
Financial statements of
Long Point First Nation

March 31, 2019

Management's Statement of Responsibility	1
Independant auditor's report	2 - 4
Statement of Operations	5 - 6
Statement of Cumulative Operating Surplus	7
Statement of Net Investment in Capital Assets	8
Statement of Financial Position	9
Statement of Changes in Net Financial Assets	10
Statement of Cash Flows	11
Notes to the financial statements	12 - 26
Annex	27 - 186



Management's Statement of Responsibility

The financial statements of the Long Point First Nation as of March 31, 2019, 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 :



Signature and title
for Long Point First Nation

July 18, 2019

Independent Auditor's Report

To the Chief and Council of
Long Point First Nation

Opinion

We have audited the financial statements of Long Point First Nation (the "Organization"), which comprise the statements of financial position as at March 31, 2019 and the statements of operations, cumulative operation surplus, net investment in capital assets, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Organization for the year ended March 31, 2019 are prepared, in all material respects, in accordance with the Financial Reporting Provisions in the Indigenous Services Canada Reporting Guide.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization in complying with the Financial Reporting Provisions in the Indigenous Services Canada Financial Reporting Guide. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible of the financial statements in accordance with PSAS and Indigenous Services Canada Financial Reporting Guide, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

1

Deloitte LLP¹

July 18, 2019

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

Long Point First Nation
Statement of Operations
Year ended March 31, 2019

	2019	2018
	\$	\$
REVENUES		
ISC - Grant	541,960	681,451
ISC - Set Contribution	23,625	2,400,586
ISC - Fixed Contribution	8,279,101	5,964,796
ISC - Flexible Contribution	1,791,935	25,100
ISC - Unexpended Funding	(1,767,346)	(284,703)
ISC - Review letter	1,963	58,594
Recoverable deficit from (refundable surplus to) ISC	27,739	4,532
Administration fees	719,666	541,869
Canada Mortgage and Housing Corporation (CMHC)	195,850	179,742
Centre jeunesse de l'Abitibi-Témiscamingue	15,000	15,000
Contract with forestry companies	160,852	95,000
Contracts and rental	147,265	128,886
First Nations Education Council	1,391,403	1,530,112
First Nations Human Ressources Development (FNHRDCQ)	481,833	395,782
First Nations of Quebec and Labrador Health and Social Services Commission	113,030	146,902
ISC - Health Branch	1,954,724	1,593,662
ISC - Health Branch - Review letter	-	(34,124)
Interests revenue	36,113	3,240
Ministère de la Culture et des Communications	10,000	10,000
Ministère des Forêts, de la Faune et des Parcs (MFFP)	312,500	129,500
Rent revenue	265,519	261,516
Secrétariat aux affaires autochtones	204,935	45,816
Tax reimbursement	49,138	53,756
Other revenues	72,872	367,040
Withdrawal from replacement reserve	22,095	-
Deferred revenue from previous year	1,851,780	553,241
Deferred revenue to following year	(669,954)	(1,851,780)
	16,233,598	13,015,516

Long Point First Nation
Statement of Operations
Year ended March 31, 2019

	2019	2018
	\$	\$
EXPENSES		
Band Government	6,803	6,476
Administration	931,796	854,673
Human Resources Development	533,347	448,765
Education	4,111,648	3,571,204
Health	1,960,375	1,668,693
Public Works	2,877,208	1,434,206
Fire Protection	47,646	28,469
Social Assistance	1,174,659	1,311,155
Housing	791,899	1,106,692
Economic Development	380,285	343,597
Other	322,338	230,239
	<u>13,138,004</u>	<u>11,004,169</u>
	<u>3,095,594</u>	<u>2,011,347</u>
SURPLUS FOR THE YEAR		

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

CONCILIATION TO ISC FINANCIAL REPORTING REQUIREMENTS

Surplus for the year	3,095,594	2,011,347
Proceeds from long-term debt and RRAP	71,699	-
Reimbursement of long-term debt	(99,449)	(92,057)
Acquisition of capital assets	(3,802,271)	(1,128,193)
(Deficit) surplus under ISC Financial Reporting Requirements (1)	(734,427)	791,097

(1) The operating surplus before amortization and loss on disposal of capital assets is \$288,740 (surplus of \$1,561,913 in 2018)

Long Point First Nation
Statement of Cumulative Operating Surplus
Year ended March 31, 2019

	2019 \$	2018 \$
BALANCE AT BEGINNING OF YEAR	880,940	(645,320)
SURPLUS FOR THE YEAR	3,095,594	2,011,347
 TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS		
ACQUISITION OF CAPITAL ASSETS	(3,802,271)	(1,128,193)
AMORTIZATION AND OTHER	1,023,167	748,165
PROCEEDS FROM LONG-TERM DEBT	71,699	-
REIMBURSEMENT OF LONG-TERM DEBT	(99,449)	(92,057)
ADJUSTMENT OF RESERVED FUNDS - ARTICLE 95	(14,828)	(6,054)
ALLOCATION TO FIRE PROTECTION RESERVE	(9,966)	<u>(6,948)</u>
BALANCE AT END OF YEAR	<u>1,144,886</u>	<u>880,940</u>

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, 2019

	2019	2018
	\$	\$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	<u>19,726,123</u>	19,226,672
VARIATION OF NET INVESTMENT IN CAPITAL ASSETS		
Plus:		
Acquisition of capital assets	3,802,271	1,128,193
Reimbursement of long-term debt	99,449	92,057
Reimbursement of RRAP loans	31,054	27,366
	<u>3,932,774</u>	1,247,616
Less:		
Proceeds from long-term debt	71,699	-
Amortization of capital assets and other	1,023,167	748,165
	<u>1,094,866</u>	748,165
NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR	<u>22,564,031</u>	19,726,123

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

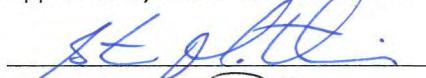
Long Point First Nation
Statement of Financial Position
as at March 31, 2019

	Notes	2019	2018
		\$	\$
FINANCIAL ASSETS			
Cash		2,316,484	1,679,515
Accounts receivable	3	3,042,304	3,460,618
Restricted cash and deposits	4	578,999	91,601
		5,937,787	5,231,734
LIABILITIES			
Bank loan	14	360,000	-
Accounts payable and accrued liabilities		1,072,911	1,536,627
Due to ISC - Contribution projects	6	11,043	64,174
Due to ISC - Health Branch		-	24,151
Deferred revenue	7	669,954	1,851,780
ISC - Unexpended funding	8	2,052,049	284,703
Long-term debt	9	1,123,522	1,182,326
		5,289,479	4,943,761
NET FINANCIAL ASSETS		648,308	287,973
NON-FINANCIAL ASSETS			
Prepaid expenses		92,060	97,848
Capital assets	5	23,687,553	20,908,449
		23,779,613	21,006,297
ACCUMULATED SURPLUS	12	24,427,921	21,294,270

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

Contingency (note 19)

Approved by the First Nation's Council

 , Council's Member
 , Council's Member

Long Point First Nation
Statement of Changes in Net Financial Assets
Year ended March 31, 2019

	2019	2018
	\$	\$
SURPLUS FOR THE YEAR	<u>3,095,594</u>	2,011,347
CHANGES IN CAPITAL ASSETS		
Acquisition of capital assets	(3,802,271)	(1,128,193)
Amortization of capital assets	866,904	770,816
Loss on disposal of capital assets	156,263	-
	<u>(2,779,104)</u>	(357,377)
CHANGES IN THE NON-OPERATIONAL SURPLUSES AND RESERVES		
Increase of surpluses and reserves	4,877	25,090
Increase of In-trust fund	2,126	1,905
Changes in other non-financial assets	5,788	15,291
Variation of RRAP loans	31,054	27,366
	<u>43,845</u>	69,652
CHANGES IN NET FINANCIAL ASSETS		
NET FINANCIAL ASSETS (NET DEBT) AT BEGINNING OF YEAR	<u>360,335</u>	1,723,622
NET FINANCIAL ASSETS AT END OF YEAR	<u>287,973</u>	(1,435,649)
	<u>648,308</u>	287,973

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

Long Point First Nation
Statement of Cash Flows
Year ended March 31, 2019

	Note	2019	2018
		\$	\$
Operating activities			
Surplus for the year		3,095,594	2,011,347
Items not affecting cash:			
Amortization of capital assets		866,904	770,816
Loss on disposal of capital assets		156,263	-
		4,118,761	2,782,163
Changes in non-cash operating working capital items	11	468,624	(736,003)
		4,587,385	2,046,160
Investing activities			
Acquisition of capital assets		(3,802,271)	(1,128,193)
Increase of restricted cash and deposits		(487,398)	(1,905)
		(4,289,669)	(1,130,098)
Financing activities			
Variation of bank loan		360,000	-
Increase of surpluses and reserves		4,877	25,090
Increase of In-trust fund		2,126	1,905
Proceeds from long-term debt		71,699	-
Reimbursement of long-term debt and RRAP loans		(130,503)	(119,423)
Increase of RRAP loan		31,054	27,366
		339,253	(65,062)
Net increase of cash and cash equivalents		636,969	851,000
Cash and cash equivalents, beginning of year		1,679,515	828,515
Cash and cash equivalents, end of year		2,316,484	1,679,515

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

Cash and cash equivalents consist of cash.

(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 the Financial Reporting Provisions in the Indigenous Services Canada Reporting Guide.

The financial statements differ from Canadian Public Sector accounting Standards by including a certain financial information not required by the Canadian public sector accounting standards. This information is presented in order to satisfy to Indigenous Services Canada (ISC) on pages 6, 8 and 27 to 186.

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.

Long Point First Nation
Notes to the financial statements
March 31, 2019

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. Keys 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

	2019	2018
	\$	\$
ISC receivable	1,723,934	2,331,532
CMHC receivable	111,292	70,331
Health Canada receivable	489,061	-
First Nations Education Council receivable	158,615	541,834
Rent receivable - Band housing and Article 95	1,755,411	1,664,708
FNHRDCQ receivable	114,191	18,013
MFFP receivable	178,253	32,375
Secrétariat aux affaires autochtones	82,158	47,414
Other accounts receivable	308,169	528,745
Allowance for doubtful accounts	4,921,084	5,234,952
	(1,878,780)	(1,774,334)
	3,042,304	3,460,618

Long Point First Nation
Notes to the financial statements
March 31, 2019

4. Restricted Cash And Deposits

	2019	2018
	\$	\$
In-Trust surplus	93,727	91,601
Reserved funds - Article 95 *	485,272	-
	578,999	91,601

* Under the agreement with CMHC, an annual amount for housing units must be invested for the replacement reserve in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then capital. The First Nation overfunded the combined minimal amounts to be invested in the Replacement reserve (\$338,358) and in the Operating surplus (\$121,808) by \$25,106. In 2018, no amount were invested in the Replacement reserve and in the Operating surplus funds.

5. Capital Assets

	Cost	Accumulated amortization	Net book value	2018 Net book value
	\$	\$	\$	\$
Private housing	9,161,791	2,779,257	6,382,534	3,384,620
Community and residential buildings	16,992,579	3,655,985	13,336,594	13,736,225
Equipment	1,993,227	1,560,106	433,121	333,497
Motorized equipment	2,317,235	1,649,970	667,265	570,891
Roadway system	2,523,735	1,090,290	1,433,445	1,470,200
Water and sanitation systems	2,803,600	1,369,006	1,434,594	1,413,016
	35,792,167	12,104,614	23,687,553	20,908,449

An amount of \$866,904 has been considered for depreciation (\$770,816 as at March 31, 2018).

6. Due to (from) ISC - Contribution projects

	2019	2018
	\$	\$
8769 - Municipal Services (2019)	(27,739)	-
2372 - SAT - Employment & Training (2018)	(84,393)	(84,393)
2370 - Basic Needs (2015)	-	15,378
2370 - Basic Needs (2017)	-	8,043
2370 - Basic Needs (2018)	112,818	112,819
2390 - Special Needs (2018)	12,320	12,320
2333 - Cultural Education Center (2017)	-	7
2600 - Radio Construction (FNIF) (2018)	(2,488)	-
2602 - Community Center Renovation (FNIF) (2018)	(269)	-
2686 - Reserve Creation Project (2018)	794	-
	11,043	64,174

Long Point First Nation
Notes to the financial statements
March 31, 2019

7. Deferred Revenue

	2019 \$	2018 \$
2285 - Construction of twin houses for teachers (Annex 46)	-	1,500,000
9004 - ISC - Health Branch - Clinic Repairs (Annex 52)	10,311	-
9070 - ISC - Health Branch - NNADAD (Annex 55)	13,456	-
9080 - ISC - Health Branch - Jordan's Principle Service Coordination (Annex 58)	227,302	33,198
9090 - ISC - Health Branch - Native Aboriginal Youth Suicide Prevention (Annex 59)	5,563	-
9125 - ISC - Health Branch - Traditional Healers (Annex 64)	12,309	13,526
9130 - ISC - Health Branch - Palliative Care (Annex 65)	4,199	-
9150 - Victims of Family Violence (Annex 66)	5,810	10,407
9275 - ISC - Health Branch - Pre-Natal Nutrition (Annex 67)	-	2,007
9303 - ISC - Health Branch - Support Services (Annex 70)	-	3,098
9305 - ISC - Health Branch - HIV/AIDS Strategy (Annex 71)	8,237	-
9400 - ISC - Health Branch - Brighter Futures (Annex 75)	2,556	-
9401 - ISC - Health Branch - Mental Health (Annex 76)	3,492	-
9450 - ISC - Health Branch - Mental Wellness Team (Annex 77)	22,082	40,413
9320 - ISC - Health Branch - Accreditation Services (Annex 80)	3,535	-
2602 - Community Center Renovation (FNIF) (Annex 94)	75,793	-
4150 - Old School Demolition (Annex 95)	-	17,567
4235 - Ecocenter & Waste Management Project (Annex 96)	-	57,623
8750 - Wastewater (Annex 100)	-	50,169
2572 - Housing and Community Buildings Renovation (Annex 116)	13,516	-
2620 - Renovation - 210 Pawatig (Annex 129)	3,903	-
2552 - Québec en forme (Annex 138)	27,038	-
3256 - Childcare (Annex 140)	-	116,502
9200 - Radio Station (Annex 141)	-	2,050
6107 - Eacom - Harmonization (Annex 151)	-	5,220
6108 - MFFP - Sylvicultural work (Annex 154)	120,000	-
6109 - MFFP - PRAU (Annex 155)	50,000	-
6400 - EACOM - PRAU (Annex 156)	60,852	-
	669,954	1,851,780

Long Point First Nation
Notes to the financial statements
March 31, 2019

8. ISC - Unexpended Funding

	2019	2018
	\$	\$
1844 - Financial Management Governance Capacity Development (Annex 7)	83,790	-
2106 - Administration - Instructional Service (Annex 17)	6,600	-
2360 - Post-Secondary (Annex 28)	324,900	284,703
9050 - First Line Services (Annex 53)	152,602	-
2491 - Minor Projects - Equipment (Annex 83)	62,792	-
2540 - Operation & Maintenance - School (Annex 91)	138,874	-
4150 - Old School Demolition (Annex 95)	275,265	-
4235 - Ecocenter & waste Management Project (Annex 96)	385,185	-
8750- Wastewater (Annex 100)	102,024	-
2370 - Basic Needs (Annex 111)	367,803	-
2372 - SAT - Employment & Training (Annex 112)	(104,276)	-
2390 - Special Needs (Annex 113)	22,696	-
2580 - Housing Maintenance Plan (Annex 119)	34,500	-
2599 - Housing - Infrastructure Master Plan Phase 1 (Annex 126)	76,866	-
2590 - Housing Policy Review (Annex 127)	38,067	-
2610 - Construction Multiplex (Annex 128)	84,361	-
	<u>2,052,049</u>	<u>284,703</u>

9. Long-term debt

	2019	2018
	\$	\$
Loan, 1.11 %, guaranteed by ISC, payable by monthly instalments of \$229, including interests, maturing in 2041 - Loan #16229619011	53,823	55,962
Loan, 3.97 %, guaranteed by ISC, payable by monthly instalments of \$680, including interests, maturing in 2033	86,042	91,454
Loan, 1.14 %, guaranteed by ISC, payable by monthly instalments of \$1,717, including interests, maturing in 2030 - Loan #16229619008	199,272	217,499
Loan, 2.48 %, guaranteed by ISC, payable by monthly instalments of \$295, including interests, maturing in 2032 - Loan #16229619009	36,958	39,612
Loan, 2.48 %, guaranteed by ISC, payable by monthly instalments of \$590, including interests, maturing in 2032 - Loan #16229619010	73,915	79,224
Loan, 2.89 %, guaranteed by ISC, payable by monthly instalments of \$1,282, including interests, maturing in 2031	152,362	163,201
Loan, 4.94 %, guaranteed by ISC, payable by monthly instalments of \$680, including interests, maturing in 2023	27,306	33,936
Loans from Canada Mortgage and Housing Corporation (RRAP), no interest*	71,183	82,237

Long Point First Nation
Notes to the financial statements
March 31, 2019

9. Long-term debt (Continued)

	2019 \$	2018 \$
Loan, 4.69%, guaranteed by ISC, payable by monthly instalments of \$793, including interests, maturing in 2023	29,961	37,860
Loan, 1.92 %, guaranteed by ISC, payable by monthly instalments of \$575, including interests, maturing in 2023 - Loan #16229619004	24,431	30,802
Loan, 1.30 %, guaranteed by ISC, payable by monthly instalments of \$551, including interests, maturing in 2026 - Loan #16229619001	39,194	45,260
Loan, 1.12 %, guaranteed by ISC, payable by monthly instalments of \$468, including interests, maturing in 2030 - Loan #16229619002	57,236	62,179
Loan, 1.12 %, guaranteed by ISC, payable by monthly instalments of \$412, including interests, maturing in 2030 - Loan #16229619003	50,480	54,839
Loan, 1.14 %, guaranteed by ISC, payable by monthly instalments of \$722, including interests, maturing in 2032 - Loan #16229619005	98,394	105,892
Loan, 1.14 %, guaranteed by ISC, payable by monthly instalments of \$329, including interests, maturing in 2030 - Loan #16229619006	37,900	41,397
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$326, including interests, maturing in 2030 - Loan #16229619007	37,511	40,972
Loan, 7.49 %, guaranteed by a motorized equipment with a net book value of \$ 57,851, payable by monthly instalments of \$894, including interests, maturing in 2024	47,554	-
Current portion of long-term debt	1,123,522 (133,066) 990,456	1,182,326 (125,750) 1,056,576

Long Point First Nation
Notes to the financial statements
March 31, 2019

9. Long-term debt (Continued)

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

	\$
2020	133,066
2021	129,842
2022	120,771
2023	108,871
2024	90,234

*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

	2019 \$	2018 \$
Balance at beginning of year	333,481	307,941
Add : Current year addition	25,090	25,090
Add : Adjustment of reserved funds	-	450
Add : Interests earned	1,882	-
Less : Withdrawal from replacement reserve	(22,095)	-
Balance at end of year	338,358	333,481

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 (\$25,090 in 2018) 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
March 31, 2019

11. Additional information relating to the statement of Cash Flows

	2019	2018
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	418,314	(1,088,952)
Prepaid expenses	5,788	15,291
Accounts payable and accrued liabilities	(463,716)	(1,176,855)
Due to ISC - Contribution projects (Note 6)	(53,131)	(77,872)
Due to ISC - Health Branch	(24,151)	9,143
Deferred revenue (Note 7)	(1,181,826)	1,298,539
ISC - Unexpended funding (Note 8)	1,767,346	284,703
	468,624	(736,003)

Cash and cash equivalents

Cash	2,316,484	1,679,515
Interests paid	23,760	21,654

12. Accumulated Surplus

	2019	2018
	\$	\$
<i>Net investment in Capital Assets</i>		
In-trust fund	22,564,031	19,726,123
Replacement reserve fund - Article 95	93,727	91,601
Reserve for fire equipment	338,358	333,481
Operating surplus fund - Article 95	165,111	155,145
Cumulative Operating Surplus	121,808	106,980
	1,144,886	880,940
	24,427,921	21,294,270

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 \$220,185 (\$54,127 in 2018).

14. Financial instruments

Credit facility (Bank loan)

An authorized amount of \$450,000, bearing interests at prime rate (3.95 % as at March 31, 2019) plus 2.25 % is available. The line of credit is renewable in August 2019 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. An amount of \$360,000 is used as of March 31, 2019.

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, 2019, 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
	\$	\$
1 123 522		1 131 769

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.

Interest 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.

Long Point First Nation
Notes to the financial statements
March 31, 2019

15. Segment Disclosure

	Band Government		Administration	
	2019	2018	2019	2018
Revenues :				
Federal government transfers	6,803	6,476	771,221	983,902
Provincial government transfers	-	-	-	-
Other revenues	-	-	850,204	949,782
Total revenues	6,803	6,476	1,621,425	1,933,684

	Band Government		Administration	
	2019	2018	2019	2018
Expenses :				
Salaries and fringe benefits	6,301	6,341	510,999	310,186
Interest on long-term debt	-	-	-	-
Amortization	-	-	7,089	3,524
Other expenses	502	135	413,708	540,963
Total expenses	6,803	6,476	931,796	854,673
Annual surplus (deficit)	-	-	689,629	1,079,011

	Human Resources		Education	
	Development	Education	2019	2018
Revenues :				
Federal government transfers	533,347	448,347	4,365,766	5,409,016
Provincial government transfers	-	-	-	-
Other revenues	-	1,093	1,523,358	(1,475,826)
Total revenues	533,347	449,440	5,889,124	3,933,190

	Human Resources		Education	
	Development	Education	2019	2018
Expenses :				
Salaries and fringe benefits	426,064	373,545	2,367,054	1,950,288
Interest on long-term debt	-	-	-	-
Amortization	-	-	297,780	284,971
Other expenses	107,283	75,220	1,446,814	1,335,945
Total expenses	533,347	448,765	4,111,648	3,571,204
Annual surplus (deficit)	-	675	1,777,476	361,986

Long Point First Nation
Notes to the financial statements
March 31, 2019

15. Segment Disclosure (Continued)

	Health		Public Works	
	2019	2018	2019	2018
Revenues :				
Federal government transfers	2,197,325	1,663,382	2,355,318	1,988,847
Provincial government transfers	15,000	15,000	139,935	-
Other revenues	(215,203)	(66,332)	64,889	(8,957)
Total revenues	1,997,122	1,612,050	2,560,142	1,979,890

	Health		Public Works	
	2019	2018	2019	2018
Expenses :				
Salaries and fringe benefits	646,525	578,656	436,416	321,435
Interests on long-term debt	-	-	2,110	-
Amortization	37,843	36,930	233,179	230,685
Other expenses	1,276,007	1,053,107	2,205,503	882,086
Total expenses	1,960,375	1,668,693	2,877,208	1,434,206
Annual surplus (deficit)	36,747	(56,643)	(317,066)	545,684

	Fire Protection		Social Assistance	
	2019	2018	2019	2018
Revenues :				
Federal government transfers	52,559	52,559	1,174,659	1,311,155
Provincial government transfers	-	-	-	-
Other revenues	-	-	-	-
Total revenues	52,559	52,559	1,174,659	1,311,155
Expenses :				
Salaries and fringe benefits	-	-	35,140	36,889
Interests on long-term debt	-	-	-	-
Amortization	5,053	3,710	-	-
Other expenses	42,593	24,759	1,139,519	1,274,266
Total expenses	47,646	28,469	1,174,659	1,311,155
Annual surplus (deficit)	4,913	24,090	-	-

Long Point First Nation
Notes to the financial statements
March 31, 2019

15. Segment Disclosure (Continued)

	Housing		Economic Development	
	2019	2018	2019	2018
Revenues :				
Federal government transfers	1,388,082	578,842	167,031	180,413
Provincial government transfers	-	-	75,000	55,816
Other revenues	345,339	443,080	96,614	184,148
Total revenues	1,733,421	1,021,922	338,645	420,377

	Housing		Economic Development	
	2019	2018	2019	2018
Expenses :				
Salaries and fringe benefits	164,026	184,850	75,389	3,816
Interest on long-term debt	21,650	21,654	-	-
Amortization	283,780	208,271	1,009	1,262
Other expenses	322,443	691,917	303,887	338,519
Total expenses	791,899	1,106,692	380,285	343,597
Annual surplus (deficit)	941,522	(84,770)	(41,640)	76,780

	Other		Total	
	2019	2018	2019	2018
Revenues :				
Federal government transfers	23,706	39,493	13,035,817	12,662,432
Provincial government transfers	312,500	129,500	542,435	200,316
Other revenues	(9,855)	125,780	2,655,346	152,768
Total revenues	326,351	294,773	16,233,598	13,015,516

	Other		Total	
	2019	2018	2019	2018
Expenses :				
Salaries and fringe benefits	132,171	109,595	4,800,085	3,875,601
Interest on long-term debt	-	-	23,760	21,654
Amortization	1,171	1,463	866,904	770,816
Other expenses	188,996	119,181	7,447,255	6,336,098
Total expenses	322,338	230,239	13,138,004	11,004,169
Annual surplus (deficit)	4,013	64,534	3,095,594	2,011,347

Long Point First Nation
Notes to the financial statements
March 31, 2019

16. Expenses By Object

	2019	2018
	\$	\$
Salaries and fringe benefits	4,800,085	3,875,601
Accommodation and meals	35,713	35,023
Amortization	866,904	770,816
Administration fees	655,594	538,293
Allocation for Education	194,334	143,401
Allocation for Human Resources Development	137	-
Allocation for Social Assistance	1,107,232	1,226,378
Allocation for trappers	5,292	5,292
Bad debt	104,447	107,898
Contracts	1,572,734	432,135
Election expenses	-	8,764
Electricity	154,840	146,180
Honoraria	82,249	113,060
Insurances	95,676	110,727
Interests and bank charges	11,803	60,223
Interests on long-term debt	23,760	21,654
License and permits	24,443	20,912
Maintenance	61,429	63,519
Material and supplies	724,714	995,392
Medical transportation	222,469	200,949
Membership fees	1,000	8,495
Professional fees	485,964	441,048
Purchase of fuel	79,059	64,197
Rental of equipment	81,553	71,640
Telephone	79,295	86,201
Training	86,160	19,585
Transfer to Makwa Machinery inc. and Kuzzin store (SAT)	10,887	35,197
Transfer to Native Benefits Plan (NBP)	24,937	24,501
Transfer to Replacement reserve fund - Article 95	25,090	25,090
Travel expenses	405,339	297,948
Tuition fees	164,960	86,009
Workshops	323,412	288,460
Other expenses	144,001	113,467
Transfer to Algonquin Anishnabeg Nation Tribal Council	60,000	238,083
Transfer to Amosesag Childcare Center	266,229	328,031
Loss on disposal of capital assets	156,263	-
	<u>13,138,004</u>	11,004,169

Long Point First Nation
Notes to the financial statements
March 31, 2019

17. Expenses By Object - ISC Financial Reporting Requirements

	2019	2018
	\$	\$
Salaries and fringe benefits	5,097,188	3,900,721
Accommodation and meals	35,713	35,023
Amortization	866,904	770,816
Administration fees	719,666	541,869
Allocation for Education	194,334	143,401
Allocation for Human Resources Development	137	-
Allocation for Social Assistance	1,107,232	1,226,378
Allocation for trappers	5,292	5,292
Bad debt	104,447	107,898
Contracts	4,326,336	624,562
Election expenses	-	8,764
Electricity	154,840	146,180
Honoraria	82,249	113,060
Insurances	95,676	110,727
Interests and bank charges	11,803	60,223
Interests on long-term debt	23,760	21,654
License and permits	24,443	21,534
Maintenance	61,429	63,518
Material and supplies	956,305	1,143,813
Medical transportation	222,469	200,949
Membership fees	1,000	8,495
Professional fees	485,964	509,533
Purchase of capital assets	452,095	518,298
Purchase of fuel	81,970	67,660
Reimbursement of capital on long-term debt	99,449	92,058
Rental of equipment	81,553	71,640
Telephone	79,295	86,201
Training	86,160	19,585
Transfer to Makwa Machinery inc. and Kuzzin store (SAT)	10,887	35,197
Transfer to Native Benefits Plan (NBP)	24,937	24,501
Transfer to Replacement reserve fund - Article 95	25,090	25,090
Travel expenses	406,236	315,729
Tuition fees	164,960	86,009
Workshops	323,412	288,460
Other expenses	144,001	113,467
Transfer to Algonquin Anishnabeg Nation Tribal Council	60,000	388,083
Transfer to Amosesag Childcare Center	266,229	328,031
Transfer to Net Investment in Capital Assets	(3,802,271)	(1,128,193)
Loss on disposal of capital assets	156,263	-
	<u>13,237,453</u>	<u>11,096,226</u>

18. Unappropriated deficit

The unappropriated deficit as at March 31, 2019 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". Accordingly, if deferred revenue are recorded in any type of mode of financing, ISC will decide, when considering projects, if they accept or not.

19. Contingency

Last year, a lawsuit was brought against the First Nation by a person who's employment contract was not renewed. The First Nation would dispute this claim. Even if management believe that no amount will have to be paid, it is currently impossible to assess the outcome of the dispute and the amounts involved. No provision has been made in the financial statements.

20. Comparative figures

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