

# **LYTTON FIRST NATION**

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## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2021**

# LYTTON FIRST NATION

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## CONSOLIDATED FINANCIAL STATEMENTS March 31, 2021

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# Lytton First Nation

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING March 31, 2021

The accompanying consolidated financial statements of Lytton First Nation and all the information in this annual report for the year ended March 31, 2021 are the responsibility of management and have been approved by the Chief and Council.

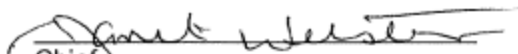
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgement. When alternative accounting methods exist, management has chosen 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.

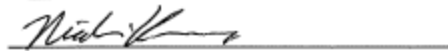
The Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

Dec 16, 2021  
Date

  
Councillor

DEC 17, 2021  
Date



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## 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, 2021, 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, 2021, 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 Canadian public sector accounting standards ("PSAS").

### *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.

### *Emphasis of Matter*

We draw attention to Note 18 to the financial statements, which describes the effects of a fire that occurred in the community subsequent to the year end. Our opinion is not qualified in respect of this matter.

### *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 PSAS, 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

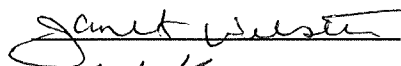

RICHMOND, B.C.  
DECEMBER 16, 2021

# LYTTON FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31, 2021

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash	\$ 7,880,408	\$ 4,630,320
Restricted cash (Note 4)	2,083,833	2,060,159
Accounts receivable (Note 5)	561,213	683,981
Rent receivable (Note 6)	561,492	624,559
Loans receivable (Note 7)	128,436	125,851
Long-term investments (Note 8)	203,988	201,079
	<b>11,419,370</b>	<b>8,325,949</b>
<b>LIABILITIES</b>		
Accounts payable (Note 10)	1,436,733	2,341,090
Deferred revenue (Note 11)	255,310	225,830
Long-term debt (Note 13)	2,194,885	2,376,394
Replacement Reserve Fund (Note 12)	361,304	325,474
	<b>4,248,232</b>	<b>5,268,788</b>
<b>NET FINANCIAL ASSETS</b>	<b>7,171,138</b>	<b>3,057,161</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 16)	30,346,562	30,779,429
Prepaid expenses	187,522	87,906
	<b>30,534,084</b>	<b>30,867,335</b>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<b>\$ 37,705,222</b>	<b>\$ 33,924,496</b>

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, 2021

	2021 Budget	2021 Actual	2020
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	\$ 448,327	\$ 3,780,726	\$ 414,505
Acquisition of tangible capital assets	(437,583)	(437,586)	(568,163)
Amortization of tangible capital assets	870,450	870,453	1,094,085
	-	432,867	525,922
Acquisition of prepaid asset	(187,522)	(187,522)	(87,906)
Use of prepaid asset	87,906	87,906	90,631
	(99,616)	(99,616)	2,725
<b>INCREASE IN NET FINANCIAL ASSETS</b>	348,711	4,113,977	943,152
<b>NET FINANCIAL ASSETS AT BEGINNING OF YEAR</b>	-	3,057,161	2,114,009
<b>NET FINANCIAL ASSETS AT END OF YEAR</b>	\$ -	\$ 7,171,138	\$ 3,057,161

The accompanying notes are an integral part of the financial statements

# LYTTON FIRST NATION

## CONSOLIDATED SUMMARY STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended March 31, 2021

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Indigenous Services Canada	\$ 5,871,067	\$ 11,593,985	\$ 7,236,936
BC First Nations Gaming revenue	-	789,704	741,174
BC Hydro	-	70,259	70,259
Canada Mortgage and Housing Corporation	518,529	514,563	148,210
Community to Community - UBCM	-	-	2,500
Community Partners - Legal Aid	20,411	20,411	20,411
Department of Justice	85,580	85,580	85,580
Equipment rental	-	11,460	17,145
First Nations Health Authority	1,295,679	1,672,671	1,326,984
First Nations Land Management	-	28,129	64,862
First Nations Education Steering Committee	52,371	377,259	90,676
Miscellaneous	134,475	579,498	438,528
Interest income	31,032	54,021	171,806
Province of British Columbia	274,840	312,377	211,732
Rental Income	339,192	471,901	410,531
Share of income (loss) from First Nation controlled entities	-	2,909	4,245
Taxation	-	-	1,535
Works program	36,921	13,727	50,345
Other	1,139,280	631,665	579,179
	9,799,377	17,230,119	11,672,679
<b>EXPENDITURES</b>			
Band Programs	3,432,345	3,718,075	3,013,107
Education	1,060,347	3,719,716	2,702,639
Social Development / Health	3,766,154	3,958,970	3,722,067
Capital Programs	449,428	869,152	179,765
Job Creation	133,855	255,216	177,067
Social Housing Fund	325,078	272,427	285,121
Capital Fund	-	728,357	952,578
	9,167,207	13,521,913	11,032,344
<b>ANNUAL DEFICIT BEFORE OTHER</b>	448,327	3,708,206	640,335
<b>OTHER</b>			
Proceeds from sale of assets	-	72,000	-
Transfer from (to) deferred revenue	-	520	(225,830)
	-	72,520	(225,830)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	448,327	3,780,726	414,505
<b>EQUITY AT BEGINNING OF YEAR</b>	-	33,924,496	33,509,991
<b>EQUITY AT END OF YEAR</b>	\$ 448,327	\$ 37,705,222	\$ 33,924,496

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, 2021

	2021	2020
<b>OPERATING ACTIVITIES</b>		
EXCESS OF REVENUE OVER EXPENDITURES	\$ 3,780,726	\$ 414,505
Items not affecting cash		
Amortization	870,453	1,094,085
Share of loss of First Nation controlled entities	(2,909)	(4,245)
	4,648,270	1,504,345
Change in non-cash operating working capital	(755,415)	165,373
	3,892,855	1,669,718
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(437,586)	(568,163)
<b>FINANCING ACTIVITIES</b>		
Principal repayment of capital asset loan	(39,414)	(36,194)
Proceeds from long-term debt	-	57,648
Repayment of Social Housing Fund long-term debt	(142,093)	(141,506)
	(181,507)	(120,052)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,273,762	981,503
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	6,690,479	5,708,976
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 9,964,241	\$ 6,690,479
<b>CASH AND CASH EQUIVALENTS ARE REPRESENTED BY:</b>		
Cash	\$ 7,880,408	\$ 4,630,320
Restricted cash	2,083,833	2,060,159
	\$ 9,964,241	\$ 6,690,479

The accompanying notes are an integral part of the financial statements

# LYTTON FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 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 a government business, 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 and the business' 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.

Segments 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. Tikemcheen Economic Development LLP

#### (c) 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.

#### (d) 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.

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

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

#### (e) 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.

#### (f) 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.

#### (g) 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.

#### (h) 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	40 years Straight line

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.

# LYTTON FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

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

#### (i) Replacement Reserve

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

#### (j) Budget

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

#### (k) 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.

#### (l) Liability for Contaminated Sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) Lytton First Nation is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at March 31, 2021, no liability for contaminated sites has been recorded.

### 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. 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.

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2021

### 4. 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 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.

	2021	2020
Replacement Reserve Fund - restricted cash	\$ 330,698	\$ 328,909
Ottawa Trust Fund - restricted cash	1,469,935	1,448,429
Student Trust Funds - restricted cash	283,200	282,821
	<b>\$ 2,083,833</b>	<b>\$ 2,060,159</b>

### 5. ACCOUNTS RECEIVABLE

	2021	2020
Accounts receivable - general	\$ 287,535	\$ 265,865
Indigenous Services Canada	78,967	194,907
Canada Mortgage and Housing Corporation	10,732	12,345
Insurance (RR)	-	175,000
Funds held with the Bank of Canada	35,864	35,864
First Nation Emergency Services Society	148,115	-
	<b>\$ 561,213</b>	<b>\$ 683,981</b>

### 6. RENT RECEIVABLE

	2021	2020
Rent receivable	\$ 1,245,517	\$ 1,154,562
	1,245,517	1,154,562
Allowance for doubtful accounts	(684,025)	(530,003)
	<b>\$ 561,492</b>	<b>\$ 624,559</b>

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 7. LOANS RECEIVABLE

	2021	2020
Due from Tikemcheen Economic Development LLP	\$ 128,436	\$ 125,851

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

### 8. LONG-TERM INVESTMENTS

	2021	2020
Investment in Non-Controlled Entities		
All Nations Trust Company - shares at cost	\$ 56,700	\$ 56,700
Investment in BC First Nations Gaming Fund	110	110
	<b>56,810</b>	56,810
Investment in Kumcheen Enterprises Ltd. (100%)		
Shares	90	90
Advances	122,169	122,169
Accumulated equity in earnings	30,855	26,033
	<b>153,114</b>	148,292
Investment in Lytton Development Corp. (100%)		
Shares	2	2
Accumulated deficit in earnings	(1)	(1)
	<b>1</b>	1
Investment in Tikemcheen Economic Development LLP (99.99%)		
Contributions	1	1
Accumulated partner's deficit	(5,938)	(4,025)
	<b>(5,937)</b>	(4,024)
	<b>\$ 203,988</b>	<b>\$ 201,079</b>

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 9. GOVERNMENT BUSINESSES

Commercial enterprises are those organizations that meet the definition of government businesses as described by the Public Sector Accounting Board. Government businesses 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, 2021	Lytton Development Corp. - year ended March 31, 2021	Tikemcheen Economic Development LLP - year ended March 31, 2021	2021 Total
Cash	\$ 36,844	\$ -	\$ 122,498	\$ 159,342
Tangible capital assets	120,266	-	-	120,266
Investments	-	1	-	1
Due from related parties	-	-	1	1
<b>Total assets</b>	<b>\$ 157,110</b>	<b>\$ 1</b>	<b>\$ 122,499</b>	<b>\$ 279,610</b>
Accounts payable	\$ 3,996	\$ -	\$ -	\$ 3,996
Due to related parties	122,169	1	128,436	250,606
<b>Total liabilities</b>	<b>126,165</b>	<b>1</b>	<b>128,436</b>	<b>254,602</b>
Share capital	90	2	-	92
Accumulated surplus (deficit)	30,855	(2)	(5,937)	24,916
<b>Total equity</b>	<b>30,945</b>	<b>-</b>	<b>(5,937)</b>	<b>25,008</b>
<b>Total liabilities and equity</b>	<b>\$ 157,110</b>	<b>\$ 1</b>	<b>\$ 122,499</b>	<b>\$ 279,610</b>

	Kumcheen Enterprises Ltd. - year ended March 31, 2019	Lytton Development Corp. - year ended March 31, 2019	Tikemcheen Economic Development LLP - year ended March 31, 2019	2021 Total
Revenue	\$ 78,300	\$ -	\$ 672	\$ 78,972
Expenses	73,478	-	2,585	76,063
<b>Net income</b>	<b>\$ 4,822</b>	<b>\$ -</b>	<b>\$ (1,913)</b>	<b>\$ 2,909</b>

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 10. ACCOUNTS PAYABLE

	2021	2020
Accounts payable - general	\$ 271,319	\$ 201,565
Receiver General - payroll deductions	33,216	12,523
Indigenous Service Canada - clawback	125,706	-
Stein Valley Nlakapamux School Society	951,261	1,858,102
Covid support payments	-	268,900
First Nations Health Authority	55,231	-
	<b>\$ 1,436,733</b>	<b>\$ 2,341,090</b>

### 11. DEFERRED REVENUE

	2021	2020
Indigenous Services Canada - capital projects	\$ 225,310	\$ 225,830
Province of BC	30,000	-
	<b>\$ 255,310</b>	<b>\$ 225,830</b>

### 12. REPLACEMENT RESERVE FUND

The Replacement Reserve is established in accordance with the Operating Agreements with CMHC for on-reserve housing. Funds are required to be set aside annually and held for future replacements of capital items related to the homes.

	2021	2020
Balance, beginning of year	\$ 325,475	\$ 333,374
Contributions, required during the year	38,017	38,850
Withdrawals	(4,001)	(52,420)
Interest	1,813	5,670
	<b>\$ 361,304</b>	<b>\$ 325,474</b>



# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 13. LONG-TERM DEBT

	2021	2020
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	\$ 307,239	\$ 334,587
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	-	24,753
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	284,206	305,690
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	624,407	663,243
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	929,291	958,964
Scotiabank, 84 monthly payments of \$586.65 including interest at 4.98% per annum, maturing April 30, 2021, secured by a 2014 Chevrolet Silverado	-	6,854
Finning Cat loan, payments of \$1,747.40 per month without interest, maturing October 9, 2021, secured by a Caterpillar 307E2 Hydraulic Excavator	12,271	33,302
Terrace Totem Ford, payments of \$960.80 per month without interest, maturing July 27, 2024, secured by a 2019 Ford F150	37,471	49,001
	<b>\$ 2,194,885</b>	<b>\$ 2,376,394</b>

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

2022	\$ 140,673
2023	133,607
2024	135,495
2025	128,775
2026 and thereafter	1,656,335
	<b>\$ 2,194,885</b>

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 14. ACCUMULATED SURPLUS

	2021	2020
Unrestricted		
Band Programs	\$ 5,210,358	\$ 2,583,397
Education	666,910	684,790
Social Development / Health	1,343,285	353,627
Capital Programs	240,589	(17,207)
Job Creation	(58,880)	(198,022)
Capital Fund	27,202,803	27,278,425
Enterprise Fund	147,288	144,379
	<b>34,752,353</b>	<b>30,829,389</b>
Restricted		
Social Housing Fund	1,482,934	1,646,678
Ottawa Trust Funds	1,469,935	1,448,429
	<b>2,952,869</b>	<b>3,095,107</b>
	<b>\$ 37,705,222</b>	<b>\$ 33,924,496</b>

### 15. 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 \$134,157.

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 16. TANGIBLE CAPITAL ASSETS

2020	Cost			Accumulated amortization					
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2021 net book value
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Buildings	23,064,246	612,471	-	23,676,717	5,257,519	446,098	436,739	6,140,356	17,536,361
Automotive equipment	1,303,460	198,042	-	1,501,502	1,181,578	80,770	-	1,262,348	239,154
Equipment	1,855,826	239,544	(167,845)	1,927,525	1,570,943	126,522	(167,845)	1,529,620	397,905
Roads and bridge	4,565,612	-	-	4,565,612	2,472,948	45,655	-	2,518,603	2,047,009
Water and sewer systems	13,769,328	-	-	13,769,328	6,777,600	69,916	-	6,847,516	6,921,812
Social Housing	4,672,155	-	(612,471)	4,059,684	1,235,610	101,492	(436,739)	900,363	3,159,321
	\$ 49,275,627	\$ 1,050,057	\$ (780,316)	\$ 49,545,368	\$ 18,496,198	\$ 870,453	\$ (167,845)	\$ 19,198,806	\$ 30,346,562

2019	Cost			Accumulated amortization					
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2020 Net book value
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Buildings	23,064,246	-	-	23,064,246	4,680,914	576,605	-	5,257,519	17,806,727
Automotive equipment	1,245,812	57,648	-	1,303,460	1,095,475	86,103	-	1,181,578	121,882
Equipment	1,706,027	149,799	-	1,855,826	1,441,154	129,789	-	1,570,943	284,883
Roads and bridge	4,565,612	-	-	4,565,612	2,426,831	46,117	-	2,472,948	2,092,664
Water and sewer systems	13,408,612	360,716	-	13,769,328	6,638,932	138,668	-	6,777,600	6,991,728
Social Housing	4,672,155	-	-	4,672,155	1,118,807	116,803	-	1,235,610	3,436,545
	\$ 48,707,464	\$ 568,163	\$ -	\$ 49,275,627	\$ 17,402,113	\$ 1,094,085	\$ -	\$ 18,496,198	\$ 30,779,429

# LYTTON FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 17. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the operations of Lytton First Nation.

The extent of the impact of this outbreak and related containment measures on the operations of Lytton First Nation cannot be reliably estimated at this time.

### 18. SUBSEQUENT EVENT

Lytton First Nation is late to submit the 2020/2021 audit statements due to a subsequent wildfire event. On June 30th, 2021, Lytton First Nation and the surrounding community was horrifically impacted by the devastating losses due to the Lytton Creek wildfire. The Lytton First Nation and community were severely impacted by this disaster and are still under evacuation order. The Lytton Creek wildfire destroyed five Lytton First Nation Band buildings and 39 houses on three reserves and the fire swept across other reserves, including Ngwyu'yemc Reserve No. 36 (lot 47). The Lytton First Nation Band office burned to the ground, which destroyed the entire financial and other department offices, equipment, and records. The Stein Valley Nlaka'pamux School was used as a muster point for evacuees. The devastating wildfire also raged through the Village of Lytton destroying 90% of the homes and business structures forcing the immediate evacuation of residents and those in the surrounding area. The area's watershed has a risk of contamination from chemicals used to fight the fire. Electricity, sewer and water services have been affected. Most evacuees have not been able to return to the area as extensive rebuilding will be necessary. The costs of rebuilding and re-establishing the infrastructure is unknown at this time but expected to be significant. The year 2020/2021 was a difficult year and the subsequent events will have serious impacts for many years during recovery and rebuilding.

# LYTTON FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 19. 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.

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 19. SEGMENTED INFORMATION, continued

	Band Programs			Education			Social Development / Health		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	\$ 2,672,784	\$ 4,170,580	\$ 1,563,174	\$ 1,133,077	\$ 3,284,366	\$ 2,933,393	\$ 1,865,912	\$ 3,295,879	\$ 2,283,003
Community Partners - Legal Aid	20,411	20,411	20,411	-	-	-	-	-	-
Department of Justice	85,580	85,580	85,580	-	-	-	-	-	-
First Nations Education Steering Committee	-	-	-	52,371	371,579	75,024	-	-	-
First Nations Health Authority	-	244,079	5,000	-	-	-	1,295,679	1,428,592	1,321,984
Interest income	31,032	36,360	146,306	-	379	678	-	-	-
Rental Income	147,000	249,295	209,149	-	-	-	-	32,400	10,800
Other revenue	1,055,636	1,776,612	1,602,427	135,000	55,697	25,250	380,000	394,371	504,674
<b>Total revenue</b>	<b>4,012,443</b>	<b>6,582,917</b>	<b>3,632,047</b>	<b>1,320,448</b>	<b>3,712,021</b>	<b>3,034,345</b>	<b>3,541,591</b>	<b>5,151,242</b>	<b>4,120,461</b>
Expenses									
Administration fees	110,948	-	165	157,100	350	500	200,225	-	-
Contracted services	44,822	188,070	174,441	5,000	-	2,100	367,070	321,135	410,615
Honoraria	167,796	166,968	87,607	5,000	1,775	1,740	10,144	5,709	8,767
Professional fees	79,000	57,105	90,282	-	-	-	3,946	3,946	4,808
Travel	56,085	34,499	36,789	8,000	952	9,587	129,423	88,421	149,767
Utilities	216,844	187,139	219,602	5,000	6,856	5,004	25,610	43,141	53,176
Salaries, wages and benefits	1,684,409	2,003,405	1,299,507	111,547	134,705	135,968	1,162,590	916,275	950,937
Other expenses	1,184,807	1,080,889	1,104,714	821,071	3,575,078	2,547,740	1,873,040	2,580,343	2,143,997
<b>Total expenses</b>	<b>3,544,711</b>	<b>3,718,075</b>	<b>3,013,107</b>	<b>1,112,718</b>	<b>3,719,716</b>	<b>2,702,639</b>	<b>3,772,048</b>	<b>3,958,970</b>	<b>3,722,067</b>
<b>Annual surplus (deficit)</b>	<b>\$ 467,732</b>	<b>\$ 2,864,842</b>	<b>\$ 618,940</b>	<b>\$ 207,730</b>	<b>(7,695)</b>	<b>\$ 331,706</b>	<b>(230,457)</b>	<b>\$ 1,192,272</b>	<b>\$ 398,394</b>

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 19. SEGMENTED INFORMATION, continued

	2021 Budget	Capital Programs 2021 Actual	2020 Actual	2021 Budget	Job Creation 2021 Actual	2020 Actual
Revenues						
Indigenous Services Canada	\$ 95,790	\$ 641,617	\$ 353,862	\$ 103,504	\$ 201,543	\$ 103,504
First Nations Education Steering Committee	-	-	-	-	5,680	15,652
Other revenue	365,950	514,065	23,078	14,880	61,456	17,242
<b>Total revenue</b>	<b>461,740</b>	<b>1,155,682</b>	<b>376,940</b>	<b>118,384</b>	<b>268,679</b>	<b>136,398</b>
Expenses						
Administration fees	-	-	-	10,350	-	-
Contracted services	81,817	229,277	(10,000)	5,000	76,132	11,176
Professional fees	500	500	280	13,000	8,879	30,742
Travel	-	-	-	5,500	1,135	9,511
Utilities	1,385	2,413	-	1,605	1,061	2,429
Salaries, wages and benefits	-	145,401	149,672	82,908	113,042	75,032
Other expenses	378,038	491,561	39,813	16,392	54,967	48,177
<b>Total expenses</b>	<b>461,740</b>	<b>869,152</b>	<b>179,765</b>	<b>134,755</b>	<b>255,216</b>	<b>177,067</b>
Other items	-	286,530	197,175	(16,371)	13,463	(40,669)
Annual surplus (deficit)	\$ -	\$ 287,050	(28,655)\$	(16,371)\$	13,463 \$	(40,669)

# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 19. SEGMENTED INFORMATION, continued

	Social Housing Fund			2021 Budget	Capital Fund		2021 Budget	Enterprise Fund	
	2021 Budget	2021 Actual	2020 Actual		2021 Actual	2020 Actual		2021 Actual	2020 Actual
Revenues									
Interest income	\$ -	\$ 344	\$ 1,974	-	\$ -	\$ -	\$ -	\$ -	\$ -
Rental Income	192,192	190,206	190,582	-	-	-	-	-	-
Other revenue	152,579	144,613	148,210	-	-	-	-	2,909	4,245
<b>Total revenue</b>	<b>344,771</b>	<b>335,163</b>	<b>340,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,909</b>	<b>4,245</b>
Expenses									
Amortization	-	142,093	141,507	-	728,357	952,578	-	-	-
Administration fees	25,750	-	-	-	-	-	-	-	-
Professional fees	6,180	5,450	5,726	-	-	-	-	-	-
Utilities	3,512	2,296	44	-	-	-	-	-	-
Other expenses	289,636	122,588	137,844	-	-	-	-	-	-
<b>Total expenses</b>	<b>325,078</b>	<b>272,427</b>	<b>285,121</b>	<b>-</b>	<b>728,357</b>	<b>952,578</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other items	19,693	62,736	55,645	-	(728,357)	(952,578)	-	2,909	4,245
Annual surplus (deficit)	\$ 19,693	\$ 62,736	\$ 55,645	-	\$ (656,357)	\$ (952,578)	-	\$ 2,909	\$ 4,245



# LYTTON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 19. SEGMENTED INFORMATION, continued

	Ottawa Trust Funds			Consolidated totals		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues						
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 5,871,067	\$ 11,593,985	\$ 7,236,936
Community Partners - Legal Aid	-	-	-	20,411	20,411	20,411
Government of Canada - Department of Justice	-	-	-	85,580	85,580	85,580
First Nations Education Steering Committee	-	-	-	52,371	377,259	90,676
First Nations Health Authority	-	-	-	1,295,679	1,672,671	1,326,984
Interest income	-	16,938	22,888	31,032	54,021	171,846
Rental Income	-	-	-	339,192	471,901	410,531
Other revenue	-	4,568	4,589	2,104,045	2,954,291	2,329,715
<b>Total revenue</b>	<b>-</b>	<b>21,506</b>	<b>27,477</b>	<b>9,799,377</b>	<b>17,230,119</b>	<b>11,672,679</b>
Expenses						
Amortization	-	-	-	-	870,450	1,094,085
Administration fees	-	-	-	504,373	350	665
Contracted services	-	-	-	503,709	814,614	588,332
Honoraria	-	-	-	182,940	174,452	98,114
Professional fees	-	-	-	102,626	75,880	131,838
Travel	-	-	-	199,008	125,007	205,654
Utilities	-	-	-	253,956	242,906	280,255
Salaries, wages and benefits	-	-	-	3,041,454	3,312,828	2,611,116
Other expenses	-	-	-	4,562,984	7,905,426	6,022,285
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,351,050</b>	<b>13,521,913</b>	<b>11,032,344</b>
Other items	-	21,506	27,477	448,327	3,708,206	640,335
	-	-	-	-	72,520	(225,830)
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ 21,506</b>	<b>\$ 27,477</b>	<b>\$ 448,327</b>	<b>\$ 3,780,726</b>	<b>\$ 414,505</b>