
Financial statements of Long Point First Nation

March 31, 2018

Management's Statement of Responsibility	1
Independant auditor's report	2 - 3
Statement of Operations	4 - 5
Statement of Cumulative Operating Surplus (deficit)	6
Statement of Net Investment in Capital Assets	7
Statement of Financial Position	8
Statement of Changes in Net Financial Assets (Net Debt)	9
Statement of Cash Flows	10
Notes to the financial statements	11 - 24
Annex	25 - 177



Management's Statement of Responsibility

The financial statements of the Long Point First Nation as of March 31, 2018, are the responsibility of management and have been approved by the Chief and Council.

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada and as such include amounts that are the best estimates and judgments of management.


Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Long Point First Nation and meet when required.

On behalf of Long Point First Nation :

 CEO
Signature and title
for Long Point First Nation

July 25, 2018:



Independent auditor's report

To the Chief and Council of
Long Point First Nation

We have audited the accompanying financial statements of Long Point First Nation, which comprise the statements of financial position as at March 31, 2018 and the statement of operations, cumulative operating surplus (deficit), net investment in capital assets, changes in net financial assets (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, 2018 and the results of its operations, cumulative operating surplus (deficit), net investment in capital assets, changes in net financial assets (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 Services Canada (ISC) presented on pages 25 to 177 which are not audited.

A handwritten signature in cursive script that reads "Deloitte LLP".¹

July 25, 2018

¹ CPA auditor, CA, public accountancy permit No.A112314

Long Point First Nation
Statement of Operations

Year ended March 31, 2018

	2018	2017
	\$	\$
REVENUES		
ISC - Grant	681 451	349 707
ISC - Set Contribution	2 400 586	11 670 954
ISC - Fixed Contribution	5 964 796	2 726 403
ISC - Flexible Contribution	25 100	-
ISC - Unexpended Funding	(284 703)	-
ISC - Review letter	58 594	148 947
Recoverable deficit from (refundable surplus to) ISC	4 532	(52 173)
Administration fees	541 869	518 038
Canada Mortgage and Housing Corporation (CMHC)	179 742	126 008
Centre jeunesse de l'Abitibi-Témiscamingue	15 000	235 646
Contract with forestry companies	95 000	108 789
Contracts and rental	128 886	234 708
First Nations Education Council	1 530 112	1 157 250
First Nations Education Council - Recuperation	-	(2 222)
First Nations Human Resources Development (FNHRDCQ)	395 782	401 333
First Nations of Quebec and Labrador Health and Social Services Commission	146 902	429 952
Government of Quebec	-	1 875
ISC - Health Branch	1 593 662	1 362 989
ISC - Health Branch - Review letter	(34 124)	21 600
Interests revenue	3 240	1 618
Ministère de la Culture et des Communications	10 000	12 000
Ministère des Forêts, de la Faune et des Parcs (MFFP)	129 500	129 500
Rent revenue	261 516	251 445
Secrétariat aux affaires autochtones	45 816	-
Tax reimbursement	53 756	39 481
Other revenues	367 040	185 180
Deferred revenue from previous year	553 241	99 439
Deferred revenue to following year	(1 851 780)	(553 241)
	<u>13 015 516</u>	<u>19 605 226</u>

Long Point First Nation
Statement of Operations
Year ended March 31, 2018

	2018	2017
	\$	\$
EXPENSES		
Band Government	6 476	7 189
Administration	854 673	732 135
Human Resources Development	448 765	401 355
Education	3 571 204	2 853 204
Health	1 846 996	1 653 615
Public Works	1 255 903	1 862 783
Public Security	28 469	46 099
Social Assistance	1 311 155	1 523 096
Housing	1 106 692	866 962
Economic Development	343 597	236 764
Other	230 239	257 098
	11 004 169	10 440 300
SURPLUS FOR THE YEAR	2 011 347	9 164 926

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

CONCILIATION TO ISC FINANCIAL REPORTING REQUIREMENTS

Surplus for the year	2 011 347	9 164 926
Proceeds from long-term debt and RRAP	-	164 950
Reimbursement of long-term debt	(92 057)	(89 985)
Acquisition of capital assets	(1 128 193)	(8 693 009)
Surplus under ISC Financial Reporting Requirements (1)	791 097	546 882

(1) The operating surplus before amortization is \$1,561,913 (surplus of \$1,147,903 in 2017)

Long Point First Nation
Statement of Cumulative Operating Surplus (deficit)
Year ended March 31, 2018

	2018	2017
	\$	\$
BALANCE AT BEGINNING OF YEAR	(645 320)	(1 790 695)
SURPLUS FOR THE YEAR	2 011 347	9 164 926
TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS		
ACQUISITION OF CAPITAL ASSETS	(1 128 193)	(8 693 009)
AMORTIZATION AND OTHER	748 165	601 021
PROCEEDS FROM LONG-TERM DEBT	-	164 950
REIMBURSEMENT OF LONG-TERM DEBT	(92 057)	(89 985)
ADJUSTMENT OF RESERVED FUNDS - ARTICLE 95	6 054	(5 963)
ALLOCATION TO FIRE PROTECTION RESERVE	6 948	8 491
	13 002	2 528
BALANCE AT END OF YEAR	880 940	(645 320)

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

Long Point First Nation
Statement of Net Investment in Capital Assets
Year ended March 31, 2018

	2018	2017
	\$	\$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	19 226 672	11 198 569
VARIATION OF NET INVESTMENT IN CAPITAL ASSETS		
Plus:		
Acquisition of fixed assets	1 128 193	8 693 009
Reimbursement of long-term debt	92 057	89 985
Reimbursement of RRAP	27 366	11 080
	1 247 616	8 794 074
Less:		
Proceeds from long-term debt	-	60 000
Proceeds from RRAP	-	104 950
Amortization of capital assets and other	748 165	601 021
	748 165	765 971
NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR	19 726 123	19 226 672

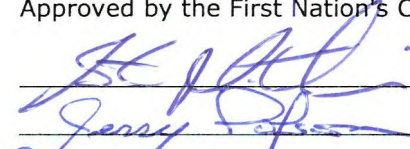
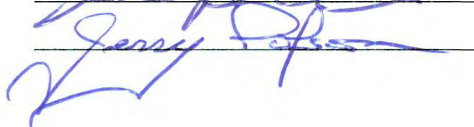
The accompanying notes are an integral part of the financial statements.

Long Point First Nation
Statement of Financial Position
as at March 31, 2018

		2018	2017
	Notes	\$	\$
FINANCIAL ASSETS			
Cash		1 679 515	828 515
Accounts receivable	3	3 460 618	2 371 666
Restricted cash and deposits	4	91 601	89 696
		5 231 734	3 289 877
LIABILITIES			
Accounts payable and accrued liabilities		1 536 627	2 713 482
Due to ISC - Contribution projects	6	64 174	142 046
Due to ISC - Health Branch		24 151	15 008
Deferred revenue	7	1 851 780	553 241
ISC - Unexpended funding	8	284 703	-
Long-term debt	9	1 182 326	1 301 749
		4 943 761	4 725 526
NET FINANCIAL ASSETS (NET DEBT)		287 973	(1 435 649)
NON-FINANCIAL ASSETS			
Prepaid expenses		97 848	113 139
Capital assets	5	20 908 449	20 551 072
		21 006 297	20 664 211
ACCUMULATED SURPLUS	12	21 294 270	19 228 562

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

Approved by the First Nation's Council

 , Council's Member
 , Council's Member

Long Point First Nation
Statement of Changes in Net Financial Assets (Net Debt)
Year ended March 31, 2018

	2018 \$	2017 \$
SURPLUS FOR THE YEAR	2 011 347	9 164 926
CHANGES IN CAPITAL ASSETS		
Acquisition of capital assets	(1 128 193)	(8 693 009)
Amortization of capital assets	770 816	601 021
	(357 377)	(8 091 988)
CHANGES IN THE NON-OPERATIONAL SURPLUSES AND RESERVES		
Increase of surpluses and reserves	25 090	24 640
Increase of In-trust fund	1 905	1 632
Changes in other non-financial assets	15 291	15 018
Variation of RRAP loans	27 366	11 080
	69 652	52 370
CHANGES IN NET FINANCIAL ASSETS (NET DEBT)	1 723 622	1 125 308
NET DEBT AT BEGINNING OF YEAR	(1 435 649)	(2 560 957)
NET FINANCIAL ASSETS (NET DEBT) AT END OF YEAR	287 973	(1 435 649)

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

Long Point First Nation
Statement of Cash Flows

Year ended March 31, 2018

	Notes	2018 \$	2017 \$
Operating activities			
Surplus for the year		2 011 347	9 164 926
Items not affecting cash:			
Amortization of capital assets		770 816	601 021
		2 782 163	9 765 947
Changes in non-cash operating working capital items	11	(736 003)	(149 934)
		2 046 160	9 616 013
Investing activities			
Acquisition of capital assets		(1 128 193)	(8 693 009)
Increase of restricted cash and deposits		(1 905)	(1 632)
		(1 130 098)	(8 694 641)
Financing activities			
Increase of surpluses and reserves		25 090	24 640
Variation of RRAP loan		27 366	11 080
Increase of In-trust fund		1 905	1 632
Proceeds from long-term debt		-	164 950
Reimbursement of long-term debt and RRAP loans		(119 423)	(101 065)
		(65 062)	101 237
Net increase of cash and cash equivalents		851 000	1 022 609
Cash and cash equivalents, beginning of year		828 515	(194 094)
Cash and cash equivalents, end of year		1 679 515	828 515

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)

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 Services Canada (ISC) and presented on pages 25 to 177.

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

Loans

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

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.

2. Summary of significant accounting policies (Continued)

Revenues and expenses related to the acquisition of capital assets

Revenues and expenses related to the acquisition of capital assets are recorded 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.

3. Accounts Receivable

	2018 \$	2017 \$
ISC receivable	2 331 532	1 310 525
CMHC receivable	70 331	163 836
First Nations Education Council receivable	541 834	149 496
Rent receivable - Band housing and Article 95	1 664 708	1 570 222
FNHRDCQ receivable	18 013	16 792
MFFP receivable	32 375	49 970
Secrétariat aux affaires autochtones	47 414	-
Other accounts receivable	528 745	777 824
	5 234 952	4 038 665
Allowance for doubtful accounts	(1 774 334)	(1 666 999)
	3 460 618	2 371 666

4. Restricted Cash And Deposits

	2018 \$	2017 \$
Restricted cash and deposits	91 601	89 696

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, 2018, the total required for Operating surplus fund - Article 95 and Replacement reserve fund - Article 95 should have been respectively \$106,980 and \$333,481 (respectively \$101,376 and \$307,941 as at March 31, 2017).

5. Capital Assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
	\$	\$	\$	\$
Private housing	5 869 238	2 484 618	3 384 620	3 270 837
Community and residential buildings	17 349 666	3 613 441	13 736 225	13 844 760
Equipment	1 803 991	1 470 494	333 497	254 166
Motorized equipment	2 144 362	1 573 471	570 891	645 990
Roadway system	2 523 735	1 053 535	1 470 200	1 497 643
Water and sanitation systems	2 745 977	1 332 961	1 413 016	1 037 676
	32 436 969	11 528 520	20 908 449	20 551 072

An amount of \$770,816 has been considered for depreciation (\$601,021 as at March 31, 2017).

6. Due to (from) ISC - Contribution projects

	2018	2017
	\$	\$
2372 - SAT - Employment & Training (2016)	-	(31 024)
2372 - SAT - Employment & Training (2017)	-	(40 682)
2372 - SAT - Employment & Training (2018)	(84 393)	-
2370 - Basic Needs (2013)	-	2 091
2370 - Basic Needs (2015)	15 378	70 207
2370 - Basic Needs (2016)	-	(1 913)
2370 - Basic Needs (2017)	8 043	120 142
2370 - Basic Needs (2018)	112 819	-
2430 - Family Violence (2016)	-	5 302
2390 - Special Needs (2016)	-	999
2390 - Special Needs (2017)	-	16 924
2390 - Special Needs (2018)	12 320	-
2333 - Cultural Education Center (2017)	7	-
	64 174	142 046

7. Deferred Revenue

	2018	2017
	\$	\$
3070 - Oasis - TD Friends of the Environment (Annex 43)	-	4 500
2285 - Construction of twin houses for teachers (Annex 47)	1 500 000	-
9050 - First Line Services (Annex 57)	-	36 317
9080 - Jordan's Principle Service Coordination (Annex 62)	33 198	-
9125 - Traditional Healers (Annex 67)	13 526	-
9150 - Victims of Family Violence (Annex 69)	10 407	-
9275 - ISC - Health Branch - Pre-Natal Nutrition (Annex 70)	2 007	-
9303 - ISC - Health Branch - Support Services (Annex 73)	3 098	-
9450 - Mental Wellness Team (Annex 80)	40 413	-
2601 - Elders Construction (FNIF) (Annex 95)	-	9 104
2602 - Community Center Renovation (Annex 96)	-	14 837
4150 - Old School Demolition (Annex 97)	17 567	-
4235 - Ecocenter & Waste Management Project (Annex 98)	57 623	-
8750 - Wastewater (Annex 102)	50 169	104 185
2598 - Housing - Needs Assessment (Annex 124)	-	4 332
2599 - Housing - Infrastructure Master Plan Phase 1 (Annex 125)	-	53 466
3256 - Childcare (Annex 138)	116 502	296 500
9200 - Radio Station (Annex 139)	2 050	-
6107 - Eacom - Harmonization (Annex 149)	5 220	30 000
	1 851 780	553 241

8. ISC - Unexpended Funding

	2018	2017
	\$	\$
2360 - Post-Secondary (Annex 28)	284 703	-

9. Long-term debt

	2018	2017
	\$	\$
Loan, 1.11%, guaranteed by ISC, payable by monthly instalments of \$229, including interests, maturing in 2041 - Loan #16229619011	55 962	58 078
Loan, 3.97 %, guaranteed by ISC, payable by monthly instalments of \$680, including interests, maturing in 2033	91 454	95 260
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$1,717, including interests, maturing in 2030 - Loan #16229619008	217 499	235 520
Loan, 1.67 %, guaranteed by ISC, payable by monthly instalments of \$281, including interests, maturing in 2032 - Loan #16229619009	39 612	42 300
Loan, 1.67 %, guaranteed by ISC, payable by monthly instalments of \$562, including interests, maturing in 2032 - Loan #16229619010	79 224	84 600

9. Long-term debt (Continued)

	2018	2017
	\$	\$
Loan, 2.89 %, guaranteed by ISC, payable by monthly instalments of \$1,282, including interests, maturing in 2031	163 201	173 734
Loan, 4.94 %, guaranteed by ISC, payable by monthly instalments of \$680, including interests, maturing in 2023	33 936	40 206
Loans from Canada Mortgage and Housing Corporation (RRAP), no interest*	82 237	109 603
Loan, 4.69%, guaranteed by ISC, payable by monthly instalments of \$793, including interests, maturing in 2023	37 860	45 398
Loan, 1.92 %, guaranteed by ISC, payable by monthly instalments of \$575, including interests, maturing in 2023 - Loan #16229619004	30 802	37 052
Loan, 1.30 %, guaranteed by ISC, payable by monthly instalments of \$551, including interests, maturing in 2026 - Loan #16229619001	45 260	51 226
Loan, 1.12 %, guaranteed by ISC, payable by monthly instalments of \$468, including interests, maturing in 2030 - Loan #16229619002	62 179	67 068
Loan, 1.12 %, guaranteed by ISC, payable by monthly instalments of \$412, including interests, maturing in 2030 - Loan #16229619003	54 839	59 150
Loan, 1.14 %, guaranteed by ISC, payable by monthly instalments of \$722, including interests, maturing in 2032 - Loan #16229619005	105 892	113 305
Loan, 1.14 %, guaranteed by ISC, payable by monthly instalments of \$329, including interests, maturing in 2030 - Loan #16229619006	41 397	44 855
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$326, including interests, maturing in 2030 - Loan #16229619007	40 972	44 394
	1 182 326	1 301 749
Current portion of long-term debt	(125 750)	(122 047)
	1 056 576	1 179 702

9. Long-term debt (Continued)

Capital payments due within each of the next five years are as follows:
\$

2019	125 750
2020	125 712
2021	114 951
2022	106 816
2023	93 478

*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

	2018	2017
	\$	\$
Balance at beginning of year	307 941	283 301
Add : Current year addition	25 090	24 640
Add : Adjustment of reserved funds	450	-
Balance at end of year	333 481	307 941

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve fund - Article 95 is to be credited of \$25,090 (\$24,640 in 2017) 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.

11. Additional information relating to the statement of Cash Flows

	2018	2017
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	(1 088 952)	(1 330 218)
Prepaid expenses	15 291	15 018
Accounts payable and accrued liabilities	(1 176 855)	640 908
Due to ISC - Contribution projects (Note 6)	(77 872)	55 548
Due to ISC - Health Branch	9 143	15 008
Deferred revenue (Note 7)	1 298 539	453 802
ISC - Unexpended funding (Note 8)	284 703	-
	(736 003)	(149 934)
<i>Cash and cash equivalents</i>		
Cash	1 679 515	828 515
<i>Interests paid</i>	21 654	28 683

12. Accumulated Surplus

	2018	2017
	\$	\$
Net investment in Capital Assets	19 726 123	19 226 672
In-trust fund	91 601	89 696
Replacement reserve fund - Article 95	333 481	307 941
Reserve for fire equipment	155 145	148 197
Operating surplus fund - Article 95	106 980	101 376
Cumulative Operating Surplus (deficit)	880 940	(645 320)
	21 294 270	19 228 562

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 from 6.25 % to 8.5 % of the gross salary and the employer contributes 1.82 times the employee's contribution. For the nonnative 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 54,127 (\$45,567 in 2017).

14. Financial instruments

Credit facility (Bank loan)

An authorized amount of \$450,000, bearing interests at prime rate (3.45 % as at March 31, 2018) plus 2.25 % is available. The line of credit is renewable in August 2018 and guaranteed by a first ranking hypothec of \$450,000 on all the borrower's present and future claims and is payable on demand and fluctuates regularly. The line of credit is not used as of March 31, 2018.

Fair value of financial assets and liabilities

The fair value of cash, accounts receivable, restricted cash and deposits, accounts payable and accrued liabilities, due to ISC - Contribution projects and due to ISC - Health Branch 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, 2018, the net book value of all financial instruments corresponded approximately to their fair value with the exception of the following item:

Long-term debt	Net book value	Fair value
	\$	\$
	1 182 326	1 165 721

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 mainly 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.

15. Segment Disclosure

	Band Government		Administration	
	2018	2017	2018	2017
Revenues :				
Federal government transfers	6 476	8 139	983 902	579 879
Provincial government transfers	-	-	-	-
Other revenues	-	-	949 782	596 741
Total revenues	6 476	8 139	1 933 684	1 176 620
Expenses :				
Salaries and fringe benefits	6 341	4 216	310 186	313 983
Interests on long-term debt	-	-	-	-
Amortization	-	-	3 524	4 838
Other expenses	135	2 973	540 963	413 314
Total expenses	6 476	7 189	854 673	732 135
Annual surplus (deficit)	-	950	1 079 011	444 485

	Human Resources Development		Education	
	2018	2017	2018	2017
Revenues :				
Federal government transfers	448 347	401 333	5 409 016	9 674 298
Provincial government transfers	-	-	-	-
Other revenues	1 093	-	(1 475 826)	283 163
Total revenues	449 440	401 333	3 933 190	9 957 461
Expenses :				
Salaries and fringe benefits	373 545	279 154	1 950 288	1 562 168
Interests on long-term debt	-	-	-	-
Amortization	-	-	284 971	146 040
Other expenses	75 220	122 201	1 335 945	1 144 996
Total expenses	448 765	401 355	3 571 204	2 853 204
Annual surplus (deficit)	675	(22)	361 986	7 104 257

15. Segment Disclosure (Continued)

	Health		Public Works	
	2018	2017	2018	2017
Revenues :				
Federal government transfers	1 841 685	1 438 287	1 810 544	2 359 000
Provincial government transfers	15 000	235 646	-	-
Other revenues	(66 332)	56 450	(8 957)	(142 002)
Total revenues	1 790 353	1 730 383	1 801 587	2 216 998
Expenses :				
Salaries and fringe benefits	679 163	621 764	220 928	155 043
Interests on long-term debt	-	-	-	-
Amortization	36 930	40 069	230 685	228 276
Other expenses	1 130 903	991 782	804 290	1 479 464
Total expenses	1 846 996	1 653 615	1 255 903	1 862 783
Annual surplus (deficit)	(56 643)	76 768	545 684	354 215

	Public Security		Social Assistance	
	2018	2017	2018	2017
Revenues :				
Federal government transfers	52 559	52 559	1 311 155	1 523 407
Provincial government transfers	-	-	-	-
Other revenues	-	-	-	-
Total revenues	52 559	52 559	1 311 155	1 523 407
Expenses :				
Salaries and fringe benefits	-	-	36 889	96 317
Interests on long-term debt	-	-	-	-
Amortization	3 710	2 031	-	-
Other expenses	24 759	44 068	1 274 266	1 426 779
Total expenses	28 469	46 099	1 311 155	1 523 096
Annual surplus (deficit)	24 090	6 460	-	311

15. Segment Disclosure (Continued)

	Housing		Economic Development	
	2018	2017	2018	2017
Revenues :				
Federal government transfers	578 842	1 718 380	180 413	509 304
Provincial government transfers	-	-	55 816	13 875
Other revenues	443 080	272 028	184 148	(286 162)
Total revenues	1 021 922	1 990 408	420 377	237 017
Expenses :				
Salaries and fringe benefits	184 850	180 602	3 816	37 186
Interests on long-term debt	21 654	28 683	-	-
Amortization	208 271	176 361	1 262	1 577
Other expenses	691 917	481 316	338 519	198 001
Total expenses	1 106 692	866 962	343 597	236 764
Annual surplus (deficit)	(84 770)	1 123 446	76 780	253

	Other		Total	
	2018	2017	2018	2017
Revenues :				
Federal government transfers	39 493	76 162	12 662 432	18 340 748
Provincial government transfers	129 500	129 500	200 316	379 021
Other revenues	125 780	105 239	152 768	885 457
Total revenues	294 773	310 901	13 015 516	19 605 226
Expenses :				
Salaries and fringe benefits	109 595	111 266	3 875 601	3 361 699
Interests on long-term debt	-	-	21 654	28 683
Amortization	1 463	1 829	770 816	601 021
Other expenses	119 181	144 003	6 336 098	6 448 897
Total expenses	230 239	257 098	11 004 169	10 440 300
Annual surplus (deficit)	64 534	53 803	2 011 347	9 164 926

16. Expenses By Object

	2018	2017
	\$	\$
Salaries and fringe benefits	3 875 601	3 361 699
Accommodation and meals	35 023	44 428
Amortization	770 816	601 021
Administration fees	538 293	411 138
Allocation for Education	143 401	80 565
Allocation for Human Resources Development	-	14 657
Allocation for Social Assistance	1 226 378	1 307 824
Allocation for trappers	5 292	4 998
Bad debt	107 898	85 359
Contracts	432 135	873 072
Election expenses	8 764	8 125
Electricity	146 180	165 455
Honoraria	113 060	49 586
Insurances	110 727	107 395
Interests and bank charges	60 223	13 924
Interests on long-term debt	21 654	28 683
Maintenance	63 518	82 074
Material and supplies	995 393	807 147
Medical transportation	200 949	208 020
Membership fees	8 495	7 700
Professionnal fees	441 048	403 958
Purchase of fuel	64 197	72 174
Rental of equipment	71 640	153 585
Taxes	20 912	-
Telephone	86 201	97 749
Training	19 585	26 445
Transfer to Amo Ososwan School (SAT)	-	14 536
Transfer to Makwa Machinery inc. and Kuzzin store (SAT)	35 197	89 236
Transfer to Native Benefits Plan (NBP)	24 501	24 088
Transfer to Replacement reserve fund - Article 95	25 090	24 640
Travel expenses	297 948	250 949
Tuition fees	86 009	108 562
Workshops	288 460	200 969
Other expenses	113 467	56 412
Transfer to Algonquin Anishnabeg Nation Tribal Council	238 083	517 279
Transfer to Amosesag Childcare Center	328 031	136 848
	<u>11 004 169</u>	<u>10 440 300</u>

17. Expenses By Object - ISC Financial Reporting Requirements

	2018	2017
	\$	\$
Salaries and fringe benefits	3 900 721	3 569 803
Accommodation and meals	35 023	44 428
Amortization	770 816	601 021
Administration fees	541 869	518 038
Allocation for Education	143 401	80 565
Allocation for Human Resources Development	-	14 657
Allocation for Social Assistance	1 226 378	1 307 824
Allocation for trappers	5 292	4 998
Bad debt	107 898	85 359
Contracts	624 562	2 484 809
Election expenses	8 764	8 125
Electricity	146 180	165 455
Honoraria	113 060	49 736
Insurances	110 727	107 395
Interests and bank charges	60 223	13 924
Interests on long-term debt	21 654	28 683
Maintenance	63 518	82 074
Material and supplies	1 143 814	821 795
Medical transportation	200 949	208 020
Membership fees	8 495	7 700
Professional fees	509 533	414 031
Purchase of capital assets	518 298	79 315
Purchase of fuel	67 660	72 174
Reimbursement of capital on long-term debt	92 057	89 985
Rental of equipment	71 640	153 585
Taxes	21 534	-
Telephone	86 201	97 749
Training	19 585	26 445
Transfer to Amo Ososwan School (SAT)	-	14 536
Transfer to Makwa Machinery inc. and Kuzzin store (SAT)	35 197	89 236
Transfer to Native Benefits Plan (NBP)	24 501	24 088
Transfer to Replacement reserve fund - Article 95	25 090	24 640
Travel expenses	315 729	250 949
Tuition fees	86 009	108 562
Workshops	288 460	200 969
Other expenses	113 467	56 412
Transfer to Algonquin Anishnabeg Nation Tribal Council	388 083	7 179 361
Transfer to Amosesag Childcare Center	328 031	136 848
Transfer to Net Investment in Capital Assets	(1 128 193)	(8 693 009)
	11 096 226	10 530 285

18. 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 financial year.

19. Unappropriated deficit

The unappropriated deficit as at March 31, 2018 does not take into consideration possible modifications following the review and analysis of the present financial statements by ISC, ISC - Health Branch, FNEC and CMHC. Any adjustment resulting from these analysis will be recorded in the current year as an adjustment of funds balance. Precision: ISC 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 ISC's mode of financing "Set Contribution" cannot be deferred to following year since unused funds are normally recovered by ISC. Accordingly, if deferred revenue are recorded in any type of mode of financing, ISC may decide, when considering projects, if they accept or not.

20. Comparative figures

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