



A YEAR OF GROWTH
2018/19 ANNUAL REPORT

Lytton
FIRST NATION



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LETTER FROM THE CHIEF: Janet Webster

To All the Lytton First Nation Membership

I, Chief Janet Webster, would like to say a few words on our last year financial report and activities in 2018/19. Our focus is on our LFN Vision to see our membership self sustainable.

We, the Lytton First Nation have applied for the 10-year grant funding from Indigenous Service Canada. In order to be eligible, for the 10 year grant, we had to have a Financial Administrative Law, which included updating several policies, Finance, Human Resource, Policies and Operation Manual, this all started in 2016 approving these policies, but most recent was the Whistle-blower and Threshold Policy which was worked on this past year for approval from chief and council.

The chief, council, administrator and program managers have been very active in each department working with their respective portfolio holders, working on the comprehensive community planning. Again, this has been ongoing since 2016 with numerous committee and community meetings with the band members of Lytton First Nation.

We needed to have clear goals and activities with budgets attached for each goal and identify the funding to carry the goals out, in each program area of the comprehensive community plan. This is to ensure the administrator carries out the chief, council and community approved plan.

The financial affairs of the band are starting to stabilize where the finance committee have been drawing down past deficits. There is still concern for the band housing department with past and present arrears

in rent, when full rent is not in on time the reserve replacement fund is underfunded, then the band is in non-compliance with the Canada Mortgage Housing, when this funding is not transferred each year. We do not want to jeopardize future housing program for future generations.

We are negotiating a partnership with the financial institutions; they reviewed our 5-year financial statements and came back asking how the band will be addressing arrears or deficits. This becomes an accumulated affect for funding application for loans to enhance our projects that need other dollars to make it viable. I know we can work with our programs to come to a resolution to address this matter. Other than this we are stabilizing the organization and moving forward in a positive way. A brighter future for our people, through healing, training, trades training, traditional wellness, partnerships with educational institutions, companies and other agencies.

In Closing I thank Steve Wilson, Band Administrator for leading the program managers, Dr. Rosalin Miles for her contribution in the Financial Administrative Law and Comprehensive Community Planning and facilitation. Bobby Jumbo and Finance committee for all their support. The Council for their leadership as portfolio holders for the respective program areas.

All this is to ensure open and transparency on the financial activities of the band.

Humelth
Chief Janet Webster

ANNUAL GENERAL MEETING: Band Administrator Report

September 18, 2019

Hello from the Band Administrator.

Overall, we have had a good year and we are learning to be a team. The progress we have made in financial management, capacity building, and organizational structure has been rewarding. We offer more program and service delivery as an organization and are getting better at responding to needs.

It is hard to believe how fast the year has blurred by. The highlights for the year include: being approved for the First Nation Management Board Certification and Financial Administrative Law, Approval of the Indigenous Services Canada (ISC) 10 Year Grant Program, Two Years of ISC Renovations funding, RBC Banking Services Agreement, the Development of the Housing Strategy for LFN Trades Training, Elders Complex design and Program and Service Delivery, establishment of the Crisis Management Team and Crisis Management Process Design, Increased staffing in Health, Welcoming of Street Angels, Agriculture Feasibility, the Jade Springs Purchase Planning and business development, and a very good audit.

This past year LFN was qualified by the First Nation Financial Management Board for the Financial Administrative Law and Board Certification that led to the 10 Year Grant Program announced by Indigenous Service Canada. The 10 Year Grant gives LFN a lot of flexibility because we get a lump sum payment on April 1 each year of \$6.2 million for ten years. It also means that we must carefully manage our money to ensure we do not over-spend, and the interest payments create margins that can be used to supplement other programs, which is why the FMB Certification has been an important accomplishment. It defines what we have to deliver on and how to deliver.

2018/19 HIGHLIGHTS

10 YEAR GRANT PROGRAM

LFN will receive **\$6.2 Million** each year for ten years from Indigenous Services Canada (ISC).

We are working on an integrated approach to job creation and training. We have met with Thompson Rivers University, NVIT, and University of the Fraser Valley. Our intention is to create a partnership to bring trades and management training to Lytton. We also intend to expand academic training to health careers, retail grocery store, restaurant, and tourism.

To kickstart the process, in housing we have a commitment from Indigenous Services Canada to fund \$1 million in renovations over the next 18 months ending at fiscal Year end March 31, 2021. The project management for the renovations is based on each house being a specific project that is funded from \$40,000 to \$47,000 depending on classification. Lytton Trades training in construction, electrical, and plumbing is built into the cost of the scope of work.

We intend to use the housing renovations program to build capacity to acquire goods and service contracts under economic development. The focused training will be the basis for our strategy to develop the technical expertise to acquire procurements from CP, CN, BC Hydro, Transport Canada, MOTI, and in mining and forestry.

To support the ability to project manage the renovations we have negotiated a \$5.6 million revolving renovation credit facility with the Royal Bank of Canada at prime plus 0.05% interest. The intent is to use the credit facility to project manage while waiting for approved funds to arrive to keep the cost of borrowing to a minimum.

Since October 2018 we have been meeting at the Elder's complex with the elder residents to determine the needs of the new facility. The new facility is being developed under a business model that is based on traditional wellness. It is geared to independent living, assisted living, palliative care, and respite.

The elder program and service delivery represents the business unit by which to manage the new elder facility. The jobs created under the umbrella are good, sustainable careers that pay well. The construction will put the trades trainees to work and contribute to paying for the cost to train apprentices.

We plan on increasing access to the type of local training for membership that will lead to good paying jobs in trades, health, retail business, and tourism. In March of this year Mr. Ken Wong approached LFN about purchasing Jade Springs. The grocery store, restaurant, and campground were offered as a package.

The offer was assessed by BDO Dunwoody who analyzed 5 Years of Financial Statements and recommended that LFN purchase the assets and restart the business as a newer, fresh approach. The business and training plan is being developed. Plans are being completed that include sending the trainees to Vancouver for week-long training sessions in partnership with Choices Markets.

Choices Markets is a high-end organic grocery store chain that has offered to help train LFN Members in retail grocery store management.



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For the restaurant we are looking at delivering culinary arts training to support the operations and management of the organization.

For the campground we are investigating the development of a destination resort with eco-tourism and culture-based tourism. River Fish Guiding is a business that will not compete with River rafting. River rafting is hard and expensive to get into. There are few fish guiding outfitters in the region. The river boats will double as search and rescue vessels. We need to develop very specific training to be able to get the

For the audit this year is once again unqualified and a good representation of the solid management of the program and service delivery we have committed to manage. One serious consideration is the large surplus in health. The audit shows \$844,000 in surplus. What that figure represents is we have not



delivered program and services to the extent that we were funded for. The problem it represents for LFN is the 5 Year Health Transfer Agreement is expiring in May 2020. Any surpluses are clawed back. The source of the surplus has been the \$200,000 per year carry-over of unexpended funds in 2017 and 2018. The total amount of carry-over has been \$400,000.

In addition, for 2018 we show an additional surplus of \$444,000 from program and service delivery.

The biggest source of the surplus has been problems in recruiting especially in community wellness. The lack of available housing to support the recruiting of qualified health professionals has been identified as a significant barrier.

A good example is nursing. Nursing is a rigorous program with tough courses. We have not been able to fill vacancies for nurses. This year we found and hired a qualified nurse. As managers, we must look at creating efficiencies in operations or getting more money. To be more efficient we need to lower costs. To get more money we need to spend what we have and justify the need to more. A natural competitive advantage is the funding we have for post-secondary education, ASETS funding, and Work BC Funding that can be used to cut training costs.

In hiring for community wellness our health department has increased from 12 staff to 27 staff. And we welcomed the street angels to be the first level of community contact to help steer to the right program and service.

We recognize the performance is good but we acknowledge there is room for improvement in all areas but overall I am quite pleased with the progress and direction we are going and the commitment of the managers and staff to deliver programs and services for the membership.



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.

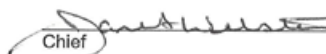

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgement. When alternative accounting methods exist, management has chosen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

Councillor

July 24/19
Date

July 24/19
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, 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.

RICHMOND VANCOUVER KELOWNA OSOYOOS
www.rhncpa.com

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- 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.
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.
JULY 24, 2019

RICHMOND VANCOUVER KELOWNA OSOYOOS
www.rhncpa.com

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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
	<u>7,222,283</u>	<u>6,948,077</u>
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
	<u>4,774,900</u>	<u>2,975,495</u>
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
	<u>31,395,982</u>	<u>29,983,872</u>
ACCUMULATED SURPLUS (Note 13)	\$ 33,843,365	\$ 33,956,454

APPROVED ON BEHALF OF THE LYTTON FIRST NATION

 Chief
 Councillor

The accompanying notes are an integral part of the financial statements
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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
	<u>(1,432,817)</u>	<u>1,002,438</u>
Acquisition of prepaid asset	(90,631)	(111,338)
Use of prepaid asset	111,338	92,422
	<u>20,707</u>	<u>(18,916)</u>
(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

The accompanying notes are an integral part of the financial statements
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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

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Consolidated 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

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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. Tikemcheen 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.

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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.

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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."

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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

MARCH 31, 2019

Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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 Tikemcheen 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 Tikemcheen 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

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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	Tikemcheen 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	Tikemcheen 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

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MARCH 31, 2019

Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

12. TANGIBLE CAPITAL ASSETS

2019	Cost			Accumulated amortization			2019 net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ 45,000
Buildings	22,530,947	533,299	-	23,064,246	3,744,570	569,937	18,383,332
Automotive equipment	1,168,733	77,079	-	1,245,812	1,007,257	88,218	150,337
Equipment	1,687,090	47,770	-	1,734,860	1,341,216	128,771	264,873
Roads and bridge	4,565,612	-	-	4,565,612	2,403,773	23,058	2,138,781
Water and sewer systems	12,314,451	1,094,161	-	13,408,612	6,525,264	113,668	6,769,680
Social Housing	3,935,351	1,270,103	(533,299)	4,672,155	1,352,570	132,644	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			2018 Net book value
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	
Land	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ 45,000
Buildings	22,530,947	-	-	22,530,947	3,181,295	563,275	18,786,377
Automotive equipment	1,168,733	-	-	1,168,733	874,140	133,117	161,476
Equipment	1,518,675	168,415	-	1,687,090	1,181,149	160,067	345,874
Roads and bridge	4,565,612	-	-	4,565,612	2,357,655	46,118	2,161,839
Water and sewer systems	12,314,451	-	-	12,314,451	6,399,606	125,658	5,789,187
Social Housing	3,935,351	-	-	3,935,351	1,209,952	142,618	2,582,781
	\$ 46,078,769	\$ 168,415	\$ -	\$ 46,247,184	\$ 15,203,797	\$ 1,170,853	\$ 29,872,534

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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).

MARCH 31, 2019

Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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.

MARCH 31, 2019

Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

18. SEGMENTED INFORMATION, continued

	2019 Budget	Capital Programs 2019 Actual	2018 Actual	2019 Budget	Job Creation 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

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Consolidated Financial Statements

LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019

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	-	-	-
Other income	52,584	(60,347)	(96,214)	-	(923,661)	(1,028,228)	-	4,371	120,531
Annual surplus (deficit)	\$ 52,584	\$ 180,063	\$ 46,404	\$ -	\$ 489,256	\$ (929,044)	\$ -	\$ 4,371	\$ 120,531

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LYTTON FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019

18. SEGMENTED INFORMATION, continued

	Ottawa Trust Funds			Consolidated totals		
	2019 Budget	2019 Actual	2018 Actual	2019 Budget	2019 Actual	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
Other income	-	36,363	34,640	(732,682)	(1,766,416)	1,276,825
Annual surplus (deficit)	\$ -	\$ 36,363	\$ 34,640	(732,682)\$	(113,089)\$	1,518,628

The Information and Knowledge Department is a newly formed sub department under the Administration Department. I am responsible for working with all active Program Departments of Lytton First Nation. Taking the lead role in overseeing a Data Sovereignty Strategy to ensure compliance to Personal Information Protection and Electronic Documents Act including other legislation regarding information and data protection. I also work with all Program Managers to develop a Strategy in identifying hardware, software and network requirements to be consistent throughout the entire organization. I provide IT support and training for all staff members and created the new Lytton First Nation Website.

My first year working in the Information and Knowledge Department as IT Support has been very rewarding, and I look forward to continuing my support to LFN and its members.



2018/19 HIGHLIGHTS

TECH IMPROVEMENTS

Communication and connectivity have been improved through much needed **server, computer, email and phone system updates.**

Some of the tasks I have accomplished this fiscal year:

- Taking charge of the email directory. I created an up to date email directory, trimming the unused emails we still had active since 2014. Filling the gaps of LFN employees using personal emails. We rebranded our domain from lyttonfirstnations.com to lfn.band for its simplicity and started replacing the old emails with new ones. Set up new company wide email signatures with the official LFN logo, updated contact list with groups for committees/projects. We made a switch from Dropbox to Google Drive.
- We updated our old server and are currently installing a second that will connect all satellite offices.
- Upgraded our older computers that were too old or poorly equipped for an office environment.
- Replacing our old phone system that was 20+ years old and connected the smaller satellite offices to the main office.
- Chief and Council received a much-needed upgrade from their old hardware to help them go paperless in the office. All old hardware was handed down to other departments/projects on the go.

Finance

Finance Committee

Chief Janet Webster, John Haugen, Niakia Hanna, Steve Wilson, Bobby L Jumbo, Caroline Sam. Committee meets monthly to review band finances, budgets, funding requests and make recommendations to Chief and Council for approval.

Finance Staff

Bobby L Jumbo, Caroline Sam

10 Year Grant Indigenous Services Canada (ISC)

Expression of interest/application sent by Steve Wilson, Administrator; the ten-year term means flexibility, retention of unexpended funds. Reduced reporting.

Community Comprehensive Plan (CCP)

Five Year Work Plans including Vision and Mission Statements updated by Chief and Council, Administration, Program Managers and Finance Committee. Living Document which includes Investing, Planning, Budgeting, Audits,

Grant Writer

Dr Rosalin Miles applied and successfully secured additional program funding for Lytton First Nation Departments

Memorial Hall

Funding secured by grant writer for renovations and kitchen appliance upgrades.

Taxation Laws

Updated and secured by Murray Sam funding from TELUS and Lyttonnet will be updated as additional funding is secured.

Royal Bank (RBC)

Lytton First Nation (LFN) Administration met with several banks and Royal Bank offered many additional services and competitive rates. LFN is currently in process of switching to RBC. Proposal includes opportunities for Education, Housing and Economic Development initiatives.

Fundraising

LFN had a successful venture to acquire additional funds to support several programs.

First Nations Financial Management Board (FNFMB)

Initiated by Administration with the Financial Management Board (FMB) several Governance Policies put into place to show transparency and accountability and to support LFN to build good governance and finance practices. Providing additional funding opportunities for LFN.

Housing

Lytton First Nation Chief and Council, Administration and Finance are in full support of the housing policies especially for arrears which can have an impact on future new housing.

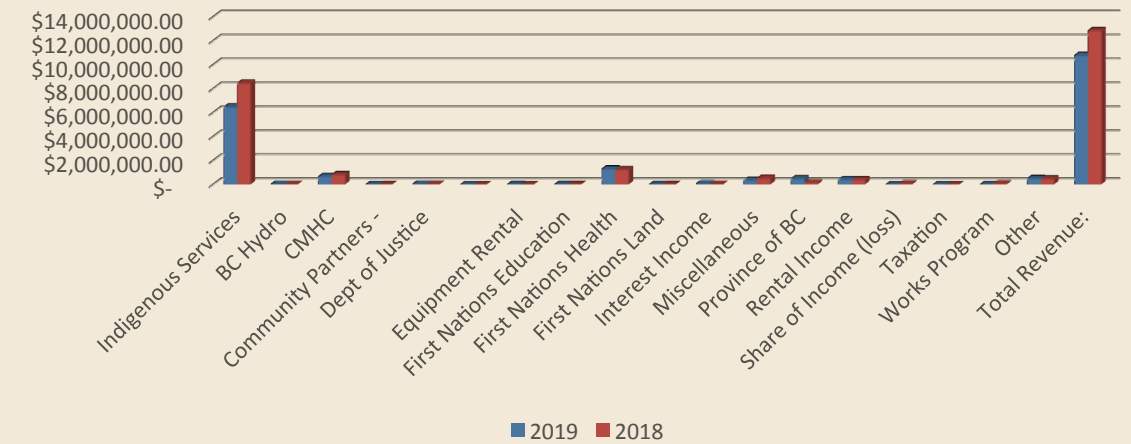
Annual Elders Christmas Party

The finance department acquired funding support from various companies to assist with hosting the annual event.

REVENUE

2019 TOTAL: \$10,813,886

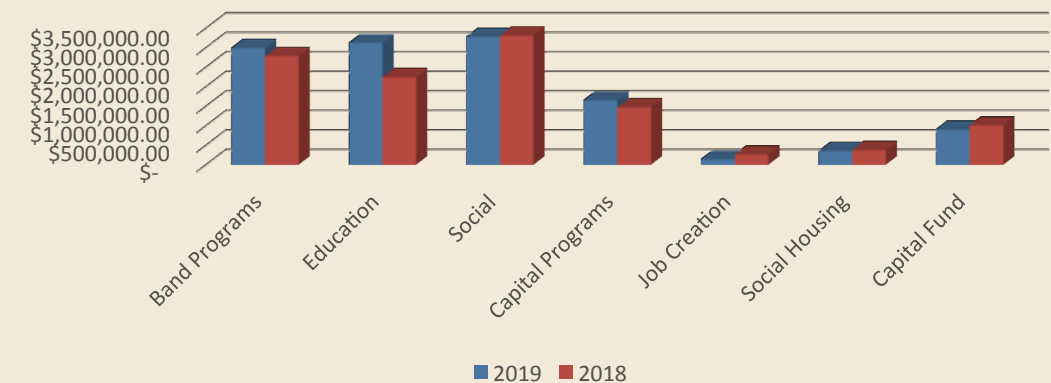
2018 TOTAL: \$12,877,295



EXPENDITURES

2019 TOTAL: \$12,580,302

2018 TOTAL: \$11,600,470



Human Resources

Historically, the Human Resource Management duties and responsibilities fell on the Band Administrator and Program Managers. There were attempts to find an HR Manager and on September 23, 2016 I hired on as the Human Resource Manager. I do have some formal Education and lots of experience in a wide range of jobs working for Lytton First Nation. This gives me a perspective from a line staff's view, and I worked my way up the corporate ladder. I always said that it is a long journey from Janitor to Manager, but if I can do it, anybody can do it.

In the LFN Job Description book there is no description for the Human Resource Manager, so a Human Resource Policy Manual was created and that is my Job Description. What I do in this capacity includes recruitment, selection and retention, employee tracking, progressive and participatory disciplinary procedure up to and including termination, policy development and

implementation, support and advise Co-Managers on Employee performance issues and support Employees on Manager performance issues. Every minute of every day is valuable to me and I dedicate my efforts to making LFN deliver the best service to Membership and job satisfaction for its employees.

Over the last year I have been involved with committees both internal and external.

In Economic Development we are working with Darwin Hanna to activate some of our dormant corporations and develop one to be a Holding Corporation so we can operate for profit business' like tourism and forestry. As well as not for profit like housing, culture and language. We also learned about how Trusts work. We work around the NNTC's Shared Decision-Making Policy. We met with West Fraser to discuss to possibility of starting up a Log Sort Yard.

Other updates and areas of involvement include:

- Regular Program Meeting where we update the other departments on what we have been working on and share plans for future events.
- Given direction to re-structure the Health Department and I have been very active in supporting the Health Department as they have grown to a staff of 27 this year.
- Active member of the Village of Lytton's Fire Smart Board. We hold community cleanup days and community open houses for Fire Smart information.
- Personal Committee works on Employee Evaluations every year. We are in the process of changing our process, moving away from the 1 to 5 grading rubric and towards a more comprehensive system that ties in with the Comprehensive Community Plan, 5-year work plan on performance and completion of goals and benchmarks as well as financial management for the Managers.
- Active Member of the Emergency Preparedness Committee as well as the E.P Working Group with the Village of Lytton, RCMP, BC Ambulance, CNR, CPR, Rattlers. We meet to discuss our emergency response plan and share what resources we have available to respond. To be more proactive.
- Work cooperatively with our Employment lawyer when we need legal advice on Employment issues that could lead to litigation.
- Attend the Elders' advisory committee meetings and was happy that we accessed an "age friendly" grant for Elder's Honorarium to help plan a new Elder's Complex that included Independent Living, Assisted Living, Palliative Care and Dying with dignity.

- Work cooperatively with Aboriginal Financial Officers Association (AFOA) and specifically the Financial Management Board (FMB) to amend policies to comply to the requirements. Policies like the Whistle Blowers Protection Policy.
- Was involved with the negotiations to find the best deal we can get for a new Financial Institution. We had recommended Royal Bank of Canada (RBC). Great deal for Post-Secondary, Economic Development, Housing and Trusts.
- Was involved with the Chief and Council General Election this year and assisted Lawrence Lewis and his company One Feather. They specialize in on-line voting for referendums and can do surveys.
- A part of the Crisis Management Team to manage issues for Membership who experience crisis. Restorative Justice, Social Development, Health, Housing are also a part of the Team.
- Involved with developing the proposed Health Hub, School of Traditional Knowledge, Occupational Health and Safety committee.

This is not a complete update but it lists lots of good work that we are working on as a Team.

Kwukwstemx, Roy Spinks

2018/19 HIGHLIGHTS

ECONOMIC DEVELOPMENT

We are currently developing a **Holding Corporation** that will allow us to operate for profit businesses.



TI'kemtsin Health is embracing the future with healthy traditional values for the membership and has worked hard to improve health services in this past year, October 2018 to October 2019. Despite previous challenges in the Health department for Lytton First Nation, there have been vast improvements. We are on a continual course in utilizing the best practices in health care to the benefit and inclusion of our membership. TI'kemtsin health have been leading the way with re-engaging our elders and improving primary care services. Chief and Council directed Band Administrator: Steve Wilson to initiate a restructuring of TI'kemtsin Health. A new health committee has been formed at the beginning of 2019 consisting of three council members, Deborah Abbott, Jason Robertson and Merika Sam, Steve Wilson and Interim Director Geraldine Trimble and two Elders; Mary Williams and N'kixw'stn James. Lytton First Nation with other First Nations have struggled and faced multiple barriers with funding agencies, and colonial systems that directly affect our day to day health needs. The health budget from previous years has been underspent largely due to vacant positions, and due to those positions being vacant the programing dollars were unexpended, a surplus report to First Nations Health Authority of March 2019 was approved which allowed us to expend the dollars in this fiscal year. Due to lack of expending in previous years there is now an extensive plan which will be rolled out by Administration which includes a business housing plan that will benefit the community.

As part of the restructuring plan, Geraldine Trimble was brought in to assist with the TI'kemtsin Health reorganizing of staff, management and governance. The focus has been encouraging positive outcomes by way of the elders, youth, current staff, membership, and leadership of the community to ensure that the needs of membership are being met. Areas that were

needed in priority to successfully move forward; two new managers were hired; Health Programs Manager Stacy Thom, and Home and Community Care Manager/ Nurse Lisa Colwell.

The initiative this year is the "Service Providers Buildup 2019" over the course of this transition time there have been a strengthening of numbers in staff, including part-time, on-call, and full-time health staff which now numbers twenty-three as opposed to seven the year prior. We will continually engage with First Nations Health Authority to better financially fund our services for our people by way of creating a ten-year workplan and negotiating a full transfer of health programs to Lytton First Nation. This goal will be challenging to achieve but with this continual momentum of enhanced health services, we will reach a positive outcome which directly benefits our members. TI'kemtsin health has a new surge to provide better health information, and to advocate for the membership in any health issue. Lytton First Nation was given the opportunity to do this through the BC Municipalities Age-Friendly Grant, geared at the inclusion of our Elders, aging friendly in Lytton First Nation. Moving forward the age-friendly initiative has a second phase that LFN Health and Elders will be applying for in 2020.

2018/19 HIGHLIGHTS

SERVICE PROVIDERS BUILDUP

In an effort to improve our health services, we have **increased the number of staff from 7 to 23.**

TI'kemtsin health staff consists of:

MENTAL HEALTH:

Harvey Dunstan, NNAADAP,
Annette Albert, Elders Worker,
Youth and Family Worker (Education Leave)

PUBLIC HEALTH:

Eva Paul, CHR
Angie Brown, CHR/COHI,
First Nations Health Authority – Public Health Nurse
(New nurse starting end of October 2019)

HOME AND COMMUNITY CARE PROGRAM:

Lisa Colwell, HCC Manager/Nurse
Jody Cleghorn, HCA
Maria Charlie, HCA
Bobbi Campbell, HCW
Lacey Biley, HCW

ADMINISTRATION:

Geraldine Trimble, Interim Health Director
Stacy Thom, Programs Manager
Lenora Thomas, Patient Travel/Receptionist
Cliff James, Custodian
Ed Buttuls, Community Driver
Robbie Bolan, Elder's Driver
Monica Munro, Street Angel
Regina Pierre, Street Angel
Jennifer Brown, Traditional Wellness Coordinator

**this list does not include our part-time/casual employees*

We are a collaborative network supporting individuals and families by way of promoting culturally inclusive resources. As with life and the cycles we go through Lytton First Nation Health is going through a cycle of growth, and we will continue to grow being tended to by the wisdom of our elders and the creative insights of our youth. We would like to express with the greatest gratitude the personal experiences and opportunities that we have been given to work with the Nlaka'pamux people of the TI'kemtsin.



Education

Post-Secondary: Roger James

Band funding has a new deadline date for applications and that is May 31st of each year. If you are planning to apply to the Lytton First Nation, your application must be in on or before this date, or your application will be waitlisted. You can fill out an application and be placed on the waitlist if you want to begin the process. But remember you must reapply each year before May 31st. for the Fall intake. This year we have 40 fulltime students each going for their educational goals.

Our Protected Pool/General Pool report was due and completed in May 2019. This report is the main report that shows the amount of funds we will receive for the fiscal year. We had no issues with the report it was done on time and successful.

August 31st 2019 our annual Post-Secondary Registry report was due and completed to ISC. We have had no questions to the report as of yet. No news is good news.

We have made changes to the Post-Secondary Policy. This policy will be made available to all approved students and on our LFN Website. Any changes from this day forward will be in effect the next active semester after the approval from Chief and Council.

If you would like an application, please either call our office, email me a request: r.james@lfn.band

A few items coming up on my calendar. 2 meetings with The First Nations Education Steering Committee. One in Kamloops and One in Vancouver. I will be bringing forward some questions, comments and viewpoints on adult education and the funding we receive.

In-School: Iris Jules, Manager

EDUCATION DEPARTMENT REPORT: 2018-2019

We had a successful and Productive 2018-2019 Fiscal year, and proud of what we achieved over the past months. We continued to deliver various Programs, Workshops and Meetings. One of our main focus' was to deliver our Amended copy of the Post Secondary Policy with much needed changes with the assistance of First Nations Education Steering Committee and then to present to Chief and Council. We are also on the end completion of our Local Education Agreement with SD74. This is with the assistance and recommendations of Darwin Hanna (Lawyer). We will be hosting at least 2 community meetings to bring the copy of the LEA to the community for further recommendations. By the new school year 2020-2021 we will have our LEA. Throughout the year, Education has worked with the Health Department, Social Development on various community events. We have also included all 3 schools in the events.

OUR SUCCESSFUL GOALS:

- Education Committee for both Post-Sec and K-12
- Healing Week
- Youth Week
- Working with School District #74 on "Expectations and Accountabilities" on behalf of Lytton First Nations
- School Meetings – PAC
- Encourage schools to add "Elders in Residence" program at Kumsheen and Lytton Elementary

The Education Staff continue to strive and advocate for the best interests of the Lytton First Nations band members with the assistance of our Education Committee and 2 of our Band council members.

Restorative Justice

COMMUNITY PARTNER REPORT 2018-2019

TOTAL NUMBER OF CONSULTATIONS

Year 2018/19	Aboriginal Law	Abuse and Family Violence	CFCSA Matters	Civil	Crimes and Offences	Family Law	Gladue Information	Immigrants and Refugees	Other Legal Issues	Total
April	25	16	5	0	18	15	2	1	0	82
May	13	14	17	1	18	11	1	1	0	76
June	24	8	7	1	14	12	1	0	0	67
July	17	5	4	5	17	14	2	4	1	69
August	31	1	3	4	14	14	2	0	7	76
September	31	7	6	2	23	14	1	2	6	92
October	29	3	4	2	24	15	4	1	6	88
November	33	2	3	1	29	15	2	0	3	88
December	28	2	-	2	23	14	1	-	1	71
January	33	5	2	6	21	20	3	1	3	94
February	29	4	2	1	20	14	1	1	1	73
March	35	4	2	7	22	14	0	2	4	90
Total										966

Alt Measures/RJ Circles:

- Our department had 12 Circles for our year-end April 1, 2018 to March 31, 2019
 - » 7 Completed files
 - › 4 RCMP Completed Files
 - › 3 Crown Completed Files
 - » 5 Unsuccessful files sent back
 - › 5 RCMP Uncompleted Files
- Parole Hearing - Successful
 - » April 8, 2019

- Victim Assistance Volunteer Training
- Respectful Relationship
- Wills and Estates Workshop
- Connections
- Deeper Connections
- De-escalating Potentially Violent Situations Workshop
- Occupational and Safety Training
- LSS – Legal Services Society workshop

Programs We Participated In:

- IFOT - Indigenous Focusing-Oriented Therapy and Complex Trauma Certificate
- Exploring Indigenous Tools for Living Workshop

Workshops We Set Up a Booth For:

- Youth Symposium Conference
- Family Culture Camp at Pasalko Lake
- NAAW – National Addiction Awareness Week

Office Activity a Month Through April 2018 to March 2019

- April 2018 – 168
- May 2018 – 179
- June 2018 – 93
- July 2018 – 119
- August 2018 – 110
- September 2018 – 146
- October 2018 – 158
- November 2018 – 155
- December 2018 – 132
- January 2019 – 169
- February 2019 – 112
- March 2019 – 106

Total of 1,647 Office Activity through the year was in office meetings and phone calls.

Lands

Staff

Murray Sam, Director of Lands and Natural Resources
Roxann Roziere, Land Code Clerk

Land Management – Activities

Completed six land encumbrance checks for new projects and surveys for member housing, infrastructure and new proposed Nzen'man building. Assisted families with Estate Land Transfers and member Land Transfers. Participated in numerous Lands Committee, staff, project, Addition to Reserve, Specific Claim, and Land Code Committee meetings throughout the year. Created several maps for members and staff. Successfully completed Drone Training and received Air Nautical License.

First Nation Land Management Act – Land Code Process

LFN is currently in the development stage of the Land Code process, it generally takes two years or less to ratify the Land Code. With LFN's land base of 56 reserves there is still outstanding survey work to be completed along with 56 land description reports so LFN is now on their third year of the process. We were successful in obtaining an additional \$85,781 to conduct community engagement and staff wages. The anticipated vote date will be in June 2020.

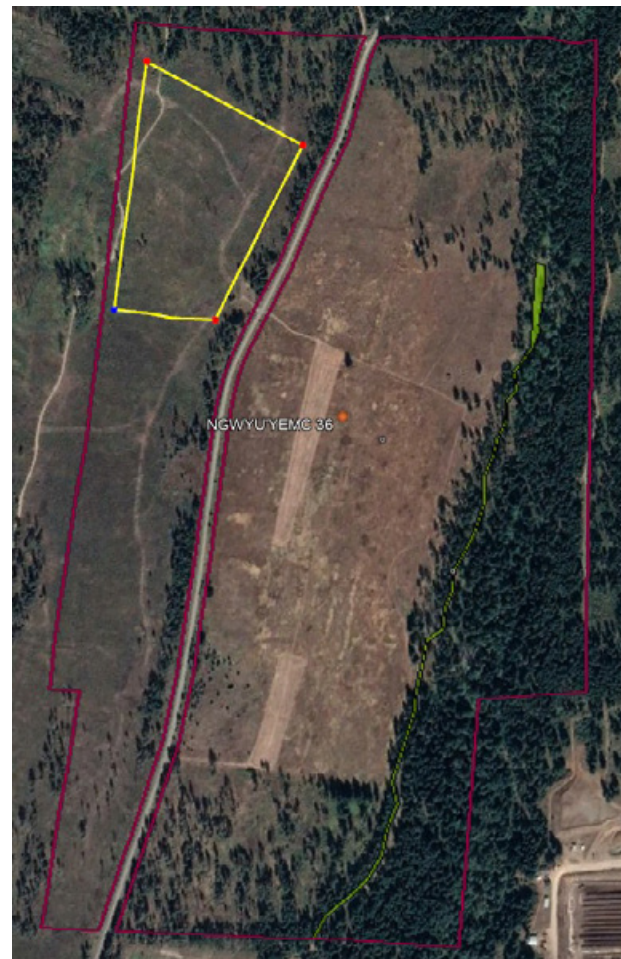
2018/19 HIGHLIGHTS

ST. GEORGES INTERSECTION

\$25,588 now secured for this project.

Tree Canada – Funding

The Lands Department applied for funding to plant trees on NGWYU'YEMC IR #36, and were successful in obtaining \$80,000 to cover wages and approximately 40,000 seedlings to be planted by 2020. LFN was unable to purchase the seedlings due to the fires and will try to purchase them in late 2019 and plant early in 2020. The picture below shows where the trees will be planted, as outlined in yellow:



Community Workforce Response Grant – Funding

The Lands Department was successful in securing \$212,000, for entrepreneurs that wanted to start their own businesses and be self-employed. We brought the Roots of Indigenous Strength and Entrepreneurship program to our community to develop business, operations, marketing and finance skills and capacities. Approximately, 16 members participated in the program.

St. Georges Intersection – Additions to Reserve

The Lands Department partnered with Ministry of Transportation Infrastructure and secured \$25,588 to design the intersection for Highway 12 and St. Georges Road. As a result, the lands outlined in yellow below will be returned to LFN:



Housing

- Rita Manual started inspections on October 29th, 2018 and to date she has done 160 reports
- Completed 6 new builds and move in was August 31,2018
- CMHC approved 7 heat pumps at the senior's complex for replacement
- Updating policy, rental agreements, housing applications
- I have an assistant with me until January. Her name is Selena Johnny-Brown
- James Paul also has an assistant, Chase Johnny
- CMHC approved one emergency renovation
- Dr Rosalin Miles and I applied for a grant for housing Indigenous homes innovation initiative
- Attended a workshop with Roy and Amanda in Kelowna employment law conference
- Basic home maintenance workshop being held at the memorial hall October 16, 2019
- Planning for a new senior's complex
- Developing brochures on housing related topics
- ISC has some funding available we can access next year
- A majority of people are paying there rent
- Lytton First Nation was approved for two new houses this year

- Updating rental agreements
- Will be scheduling times to do house visits with everyone on the program to gather serial numbers for the appliances
- Joined a crisis management team
- Working closely with Social development on rental agreements, repairs and maintenance
- Developed a new repairs and maintenance form for the homeowner to sign off on
- Working with Amanda on research do with Solar Panel and Wood stove

2018/19 HIGHLIGHTS

HOUSING IMPROVEMENTS

Indigenous Services Canada (ISC) has committed to fund **\$1 million in renovations** over the next 18 months ending at fiscal year end March 31, 2021.

Membership

Hello my name is Pauline Charlie, IRA, I have been doing Membership since approximately 2004 with Bobby Jumbo as my Backup.

I have 3 portfolio holders of Lytton First Nation Council; Kevin Duncan, Crystal Henry-Schmitz, Michelle Machel.

It has been busy in Membership doing the full responsibility of Registries, of Birth, Death, Member transfers in/out, completed one Adoption, time consuming used to be 1-2 years now it take up to five years.

I contact parents that are able to sign a Parental Consent form to have their child receive a 100% blood quantum as apposed to being registered as 50%.

Working on getting Death Certificates of passed members that have not been filed with Indian Affairs,

just need a few information from their families as to where their last address location is, to date to order their Death Certificates have removed approximately 14.

Finally got the Secure Certificate of Indian Status up and running, since April 2019, completed approximately 225, with about 24 returns due to the photo shot!

Working on getting the New born registered more paper work to be completed by both parent/s, and makes it more difficult with separation of the parents when father is listed and does not sign parental agreement.

Regarding the Election band list, we have approximately, 1,500+, which is kept up to date as best as possible. Working on adding the children on another list with their information.



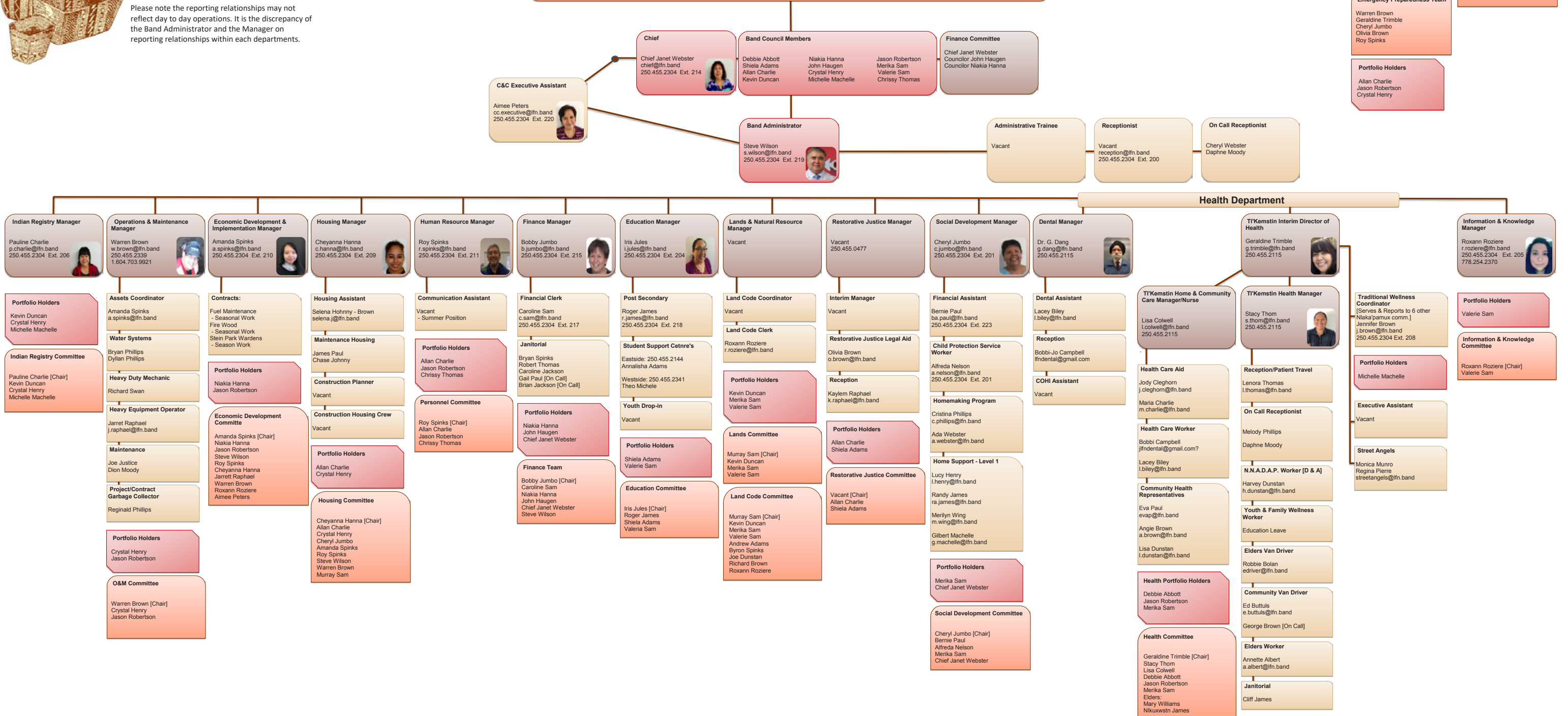


Lytton First Nation Organizational Chart

Updated September 26, 2019

Please note the reporting relationships may not reflect day to day operations. It is the discrepancy of the Band Administrator and the Manager on reporting relationships within each departments.

Lytton First Nation Community Members



Our Staff



Back Row (L to R): Robbie Bolan, Jody Cleghorn, Harvey Dunstan, Angie Brown, Monica Munroe, Jason Robertson, Stacy Thom, Lisa Colwell, Annette Albert, Ed Buttuls, Maria Charlie, Roy Spinks, Steve Wilson, Cliff James. Front Row, Sitting (L to R): Eva Paul, Debbie Abbott, Geraldine Trimble, Lenora Thomas, Jennifer Brown.

Notes



Lytton

FIRST NATION



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