

Financial statements of

LONG POINT FIRST NATION

March 31, 2017

LONG POINT FIRST NATION

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Management's Statement of Responsibility

The financial statements of Long Point First Nation as at March 31, 2017 are the responsibility of management and have been approved by the Chief and Council.

These financial statements have been prepared in conformity with Canadian public sector accounting standards as defined by the CPA Canada Public Sector Accounting Handbook and, where appropriate, include amounts that are based on management's best estimates and judgments. Management has established internal control systems to ensure that the financial information is objective and reliable and that Band assets are safeguarded.

The financial statements have been audited by the independent auditors Deloitte LLP whose report outlines the scope of their audit and their opinion on the financial statements.

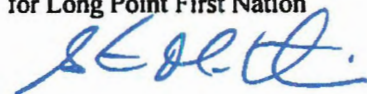
The Chief and Council carries out its responsibility for the financial statements through the Office of Chief and Council, which is comprised of a quorum of councillors. The Chief and Council meets with the auditors to review the financial statements and Independent Auditor's Report.

The financial statements have been audited by Deloitte LLP in accordance with Canadian generally accepted auditing standards. Deloitte LLP has full and free access to Council.



Signature and title

for Long Point First Nation



Independent Auditors' Report

To Chief and Council of
Long Point First Nation

We have audited the accompanying financial statements of Long Point First Nation as at March 31, 2017, which comprise the statement of Financial Position as at March 31, 2017, and the statements of Operations, Cumulative Operating Deficit, Net Investment in Capital Assets, Changes in Net Debt 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 Long Point First Nation as at March 31, 2017 and the results of its operations, cumulative operating deficit, net investment in capital assets, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Observation

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which states that the First Nation includes certain financial information that are not required by the Canadian public sector accounting standards. This information is presented in order to satisfy to Indigenous and Northern Affairs Canada and presented on pages **24 to 184** which are not audited.

1

The image shows a handwritten signature in cursive script that reads "Deloitte LLP".

July 24, 2017

¹ CPA auditor, CA, public accountancy permit No A112314

LONG POINT FIRST NATION

Statement of Operations

Year ended March 31, 2017

	2017	2016
	\$	\$
REVENUES		
INAC - Grant	349 707	366 109
INAC - Set Contribution	11 670 954	4 558 052
INAC - Fixed Contribution	2 726 403	2 172 632
INAC - Unexpended Funding	-	92 311
INAC - Review letter	148 947	(275 957)
Recoverable deficit (refundable surplus) from INAC	(52 173)	59 647
Administration fees	518 038	158 461
Canada Mortgage and Housing Corporation	230 958	74 591
Centre jeunesse de l'Abitibi-Témiscamingue	235 646	202 188
Contracts with forestry companies	108 789	135 602
Contracts and rental	234 708	139 325
Donation	-	16 000
First Nations Education Council	1 157 250	771 060
First Nations Education Council - Recuperation	(2 222)	(8 389)
First Nations Human Resources Development		
Commission of Quebec	401 333	326 743
First Nations of Quebec and Labrador Health and Social		
Services Commission	429 952	205 168
Government of Quebec	1 875	12 000
Government of Quebec - Recuperation	-	(20 500)
Health Canada	1 362 989	1 487 458
Health Canada - Review letter	21 600	(100 591)
Insurances reimbursement	-	13 672
Interests revenue	1 618	-
Loan revenue	60 000	-
Ministère de la Culture et des Communications	12 000	10 000
Ministère des Forêts, de la Faune et des Parcs	129 500	144 500
Rent revenue	251 445	256 815
Tax reimbursement	39 481	47 142
Other revenues	185 180	80 043
Deferred revenue from previous year	99 439	117 997
Deferred revenue to following year	(553 241)	(99 439)
Transfer to Net Investment in Capital Assets	(8 693 009)	(2 875 273)
	11 077 167	8 067 367

LONG POINT FIRST NATION

Statement of Operations

Year ended March 31, 2017

	2017	2016
	\$	\$
EXPENSES		
Band Government	7 189	5 797
Administration	732 135	689 248
Human Resources Development	401 355	362 612
Education	2 853 204	2 369 064
Health	1 653 615	1 760 398
Public Works	1 865 787	1 079 904
Public Security	46 099	29 671
Social Assistance	1 523 096	1 615 501
Housing	953 943	539 847
Economic Development	236 764	194 141
Other	257 098	245 801
	10 530 285	8 891 984
SURPLUS (DEFICIT) FOR THE YEAR FOR INAC PURPOSE	546 882	(824 617)

The accompanying notes are an integral part of the financial statements.

CONCILIATION TO CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS

Surplus (deficit) for the year for INAC purpose	546 882	(824 617)
Proceeds from long-term debt	164 950	-
Reimbursement of long-term debt	101 065	133 560
Acquisition of capital assets	8 693 009	2 875 273
Surplus under Canadian public sector accounting standards	9 505 906	2 184 216

LONG POINT FIRST NATION
Statement of Cumulative Operating Deficit
Year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
BALANCE AT BEGINNING OF YEAR	(1 790 695)	(1 370 526)
SURPLUS (DEFICIT) FOR THE YEAR FOR INAC PURPOSE (1)	546 882	(824 617)
TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS - AMORTIZATION	601 021	441 484
	<u>(642 792)</u>	<u>(1 753 659)</u>
ADJUSTMENT OF RESERVED FUND - ARTICLE 95	(5 963)	(14 764)
ALLOCATION TO FIRE PROTECTION RESERVE	8 491	51 800
	<u>2 528</u>	<u>37 036</u>
BALANCE AT END OF YEAR	<u>(645 320)</u>	<u>(1 790 695)</u>

The accompanying notes are an integral part of the financial statements.

(1) The operating surplus (deficit) before amortization is \$1,147,903 (deficit of \$383,133 in 2016).

LONG POINT FIRST NATION
Statement of Net Investment in Capital Assets
Year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	11 198 569	8 631 220
VARIATION OF NET INVESTMENT IN CAPITAL ASSETS		
Plus :		
Acquisition of capital assets	8 693 009	2 875 273
Reimbursement of long-term debt	89 985	120 493
Reimbursement of RRAP	11 080	13 067
	8 794 074	3 008 833
Less :		
Proceeds from long-term debt	164 950	-
Amortization of capital assets	601 021	441 484
NET INVESTMENT IN CAPITAL ASSET AT END OF YEAR	19 226 672	11 198 569

The accompanying notes are an integral part of the financial statements.

LONG POINT FIRST NATION

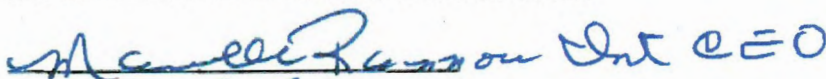

Statement of Financial Position

As at March 31, 2017

	2017	2016
	\$	\$
FINANCIAL ASSETS		
Cash	828 515	135 906
Accounts receivable (Note 3)	2 371 666	1 041 448
Restricted cash and deposits (Note 4)	89 696	88 064
	3 289 877	1 265 418
LIABILITIES		
Bank loan (Note 6)	-	330 000
Accounts payable and accrued liabilities	2 713 482	2 072 574
Due to INAC - Contribution projects (Note 7)	142 046	86 498
Due to Health Canada	15 008	-
Deferred revenue (Note 8)	553 241	99 439
Long-term debt (Note 9)	1 301 749	1 237 864
	4 725 526	3 826 375
NET DEBT	(1 435 649)	(2 560 957)
NON-FINANCIAL ASSETS		
Prepaid expenses	113 139	128 157
Capital assets (Note 5)	20 551 072	12 459 084
	20 664 211	12 587 241
ACCUMULATED SURPLUS (NOTE 12)	19 228 562	10 026 284

The accompanying notes are an integral part of the financial statements.

APPROVED BY THE FIRST NATION'S COUNCIL

LONG POINT FIRST NATION
Statement of Changes in Net Debt
Year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
SURPLUS (DEFICIT) FOR THE YEAR FOR INAC PURPOSES	546 882	(824 617)
CHANGES IN CAPITAL ASSETS		
Acquisition of capital assets	(8 693 009)	(2 875 273)
Amortization of capital assets	601 021	441 484
	(8 091 988)	(2 433 789)
CHANGES IN THE NON-OPERATIONAL SURPLUSES AND RESERVES		
Increase of surpluses and reserves	24 640	22 890
Increase of In-trust fund	1 632	1 829
Changes in other non-financial assets	15 018	6 215
Net financing by capital assets surplus	8 629 124	3 008 834
	8 670 414	3 039 768
CHANGES IN NET DEBT	1 125 308	(218 638)
NET DEBT AT BEGINNING OF YEAR	(2 560 957)	(2 342 319)
NET DEBT AT END OF YEAR	(1 435 649)	(2 560 957)

The accompanying notes are an integral part of the financial statements.

LONG POINT FIRST NATION

Statement of Cash Flows

Year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	\$	\$
OPERATING ACTIVITIES		
Surplus (deficit) for the year for INAC purposes	546 882	(824 617)
Item not affecting cash:		
Amortization of capital assets	601 021	441 484
	<u>1 147 903</u>	<u>(383 133)</u>
Changes in non-cash operating working capital items (Note 11)	(149 934)	416 748
	<u>997 969</u>	<u>33 615</u>
INVESTING ACTIVITIES		
Deposit on motorized equipment	-	2 000
Acquisition of capital assets	(8 693 009)	(2 875 273)
Increase of restricted cash and deposits	(1 632)	(9 955)
	<u>(8 694 641)</u>	<u>(2 883 228)</u>
FINANCING ACTIVITIES		
Increase of surpluses and reserves	24 640	22 890
Net financing by capital assets surplus	8 629 124	3 008 834
Increase of In-trust fund	1 632	1 829
Proceeds from long-term debt	164 950	-
Reimbursement of long-term debt	(101 065)	(133 560)
	<u>8 719 281</u>	<u>2 899 993</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1 022 609	50 380
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(194 094)	(635 114)
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>828 515</u>	<u>(194 094)</u>

The accompanying notes are an integral part of the financial statements.

Cash and cash equivalents consist of cash and bank loan.

See additional information presented in Note 11.

LONG POINT FIRST NATION

Notes to the financial statements

Year ended March 31, 2017

1. DESCRIPTION OF THE ORGANIZATION

The First Nation is an unincorporated legal body as defined in the Indian Act. A band council is considered a form of local government consisting of a Chief and two or more councillors who are chosen by election or band custom to carry out the functions of government for the First Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian public sector accounting standards applicable to local government and issued by the CPA Canada Public Sector Accounting Handbook.

The principles of fund accounting have been used in the preparation of these financial statements in accordance with Canadian public sector accounting standards. Accounts are classified into funds in accordance with specified requirements, activities and objectives. The accrual method is followed for the recognition of revenues and expenses.

The financial statements include a certain financial information that is not required by the Canadian public sector accounting standards. This information is presented in order to satisfy to Indigenous and Northern Affairs Canada (INAC) and presented on pages 24 to 184.

Cash and cash equivalents

Cash and cash equivalents include cash, bank overdraft, bank loan and short-term investments with a term to maturity of three months or less at the date of acquisition.

Capital assets

The Capital assets is composed of all capital assets recorded at historical cost. The methods, the term and depreciation rates for the capital assets are as follows:

Private housing	5 % & 25 years	diminishing balance & straight line
Community & residential buildings	2.5 %	diminishing balance
Equipment	20 % to 30 %	diminishing balance
Motorized equipment	10 % to 20 %	diminishing balance
Roadway system	2.5 %	diminishing balance
Water and sanitation systems	2.5 %	diminishing balance

Loans

Loans with significant concessionary terms are presented at face value discounted by the amount of the grant portion.

LONG POINT FIRST NATION

Notes to the financial statements

Year ended March 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proceeds from disposal of capital assets and the related revenues

Proceeds from disposal of capital assets and from assets held for sale are recorded in the Net Investment in Capital Assets.

Revenues recognition

Revenues are recorded in the period specified in funding agreements entered into with government agencies and other organizations. Assistance received in advance of making the related expenses is deferred. Revenues are recognized when persuasive evidence of an arrangement exists, price is fixed or determinable and collection is reasonably assured.

Reimbursements of capital and interests

The reimbursements of capital and interests on the long-term debt are treated as expenses in the housing operations projects where as the rent charged by the First Nation to the tenants and the grant coming from Canadian Mortgage and Housing Corporation (CMHC) are treated as revenues in these same projects.

Revenues and expenses related to the acquisition of capital assets

Revenues and expenses related to the acquisition of capital assets are primarily recorded in the Statement of Operations and then in the Net Investment in Capital Assets when the related capital expenses are recorded, provided that the First Nation meets the eligibility criteria.

Use of estimates

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 disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Key components of the financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the useful lives of long-lived assets, the deferred revenue and liabilities under legal contingencies. Actual results could differ from those estimates.

Pension plan

The cost of the defined pension plan is equal to the pension plan expense.

The pension plan is a multiemployer defined benefit pension plan that is accounted for as a defined contribution plan.

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

3. ACCOUNTS RECEIVABLE

	2017	2016
	\$	\$
INAC receivable	1 310 525	440 123
CMHC receivable	163 836	48 888
Health Canada receivable	-	47 254
First Nations Education Council receivable	149 496	112 035
Rent receivable - Band housing and Article 95	1 570 222	1 486 525
FNHRDCQ receivable	16 792	11 399
MFFP receivable	49 970	56 421
Other accounts receivable	777 824	420 538
	4 038 665	2 623 183
Allowance for doubtful accounts	(1 666 999)	(1 581 735)
	2 371 666	1 041 448

4. RESTRICTED CASH AND DEPOSITS

	2017	2016
	\$	\$
In-trust fund - Capital and revenues accounts	89 696	88 064

Regarding the restricted cash for the Operating surplus fund - Article 95 and Replacement reserve fund - Article 95, the First Nation did not have a specific bank account to reflect the total restricted cash required according to the agreement with CMHC. As at March 31, 2017, the total required for Operating surplus fund - Article 95 and Replacement reserve fund - Article 95 should have been respectively \$101,376 and \$307,941 (respectively \$107,339 and \$283,301 as at March 31, 2016).

5. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value	
	\$	\$	2017	2016
			\$	\$
Private housing	5 545 253	2 274 416	3 270 837	2 112 509
Community and residential buildings	17 109 074	3 264 314	13 844 760	3 371 032
Equipment	1 656 863	1 402 697	254 166	278 694
Motorized equipment	2 144 362	1 498 372	645 990	687 304
Roadway system	2 513 610	1 015 967	1 497 643	1 536 044
Water and sanitation systems	2 339 615	1 301 939	1 037 676	1 064 282
Assets under construction	-	-	-	3 409 219
	31 308 777	10 757 705	20 551 072	12 459 084

An amount of \$601,021 has been considered for depreciation (\$441,484 as at March 31, 2016).

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

6. BANK LOAN

The First Nation has an authorized line of credit of \$450,000 bearing interests at prime rate (2.7 % as at March 31, 2017) plus 2.25 %. The line of credit is renewable in August 2017 and guaranteed by a first ranking hypothec of \$450,000 on all the borrower's present and future claims. The line of credit is not used as at March 31, 2017.

7. DUE TO (FROM) INAC - CONTRIBUTION PROJECTS

	2017	2016
	\$	\$
1015 - Band Employee Benefits Plan - Pension plan (2013)	-	3 918
2290 - Tuition Agreements - Provincial (2012)	-	4 568
2372 - SAT - Employment & Training (2010)	-	24 692
2372 - SAT - Employment & Training (2012)	-	(29 005)
2372 - SAT - Employment & Training (2016)	(31 024)	(31 024)
2372 - SAT - Employment & Training (2016)	(40 682)	
2370 - Basics Needs (2010)	-	(8 311)
2370 - Basics Needs (2013)	2 091	46 571
2370 - Basics Needs (2015)	70 207	87 821
2370 - Basics Needs (2016)	(1 913)	(1 602)
2370 - Basics Needs (2017)	120 142	-
2430 - Family Violence (2016)	5 302	-
2390 - Special Needs (2010)	-	(13 154)
2390 - Special Needs (2012)	-	725
2390 - Special Needs (2016)	999	999
2390 - Special Needs (2017)	16 924	-
4570 - Feasibility Study (2012)	-	300
	142 046	86 498

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

8. DEFERRED REVENUE

	<u>2017</u>	<u>2016</u>
	\$	\$
3266 - FNQLHSSC - Fight Against Poverty (Annex 47)	-	75 201
2552 - Québec en forme (Annex 132)	-	9 238
9050 - First Line Services (Annex 50)	36 317	-
6104 - MNR Terry Polson (Annex 146)	-	15 000
8750 - Wastewater (Annex 98)	104 185	-
3070 - Oasis - TD Friends of the Environment (Annex 38)	4 500	-
3256 - Childcare (Annex 136)	296 500	-
2601 - Elders Construction (FNIF) (Annex 87)	9 104	-
2602 - Community Center Renovation (annex 88)	14 837	-
2598 - Housing - Needs Assesment (annex 121)	4 332	-
2599 - Housing - Infrastructure Master Plan Phase 1 (Annex 122)	53 466	-
6107 - Eacom - Harmonization (Annex 147)	30 000	-
	553 241	99 439

9. LONG-TERM DEBT

	<u>2017</u>	<u>2016</u>
	\$	\$
Loan, 1.11%, guaranteed by INAC, payable by monthly instalments of \$229, including interests, maturing in 2041 - Loan #16229619011	58 078	-
Loan, 3.46 %, guaranteed by INAC, payable by monthly instalments of \$652, including interests, maturing in 2033	95 260	99 703
Loan, 1.14%, guaranteed by INAC, payable by monthly instalments of \$1,717, including interests, maturing in 2030 - Loan #16229619008	235 520	252 910
Loan, 1.67 %, guaranteed by INAC, payable by monthly instalments of \$281, including interests, maturing in 2032 - Loan #16229619009	42 300	44 945
Loan, 1.67 %, guaranteed by INAC, payable by monthly instalments of \$562, including interests, maturing in 2032 - Loan #16229619010	84 600	89 890
Loan, 2.70 %, guaranteed by INAC, payable by monthly instalments of \$1,268, including interests, maturing in 2031	173 734	184 069
Amounts to be carried forward	689 492	671 517

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

9. LONG-TERM DEBT (continued)

	<u>2017</u>	<u>2016</u>
	\$	\$
Amounts carried forward	689 492	671 517
Loan, 5.18%, guaranteed by INAC, payable by monthly instalments of \$684, including interests, maturing in 2023	40 206	46 156
Loan from Canada Mortgage and Housing Corporation (RRAP), no interest*	109 603	15 733
Loan, 4.69%, guaranteed by INAC, payable by monthly instalments of \$793, including interests, maturing in 2023	45 398	52 592
Loan, 1.92 %, guaranteed by INAC, payable by monthly instalments of \$575, including interests, maturing in 2023 - Loan #16229619004	37 052	43 186
Loan, 1.65 %, guaranteed by INAC, payable by monthly instalments of \$559, including interests, maturing in 2026 - Loan #16229619001	51 226	57 041
Loan, 1.12 %, guaranteed by INAC, payable by monthly instalments of \$468, including interests, maturing in 2030 - Loan #16229619002	67 068	71 903
Loan, 1.12 %, guaranteed by INAC, payable by monthly instalments of \$412, including interests, maturing in 2030 - Loan #16229619003	59 150	63 415
Loan, 1.14 %, guaranteed by INAC, payable by monthly instalments of \$722, including interests, maturing in 2032 - Loan #16229619005	113 305	120 434
Loan, 1.14 %, guaranteed by INAC, payable by monthly instalments of \$329, including interests, maturing in 2030 - Loan #16229619006	44 855	48 191
Loan, 1.14%, guaranteed by INAC, payable by monthly instalments of \$326, including interests, maturing in 2030 - Loan #16229619007	44 394	47 696
	1 301 749	1 237 864
Current portion of long-term debt	(122 047)	(94 684)
	1 179 702	1 143 180

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

9. LONG-TERM DEBT (continued)

Capital payments due within each of the next five years areas follow:

	\$
2018	122 047
2019	126 213
2020	125 517
2021	117 405
2022	103 396

* Under this program, an agreement has been reached by Long Point First Nation and Canada Mortgage and Housing Corporation concerning the CMHC's contributions for the major repairs of houses located on the First Nation's territory.

Should all the conditions of the agreement be met by the First Nation, the amortization of these loans will be made by remission instalments based on a straight-line method of depreciation of five years. Should the conditions not be respected by the First Nation, the outstanding balance of these loans will be repaid by the First Nation as an usual mortgage (subject of interests charges).

10. REPLACEMENT RESERVE FUND - ARTICLE 95

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance at beginning of year	283 301	260 411
Add : Current year addition	24 640	22 890
Balance at end of year	307 941	283 301

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve fund - Article 95 is to be credited of \$24,640 (\$22,890 in 2016) annually. These funds along with accumulated interests, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Mortgage and Housing Corporation from time to time. The funds in the account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are credited to interests first and then capital.

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

11. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Changes in non-cash operating working capital items

	<u>2017</u>	<u>2016</u>
	\$	\$
Accounts receivable	(1 330 218)	545 650
Prepaid expenses	15 018	4 215
Due from INAC - Contribution projects (Note 7)	55 548	131 137
Accounts payable and accrued liabilities	640 908	(153 385)
INAC - Unexpended Funding	-	(92 311)
Deferred revenue	453 802	(18 558)
Due to Health Canada	15 008	-
	<u>(149 934)</u>	<u>416 748</u>

Additional information relating to the statement of Cash Flows

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash	828 515	135 906
Bank loan	-	330 000

12. ACCUMULATED SURPLUS

	<u>2017</u>	<u>2016</u>
	\$	\$
Net Investment in Capital Assets	19 226 672	11 198 569
In-trust fund	89 696	88 064
Replacement reserve fund - Article 95 (Note 10)	307 941	283 301
Reserve for fire equipment	148 197	139 706
Operating surplus fund - Article 95	101 376	107 339
Cumulative Operating Deficit	(645 320)	(1 790 695)
	<u>19 228 562</u>	<u>10 026 284</u>

13. PENSION PLAN

The First Nation supports the contributory defined benefit pension plan for substantially all of its employees. It is a multiemployer plan that is administered by the Native Benefits Plan. The pension for native employees is 6.25 % of the gross salary and the employer contributes 1.82 times the employee's contribution. For the non-native employees, it is 4.6 % of the gross salary and the employer contributes 1.82 times the employee's contribution. The expenses for the year is \$45,567 (\$45,413 in 2016).

LONG POINT FIRST NATION

Notes to the financial statements

Year ended March 31, 2017

14. FINANCIAL INSTRUMENTS

Credit facility (Bank loan)

An authorized amount of \$450,000, bearing interests at prime rate (2.7 % as at March 31, 2017) plus 2.25 % is available. The credit facility is payable on demand and fluctuates regularly.

Fair value of financial assets and liabilities:

The fair value of cash, accounts receivable, restricted cash and deposits, bank loan and accounts payable and accrued liabilities, due to Inac - Contribution projects and due to Health Canada is approximately equal to their carrying value due to their short-term maturity date.

The fair value represents approximately the amounts of the financial instruments that would be exchanged between the consenting parties, according to the current market value of instruments which the risk, capital and duration are the same. Certain estimates and decisions were required to arrive at the fair value of financial instruments which was based upon actualization and other evaluation methods which depend largely on hypothesis of estimated cash flows and the actualization rate depending on different degrees of risk.

As at March 31, 2017, the net book value of all financial instruments corresponded approximately to their fair value with the exception of the following item:

	<u>Net book value</u>	<u>Fair value</u>
	\$	\$
Long-term debt	1 301 749	1 295 181

Credit risk

The First Nation provides credit to its tenants in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for potential credit losses.

Interests rate risk

The long-term debt generally bears interests at fixed rates. Consequently, the cash flows exposure is not significant. However, the fair value of loans having fixed rates of interests could fluctuate with changes in market interests rates. The short-term loans represent a limited exposure to interests rate risk due to their short-term maturity.

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

15. SEGMENT DISCLOSURE

	Band Government		Administration	
	2017	2016	2017	2016
Revenues:				
Federal government transfers	8 139	6 132	579 879	470 428
Provincial government transfers	-	-	-	-
Other revenues	-	-	596 741	260 874
Total revenues	8 139	6 132	1 176 620	731 302
Expenses:				
Salaries and fringe benefits	4 216	5 797	313 983	339 017
Debt servicing	-	-	-	5 778
Amortization	-	-	4 838	6 667
Other expenses	2 973	-	413 314	337 786
Total expenses	7 189	5 797	732 135	689 248
Annual surplus (deficit)	950	335	444 485	42 054

	Human Resources Development		Education	
	2017	2016	2017	2016
Revenues:				
Federal government transfers	401 333	326 743	9 674 298	4 740 913
Provincial government transfers	-	-	-	-
Other revenues	-	-	(6 511 248)	(2 450 986)
Total revenues	401 333	326 743	3 163 050	2 289 927
Expenses:				
Salaries and fringe benefits	279 154	205 987	1 674 290	1 415 561
Debt servicing	-	-	-	-
Amortization	-	-	146 040	18 917
Other expenses	122 201	156 625	1 032 874	934 586
Total expenses	401 355	362 612	2 853 204	2 369 064
Annual surplus (deficit)	(22)	(35 869)	309 846	(79 137)

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

15. SEGMENT DISCLOSURE (continued)

	Health		Public Works	
	2017	2016	2017	2016
Revenues:				
Federal government transfers	1 442 701	1 524 860	2 314 789	857 944
Provincial government transfers	235 646	202 188	-	-
Other revenues	11 996	(117 943)	(590 815)	(83 082)
Total revenues	1 690 343	1 609 105	1 723 974	774 862
Expenses:				
Salaries and fringe benefits	621 764	667 639	224 135	177 630
Debt servicing	-	-	3 004	28 395
Amortization	44 428	53 464	228 276	233 339
Other expenses	987 423	1 039 295	1 410 372	640 540
Total expenses	1 653 615	1 760 398	1 865 787	1 079 904
Annual surplus (deficit)	36 728	(151 293)	(141 813)	(305 042)

	Public Security		Social Assistance	
	2017	2016	2017	2016
Revenues:				
Federal government transfers	52 559	53 459	1 523 407	1 528 167
Provincial government transfers	-	-	-	-
Other revenues	-	-	-	-
Total revenues	52 559	53 459	1 523 407	1 528 167
Expenses:				
Salaries and fringe benefits	-	-	96 317	69 085
Debt servicing	-	-	-	-
Amortization	2 031	2 538	-	-
Other expenses	44 068	27 133	1 426 779	1 546 416
Total expenses	46 099	29 671	1 523 096	1 615 501
Annual surplus (deficit)	6 460	23 788	311	(87 334)

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

15. SEGMENT DISCLOSURE (continued)

	Housing		Economic Development	
	2017	2016	2017	2016
Revenues:				
Federal government transfers	265 430	28 527	509 304	163 641
Provincial government transfers	-	-	13 875	22 000
Other revenues	524 394	198 348	(286 162)	4 647
Total revenues	789 824	226 875	237 017	190 288
Expenses:				
Salaries and fringe benefits	207 493	38 399	37 186	25 974
Debt servicing	89 902	83 797	-	-
Amortization	176 361	142 230	1 577	1 972
Other expenses	480 187	275 421	198 001	166 195
Total expenses	953 943	539 847	236 764	194 141
Annual surplus (deficit)	(164 119)	(312 972)	253	(3 853)

	Other		Total	
	2017	2016	2017	2016
Revenues:				
Federal government transfers	-	-	16 771 839	9 700 814
Provincial government transfers	129 500	124 000	379 021	348 188
Other revenues	181 401	206 507	(6 073 693)	(1 981 635)
Total revenues	310 901	330 507	11 077 167	8 067 367
Expenses:				
Salaries and fringe benefits	111 266	135 879	3 569 804	3 080 968
Debt servicing	-	-	92 906	117 970
Amortization	1 829	2 287	605 380	461 414
Other expenses	144 003	107 635	6 262 195	5 231 632
Total expenses	257 098	245 801	10 530 285	8 891 984
Annual surplus (deficit)	53 803	84 706	546 882	(824 617)

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

16. EXPENSES BY OBJECT

	2017	2016
	\$	\$
Salaries and fringe benefits	3 569 804	3 080 968
Accommodation and meals	44 428	55 214
Amortization	601 022	441 484
Administration fees	518 038	158 461
Allocation for Education	80 565	161 907
Allocation for Human Resources Development	14 657	35 159
Allocation for Social Assistance	1 278 934	1 467 414
Allocation for trappers	4 998	4 998
Bad debt	85 359	87 502
Contracts	2 484 809	363 185
Election expenses	8 125	8 013
Electricity	165 455	217 889
Honoraria	49 737	8 888
Insurances	107 395	110 122
Interests and bank charges	13 924	73 490
Interests on long-term debt	25 762	37 420
Maintenance	82 074	140 143
Material and supplies	849 336	326 798
Medical transportation	208 020	223 420
Membership fees	7 700	7 700
Professional fees	414 031	313 546
Purchase of capital assets	80 529	111 489
Purchase of fuel	72 174	81 144
Reimbursement of capital on long-term debt	92 906	117 970
Rental of equipment	153 585	145 084
Telephone	97 748	89 234
Training	26 445	55 317
Transfer to Amo Ososwan School (SAT)	14 536	-
Transfer to Winneway Store (SAT)	89 236	51 290
Transfer to Native Benefits Plan (NBP)	24 088	23 556
Transfer to Replacement reserve fund - Article 95	24 640	22 890
Travel expenses	250 948	228 736
Transportation expenses	-	2 483
Tuition fees	108 562	245 677
Workshops	200 970	217 824
Other expenses	56 545	44 914
Transfer to Net Investment in Capital Assets	(8 693 009)	(2 875 273)
Transfer to Algonquin Anishinabeg Nation Tribal Council	7 179 361	2 873 357
Transfer to Amosesag Childcare Center	136 848	132 571
	10 530 285	8 891 984

LONG POINT FIRST NATION
Notes to the financial statements
Year ended March 31, 2017

17. CORRECTIVE MEASURES AND REMEDIAL PLAN

A recovery and remedial management plan has been implemented and will be in effect for a maximum of 72 months beginning the 2012-2013 fiscal year.

18. UNAPPROPRIATED DEFICIT

The unappropriated deficit as at March 31, 2017 does not take into consideration possible modifications following the review and analysis of the present financial statements by INAC, Health Canada, FNEC and CMHC. Any adjustment resulting from these analysis will be recorded in the current year as an adjustment of funds balance. Precision: INAC applies the control and monitoring measures of its Policy Transfer Payments. In general, this policy does not allow the posting of deferred revenue. In fact, funding granted in a fiscal year must be spent in the same fiscal year and this, for every type of mode of financing, especially for "Set Contribution". In fact, by definition, the revenues coming from INAC's mode of financing "Set Contribution" cannot be deferred to following year since unused funds are normally recovered by INAC. Accordingly, if deferred revenue are recorded in any type of mode of financing, INAC may decide, when considering projects, if they accept or not.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.