



# Village of Lytton

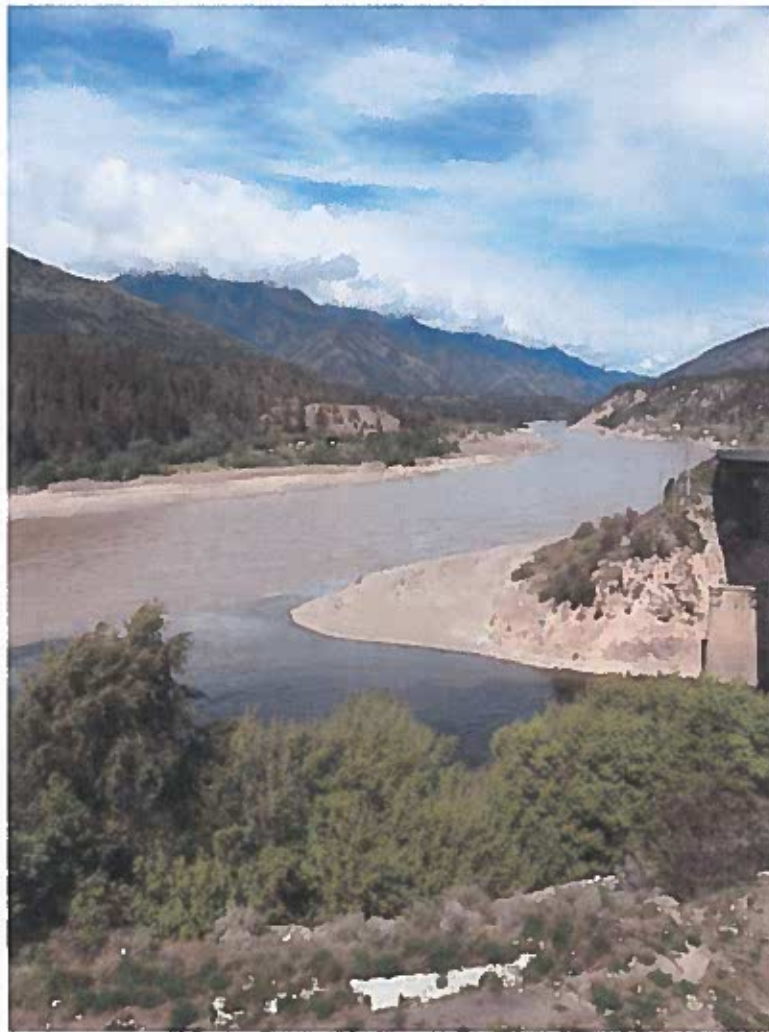
PO Box 100, 380 Main Street, Lytton, BC V0K 1Z0

P: 250-455-2355 F: 250-455-2142

[www.lytton.ca](http://www.lytton.ca)

## 2015 Annual Municipal Report

(January 1, 2015 – December 31, 2015)



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# Village of Lytton

## MAYORS MESSAGE

This annual report outlines the finances and activities of the year 2015, for the Village of Lytton. As directed under the Community Charter, every municipality publishes this report each year at the end of June. The report presents the year's audited financial statements; activities and operations are outlined and objectives for the 15/16 year detailed.

The Village of Lytton is one of the smallest communities in B.C. We have a small staff that conducts a wide scope of activities. In early 2015 our two senior management positions were vacant. The services of an interim CAO were contracted to take over and carry on day to day activities, oversee regulatory reporting and assess immediate and longer term needs. We were fortunate to have an NDIT intern with us for part of this time, which helped provide some continuity. By summer we had secured a CAO and with contracted assistance focused on financial review and system improvements.

The year 2015 had considerable time spent recruiting staff and though it was a challenge we were able to maintain all services and address a backlog of tasks.

In February, Village council joined the Blue Dot movement in declaring "The Right to a Healthy Environment": A declaration that all people have the right to live in a healthy environment and that the Village has the responsibility, within its jurisdiction, to respect, protect and promote these rights.

Early in 2015 we submitted a proposal for funding from the Building Canada fund for support of a Slow Sand Filtration project. Unfortunately the Village did not receive approval. We continue to seek resources for water system improvements. This year we resubmitted a revised proposal. Hopefully we will have better results this time.

School District #74 engaged in numerous meetings with the community to advise that student numbers in the public system are such that one of the buildings will be closed and a K- 12 school will handle the public needs. While the community has accepted the concept of a K- 12 configuration, the location of the school site is unsupported. Dialogue continues. The possibility of another empty building within the municipality causes concern. Our old hospital has sat vacant for many years now. Of particular challenge is the removal of hazardous materials that complicates repurposing these buildings.

A fire south of the Village on the west side of the Fraser River in early June started 2015's fire season. Several homes were evacuated and numerous citizens were put on alert. The fire continued through most of the summer.

In 2015 and 2016 the Village was able to conduct a fuel management program. We have been very fortunate to receive funding for fuel management over the last six years. Employing local workers and reducing the risk of fire fuel this program has been of great benefit to our community.

In 2016 our PW foreman retired early in the year and was replaced several months later. Our CAO gave notice in early May. We are currently seeking senior management staff. A council resignation in June 2016 has necessitated a by election scheduled for September.

On a more positive note, the Village has seen three new small businesses open in the downtown core in the last year.

A contribution from Electoral Area "I" provided the financial support to make improvements at the Lytton pool.

Many of the services our citizens enjoy are kept operational through the efforts of community volunteers. The Museum, Info Centre, Fire Department, gardens and planters, seasonal events and our community pool are supported by these valuable members. We will continue to support their efforts wherever possible.

Thank you to all for assisting us in our efforts to build a better community.



*2015 Economic Development employee Will George with Mayor Lightfoot*



*Back Row: Councillor Rob Austen, Councillor Jan Polderman  
 Front Row: Councillor Ian Hay, Mayor Jessoa Lightfoot, Councillor Tiffany Callewaert-Haugen*

### **Village of Lytton Council Committee Appointments 2015**

#### **Deputy Mayor**

|                      |                                      |
|----------------------|--------------------------------------|
| January to March:    | Councillor Ian Hay                   |
| April to June:       | Councillor Robert Austen             |
| July to September:   | Councillor Jan Polderman             |
| October to December: | Councillor Tiffany Callewaert-Haugen |

#### **Internal Committees and Delegates**

|  |   |
|--|---|
| Economic Development Advisory Committee: | Councillor Rob Austen, Meghan Fandrich, Mayor Lightfoot, Jason Robertson, Huntley Smith, Ross Urquhart, Terry Weekley |
| Hiring Committee:                        | All of Council, Councillor Hay, Chair   |
| Housing Committee:                       | Mayor Lightfoot and Councillor Hay  |
| Old Hospital Committee:                  | Councillors Polderman and Hay   |
| Personnel Committee:                     | Mayor Lightfoot and Councillor Austen   |

## **Internal Committees and Delegates CONTINUED**

|                                |  |
|--------------------------------|--|
| Contract Negotiations:         | Mayor Lightfoot, Councillor Hay, and Interim<br>CAO Lonny Miller |
| Policy Committee:              | Councillor Callewaert-Haugen                                     |
| Protective Services Committee: | Councillors Polderman (chair) and Hay                            |
| Recreation Commission:         | Councillor Hay and Mayor Lightfoot                               |
| Water Advisory Committee:      | Committee of the Whole (plus CAO and Public<br>Works)            |

## **Community Boards and Societies**

|  |   |
|--|---|
| Chamber of Commerce:                     | Councillor Hay                                    |
| Gold Country Communities Society:        | Councillor Hay (primary) and Mayor Lightfoot      |
| Hospital Auxiliary:                      | Councillor Callewaert-Haugen                      |
| Lytton Museum and Archives Board:        | Councillor Callewaert-Haugen                      |
| NDIT Representative:                     | Mayor Lightfoot, Councillor Polderman (alternate) |
| Thompson-Nicola Regional District Board: | Mayor Lightfoot, Councillor Austen (alternate)    |

## **Declaration of Disqualification**

No declarations of disqualifications made under section 111 of the Community Charter in the year ending December 31, 2015.

# 2015 GOALS AND OBJECTIVES IN SUMMARY

## Water System

1. Continue with design and construction of the Slow Sand Filtration project.
2. Activate the all water meters in Lytton.
3. Continue with Leak detection in an effort to reduce the high per capital consumption of the Village water users.
4. Extend the Green Municipal Fund grant deadline to allow more time to complete the design and construction of the Slow Sand Filtration.
5. Apply for Grant to complete Water Master Plan and Water Conservation Plan.
6. Complete upgrades to Lytton Creek dam and intake to repair crumbling and excessive leaking.
7. Investigate and repair water system cross connections and valves.
8. Work with Interior Health Authority, Village residents and Lytton First Nations to implement backflow prevention initiatives through education and infrastructure improvements.
9. Apply for a grant and contract professional services to complete a Watershed Protection Plan.

## Emergency Management and Water Tender Sale

1. Complete Improvements and upgrading of new water tender for Fire Department use.
2. Remove water tank from the old water tender and sell them separately.
3. Emergency Preparedness - Subscribed to TNRD Emergency program.
4. Host a Regional Emergency Management meeting with local stakeholders.

## Maintenance, repairs, and safety

1. Address Unsightly Premises Bylaw infractions in an effort to improve fire safety in the community.
2. Complete the improvements to O`Dwyer Park.
3. Complete sidewalk repair: Main Street to alley on 5th Street, and Main Street to alley on 4th Street.
4. Improve public safety with more road markers such as reflectors and improve signage on blind corners within the Village.

### **Economic Development**

1. Continue with Economic Development Capacity Building through NDIT Grants
2. Update the Villages Website in a timeline manner to insure current, relevant and factual information is available.
3. Hire a person to be the Community Champion for Small Town Love.

### **Ongoing Projects**

1. Continue with discussions and investigations of the need for independent living units for seniors.
2. Investigate the possibility, process and cost of a Boundary Expansion.
3. Support Lytton First Nation's efforts for a speed limit change on the highway through the Village (50km/h to 40km/h).
4. Water System Upgrade including the downtown wells, slow sand filtration and water conservation program.
5. Improve downtown sidewalks through improved maintenance, repair and/or replacement of broken or hazardous sections.



# 2016 GOALS AND OBJECTIVES IN SUMMARY

## **Administrative Services**

1. Hire a Chief Financial Officer to provide financial management for the Village and to provide Council with current and accurate financial reporting in a timeline manner.
2. Allocate funding in the 2016 Financial Plan and complete an update to the Official Community Plan.
3. Review Council Committees and prepare or ensure proper Terms of Reference exist for each committee.
4. Develop a detailed Staffing Plan including updated job descriptions, appropriate department training and overall succession planning.
5. Complete a detailed Municipal Service Review to accurately identify all Village of Lytton Municipal Service and the related cost for providing them.

## **Water Services**

1. Continue with the design and construction of the Water Treatment Facility
2. Apply for grant deadline extensions to provide sufficient funding for Water project.
3. Proceed with the secondary water source and connect water wells 1 & 2 to the water system
4. Install, maintain and read water meters for CN Rail and CP Rail water lines to better manage water consumption
5. Install Water Zone Meters as recommended in the Water Master Plan.

## **Economic Development.**

1. Hire Economic Development Officer to further Council's economic objectives and manage the NDIT funding.
2. Apply for NDIT Funding and implement the Business Façade Improvements and the Love Northern BC programs.

# Schedule of Property Tax Exemptions

## Revenue Lost Due to Exemptions

The Village of Lytton currently allows, by Bylaw, tax exemptions on all or part of the assessed value of a total of nine properties. Five properties are owned by Religious organizations, one is the Municipal Administration Office, one is a nonprofit corporation, and two are cemeteries.

The total assessed value of those exemptions in 2015 is \$545,200.

All of these properties are subject to taxation at the total class 1 rate, which in 2015 is 10.6443/\$1,000.00 of assessed value.

The total value of taxation lost to the Village through exemptions is \$5,803.47.

The individual properties are as follows;

Folio 11010, assessed value \$60,200.00, exemption \$42,700.00, property tax on exemption \$454.51

Folio 14050, assessed value \$80,600.00, exemption \$80,600.00, property tax on exemption \$857.93

Folio 14055, assessed value \$84,500.00, exemption \$10,000.00, property tax on exemption \$106.44

Folio 14060, assessed value \$46,200.00, exemption \$46,200.00, property tax on exemption \$491.77

Folio 14075, assessed value \$21,500.00, exemption \$21,500.00, property tax on exemption \$228.85

Folio 31000, assessed value \$164,400.00, exemption \$92,200.00, property tax on exemption \$981.40

Folio 32000, assessed value \$175,600.00, exemption \$175,600.00, property tax on exemption \$1,869.14

Folio 104300, assessed value \$22,900.00, exemption \$22,900.00, property tax on exemption \$243.75

Folio 122000, assessed value \$53,500, exemption \$53,500.00, property tax on exemption \$569.47



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## STATEMENT OF FINANCIAL INFORMATION

(S.O.F.I.)

For the Fiscal Year 2015

# VILLAGE OF LYTTON

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## FINANCIAL INFORMATION ACT STATEMENT OF FINANCIAL INFORMATION

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in the Statement of Financial Information, produced under the Financial Information Act.

  
\_\_\_\_\_  
Lonny Miller,  
Interim Chief Financial Officer

Date: July 25, 2016

  
\_\_\_\_\_  
Jessa Lightfoot  
Mayor

Date: July 25, 2016

Schedule of Severances, Guarantees and Indemnity Agreements  
Village of Lytton

1 Guarantees & Indemnities

The Village of Lytton has not given any guarantees or indemnities under the Guarantees & Indemnities Regulation

2 Severances

There was one severance agreement under which payment commenced between the Village of Lytton and its non-unionized employees during fiscal year 2015. This agreement represents six months of compensation.

# **VILLAGE OF LYTTON**

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## **Schedule of Elected Officials Remuneration and Expenses**

**Schedule of Remuneration and Expenses  
for the Year Ending December 31, 2015**

**January - December 2015**

| <b><u>Elected Officials</u></b> | <b><u>Base Salary</u></b> | <b><u>Taxable Benefits &amp;<br/>Other Expenses</u></b> |
|---------------------------------|---------------------------|---|
| Mayor Lightfoot                 | \$6,250.00                | \$3,114.42  |
| Rob Austen                      | \$4,250.00                | \$0.00  |
| Tiffany Callewaert-Haugen       | \$4,250.00                | \$0.00  |
| Ian Hay                         | \$4,250.00                | \$2,079.99  |
| Jan Polderman                   | \$4,250.00                | \$2,246.97  |
| <b>Totals</b>                   | <b>\$23,250.00</b>        | <b>\$7,441.38</b>                                       |

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## **Schedule of Employee Remuneration and Expenses**



**Schedule of Employee Remuneration and Expenses  
for the year ending December 31, 2015**

**Employees over \$75,000.00**

| <u>Employee Name</u> | <u>Salary</u> | <u>Taxable Benefits</u> | <u>Reinbursements</u> |
|----------------------|---------------|-------------------------|-----------------------|
| None                 | \$0.00        | \$0.00                  | \$0.00                |

**Employees Under \$75,000.00**

| <u>Salary</u> | <u>Taxable Benefits</u> | <u>Reinbursements</u> |
|---------------|-------------------------|-----------------------|
| \$359,946.69  | \$5,835.07              | \$ 21,387.39          |

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## **Schedule of Suppliers of Goods and Services**

Village of Lytton  
Statement of Financial Information 2015

**Schedule of Suppliers of Goods & Services over \$25,000.00**

|                                     |                     |
|-------------------------------------|---------------------|
| BC HYDRO                            | \$32,229.88         |
| BOSTON BAR SERVICE LTD              | \$28,726.62         |
| BOTANIE FOREST, SERVICES LTD        | \$206,114.05        |
| MILLER & ASSOCIATES                 | \$53,070.31         |
| MINISTER OF FINANCE                 | \$37,507.77         |
| MNP                                 | \$28,499.63         |
| OPUS DAYTONKNIGHT, CONSULTANTS LTD. | \$103,775.28        |
| RECEIVER GENERAL FOR CANADA         | \$112,748.21        |
| THOMPSON NICOLA REGIONAL DISTRICT   | \$108,549.32        |
| THOMPSON REGIONAL HOSPITAL DIST.    | \$27,345.63         |
| <b>Total</b>                        | <b>\$738,566.70</b> |

Village of Lytton  
Statement of Financial Information 2015

**Schedule of Suppliers of Goods & Services under \$25,000.00**

| <b>Vendor Name</b>                | <b>Amount Paid in 2015</b> |
|-----------------------------------|----------------------------|
| 0828844 BC LTD                    | \$6,324.83                 |
| ACTI-ZYME PRODUCTS LTD            | \$859.32                   |
| AIR LIQUIDE CANADA INC            | \$314.87                   |
| ALS CANADA LTD                    | \$1,129.80                 |
| ASAP GROUP                        | \$556.48                   |
| B. GLASGOW TRUCKIN                | \$477.75                   |
| BATE ELECTRICAL CONTRACTING       | \$1,877.36                 |
| BAXTER MECHANICAL                 | \$12,141.47                |
| BC ASSESSMENT AUTHORITY           | \$4,292.18                 |
| BLACK PRESS GROUP LTD             | \$671.90                   |
| BRIDGE RIVER LILLOOET NEWS        | \$416.74                   |
| BRIDGE RIVER SUPPLY LTD           | \$385.70                   |
| CANADIAN RED CROSS                | \$285.39                   |
| CANADIAN UNION OF. PUBLIC         | \$5,548.43                 |
| CASCADIA INSTRUMENTATION INC.     | \$313.60                   |
| CHILL-AIR CONDITIONING (2014) LTD | \$1,086.49                 |
| CITY OF KAMLOOPS                  | \$1,600.00                 |
| CIVICINFO BC                      | \$136.50                   |
| CLARK FREIGHTWAYS                 | \$438.62                   |
| CLEARTECH INDUSTRIES INC          | \$12,681.91                |
| CN NON-FREIGHT                    | \$2,362.50                 |
| COLLINGS, OWEN STUART             | \$161.49                   |
| COM COM                           | \$785.75                   |
| COMMERCIAL AQUATIC SUPPLIES       | \$1,151.12                 |
| DIRECT ELECTRIC LTD               | \$1,047.90                 |
| DYSART, LORNA                     | \$22,031.08                |
| ENVIRONMENTAL OPERATORS           | \$383.25                   |
| FOUR STAR COMMUNICATIONS INC.     | \$1,838.32                 |
| GEORGE, WILL                      | \$891.00                   |
| GERVAIS, KEIR                     | \$21,976.40                |
| GOVERNMENT FINANCE OFFICERS       | \$367.50                   |
| GUILLEVIN INTERNATIONAL CO.       | \$5,875.23                 |
| Harrison, David                   | \$17,310.00                |
| HARRISON, OLIVE MARIE             | \$233.26                   |
| HAUGEN, DENISE                    | \$125.07                   |
| HAUGEN, KAREN                     | \$25.00                    |
| HAY, DALLAS IAN                   | \$290.00                   |
| HELKENBERG, TED JOHN              | \$1,293.42                 |
| HUB FIRE ENGINES & EQUIPMENT      | \$2,161.77                 |
| HUB INTERNATIONAL BARTON LTD.     | \$13,368.00                |
| iCompass                          | \$3,920.00                 |
| ICSCLEAN SUPPLIES LTD.            | \$1,590.06                 |
| INDUSTRY CANADA                   | \$1,179.00                 |
| INSURANCE COROPORATION            | \$6,123.00                 |
| INTERIOR HEALTH AUTHORITY.        | \$628.22                   |
| JADE SPRINGS RESTAURANT           | \$427.85                   |
| JOHNSON, JOSEPHINE A              | \$684.02                   |

Village of Lytton  
Statement of Financial Information 2015

|                                  |             |
|----------------------------------|-------------|
| KAL TIRE BOSTON BAR              | \$995.72    |
| KAMLOOPS COMMUNICATIONS INC.     | \$1,586.13  |
| KAMLOOPS COMPUTER CENTRE         | \$2,943.86  |
| KAMLOOPS OFFICE SYSTEMS          | \$1,012.82  |
| KGC FIRE RESCUE INC              | \$1,016.08  |
| LAND TITLE AND SURVEY            | \$176.55    |
| LGMA ASSOCIATION OF BC           | \$299.25    |
| LIFESAVING SOCIETY               | \$80.00     |
| LIGHTFOOT, JESSOA                | \$2,204.98  |
| Lillooet News                    | \$624.65    |
| LILLOOET TIM-BR MART             | \$3,975.68  |
| LOCAL GOVERNMENT                 | \$892.50    |
| LOOMIS EXPRESS                   | \$678.84    |
| LORDCO PARTS LTD.                | \$426.05    |
| LYTTON CHAMBER OF COMMERCE       | \$6,000.00  |
| LYTTON FIRE RESCUE               | \$1,894.00  |
| LYTTON MAY BLOCK PARTY           | \$1,100.00  |
| LYTTON RIVER FESTIVAL            | \$1,000.00  |
| MACINTYRE, DENISE                | \$42.38     |
| MAW, PATRICK                     | \$588.92    |
| MCPHAIL, THOMAS                  | \$575.72    |
| MIN OF FINANCE REV SEC CORP      | \$288.00    |
| MINISTER OF FINANCE              | \$305.77    |
| MINISTER OF FINANCE              | \$351.00    |
| MINISTER OF FINANCE              | \$21.93     |
| MINISTER OF FINANCE. MINISTRY OF | \$65.04     |
| MINISTER OF FINANCE.             | \$5.42      |
| MISC GENERAL-                    | \$17,014.84 |
| MODERN PURAIR                    | \$2,511.34  |
| MOLNAR , JOANNE                  | \$2,062.50  |
| MTS MAINTENANCE TRAINING         | \$2,016.00  |
| MUNICIPAL INFORMATION SYSTEMS    | \$8,690.61  |
| MUNICIPAL INSURANCE ASSC         | \$8,204.00  |
| MUNICIPAL PENSIONS PLAN          | \$2,014.64  |
| MURDY & MCALLISTER               | \$14,683.52 |
| NU-TECH SAFETY LTD.              | \$866.02    |
| OKANAGAN AUDIO LAB LTD           | \$165.38    |
| PACIFIC BLUE CROSS               | \$16,333.05 |
| PETANIE CONSULTING               | \$5,512.50  |
| PITNEY BOWES                     | \$843.26    |
| PITNEYWORKS                      | \$781.71    |
| POLDERMAN, JAN J.                | \$769.03    |
| PUROLATOR COURIER LTD.           | \$69.29     |
| QUICKSCRIBE SERVICES LTD.        | \$114.45    |
| R.J. TRUCK REPAIRS               | \$325.00    |
| RECEIVER GENERAL FOR CANADA      | \$22,742.27 |
| REST INN                         | \$389.85    |
| RETASKET CONTRACTING LTD.        | \$2,625.00  |
| RITE-WAY FENCING INC.            | \$610.40    |
| ROCKY MOUNTAIN PHOENIX           | \$4,747.98  |
| ROYAL CANADIAN LEGION BR 162     | \$1,824.00  |
| SABINE, ROB                      | \$310.69    |

Village of Lytton  
Statement of Financial Information 2015

|                                     |                     |
|-------------------------------------|---------------------|
| School District, NO 74 (Gold Trail) | \$300.00            |
| SCOTIABANK VISA                     | \$4,497.51          |
| SECURTEK MONITORING                 | \$1,232.91          |
| SMITH-CAMERON PUMP SOLUTIONS        | \$3,954.17          |
| SOUTHERN INTERIOR LOCAL GOVT        | \$197.52            |
| ST BARTHOLOMEW'S HEALTH CARE        | \$4,000.00          |
| STAPLES ADVANTAGE                   | \$327.36            |
| SUPERIOR PROPANE INC.               | \$5,637.37          |
| SWAN, MICHELE                       | \$6,000.00          |
| TELUS                               | \$1,991.37          |
| TELUS COM.                          | \$9,013.65          |
| TOTEM MOTEL                         | \$361.60            |
| TURLEY, ANNETTE                     | \$25.00             |
| TWO RIVERS FARMERS MARKET           | \$800.00            |
| UNION OF BC MUNICIPALITIES          | \$695.05            |
| VAN HOUTTE COFFEE SERVICES INC      | \$176.31            |
| VILLAGE OF CACHE CREEK              | \$325.00            |
| VILLAGE OF CLINTON                  | \$7,500.00          |
| WESTRON ROTATING SOLUTIONS          | \$262.07            |
| WORKSAFEBC                          | \$6,741.04          |
| XEROX CANADA LTD                    | \$3,848.11          |
| YANS HOTEL LTD INC. NO. 556752      | \$50.00             |
| YELLOW PAGES GROUP                  | \$81.90             |
| <b>Total</b>                        | <b>\$363,166.11</b> |

**The Corporation of the Village of Lytton**

Financial Statements

For the Year Ended December 31, 2015

**Village of Lytton  
Financial Statements  
For the year ended December 31, 2015**

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## **Management's Responsibility for Financial Reporting**

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Mayor and Council are composed entirely of Councillors who are neither management nor employees of the Village. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils its responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Council is also responsible for the appointment of the Village's external auditors.

BDO Canada LLP, an independent firm of Chartered Professional Accountants, is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

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Financial Officer



Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
600 Cathedral Place  
925 West Georgia Street  
Vancouver BC V6C 3L2 Canada

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## Independent Auditor's Report

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To the Mayor and Council of the Corporation of the Village of Lytton

We have audited the accompanying financial statements of Corporation of the Village of Lytton, which comprise the Statement Financial Position as at December 31, 2015, and the Statements of Operations, Change in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Lytton as at December 31, 2015 and the results of its operations, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 7 to the financial statements, which explains that certain comparative information for the year ended December 31, 2014 has been restated.

### Other Matter

The comparative figures presented in these financial statements for the year ended December 31, 2014 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion in their report dated July 23, 2015.

Chartered Professional Accountants

Vancouver, British Columbia  
May 9, 2016

**The Corporation of the Village of Lytton**  
Statement of Financial Position

| December 31                                       | 2015             | 2014<br>(restated)<br>(Note 7) |
|---|------------------|--------------------------------|
| <b>Financial Assets</b>                           |                  |                                |
| Cash (Note 4)                                     | 1,369,315        | 1,095,702                      |
| Accounts receivable (Note 5)                      | 227,204          | 476,284                        |
|   | <u>1,596,519</u> | <u>1,571,986</u>               |
| <b>Liabilities</b>                                |                  |                                |
| Accounts payable and accrued liabilities (Note 6) | 199,919          | 244,471                        |
| Deferred revenue                                  | 6,000            | -                              |
| Long-term debt (Note 8)                           | 155,587          | 171,105                        |
|   | <u>361,506</u>   | <u>415,576</u>                 |
| <b>Net Financial Assets</b>                       | <u>1,235,013</u> | <u>1,156,410</u>               |
| <b>Non-Financial Assets</b>                       |                  |                                |
| Tangible capital assets (Schedule 2)              | 3,387,627        | 3,382,486                      |
| Prepaid expenses                                  | 5,570            | 5,082                          |
|   | <u>3,393,197</u> | <u>3,387,568</u>               |
| <b>Accumulated Surplus (Note 9)</b>               | <u>4,628,210</u> | <u>4,543,978</u>               |

Commitments (Note 11)

Approved by:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chief Administrative Officer (Financial Officer)

The accompanying notes are an integral part of these financial statements

**The Corporation of the Village of Lytton**  
**Statement of Operations and Accumulated Surplus**

| For the year ended December 31                                  | 2015<br>Budget<br><i>(Note 16)</i> | 2015<br>Actual   | 2014<br>(restated)<br><i>(Note 7)</i> |
|---|------------------------------------|------------------|---------------------------------------|
| <b>Revenue</b>  |                                    |                  |                                       |
| Municipal taxation and grants-in-lieu of taxes <i>(note 15)</i> | 346,874                            | 359,170          | 378,207                               |
| Sale of services  | 272,500                            | 266,663          | 270,988                               |
| Revenue from own sources  | 108,265                            | 61,704           | 66,919                                |
| Government transfers <i>(note 14)</i>                           | 440,830                            | 561,700          | 452,827                               |
|   | <b>1,168,469</b>                   | <b>1,249,237</b> | <b>1,168,941</b>                      |
| <b>Expenses <i>(Note 10)</i></b>                                |                                    |                  |                                       |
| General administration and legislative services                 | 492,900                            | 479,887          | 424,915                               |
| Protective services   | 213,269                            | 191,372          | 264,343                               |
| Public works and transportation services                        | 123,950                            | 198,985          | 166,480                               |
| Environmental and development services                          | 42,250                             | 18,406           | 39,223                                |
| Recreation and cultural services                                | 76,100                             | 53,877           | 45,057                                |
| Water Utility   | 90,100                             | 53,102           | 68,252                                |
| Sewer Utility   | 67,000                             | 50,898           | 50,448                                |
| Amortization  | -                                  | 118,478          | 119,727                               |
|   | <b>1,105,569</b>                   | <b>1,165,005</b> | <b>1,178,445</b>                      |
| <b>Annual Surplus (Deficit)</b>                                 | <b>62,900</b>                      | <b>84,232</b>    | <b>(9,504)</b>                        |
| <b>Accumulated surplus, beginning of year</b>                   | <b>4,543,978</b>                   | <b>4,543,978</b> | <b>4,553,482</b>                      |
| <b>Accumulated surplus, end of year</b>                         | <b>4,606,878</b>                   | <b>4,628,210</b> | <b>4,543,978</b>                      |

The accompanying notes are an integral part of these financial statements

**The Corporation of the Village of Lytton**  
**Statement of Change in Net Financial Assets**

| <b>For the year ended December 31</b>          | <b>2015<br/>Budget</b> | <b>2015</b>      | <b>2014<br/>(restated)<br/>(Note 7)</b> |
|--|------------------------|------------------|---|
| <b>Annual Surplus (Deficit)</b>                | 62,900                 | <b>84,232</b>    | (9,504)                                 |
| Acquisition of tangible capital assets         | (166,000)              | <b>(123,620)</b> | (108,886)                               |
| Amortization of tangible capital assets        | -                      | <b>118,478</b>   | 119,727                                 |
| (Increase) Decrease in prepaid expenses        | -                      | <b>(487)</b>     | 172                                     |
| <b>Increase in net financial assets</b>        | (103,100)              | <b>78,603</b>    | 1,509                                   |
| <b>Net financial assets, beginning of year</b> | 1,156,410              | <b>1,156,410</b> | 1,154,901                               |
| <b>Net financial assets, end of year</b>       | 1,053,310              | <b>1,235,013</b> | 1,156,410                               |

The accompanying notes are an integral part of these financial statements

**The Corporation of the Village of Lytton**  
Statement of Cash Flows

| For the Year Ended December 31, 2015  | 2015             | 2014<br>(restated) |
|---|------------------|--------------------|
| <b>Cash provided by (used in)</b>   |                  | <i>(Note 7)</i>    |
| <b>Operating transactions:</b>  |                  |                    |
| Annual Surplus (Deficit)  | 84,232           | (9,504)            |
| Amortization of tangible capital assets                                       | 118,478          | 119,727            |
| <b>Net change in non-cash working capital balances related to operations:</b> |                  |                    |
| Accounts receivable   | 249,080          | (61,598)           |
| Prepaid expenses  | (487)            | 172                |
| Accounts payable and accrued liabilities                                      | (44,552)         | 56,478             |
| Deferred revenue  | 6,000            | -                  |
|   | <b>412,751</b>   | <b>105,275</b>     |
| <b>Capital transactions:</b>  |                  |                    |
| Purchase of tangible capital assets   | (123,620)        | (108,886)          |
| <b>Financing transactions:</b>  |                  |                    |
| Repayment of long-term debt and actuarial adjustment                          | (15,518)         | (14,779)           |
| Repayment of capital lease obligation   | -                | (4,117)            |
|   | <b>(15,518)</b>  | <b>(18,896)</b>    |
| <b>Increase (decrease) in cash and cash equivalents during the year</b>       | <b>273,613</b>   | <b>(22,507)</b>    |
| <b>Cash and cash equivalents, beginning of year</b>                           | <b>1,095,702</b> | <b>1,118,209</b>   |
| <b>Cash and equivalents, end of year</b>                                      | <b>1,369,315</b> | <b>1,095,702</b>   |
| <b>Cash consists of:</b>  |                  |                    |
| Cash  | 1,326,743        | 1,060,183          |
| Restricted cash <i>(Note 4)</i>   | 42,572           | 35,519             |
|   | <b>1,369,315</b> | <b>1,095,702</b>   |
| <b>Supplementary cash flow information</b>                                    |                  |                    |
| Interest paid   | 18,151           | 9,491              |

The accompanying notes are an integral part of these financial statements

## The Corporation of the Village of Lytton

Notes to the Financial Statements

For the Year Ended December 31, 2015

### 1. Operations

The Corporation of the Village of Lytton (the "Village") was incorporated on May 3, 1945 under the Municipal Act, a former statute of the Province of British Columbia and is now under the Community Charter of BC. Its principle activities include the provision of local government services to the residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

### 2. Significant accounting policies

The financial statements of the Village are based on the representations of management and are prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted are as follows:

#### a) Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical accounting records. Amortization is provided using the straight line method at rates intended to amortize the cost of assets over their estimated useful lives.

| Asset                      | Useful Life |       |
|----------------------------|-------------|-------|
| Engineering structures     | 50 - 100    | Years |
| Buildings                  | 20 - 60     | Years |
| Machinery and equipment    | 3 - 30      | Years |
| Sewer system and equipment | 30 - 75     | Years |
| Water system and equipment | 5 - 75      | Years |

Whenever events or changes in circumstances indicate that an asset, or group of assets, no longer has any long-term service potential to the Village, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

#### b) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities, and are generally held for use in the provision of services. They typically have useful lives extending beyond the current year (with the exception of prepaid expenses), and are not intended for sale in the ordinary course of operations.

## The Corporation of the Village of Lytton

Notes to the Financial Statements

For the Year Ended December 31, 2015

### 2. Significant accounting policies (continued)

#### c) Revenue recognition

##### Services

Revenues for services are accounted for in the period in which the transactions or events occurred that give rise to the revenues.

##### Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the balance sheet in the year of receipt.

##### Government Transfers

The Village recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Village recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

##### Tax Revenue

The Village recognizes taxes as assets and revenue when they meet the definition of an asset; are authorized by a legislature, council, or legislative convention; and the taxable event has occurred.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the Village evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

#### d) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management 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 financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.



## The Corporation of the Village of Lytton

Notes to the Financial Statements

For the Year Ended December 31, 2015

### 2. Significant accounting policies (continued)

#### e) Segment Reporting

The Village conducts its operations through seven reportable segments: General, Administrative and Legislative Services, Protective Services, Public Works and Transportation Services, Environmental Development Services, Recreation and Cultural Services, Sewer Utility and Water Utility. These segments are established by senior management to record specific activities to attain certain objectives in accordance with Council policies and the Village's bylaws.

#### f) Liability for Contaminated Sites

Effective January 1, 2015, the Village adopted the new Public Sector Accounting Standard PS3260, liability for contaminated sites. The new standard can be applied retroactively and prospectively and the Village has elected to apply it prospectively.

Under PS3260, governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for the remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard, including sites that are no longer in productive use and sites for which the Village accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability was recognized on transition as at January 1, 2015 or at December 31, 2015.

### 3. Municipal Finance Authority debt reserve

The Municipal Finance Authority (MFA) requires a cash contribution of 1% of the face value of debt when issued. Upon the MFA's administration of the debt, 1% was charged on the gross balance transferred from the Province of B.C. The MFA debt reserve earns interest income and is used to pay the expense of the debt issue. Any remaining balance will be returned to the Village at the maturity of the underlying debt issue.

The debt reserves are contingent in nature and are not reflected in the statement of financial position for the Village. Details of the cash deposits and demand notes for the year are as follows:

|                               | 2015          | 2014          |
|-------------------------------|---------------|---------------|
| Cash Deposits - Sewer Utility | 4,707         | 4,590         |
| Demand Notes - Sewer Utility  | 8,699         | 8,699         |
|                               | <b>13,406</b> | <b>13,289</b> |

## The Corporation of the Village of Lytton

Notes to the Financial Statements

For the Year Ended December 31, 2015

### 4. Cash

Included in cash balance are funds held on deposit for organizations who are independent of the Village of Lytton. These groups include the Hospital Coalition, the Lytton Museum and Archive, and The Kamloops Foundation. These amounts are held by the Village in trust as the groups have no separate bank accounts of their own. The total of the funds held in trust are \$42,572 (2014 - \$35,519). (see note 6)

### 5. Accounts Receivable

|                             | 2015           | 2014           |
|-----------------------------|----------------|----------------|
| <b>Accounts Receivable</b>  |                |                |
| Taxes Receivable            | 21,289         | 31,841         |
| Utilities Receivable        | 26,561         | 53,349         |
| GST Receivable              | 24,450         | 19,703         |
| General Accounts Receivable | 154,905        | 371,391        |
|                             | <b>227,205</b> | <b>476,284</b> |

### 6. Accounts Payable

|                                     | 2015           | 2014           |
|-------------------------------------|----------------|----------------|
| <b>Accounts payable</b>             |                |                |
| GST payable                         | 6,051          | 6,040          |
| General Account Payable             | 114,341        | 169,871        |
| Community organizations             | 42,571         | 35,519         |
| Payroll remittances and liabilities | 36,956         | 33,041         |
|                                     | <b>199,919</b> | <b>244,471</b> |

### 7. Prior Period Adjustments

During 2014, the Village entered into a renewed Community Works Fund Agreement, which differed in several ways from the previous agreement. The renewed agreement has significantly relaxed the stipulations around the use of Community Works Funds, and also provides that any unspent amounts from the previous agreement will be brought forward to the renewed agreement. The result of these differences, in accordance with PSAB standards and the Villages accounting policy regarding government transfers, is that revenues under the Community Works Fund Agreement are recognized when they are received. Furthermore unspent amounts from the previous agreement no longer meet the definition of a liability. These amounts were previously recorded as deferred revenue, and are now included in accumulated surplus retroactively from 2014. The impact of this new agreement is a significant increase to revenue in 2014 to recognize the amounts that were previously deferred.

The Village reevaluated their previous accounting treatment of deferring receipt of funds until spent for the Small Communities Protection Fund grant. It was determined that stipulations in the agreement did not meet the definition of a liability and the grant should be recorded as revenue immediately upon receipt of funds.

Also, it was noted that certain funds received as reimbursement for the Community Wildfire Protection Plan ("CWPP") related to expenditures incurred by the Village in 2014 should have been accrued as revenue in 2014.

**The Corporation of the Village of Lytton**  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**7. Prior Period Adjustments (Continued)**

**2014 Statement of Financial Position**

|  | 2014     |
|--|----------|
| <b>Deferred Revenue</b>  |          |
| Deferred revenue (previously reported)   | 671,944  |
| Less: Revenue recognized from Community Works Gas Tax and Small Communities Fund | 671,944  |
| <b>Deferred Revenue</b>  | <b>-</b> |

**2014 Statement of Operations and Accumulated Surplus**

|  | 2014           |
|--|----------------|
| <b>Community Wildfire Protection Program (CWPP)</b>  |                |
| CWPP Revenue (previously reported)                   | 69,915         |
| Add: CWPP Revenue received in 2015 for 2014 expenses | 105,172        |
| <b>CWPP</b>  | <b>175,087</b> |

|   | 2014           |
|---|----------------|
| <b>Small Community Protection Grant Revenue</b>                                   |                |
| Small Community Protection Grant Revenue (previously reported)                    | 252,959        |
| Less: Revenue recognized from Small Community Protection Grant in previous period | (70,780)       |
| <b>Small Community Protection Grant Revenue</b>                                   | <b>182,179</b> |

|  | 2014          |
|--|---------------|
| <b>Gas Tax Revenue</b>                               |               |
| Gas Tax revenue (previously reported)                | 55,108        |
| Add: Revenue recognized from Community Works Gas Tax | 6,376         |
| <b>Gas Tax Revenue</b>                               | <b>61,484</b> |

|   | 2014             |
|---|------------------|
| <b>Accumulated Surplus</b>  |                  |
| Accumulated Surplus, Beginning of Year (previously reported)                                    | 3,817,133        |
| Add: Community Works Gas Tax and Small Community Protection Grant recognized in opening surplus | 736,349          |
| <b>Accumulated Surplus, Beginning of Year (restated)</b>  | <b>4,553,482</b> |
| Add: Annual Deficit (previously reported)   | (50,272)         |
| Add: CWPP Revenue received in 2015 for 2014 expenses  | 105,172          |
| Less: Community Works Gas Tax and Small Community Protection Grant recognized in previous years | (64,404)         |
| <b>Accumulated Surplus</b>  | <b>4,543,978</b> |

The Corporation of the Village of Lytton  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

8. Long-term debt

| Purpose                     | Year of Maturity | Interest Rate | Principal Outstanding December 31, 2015 | Principal Outstanding December 31, 2014 | Future Payments (principal & interest) |                 |                 |                 |                 |
|-----------------------------|------------------|---------------|---|---|--|-----------------|-----------------|-----------------|-----------------|
|                             |                  |               |   |   | 2016                                   | 2017            | 2018            | 2019            | 2020            |
| Sewer                       | 2023             | 2.40%         | \$155,587                               | \$171,105                               | \$16,273                               | \$16,273        | \$16,273        | \$16,273        | \$16,273        |
| <b>Total Long-Term Debt</b> |                  |               | <b>\$155,587</b>                        | <b>\$171,105</b>                        | <b>\$16,273</b>                        | <b>\$16,273</b> | <b>\$16,273</b> | <b>\$16,273</b> | <b>\$16,273</b> |

9. Accumulated surplus

|  | 2015             | 2014<br>(restated)<br>(Note 7) | Increase/<br>(decrease) |
|--|------------------|--------------------------------|-------------------------|
| <b>Unrestricted Surplus</b>                    |                  |                                |                         |
| General operating surplus                      | 278,776          | 235,729                        | 43,047                  |
| Sewer operating surplus                        | 115,354          | 56,548                         | 58,806                  |
| Water operating deficit                        | (282,218)        | (277,667)                      | (4,551)                 |
| <b>Total Unrestricted Surplus</b>              | <b>111,912</b>   | <b>14,610</b>                  | <b>97,302</b>           |
| <b>Appropriated Surplus (Reserve Accounts)</b> |                  |                                |                         |
| Downtown revitalization                        | 11,115           | 11,115                         | -                       |
| Economic development                           | 8,365            | 8,365                          | -                       |
| Firehall                                       | 280,000          | 280,000                        | -                       |
| Raft take out                                  | 77,330           | 77,330                         | -                       |
| Reserve for future expenditures                | 224,358          | 224,358                        | -                       |
| Caboose Maintenance and Repair Reserve         | 1,078            | 1,078                          | -                       |
| <b>Total Appropriated Surplus</b>              | <b>602,246</b>   | <b>602,246</b>                 | <b>-</b>                |
| <b>Reserve Funds</b>                           |                  |                                |                         |
| Capital works                                  | 240,882          | 240,697                        | 185                     |
| General  | 27,457           | 27,457                         | -                       |
| Community works gas tax                        | 413,674          | 447,586                        | (33,912)                |
| <b>Total Reserve Funds</b>                     | <b>682,013</b>   | <b>715,740</b>                 | <b>(33,727)</b>         |
| <b>Investment in tangible capital assets</b>   | <b>3,232,039</b> | <b>3,211,382</b>               | <b>20,657</b>           |
| <b>Total Accumulated Surplus</b>               | <b>4,628,210</b> | <b>4,543,978</b>               | <b>84,232</b>           |

## The Corporation of the Village of Lytton

Notes to the Financial Statements

For the Year Ended December 31, 2015

### 10. Expense by object

|                           | 2015             | 2014             |
|---------------------------|------------------|------------------|
| Insurance                 | 24,334           | 25,204           |
| Interest                  | 18,353           | 9,491            |
| Office and administration | 485,331          | 469,587          |
| Repairs and maintenance   | 78,443           | 79,559           |
| Salaries and benefits     | 440,061          | 474,877          |
| Amortization              | 118,478          | 119,727          |
|                           | <b>1,165,000</b> | <b>1,178,445</b> |
| Capital expenditures      | 123,620          | 108,887          |
|                           | <b>1,288,620</b> | <b>1,287,332</b> |

### 11. Commitments

#### a) Lease commitment

The Village is committed to the lease of its office space. The terms of the lease call for monthly payments of \$2,343. The term of the lease will expire on December 31, 2015. At the end of the lease the Village has a verbal agreement to either purchase the property at fair market value or renew for another 5 year term at the market rate for a property of this type.

#### b) Municipal Pension Plan

The municipality and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2014 the plan has about 185,000 active members and approximately 80,000 retired members and 33,000 inactive members. Active members include approximately 37,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions rate sufficient to provide benefits for average future entrants to the plan. This then adjusted to the extent there is amortization of any funding deficit.

The next valuation will be as at December 31, 2015, with results available later in 2016.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution plan accounting). This is because the Plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

The Village of Lytton paid \$15,007 (2014-\$16,967) for employer contributions to the plan in fiscal 2015.

## The Corporation of the Village of Lytton

Notes to the Financial Statements

For the Year Ended December 31, 2015

### 12. Perpetual Cemetery Care Trust

The Cemetery Perpetual Care Trust Fund is administered in accordance with the Cremation, Interment and Funeral Services Act. In accordance with PSAB guidelines, the Cemetery Perpetual Care Trust Fund is excluded from the Village's consolidated financial statements

#### Cemetery Perpetual Care Trust Fund

| Financial Assets                       | 2015          | 2014          |
|--|---------------|---------------|
| <b>Cemetery Trust Fund Investments</b> | <b>13,125</b> | <b>12,958</b> |
| <b>Equity</b>                          |               |               |
| Balance, beginning of year             | 12,958        | 12,564        |
| Care fund contributions                | 100           | 278           |
| Interest earned                        | 67            | 116           |
| Balance, end of year                   | 13,125        | 12,958        |

### 13. Financial instruments

The Village's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair values of cash approximate their carrying values, unless otherwise noted.

Accounts receivable, accounts payable, and long-term debt information is provided elsewhere in the financial statements to allow the assessment of the fair values of these financial instruments.

**The Corporation of the Village of Lytton**  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**14. Government transfers**

During the year, the Village recognized the following government transfers:

|                                       | 2015           | 2014<br>(restated)<br>(Note 7) |
|---------------------------------------|----------------|--------------------------------|
| <b>Provincial</b>                     |                |                                |
| Northern Development Trust Grants     | 21,387         | 34,077                         |
| Community Wildfire Protection Program | 167,169        | 175,087                        |
| Small Community Protection Grant      | 295,520        | 182,179                        |
| Pep Reimbursements                    | 17,529         | -                              |
| <b>Federal</b>                        |                |                                |
| Gas Tax Funding                       | 60,095         | 61,484                         |
| <b>Total Government Transfers</b>     | <b>561,700</b> | <b>452,827</b>                 |

**15. Taxation**

|   | Budget         | 2015           | 2014           |
|---|----------------|----------------|----------------|
| <b>Municipal Taxation</b>                             |                |                |                |
| Property tax  | 325,970        | 339,680        | 340,928        |
| Grants in lieu of taxes                               | 20,904         | 19,490         | 37,279         |
| <b>Total Municipal Taxation</b>                       | <b>346,874</b> | <b>359,170</b> | <b>378,207</b> |
| <b>Collections for Other Taxing Authorities</b>       |                |                |                |
| Province of BC - school taxes                         | 117,972        | 117,972        | 118,182        |
| Province of BC - police taxes                         | 12,147         | 11,298         | 14,717         |
| BC Assessment Authority                               | 3,528          | 4,039          | 4,010          |
| Municipal Finance Authority of BC                     | 8              | 9              | 8              |
| Thompson-Nicola Regional Hospital District            | 17,316         | 19,982         | 19,376         |
| Thompson-Nicola Regional District                     | 56,106         | 57,501         | 60,647         |
| <b>Total collections for other taxing authorities</b> | <b>207,077</b> | <b>210,801</b> | <b>216,940</b> |
| <b>Payments to other taxing authorities</b>           | <b>207,077</b> | <b>210,801</b> | <b>216,940</b> |
| <b>Net Taxation for municipal purposes</b>            | <b>346,874</b> | <b>359,170</b> | <b>378,207</b> |

**The Corporation of the Village of Lytton**  
 Notes to the Financial Statements  
 For the Year Ended December 31, 2015

**16. Budget figures**

Budget figures shown represent the Annual Budget By-law adopted by Council June 10, 2015.

The budget anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following schedule reconciles the approved bylaw to the amounts presented in the financial statements.

|   | 2015          |
|---|---------------|
| Financial Plan (Budget) Bylaw approved for the year | -             |
| Add:  |               |
| Budgeted transfers to accumulated surplus           | 83,000        |
| Less:   |               |
| Budgeted transfers from accumulated surplus         | (20,100)      |
| <b>Surplus for the year</b>                         | <b>62,900</b> |

**17. Segmented information**

The Village is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the local government's operations and activities are organized and reported by service areas. Services areas were created for the purpose of recording specific activities to attain certain objectives in accordance with Council policies and the District's bylaws. The service areas are as follows:

**General Administration and Legislative Services**

General Administration and Legislative services include activities associated with Mayor and Council administration, bylaw review and adoption, financial management, and information systems, insurance and corporate services, including human resources.

**Protective Services**

Protective services include activities associated with community safety. These services include fire protection, bylaw enforcement and emergency services.

**Public Works and Transportation Services**

Public Works and Transportation services include activities associated with roads and drainage networks. Services include traffic services, street lighting, public works administration, fleet operations, raft take out costs, winter maintenance, and maintenance and improvements to roads, waste and garbage service, and sidewalks.

**Environmental and Development Services**

Environmental Development services include all activities associated with website design, economic development, grant applications, building inspections, and road closures.



**The Corporation of the Village of Lytton**  
Notes to the Financial Statements  
For the Year Ended December 31, 2015

**17. Segmented information (Continued)**

**Recreation and Culture Services**

Recreation and Cultural services include all activities associated with operations of parks, recreation and cultural services. Activities also include cemetery operations, caboose operations, museum operations, and tourism services.

**Water Utility**

Water services include all activities associated with water operations. Items include maintenance and enhancements of the water supply system, water treatment, and water distribution system.

**Sewer Utility**

Sewer services include all activities associated with sanitary sewer operations. Items include maintenance and enhancements of the sewer collection system and existing infrastructure.

Segmented information has been identified based upon lines of service provided by the Village. Village services are provided by departments and their activities are reported by functional area in the body of the financial statements.

The Corporation of the Village of Lytton  
 Schedule 1 - Statement of Operations by Segments  
 For the Year Ended December 31, 2015

|                                  | General<br>Administration<br>and Legislative<br>Services | Protective<br>Services | Public Works<br>and<br>Transportation<br>Services | Environmental<br>and<br>Development<br>Services | Recreation<br>and Cultural<br>Services | Water<br>Utility | Sewer<br>Utility | 2015             | 2014<br>(restated) |
|----------------------------------|--|------------------------|---|---|--|------------------|------------------|------------------|--------------------|
| <b>Revenues</b>                  |  |                        |   |   |  |                  |                  |                  |                    |
| Real property taxes              | 339,680  | -                      | -   | -   | -                                      | -                | -                | 339,680          | 340,928            |
| Grants in lieu of taxes          | 7,904  | 11,586                 | -   | -   | -                                      | -                | -                | 19,490           | 37,279             |
| Sale of services                 | -  | 70,525                 | 18  | -   | -                                      | 77,505           | 118,615          | 266,663          | 270,988            |
| Licenses and permits             | 57   | -                      | -   | 2,020   | 750                                    | -                | -                | 2,827            | 3,805              |
| Rentals and general services     | 19,208   | -                      | 3,046   | -   | 8,981                                  | -                | -                | 31,235           | 32,279             |
| Return on investments            | 3,078  | -                      | -   | -   | -                                      | -                | -                | 3,078            | 5,486              |
| Penalties and interest on taxes  | 2,404  | -                      | -   | -   | -                                      | -                | -                | 2,404            | 5,629              |
| Other income                     | 14,839   | -                      | 875   | -   | -                                      | -                | 6,445            | 22,159           | 19,720             |
| Transfers from other governments | 2,669  | 480,218                | 60,095  | 18,718  | -                                      | -                | -                | 561,700          | 452,827            |
| <b>Total revenue</b>             | <b>389,839</b>   | <b>562,329</b>         | <b>64,034</b>                                     | <b>20,738</b>                                   | <b>9,731</b>                           | <b>77,505</b>    | <b>125,060</b>   | <b>1,249,237</b> | <b>1,168,941</b>   |
| <b>Expenses</b>                  |  |                        |   |   |  |                  |                  |                  |                    |
| Administration                   | 261,529  | 172,111                | 16,691  | 13,156  | 7,730                                  | 5,805            | 8,309            | 485,331          | 469,588            |
| Insurance                        | 20,261   | 20                     | 3,660   | -   | 397                                    | -                | -                | 24,338           | 25,204             |
| Interest                         | 10,951   | -                      | -   | -   | 203                                    | -                | 7,200            | 18,353           | 9,491              |
| Repairs and maintenance          | 8,235  | 16,686                 | 26,902  | -   | 9,104                                  | 7,180            | 10,336           | 78,443           | 79,559             |
| Wages and benefits               | 184,162  | 2,554                  | 151,732   | -   | 36,443                                 | 40,117           | 25,053           | 440,061          | 474,877            |
| Amortization                     | 485,138  | 191,372                | 198,984   | 13,156  | 53,878                                 | 53,102           | 50,898           | 1,046,527        | 1,058,719          |
|                                  | 51,722   | -                      | -   | -   | -                                      | 33,133           | 33,623           | 118,478          | 119,727            |
| <b>Total expenditure</b>         | <b>536,860</b>   | <b>191,372</b>         | <b>198,984</b>                                    | <b>13,156</b>                                   | <b>53,878</b>                          | <b>86,235</b>    | <b>84,521</b>    | <b>1,165,005</b> | <b>1,178,446</b>   |
| <b>Annual surplus (deficit)</b>  | <b>(147,021)</b>   | <b>370,957</b>         | <b>(134,950)</b>                                  | <b>7,582</b>                                    | <b>(44,146)</b>                        | <b>(8,730)</b>   | <b>40,539</b>    | <b>84,232</b>    | <b>(9,504)</b>     |

(Note 8)

**The Corporation of the Village of Lytton**  
**Schedule 2 - Tangible Capital Assets**  
**For the Year Ended December 31, 2015**

|  | Engineering<br>Structures | Buildings     | Machinery<br>and<br>Equipment | Land          | Sewer          | Water            | Work in<br>Progress | 2015             | 2014             |
|--|---------------------------|---------------|-------------------------------|---------------|----------------|------------------|---------------------|------------------|------------------|
| <b>Cost</b>                                      |                           |               |                               |               |                |                  |                     |                  |                  |
| Balance, beginning of year                       | 965,777                   | 106,631       | 720,055                       | 75,641        | 1,284,966      | 1,854,139        | 87,585              | 5,094,794        | 4,985,908        |
| Acquisition of tangible capital assets           | -                         | -             | -                             | -             | -              | -                | 123,620             | 123,620          | 108,886          |
| Balance, end of year                             | 965,777                   | 106,631       | 720,055                       | 75,641        | 1,284,966      | 1,854,139        | 211,205             | 5,218,414        | 5,094,794        |
| <b>Accumulated amortization</b>                  |                           |               |                               |               |                |                  |                     |                  |                  |
| Balance, beginning of year                       | 346,967                   | 71,432        | 373,671                       | -             | 429,699        | 490,539          | -                   | 1,712,308        | 1,592,581        |
| Annual amortization                              | 15,533                    | 1,555         | 34,634                        | -             | 33,623         | 33,133           | -                   | 118,478          | 119,727          |
| Balance, end of year                             | 362,500                   | 72,987        | 408,305                       | -             | 463,322        | 523,672          | -                   | 1,830,786        | 1,712,308        |
| <b>Net book value of tangible capital assets</b> | <b>603,277</b>            | <b>33,644</b> | <b>311,750</b>                | <b>75,641</b> | <b>821,644</b> | <b>1,330,467</b> | <b>211,205</b>      | <b>3,387,627</b> | <b>3,382,486</b> |

Amortization expense of \$118,478 (2014 - \$119,727) was recorded.