
Financial statements of
Long Point First Nation

March 31, 2020

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Management's Statement of Responsibility

The financial statements of the Long Point First Nation as of March 31, 2020, 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 the Financial Reporting Provisions in the Indigenous Services Canada Reporting Guide 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 are ultimately responsible for reviewing and approving the financial statements.

The Chief and Council meet periodically with management, as well as the external auditor, 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 auditor, Deloitte LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the financial statements. The external auditor has full and free access to financial management of Long Point First Nation and meets when required.

On behalf of Long Point First Nation:



Signature and title
for Long Point First Nation

October 7, 2020



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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 statement of financial position as at March 31, 2020, and the statements of operations, cumulative operating 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 present fairly, in all material respects, the financial position of the Organization for the year ended March 31, 2020, and the results of its operations, cumulative operating surplus, net investment in capital assets, changes in net debt and cash flows for the year then ended 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 for the preparation and fair presentation of the financial statements in accordance with *Financial Reporting Provisions in the 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Long Point First Nation
Statement of operations
Year ended March 31, 2020

	2020	2019
	\$	\$
REVENUES		
Indigenous Services Canada (ISC) – Grant	531,182	541,960
ISC – Set contribution	-	23,625
ISC – Fixed contribution	6,559,619	8,279,101
ISC – Flexible contribution	1,431,343	1,791,935
ISC – Review letter	17,445	1,963
Recoverable deficit from (refundable surplus to) ISC	49,226	27,739
Administration fees	794,718	719,666
Canada Mortgage and Housing Corporation (CMHC)	140,766	195,850
Canadian Malartic Mine	2,062,500	-
Centre jeunesse de l'Abitibi-Témiscamingue	15,000	15,000
Contract with forestry companies	615,743	160,852
Contracts and rental	142,031	147,265
First Nations Education Council	1,864,609	1,391,403
First Nations Human Resources Development (FNHRDCQ)	446,152	481,833
First Nations of Quebec and Labrador Health and Social Services Commission	135,324	113,030
ISC – Health Branch	2,440,973	1,954,724
Interest revenue	26,993	36,113
Ministère de la Culture et des Communications	10,000	10,000
Ministère des Forêts, de la Faune et des Parcs (MFFP)	193,000	312,500
Rent revenue	323,977	265,519
Secrétariat aux affaires autochtones	71,980	204,935
Tax reimbursement	-	49,137
Other revenues	53,955	72,873
Withdrawal from replacement reserve	122,924	22,095
Deferred revenue from previous year	669,954	1,851,780
Deferred revenue to following year	(482,852)	(669,954)
ISC – Unexpended contribution from previous year	2,052,049	284,703
ISC – Unexpended contribution to following year	(3,064,155)	(2,052,049)
	17,224,456	16,233,598

Long Point First Nation
Statement of operations
Year ended March 31, 2020

	2020	2019
	\$	\$
EXPENSES		
Band government	6,427	6,803
Administration	1,043,863	931,796
Human resources development	495,143	533,347
Education	4,413,432	4,111,648
Health	3,005,775	1,960,375
Public works	1,739,098	2,877,208
Fire protection	30,241	47,646
Social assistance	1,230,243	1,174,659
Housing	1,390,896	791,899
Economic development	198,288	380,285
Natural resources and others	862,237	322,338
	14,415,643	13,138,004
SURPLUS FOR THE YEAR	2,808,813	3,095,594

CONCILIATION TO ISC FINANCIAL REPORTING REQUIREMENTS

Surplus for the year	2,808,813	3,095,594
Proceeds from long-term debt and Residential Rehabilitation Assistance Program On-Reserve (RRAP)	25,350	71,699
Reimbursement of long-term debt	(103,985)	(99,449)
Acquisition of capital assets	(2,155,277)	(3,802,271)
Proceeds from disposal of capital assets	25,000	-
Surplus (deficit) under ISC financial reporting requirements(1)	599,901	(734,427)

(1) The operating surplus under ISC financial reporting requirements before amortization and loss on disposal of capital assets is \$1,653,187 (surplus of \$288,740 in 2019).

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

Long Point First Nation
Statement of cumulative operating surplus
Year ended March 31, 2020

	2020 \$	2019 \$
BALANCE AT BEGINNING OF YEAR	1,144,886	880,940
SURPLUS FOR THE YEAR	2,808,813	3,095,594
TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS		
ACQUISITION OF CAPITAL ASSETS	(2,155,277)	(3,802,271)
PROCEEDS FROM DISPOSAL OF CAPITAL ASSETS	25,000	-
AMORTIZATION OF CAPITAL ASSETS AND OTHER	1,053,286	1,023,167
PROCEEDS FROM LONG-TERM DEBT	25,350	71,699
REIMBURSEMENT OF LONG-TERM DEBT	(103,985)	(99,449)
ADJUSTMENT OF RESERVED FUNDS – ARTICLE 95	(6,321)	(14,828)
ALLOCATION TO FIRE PROTECTION RESERVE	(24,965)	(9,966)
BALANCE AT END OF YEAR	2,766,787	1,144,886

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

Long Point First Nation
Statement of net investment in capital assets
Year ended March 31, 2020

	2020 \$	2019 \$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	<u>22,564,031</u>	19,726,123
VARIATION OF NET INVESTMENT IN CAPITAL ASSETS		
Plus:		
Acquisition of capital assets	2,155,277	3,802,271
Reimbursement of long-term debt	103,985	99,449
Reimbursement of RRAP loans	29,121	31,054
	<u>2,288,383</u>	3,932,774
Less:		
Proceeds from long-term debt	25,350	71,699
Proceeds from disposal of capital assets	25,000	-
Loss on disposal of capital assets	51,202	156,263
Amortization of capital assets	1,002,084	866,904
	<u>1,103,636</u>	1,094,866
NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR	<u>23,748,778</u>	22,564,031

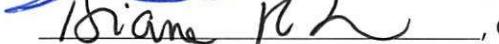
The accompanying notes and schedules are an integral part of the financial statements.

Long Point First Nation
Statement of financial position
As at March 31, 2020

	Notes	2020	2019
		\$	\$
FINANCIAL ASSETS			
Cash		3,640,643	2,316,484
Accounts receivable	3	3,901,931	3,042,304
Restricted cash and deposits	4	444,607	578,999
		7,987,181	5,937,787
LIABILITIES			
Bank loan	14	-	360,000
Accounts payable and accrued liabilities		1,118,129	1,072,911
Due to ISC – Contribution projects	6	-	11,043
Deferred revenue	7	482,852	669,954
ISC – Unexpended funding	8	3,064,155	2,052,049
Long-term debt	9	1,015,766	1,123,522
		5,680,902	5,289,479
NET FINANCIAL ASSETS		2,306,279	648,308
NON-FINANCIAL ASSETS			
Prepaid expenses		100,784	92,060
Capital assets	5	24,764,544	23,687,553
		24,865,328	23,779,613
ACCUMULATED SURPLUS	12	27,171,607	24,427,921

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

Approved by the First Nation's Council


Diane R. L. Council's Member

, Council's Member

Long Point First Nation
Statement of changes in net financial assets
Year ended March 31, 2020

	2020 \$	2019 \$
SURPLUS FOR THE YEAR	<u>2,808,813</u>	3,095,594
CHANGES IN CAPITAL ASSETS		
Acquisition of capital assets	(2,155,277)	(3,802,271)
Amortization of capital assets	1,002,084	866,904
Loss and proceeds from disposal of capital assets	76,202	156,263
	<u>(1,076,991)</u>	(2,779,104)
CHANGES IN NON-OPERATIONAL SURPLUSES AND RESERVES		
Variation of surpluses and reserves	(96,088)	4,877
Increase in in-trust fund	1,840	2,126
Changes in other non-financial assets	(8,724)	5,788
Variation of RRAP loans	29,121	31,054
	<u>(73,851)</u>	43,845
CHANGES IN NET FINANCIAL ASSETS		
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	1,657,971	360,335
NET FINANCIAL ASSETS AT END OF YEAR	<u>648,308</u>	287,973
	<u>2,306,279</u>	648,308

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

Long Point First Nation
Statement of cash flows
Year ended March 31, 2020

	2020	2019
Notes	\$	\$
Operating activities		
Surplus for the year	2,808,813	3,095,594
Items not affecting cash		
Amortization of capital assets	1,002,084	866,904
Loss on disposal of capital assets	51,202	156,263
	3,862,099	4,118,761
Changes in non-cash operating working capital items	11 (9,172)	468,624
	3,852,927	4,587,385
Investing activities		
Acquisition of capital assets	(2,155,277)	(3,802,271)
Increase in restricted cash and deposits	134,392	(487,398)
Proceeds on disposal of capital assets	25,000	-
	(1,995,885)	(4,289,669)
Financing activities		
Variation of bank loan	(360,000)	360,000
Variation of surpluses and reserves	(96,088)	4,877
Increase in in-trust fund	1,840	2,126
Proceeds from long-term debt	25,350	71,699
Reimbursement of long-term debt and RRAP loans	(133,106)	(130,503)
RRAP loan instalments remission	29,121	31,054
	(532,883)	339,253
Net increase in cash and cash equivalents	1,324,159	636,969
Cash and cash equivalents, beginning of year	2,316,484	1,679,515
Cash and cash equivalents, end of year	3,640,643	2,316,484

See additional information presented in Note 11.

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

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 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 5, 7 and 25 to 197.

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

Capital assets are 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 and 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 the disposal of capital assets and the related revenues

Proceeds from the disposal of capital assets and from assets held for sale are recorded in the net investment in capital assets.

Revenue 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 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 contingent assets and liabilities 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, the unexpended funding and liabilities under legal contingencies. Actual results could differ from these 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

	2020	2019
	\$	\$
ISC receivable	1,419,674	1,723,934
CMHC receivable	137,238	111,292
ISC – Health Branch receivable	162,891	489,061
First Nations Education Council receivable	252,570	158,615
Rent receivable – Band housing and Article 95	1,859,409	1,755,411
FNHRDCQ receivable	36,116	114,191
MFFP receivable	241,503	178,253
Secrétariat aux affaires autochtones	114,740	82,158
Mining companies	1,001,958	-
Other accounts receivable	671,772	308,169
	5,897,871	4,921,084
Allowance for doubtful accounts	(1,995,940)	(1,878,780)
	3,901,931	3,042,304

4. Restricted cash and deposits

	2020 \$	2019 \$
In-trust surplus	95,567	93,727
Reserved funds – Article 95*	349,040	485,272
	444,607	578,999

* 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 underfunded the combined minimal amounts to be invested in the replacement reserve (\$242,270) and in the operating reserve (\$128,129) by \$21,359. In 2019, the First Nation overfunded the replacement reserve and the operating reserve by \$25,106.

5. Capital assets

	Cost \$	Accumulated amortization \$	2020 Net book value \$	2019 Net book value \$
Private housing	9,246,152	3,148,120	6,098,032	6,382,534
Community and residential buildings	17,170,920	3,991,629	13,179,291	13,336,594
Equipment	2,082,887	1,660,902	421,985	433,121
Motorized equipment	2,709,276	1,639,317	1,069,959	667,265
Roadway system	3,737,917	1,141,369	2,596,548	1,433,445
Water and sanitation systems	2,803,600	1,404,871	1,398,729	1,434,594
	37,750,752	12,986,208	24,764,544	23,687,553

An amount of \$1,002,084 has been considered for depreciation (\$866,904 as at March 31, 2019).

6. Due to (from) ISC – Contribution projects

	2020 \$	2019 \$
8769 – Municipal Services (2019)	-	(27,739)
2372 – SAT – Employment & Training (2018)	-	(84,393)
2370 – Basic Needs (2018)	-	112,818
2390 – Special Needs (2018)	-	12,320
2600 – Radio Construction (FNIF) (2018)	-	(2,488)
2602 – Community Center Renovation (FNIF) (2018)	-	(269)
2686 – Reserve Creation Project (2018)	-	794
	-	11,043

7. Deferred revenue

	2020 \$	2019 \$
3030 – Anti-Bullying Campaign (Fondation Jasmin Roy) (Schedule 48)	19,980	-
2430 – Family Violence (Schedule 55)	21,901	-
9004 – ISC – Health Branch – Clinic Repairs (Schedule 59)	27,524	10,311
9070 – ISC – Health Branch – NNADAP (Schedule 62)	-	13,456
9080 – ISC – Health Branch – Jordan's Principle Service Coordination (Schedule 65)	28,566	227,302
9090 – ISC – Health Branch – Native Aboriginal Youth Suicide Prevention (Schedule 66)	-	5,563
9100 – ISC – Health Branch – CHR (Schedule 67)	5,048	-
9105 – ISC – Health Branch – Home & Community Care (Schedule 68)	34,553	-
9107 – ISC – Health Branch – Food Security (Schedule 70)	10,384	-
9125 – ISC – Health Branch – Traditional Healers (Schedule 71)	7,663	12,309
9130 – ISC – Health Branch – Palliative Care (Schedule 72)	2,716	4,199
9135 – Communication Health Promo & Injury/Illness (Schedule 73)	1,244	-
9150 – Victims of Family Violence (Schedule 74)	4,825	5,810
9305 – ISC – Health Branch – HIV/AIDS Strategy (Schedule 79)	19,307	8,237
9306 – Tobacco Control Strategy (Schedule 80)	11,047	-
9400 – ISC – Health Branch – Brighter Futures (Schedule 85)	2,984	2,556
9401 – ISC – Health Branch – Mental Health (Schedule 86)	-	3,492
9450 – ISC – Health Branch – Mental Wellness Team (Schedule 87)	5,853	22,082
9475 – ISC – Health Branch – Emerging Technologies (Schedule 88)	14,171	-
9501 – ISC – Health Branch – Suicide Prevention (Schedule 89)	21,544	-
9310 – ISC – Health Branch – Tuberculosis Control (Schedule 90)	1,869	-
9320 – ISC – Health Branch – Accreditation Services (Schedule 91)	-	3,535
2602 – Community Center Renovation (FNIF) (Schedule 104)	62,084	75,793
2572 – CMHC RRAP - Housing and Community Buildings Renovation (Schedule 126)	19,992	13,516
2620 – Renovations – Article 95 Houses (Schedule 137)	-	3,903
2552 – Québec en forme (Schedule 146)	41,053	27,038
6107 – Eacom – Harmonization (Schedule 158)	24,450	-
6108 – MFFP – Sylvicultural work (Schedule 161)	-	120,000
6109 – MFFP – PRAU (Schedule 162)	94,094	50,000
6400 – EACOM – PRAU (Schedule 163)	-	60,852
	482,852	669,954

8. ISC – Unexpended funding

	2020 \$	2019 \$
1844 – Financial Management Governance Capacity Development (Schedule 7)	72,816	83,790
1845 – Human Resources Management Governance Capacity Development (Schedule 8)	7,542	-
1846 – Rights & Self-Determination Discussion (Schedule 9)	159,092	-
2106 – Administration – Instructional Service (Schedule 18)	-	6,600
2280 – Amo Ososwan School Operation (Schedule 20)	453,061	-
2290 – Tuition Agreements – Provincial (Schedule 21)	47,114	-
2312 – Student Accommodation (Schedule 23)	2,563	-
2314 – Financial Assistance Allowance (Schedule 25)	4,046	-
2360 – Post-Secondary (Schedule 30)	294,826	324,900
3035 – Amo K4-K5 Transition (Schedule 49)	22,805	-
2285 – Rental and Construction of Twin Houses for Teachers (Schedule 52)	83,935	-
9050 – First Line Services (Schedule 60)	214,410	152,602
2491 – Minor Projects – Equipment (Schedule 94)	-	62,792
2540 – Operation & Maintenance – School (Schedule 102)	188,562	138,874
4150 – Old School Demolition (Schedule 106)	250,207	275,265
4235 – Ecocenter & Waste Management Project (Schedule 107)	102,756	385,185
8750 – Wastewater (Schedule 110)	511,472	102,024
2511 – Fire Protection – Operations (Schedule 117)	1,395	-
2370 – Basic Needs (Schedule 121)	575,577	367,803
2372 – SAT – Employment & Training (Schedule 122)	(169,933)	(104,276)
2390 – Special Needs (Schedule 123)	41,128	22,696
2573 – Major Renovations, Extensions & Repairs (Schedule 127)	123,983	-
2580 – Housing Maintenance Plan (Schedule 129)	34,500	34,500
2599 – Housing – Infrastructure Master Plan Phase 1 (Schedule 134)	4,390	76,866
2590 – Housing Policy Review (Schedule 135)	10,668	38,067
2610 – Construction Multiplex (Schedule 136)	-	84,361
2580 – CEDO – Planning & Operations (Schedule 147)	27,240	-
	<u>3,064,155</u>	2,052,049

Long Point First Nation
Notes to the financial statements
March 31, 2020

9. Long-term debt

	2020 \$	2019 \$
Loan, 1.11%, guaranteed by ISC, payable by monthly instalments of \$229, including interest, maturing in 2042 – Loan No. 16229619011	51,660	53,823
Loan, 3.97%, guaranteed by ISC, payable by monthly instalments of \$680, including interest, maturing in 2033	81,206	86,042
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$1,717, including interest, maturing in 2030 – Loan No. 16229619008	180,841	199,272
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$295, including interest, maturing in 2032 – Loan No. 16229619009	34,301	36,958
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$590, including interest, maturing in 2032 – Loan No. 16229619010	68,602	73,915
Loan, 2.89%, guaranteed by ISC, payable by monthly instalments of \$1,282, including interest, maturing in 2031	141,207	152,362
Loan, 4.94%, guaranteed by ISC, payable by monthly instalments of \$680, including interest, maturing in 2023	20,342	27,306
Loans from CMHC (RRAP), no interest*	67,412	71,183
Loan, 4.69%, guaranteed by ISC, payable by monthly instalments of \$793, including interest, maturing in 2023	21,682	29,961
Loan, 1.85%, guaranteed by ISC, payable by monthly instalments of \$575, including interest, maturing in 2023 – Loan No. 16229619004	17,935	24,431
Loan, 1.30%, guaranteed by ISC, payable by monthly instalments of \$551, including interest, maturing in 2026 – Loan No. 16229619001	33,050	39,194
Loan, 1.12%, guaranteed by ISC, payable by monthly instalments of \$468, including interest, maturing in 2030 – Loan No. 16229619002	52,239	57,236
Loan, 1.12%, guaranteed by ISC, payable by monthly instalments of \$412, including interest, maturing in 2030 – Loan No. 16229619003	46,072	50,480
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$722, including interest, maturing in 2032 – Loan No. 16229619005	90,812	98,394
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$329, including interest, maturing in 2030 – Loan No. 16229619006	34,364	37,900
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$326, including interest, maturing in 2030 – Loan No. 16229619007	34,012	37,511

9. Long-term debt (continued)

	2020 \$	2019 \$
Loan, 7.49%, guaranteed by a motorized equipment with a net book value of \$51,761, payable by monthly instalments of \$894, including interest, maturing in 2025	40,029	47,554
	1,015,766	1,123,522
Current portion	130,549	133,066
	885,217	990,456

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

	\$
2021	130,549
2022	130,414
2023	117,231
2024	97,896
2025	85,389

* Under this program, an agreement has been reached by Long Point First Nation and CMHC 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 a usual mortgage (subject of interest charges).

10. Replacement reserve fund – Article 95

	2020 \$	2019 \$
Balance at beginning of year	338,358	333,481
Add: Current year addition	25,090	25,090
Add: Interest earned	1,746	1,882
Less: Withdrawal from replacement reserve	(122,924)	(22,095)
Balance at end of year	242,270	338,358

Under the terms of the agreement with CMHC, the replacement reserve fund – Article 95 is to be credited of \$25,090 (\$25,090 in 2019) annually. These funds along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured 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.

11. Additional information relating to the statement of cash flows

	2020	2019
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	(859,627)	418,314
Prepaid expenses	(8,724)	5,788
Accounts payable and accrued liabilities	45,218	(463,716)
Due to ISC – Contribution projects (Note 6)	(11,043)	(53,131)
Due to ISC – Health Branch	-	(24,151)
Deferred revenue (Note 7)	(187,102)	(1,181,826)
ISC – Unexpended funding (Note 8)	1,012,106	1,767,346
	(9,172)	468,624
<i>Cash and cash equivalents</i>		
Cash	3,640,643	2,316,484
Interest paid	22,539	23,760

12. Accumulated surplus

	2020	2019
	\$	\$
<i>Net investment in capital assets</i>		
In-trust fund	23,748,778	22,564,031
Replacement reserve fund – Article 95	95,567	93,727
Reserve for fire equipment	242,270	338,358
Operating reserve fund – Article 95	190,076	165,111
Cumulative operating surplus	128,129	121,808
	2,766,787	1,144,886
	27,171,607	24,427,921

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 expense for the year is \$217,945 (\$220,185 in 2019).

14. Financial instruments

Credit facility (bank loan)

An authorized amount of \$450,000, bearing interest at prime rate (2.45% as at March 31, 2020) plus 2.25% is available. The line of credit is renewable in August 2021 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 credit facility is not used as of March 31, 2020.

14. Financial instruments (continued)

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, 2020, the net book value of all financial instruments corresponded approximately to their fair value with the exception of the following item:

	Net book value	Fair value
	\$	\$
Long-term debt	1 015 766	1 004 046

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

15. Segment disclosure

	Band government		Administration	
	2020	2019	2020	2019
Revenues				
Federal government transfers	6,427	6,803	787,618	771,221
Other revenues	-	-	857,228	850,204
Total revenues	6,427	6,803	1,644,846	1,621,425
Expenses				
Salaries and fringe benefits	6,112	6,301	594,032	510,999
Amortization	-	-	9,564	7,089
Other expenses	315	502	440,267	413,708
Total expenses	6,427	6,803	1,043,863	931,796
Annual surplus (deficit)	-	-	600,983	689,629

15. Segment disclosure (continued)

	Human resources		Education	
	development		Education	
	2020	2019	2020	2019
Revenues				
Federal government transfers	495,143	533,347	4,898,514	4,365,766
Provincial government transfers	-	-	19,980	-
Other revenues	-	-	(427,152)	1,523,358
Total revenues	495,143	533,347	4,491,342	5,889,124
Expenses				
Salaries and fringe benefits	392,786	426,064	2,530,098	2,367,054
Amortization	-	-	300,399	297,780
Other expenses	102,357	107,283	1,582,935	1,446,814
Total expenses	495,143	533,347	4,413,432	4,111,648
Annual surplus (deficit)	-	-	77,910	1,777,476
Health				
	2020	2019	2020	2019
	2,849,724	2,197,325	1,483,230	2,355,318
	15,000	15,000	-	139,935
Other revenues	97,653	(215,203)	524,259	64,889
Total revenues	2,962,377	1,997,122	2,007,489	2,560,142
Expenses				
Salaries and fringe benefits	809,173	646,525	569,207	436,416
Interest on long-term debt	-	-	3,198	2,110
Amortization	42,308	37,843	286,219	233,179
Other expenses	2,154,294	1,276,007	880,474	2,205,503
Total expenses	3,005,775	1,960,375	1,739,098	2,877,208
Annual surplus (deficit)	(43,398)	36,747	268,391	(317,066)
Fire protection				
	2020	2019	2020	2019
	51,164	52,559	1,232,821	1,174,659
	51,164	52,559	1,232,821	1,174,659
Expenses				
Salaries and fringe benefits	-	-	46,272	35,140
Amortization	4,042	5,053	-	-
Other expenses	26,199	42,593	1,183,971	1,139,519
Total expenses	30,241	47,646	1,230,243	1,174,659
Annual surplus (deficit)	20,923	4,913	2,578	-

15. Segment disclosure (continued)

	Housing		Economic development	
	2020	2019	2020	2019
Revenues				
Federal government transfers	636,853	1,388,082	129,039	167,031
Provincial government transfers	-	-	62,000	75,000
Other revenues	488,667	345,339	(6,615)	96,614
Total revenues	1,125,520	1,733,421	184,424	338,645
Expenses				
Salaries and fringe benefits	323,351	164,026	25,499	75,389
Interest on long-term debt	19,341	21,650	-	-
Amortization	357,807	283,780	808	1,009
Other expenses	690,397	322,443	171,981	303,887
Total expenses	1,390,896	791,899	198,288	380,285
Annual surplus (deficit)	(265,376)	941,522	(13,864)	(41,640)
Natural resources and other				
Total				
	2020	2019	2020	2019
Revenues				
Federal government transfers	34,000	23,706	12,604,533	13,035,817
Provincial government transfers	193,000	312,500	289,980	542,435
Other revenues	2,795,903	(9,855)	4,329,943	2,655,346
Total revenues	3,022,903	326,351	17,224,456	16,233,598
Expenses				
Salaries and fringe benefits	163,517	132,171	5,460,047	4,800,085
Interest on long-term debt	-	-	22,539	23,760
Amortization	937	1,171	1,002,084	866,904
Other expenses	697,783	188,996	7,930,973	7,447,255
Total expenses	862,237	322,338	14,415,643	13,138,004
Annual surplus (deficit)	2,160,666	4,013	2,808,813	3,095,594

Long Point First Nation
Notes to the financial statements
March 31, 2020

16. Expenses by object

	2020	2019
	\$	\$
Salaries and fringe benefits	5,460,047	4,800,085
Accommodation and meals	30,455	35,713
Amortization	1,002,084	866,904
Administration fees	791,324	655,594
Allocation for education	270,732	194,334
Allocation for human resources development	8,796	3,556
Allocation for social assistance	1,171,161	1,107,232
Allocation for trappers	5,292	5,292
Bad debt	117,160	104,447
Contracts	852,776	1,572,734
Election expenses	10,014	-
Electricity	139,248	154,840
Honoraria	105,266	82,249
Insurances	120,726	95,676
Interest and bank charges	9,009	11,803
Interest on long-term debt	22,539	23,760
Licence and permits	19,630	24,443
Maintenance	43,810	61,429
Material and supplies	851,617	724,714
Medical transportation	213,751	222,469
Membership fees	1,000	1,000
Professional fees	891,165	482,545
Purchase of fuel	86,565	79,059
Rental of equipment	94,068	81,553
Telephone	74,872	79,295
Training	10,223	86,160
Transfer to Makwa Machinery Inc. and Kuzzin store (SAT)	4,155	10,887
Transfer to Native Benefits Plan (NBP)	-	24,937
Transfer to replacement reserve fund – Article 95	25,090	25,090
Travel expenses	468,114	405,339
Tuition fees	160,841	164,960
Workshops	728,206	323,412
Other expenses	219,624	144,001
Transfer to Algonquin Anishnabeg Nation Tribal Council	-	60,000
Transfer to Amosesag Childcare Center	235,081	266,229
Transfer to Makwa Machinery	120,000	-
Loss on disposal of capital assets	51,202	156,263
	14,415,643	13,138,004

17. Expenses by object – ISC financial reporting requirements

	2020 \$	2019 \$
Salaries and fringe benefits	5,485,760	5,097,188
Accommodation and meals	30,455	35,713
Amortization	1,002,084	866,904
Administration fees	792,868	719,666
Allocation for education	270,732	194,334
Allocation for human resources development	8,796	3,556
Allocation for social assistance	1,171,161	1,107,232
Allocation for trappers	5,292	5,292
Bad debt	117,160	104,447
Contracts	2,060,737	4,326,336
Election expenses	10,014	-
Electricity	139,248	154,840
Honoraria	105,266	82,249
Insurances	120,726	95,676
Interest and bank charges	9,009	11,803
Interest on long-term debt	22,539	23,760
Licence and permits	19,630	24,443
Maintenance	43,810	61,428
Material and supplies	882,598	956,305
Medical transportation	213,751	222,469
Membership fees	1,000	1,000
Professional fees	958,263	482,545
Purchase of capital assets	821,283	452,095
Purchase of fuel	86,565	81,970
Reimbursement of capital on long-term debt	103,985	99,449
Rental of equipment	94,446	81,553
Telephone	74,872	79,295
Training	10,223	86,160
Transfer to Makwa Machinery Inc. and Kuzzin store (SAT)	4,155	10,887
Transfer to Native Benefits Plan (NBP)	-	24,937
Transfer to replacement reserve fund – Article 95	25,090	25,090
Travel expenses	468,408	406,236
Tuition fees	160,841	164,960
Workshops	728,206	323,412
Other expenses	219,649	143,999
Transfer to Algonquin Anishnabeg Nation Tribal Council	-	60,000
Transfer to Amosesag Childcare Center	235,081	266,229
Transfer to Makwa Machinery	120,000	-
Transfer to net investment in capital assets	(2,155,277)	(3,802,271)
Loss on disposal of capital assets	51,202	156,263
	<u>14,519,628</u>	13,237,450

18. Unappropriated deficit

The unappropriated deficit as at March 31, 2020, does not take into consideration possible modifications following the review and analysis of the present financial statements by ISC, ISC – Health Branch, FNEC, FNHRDCQ and CMHC. Any adjustment resulting from these analyses 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 is recorded in any type of mode of financing, ISC will decide, when considering projects, if they accept or not.

19. Subsequent event

After year end, the First Nation purchased motorized equipments for the amount of \$435,276 from Makwa Machinery inc.

20. Comparative figures

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