-	-	-	-	16,785	15,732
Other revenue	-	1,065,472	780,766	2,450	139,625	178,303
Total revenue	-	1,142,482	2,852,452	22,450	259,914	289,952
Expenses						
Administration fees	-	-	-	-	3,450	-
Contracted services	-	1,354,136	86,723	18,679	5,687	39,063
Professional fees	-	990	-	2,500	11,390	864
Travel	-	150	5,164	8,500	4,193	8,333
Utilities	-	2,872	121,520	2,800	1,126	1,448
Salaries, wages and benefits	-	59,871	106,120	66,895	123,508	186,218
Other expenses	-	257,029	1,171,923	55,402	13,786	47,737
Total expenses	-	1,675,048	1,491,450	154,776	163,140	283,663
Annual surplus (deficit)	$ -	$ (532,566)	$ 1,361,002	$ (132,326)	$ 96,774	$ 6,289

18. SEGMENTED INFORMATION, continued

	Social Housing Fund			Capital Fund			Enterprise Fund		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	2018 Actual
Revenues									
Interest income	$ -	$ 7,646	$ 3,237	$ -	$ -	$ -	$ -	$ -	$ -
Rental Income	192,180	170,606	181,363	-	-	-	-	-	-
Other revenue	148,134	130,547	117,874	-	-	-	-	4,371	120,531
Total revenue	340,314	308,799	302,474	-	-	-	-	4,371	120,531
Expenses									
Amortization	-	132,644	142,618	-	923,661	1,028,228	-	-	-
Administration fees	20,500	-	20,700	-	-	-	-	-	-
Professional fees	6,000	5,075	4,875	-	-	-	-	-	-
Utilities	1,500	1,482	1,118	-	-	-	-	-	-
Other expenses	259,730	229,945	229,377	-	-	-	-	-	-
Total expenses	287,730	369,146	398,688	-	923,661	1,028,228	-	-	-
	52,584	(60,347)	(96,214)	-	(923,661)	(1,028,228)	-	4,371	120,531
Other income	-	240,410	142,618	-	1,412,917	99,184	-	-	-
Annual surplus (deficit)	$ 52,584	$ 180,063	$ 46,404	$ -	$ 489,256	$ (929,044)	$ -	$ 4,371	$ 120,531

18. SEGMENTED INFORMATION, continued

	Ottawa Trust Funds 2019 Budget	Ottawa Trust Funds 2019 Actual	Ottawa Trust Funds 2018 Actual	Consolidated totals 2019 Budget	Consolidated totals 2019 Actual	Consolidated totals 2018 Actual
Revenues						
Indigenous Services Canada	$ -	$ -	$ -	$ 4,831,453	$ 6,504,840	$ 8,492,228
Administration fee	-	-	-	213,781	-	2,197
Community Partners - Legal Aid	-	-	-	20,411	20,411	36,411
Government of Canada - Department of Justice	-	-	-	85,580	85,580	85,580
First Nations Education Steering Committee	-	-	-	12,982	46,414	51,260
First Nations Health Authority	-	-	-	1,149,635	1,336,988	1,250,631
Interest income	-	31,772	30,007	48,519	122,843	66,547
Rental Income	-	-	-	436,580	418,741	421,538
Other revenue	-	4,591	4,633	392,365	2,278,069	2,470,903
Total revenue	-	36,363	34,640	7,191,306	10,813,886	12,877,295
Expenses						
Amortization	-	-	-	-	1,056,305	1,170,846
Administration fees	-	-	-	142,308	3,616	22,149
Contracted services	-	-	-	193,715	1,919,248	779,828
Honoraria	-	-	-	13,775	30,843	13,770
Professional fees	-	-	-	60,625	148,721	155,460
Travel	-	-	-	122,309	181,906	188,709
Utilities	-	-	-	196,905	288,622	343,429
Salaries, wages and benefits	-	-	-	2,513,828	2,456,573	2,615,305
Other expenses	-	-	-	4,680,523	6,494,468	6,310,973
Total expenses	-	-	-	7,923,988	12,580,302	11,600,470
	-	36,363	34,640	(732,682)	(1,766,416)	1,276,825
Other income	-	-	-	-	1,653,327	241,803
Annual surplus (deficit)	$ -	$ 36,363	$ 34,640	$ (732,682)	$ (113,089)	$ 1,518,628