
Financial statements of Long Point First Nation

March 31, 2021

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Management's Statement of Responsibility

The financial statements of the Long Point First Nation as of March 31, 2021, 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 Canadian public sector accounting standards ("PSAS") 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, MNP 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

September 14 ,2021



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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, 2021, 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, 2021, and the results of its operations, cumulative operating surplus, net investment in capital assets, changes in net financial assets and cash flows for the year then ended in accordance with the Canadian public sector accounting standards ("PSAS").

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.

Other information

We draw attention to the fact that the Organization includes, in its financial statements, certain financial information that is not required by the PSAS. This information, prepared in accordance with the requirements of Indigenous Services Canada, addresses the status of the surplus (deficit) of the funding for the year on page 5. The Organization also chooses to present a statement of net investment in capital assets in page 7. 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 PSAS, 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.

Other point

The financial statements for the year ended March 31, 2020 was audited by another auditor who expressed an unmodified opinion on this financial statements as of October 7, 2020.

MNP LLP

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September 14, 2021

¹ CPA auditor, CA, public accountancy permit No.A137585

Long Point First Nation
Statement of operations
Year ended March 31, 2021

	2021 \$	2020 \$
REVENUES		
ISC – Grant	7,534,183	531,182
ISC – Fixed contribution	8,036,675	7,546,801
ISC – Flexible contribution	3,176,636	2,885,134
ISC – Block Contribution	87,190	-
ISC – Review letter	-	17,445
Recoverable deficit from (refundable surplus to) ISC	-	49,226
Aboriginal Savings Corporation of Canada (ABSCAN)	1,169,105	-
Administration fees	931,207	794,718
Canada Mortgage and Housing Corporation (CMHC)	99,529	140,766
Canadian Malartic Mine	580,000	2,062,500
Centre jeunesse de l'Abitibi-Témiscamingue	15,000	15,000
Contract with forestry companies	471,500	615,743
Grand Conseil de la Nation Waban-Aki	1,147,465	-
Contracts and rental	161,610	142,031
First Nations Education Council	1,934,498	1,874,609
First Nations Human Resources Development (FNHRDCQ)	443,245	446,152
Government of Quebec	55,947	52,000
First Nations of Quebec and Labrador Health and Social Services Commission	134,807	135,324
Interest revenue	28,894	26,993
Ministère de la Culture et des Communications	10,000	10,000
Ministère des Forêts, de la Faune et des Parcs (MFFP)	766,146	193,000
Rent revenue	347,116	323,977
Secrétariat aux affaires autochtones	205,000	19,980
Tax reimbursement	48,631	-
Other revenues	267,522	43,955
Withdrawal from replacement reserve	32,799	122,924
Deferred revenue from previous year	471,805	669,954
Deferred revenue to following year	(810,761)	(482,852)
ISC – Unexpended contribution from previous year	3,075,202	2,052,049
ISC – Unexpended contribution to following year	(5,179,207)	(3,064,155)
	25,241,744	17,224,456

Long Point First Nation
Statement of operations
Year ended March 31, 2021

	2021	2020
	\$	\$
EXPENSES		
Band government	6,869	6,427
Administration	1,014,202	1,043,863
Human resources development	469,961	495,143
Education	4,846,481	4,413,432
Health	5,350,217	3,005,775
Public works	1,976,270	1,739,098
Fire protection	36,819	30,241
Social assistance	1,442,363	1,230,243
Housing	1,081,092	1,390,896
Economic development	356,791	198,288
Natural resources and others	999,401	862,237
	17,580,466	14,415,643
SURPLUS FOR THE YEAR	7,661,278	2,808,813
CONCILIATION TO ISC FINANCIAL REPORTING REQUIREMENTS		
Surplus for the year	7,661,278	2,808,813
Proceeds from long-term debt and Residential Rehabilitation Assistance Program On-Reserve (RRAP)	9,650	25,350
Reimbursement of long-term debt	(106,986)	(103,985)
Acquisition of capital assets	(4,142,129)	(2,155,277)
Proceeds from disposal of capital assets	-	25,000
Surplus under ISC financial reporting requirements (1)	3,421,813	599,901

- (1) The operating surplus under ISC financial reporting requirements before amortization and loss on disposal of capital assets and by considering the allocation to reserve for unexpended ISC Grant is \$1,929,468 (surplus of \$1,653,187 in 2020).

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

Long Point First Nation
Statement of cumulative operating surplus
Year ended March 31, 2021

	2021	2020
	\$	\$
BALANCE AT BEGINNING OF YEAR	2,766,876	1,144,886
SURPLUS FOR THE YEAR	7,661,278	2,808,813
TRANSFER TO NET INVESTMENT IN CAPITAL ASSETS		
ACQUISITION OF CAPITAL ASSETS	(4,142,129)	(2,155,277)
PROCEEDS FROM DISPOSAL OF CAPITAL ASSETS	-	25,000
AMORTIZATION OF CAPITAL ASSETS AND OTHER	1,127,262	1,053,286
PROCEEDS FROM LONG-TERM DEBT	9,650	25,350
REIMBURSEMENT OF LONG-TERM DEBT	(106,986)	(103,985)
ADJUSTMENT OF RESERVED FUNDS – ARTICLE 95	(16,271)	(6,321)
ALLOCATION TO RESERVE FOR UNEXPENDED ISC GRANT	(2,619,607)	-
ALLOCATION TO FIRE PROTECTION RESERVE	(14,861)	(24,965)
BALANCE AT END OF YEAR	4,665,212	2,766,787

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, 2021

	2021	2020
	\$	\$
NET INVESTMENT IN CAPITAL ASSETS AT BEGINNING OF YEAR	<u>23,748,778</u>	<u>22,564,031</u>
VARIATION OF NET INVESTMENT IN CAPITAL ASSETS		
Plus:		
Acquisition of capital assets	4,142,129	2,155,277
Reimbursement of long-term debt	106,986	103,985
Reimbursement of RRAP loans	23,442	29,121
	<u>4,272,557</u>	<u>2,288,383</u>
Less:		
Proceeds from long-term debt	9,650	25,350
Proceeds from disposal of capital assets	-	25,000
Loss on disposal of capital assets	-	51,202
Amortization of capital assets	1,127,262	1,002,084
	<u>1,136,912</u>	<u>1,103,636</u>
NET INVESTMENT IN CAPITAL ASSETS AT END OF YEAR	<u>26,884,423</u>	<u>23,748,778</u>

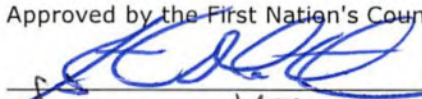

The accompanying notes are an integral part of the financial statements.

Long Point First Nation
Statement of financial position
As at March 31, 2021

	Notes	2021 \$	2020 \$
FINANCIAL ASSETS			
Cash		9,063,302	3,640,643
Accounts receivable	3	5,692,926	3,901,931
Restricted cash and deposits	4	452,040	444,607
		15,208,268	7,987,181
LIABILITIES			
Accounts payable and accrued liabilities		1,458,757	1,118,129
Deferred revenue	6	810,761	482,852
ISC – Unexpended funding	7	5,179,207	3,064,155
Long-term debt	8	894,988	1,015,766
		8,343,713	5,680,902
NET FINANCIAL ASSETS		6,864,555	2,306,279
NON-FINANCIAL ASSETS			
Prepaid expenses		207,085	100,784
Capital assets	5	27,779,411	24,764,544
		27,986,496	24,865,328
ACCUMULATED SURPLUS	11	34,851,051	27,171,607

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
Year ended March 31, 2021

	2021	2020
	\$	\$
SURPLUS FOR THE YEAR	<u>7,661,278</u>	<u>2,808,813</u>
CHANGES IN CAPITAL ASSETS		
Acquisition of capital assets	(4,142,129)	(2,155,277)
Amortization of capital assets	1,127,262	1,002,084
Loss and proceeds from disposal of capital assets	-	76,202
	<u>(3,014,867)</u>	<u>(1,076,991)</u>
CHANGES IN NON-OPERATIONAL SURPLUSES AND RESERVES		
Variation of surpluses and reserves	(6,476)	(96,088)
Increase in in-trust fund	1,201	1,840
Changes in other non-financial assets	(106,302)	(8,724)
RRAP loan instalments remission	23,442	29,121
	<u>(88,135)</u>	<u>(73,851)</u>
CHANGES IN NET FINANCIAL ASSETS	4,558,276	1,657,971
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>2,306,279</u>	<u>648,308</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>6,864,555</u>	<u>2,306,279</u>

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

Long Point First Nation
Statement of cash flows
Year ended March 31, 2021

	Notes	2021 \$	2020 \$
Operating activities			
Surplus for the year		7,661,278	2,808,813
Items not affecting cash			
Amortization of capital assets		1,127,262	1,002,084
Loss on disposal of capital assets		-	51,202
		8,788,540	3,862,099
Changes in non-cash operating working capital items	10	886,292	(9,172)
		9,674,832	3,852,927
Investing activities			
Acquisition of capital assets		(4,142,129)	(2,155,277)
Decrease (increase) in restricted cash and deposits		(7,433)	134,392
Proceeds on disposal of capital assets		-	25,000
		(4,149,562)	(1,995,885)
Financing activities			
Variation of bank loan		-	(360,000)
Variation of surpluses and reserves		(6,476)	(96,088)
Increase in in-trust fund		1,201	1,840
Proceeds from long-term debt		9,650	25,350
Reimbursement of long-term debt and RRAP loans		(130,428)	(133,106)
RRAP loan instalments remission		23,442	29,121
		(102,611)	(532,883)
Net increase in cash and cash equivalents		5,422,659	1,324,159
Cash and cash equivalents, beginning of year		3,640,643	2,316,484
Cash and cash equivalents, end of year		9,063,302	3,640,643

See additional information presented in Note 10.

The accompanying notes 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 Canadian public sector accounting standards applicable to local governments issued by the CPA Canada Public Sector Accounting Handbook.

The principle 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 specific requirements, activities and objectives. The accrual method is followed for the recognition of revenues and expenses.

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

	2021	2020
	\$	\$
ISC receivable	3,690,799	1,582,565
CMHC receivable	94,286	137,238
First Nations Education Council receivable	428,115	252,570
Rent receivable – Band housing and Article 95	1,949,484	1,859,409
FNHRDCQ receivable	16,920	36,116
MFFP receivable	446,463	241,503
Secrétariat aux affaires autochtones	295,249	114,740
Mining companies	-	1,001,958
Other accounts receivable	862,979	671,772
	7,784,295	5,897,871
Allowance for doubtful accounts	(2,091,369)	(1,995,940)
	5,692,926	3,901,931

4. Restricted cash and deposits

	2021	2020
	\$	\$
In-trust surplus	96,768	95,567
Reserved funds – Article 95*	355,272	349,040
	452,040	444,607

* 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 (\$235,794) and in the operating reserve (\$144,310) by \$24,832. In 2020, the First Nation underfunded the replacement reserve and the operating reserve by \$21,359.

5. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
	\$	\$	\$	\$
Private housing	9,249,767	3,484,740	5,765,027	6,098,032
Community and residential buildings	17,766,518	4,330,174	13,436,344	13,179,291
Equipment	2,472,701	1,793,538	679,163	421,985
Motorized equipment	3,444,131	1,802,479	1,641,652	1,069,959
Roadway system	4,409,586	1,214,680	3,194,906	2,596,548
Water and sanitation systems	4,523,659	1,461,340	3,062,319	1,398,729
	41,866,362	14,086,951	27,779,411	24,764,544

An amount of \$1,127,262 has been considered for depreciation (\$1,002,084 as at March 31, 2020).

6. Deferred revenue

	2021	2020
	\$	\$
3027 – FNEC – Partnership Initiative	72,587	-
2365 – FNEC – Post Secondary Partnership Program	206,389	-
3030 – Anti-Bullying Campaign (Fondation Jasmin Roy)	-	19,980
2430 – Family Violence	21,614	21,901
2557 – Community Sport Project	6,092	-
9004 – ISC – Health Branch – Clinic Repairs	-	27,524
9080 – ISC – Health Branch – Jordan's Principle Service Coordination	-	28,566
9100 – ISC – Health Branch – CHR	-	5,048
9105 – ISC – Health Branch – Home & Community Care	-	34,553
9107 – ISC – Health Branch – Food Security	-	10,384
9125 – ISC – Health Branch – Traditional Healers	-	7,663
9130 – ISC – Health Branch – Palliative Care	-	2,716
9135 – Communication Health Promo & Injury/Illness	-	1,244
9150 – ISC – Health Branch – Victims of Family Violence	-	4,825
9305 – ISC – Health Branch – HIV/AIDS Strategy	-	19,307
9315 – Cancer Control	21,150	-
9306 – Tobacco Control Strategy	-	11,047

6. Deferred revenue (continued)

	2021	2020
	\$	\$
9400 – ISC – Health Branch – Brighter Futures	-	2,984
9450 – ISC – Health Branch – Mental Wellness Team	-	5,853
9475 – ISC – Health Branch – Emerging Technology	-	14,171
9501 – ISC – Health Branch – Suicide Prevention	-	21,544
9310 – ISC – Health Branch – Tuberculosis Control	-	1,869
2602 – Community Center Renovation (FNIF)	-	62,084
2572 – CMHC RRAP – Housing and Community Buildings Renovation	6,598	19,992
2552 – Québec en forme	-	41,053
3256 – Childcare	75,399	-
9720 – Negotiation – Framework Agreement	159,011	-
5100 – Culture, Language and Sports Recreation	3,223	-
6107 – Eacom – Harmonization	-	24,450
6109 – EACOM – PRAU	-	94,094
6410 – Rapid 7 Road Repairs	228,698	-
6555 – Wasamac Project	10,000	-
	810,761	482,852

7. ISC – Unexpended funding

	2021	2020
	\$	\$
1844 – Financial Management Governance Capacity Development	80,071	72,816
1845 – Human Resources Management Governance Capacity Development	77,589	7,542
1830 – Rights & Self-Determination Discussion	115,858	159,092
2280 – Amo Ososwan School Operations	-	453,061
2290 – Tuition Agreements – Provincial	-	47,114
2312 – Student Accommodation	-	2,563
2314 – Financial Assistance Allowance	-	4,046
2360 – Post-Secondary	-	294,826
3035 – Amo K4-K5 Transition	-	22,805
2285 – Rental and Construction of Twin houses for teachers	148,867	83,935
3159 – Renovations COVID-19	159,423	-
9004 – ISC - Health Branch – Clinic Repairs	259,545	-
9050 – First Line Services	469,711	214,410
9051 – Communicable Diseases	47,432	-
9101 – ISC – Health Plan	79,153	-
9125 – ISC – Health Branch – Traditional Healers	12,649	-
9301 – ISC – Health Branch – Medical Transportation	76,364	-
9306 – Tobacco Control Strategy	10,806	-
9450 – ISC – Health Branch – Mental Wellness Team	137,816	-
2518 – O & M Water & Wastewater	714,955	-
2540 – Operation & Maintenance – School	-	188,562
4150 – Old school demolition	49,130	250,207
4210 – Sanitary Sewer Repairs	1,654,579	-
4228 – Drinking Water Upgrade	346,277	-
4235 – Ecocenter & Waste Management Project	115,355	102,756
8200 – O & M Roll-Off Truck	19,485	-
8750 – Wastewater	515,022	511,472
8999 – Core Capital Budget	(51,687)	-
2511 – Fire Protection – Operations	-	1,395

7. ISC – Unexpended funding (continued)

	2021	2020
	\$	\$
2370 – Basic Needs	-	575,577
2372 – SAT – Employment & Training	-	(169,933)
2390 – Special Needs	23,384	41,128
2401 – Social Assistance – Service Delivery	6,663	-
2573 – Major Renovations, Extensions & Repairs	12,539	123,983
2580 – Housing Maintenance Plan	32,194	34,500
2599 – Housing – Infrastructure Master Plan Phase 1	6,040	4,390
2590 – Housing Policy Review	10,054	10,668
2685 – CEDO – Planning & Operations	-	27,240
3298 – Elder's	40,527	-
2020 – SPECIFIC CLAIM – Flooding And Village Relocation	9,406	-
	5,179,207	3,064,155

8. Long-term debt

	2021	2020
	\$	\$
Loan, 0.27%, guaranteed by ISC, payable by monthly instalments of \$211, including interest, maturing in 2042 – Loan No. 16229619011	49,472	51,660
Loan, 3.97%, guaranteed by ISC, payable by monthly instalments of \$680, including interest, maturing in 2033	75,141	81,206
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$1,717, including interest, maturing in 2030 – Loan No. 16229619008	162,191	180,841
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$295, including interest, maturing in 2032 – Loan No. 16229619009	31,575	34,301
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$590, including interest, maturing in 2032 – Loan No. 16229619010	63,149	68,602
Loan, 2.89%, guaranteed by ISC, payable by monthly instalments of \$1,282, including interest, maturing in 2031	130,763	141,207
Loan, 4.94%, guaranteed by ISC, payable by monthly instalments of \$680, including interest, maturing in 2023	13,025	20,342
Loans from CMHC (RRAP), no interest*	53,620	67,412
Loan, 3.07%, guaranteed by ISC, payable by monthly instalments of \$779, including interest, maturing in 2023	12,947	21,682
Loan, 1.85%, guaranteed by ISC, payable by monthly instalments of \$575, including interest, maturing in 2023 – Loan No. 16229619004	11,312	17,935
Loan, 1.30%, guaranteed by ISC, payable by monthly instalments of \$551, including interest, maturing in 2026 – Loan No. 16229619001	26,824	33,050

8. Long-term debt (continued)

	2021	2020
	\$	\$
Loan, 0.46%, guaranteed by ISC, payable by monthly instalments of \$454, including interest, maturing in 2030 – Loan No. 16229619002	47,135	52,239
Loan, 0.71%, guaranteed by ISC, payable by monthly instalments of \$405, including interest, maturing in 2030 – Loan No. 16229619003	41,587	46,072
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$722, including interest, maturing in 2032 – Loan No. 16229619005	83,139	90,812
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$329, including interest, maturing in 2030 – Loan No. 16229619006	30,786	34,364
Loan, 1.14%, guaranteed by ISC, payable by monthly instalments of \$326, including interest, maturing in 2030 – Loan No. 16229619007	30,470	34,012
Loan, 7.49%, guaranteed by a motorized equipment with a net book value of \$46,585, payable by monthly instalments of \$894, including interest, maturing in 2025	31,852	40,029
	894,988	1,015,766
Current portion	134,220	130,549
	760,768	885,217

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

	\$
2022	134,220
2023	120,946
2024	101,582
2025	85,700
2026	77,791

* 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).

9. Replacement reserve fund – Article 95

	2021	2020
	\$	\$
Balance at beginning of year	242,270	338,358
Add: Current year addition	25,090	25,090
Add: Interest earned	1,233	1,746
Less: Withdrawal from replacement reserve	(32,799)	(122,924)
Balance at end of year	<u>235,794</u>	<u>242,270</u>

Under the terms of the agreement with CMCH, the replacement reserve fund – Article 95 is to be credited of \$25,090 (\$25,090 in 2020) 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 CMCH from time to time. The funds in the account may only be used as approved by CMCH. Withdrawals are credited to interest first and then capital.

10. Additional information relating to the statement of cash flows

	2021	2020
	\$	\$
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	(1,790,995)	(859,627)
Prepaid expenses	(106,301)	(8,724)
Accounts payable and accrued liabilities	340,627	45,218
Due to ISC – Contribution projects	-	(11,043)
Deferred revenue (Note 6)	327,909	(187,102)
ISC – Unexpended funding (Note 7)	<u>2,115,052</u>	<u>1,012,106</u>
	<u>886,292</u>	<u>(9,172)</u>

Cash and cash equivalents

Cash	<u>9,063,302</u>	3,640,643
Interest paid	<u>19,352</u>	22,539

11. Accumulated surplus

	2021	2020
	\$	\$
Net investment in capital assets	26,884,423	23,748,778
In-trust fund	96,768	95,567
Replacement reserve fund – Article 95	235,794	242,270
Reserve for unexpended ISC Grant *	2,619,607	-
Reserve for fire equipment	204,937	190,076
Operating reserve fund – Article 95	144,310	128,129
Cumulative operating surplus	<u>4,665,212</u>	<u>2,766,787</u>
	<u>34,851,051</u>	<u>27,171,607</u>

* This reserve has been created from the cumulative operating surplus.

12. 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 \$254,377 (\$217,945 in 2020).

13. Financial instruments

Credit facility (bank loan)

An authorized amount of \$450,000, bearing interest at prime rate (2.45% as at March 31, 2021) plus 2.25% is available. The line of credit is renewable in August 2022 and guaranteed by a first ranking hypothec of \$450,000 on all the First Nation's present and future claims and is payable on demand and fluctuates regularly. The credit facility is not used as of March 31, 2021.

Fair value of financial assets and liabilities

The fair value of cash, accounts receivable, restricted cash and deposits, accounts payable and accrued liabilities 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, 2021, 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	894 988	883 683

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.

14. Related parties

During the year, Long Point First Nation carried out the following transactions with related parties:

	2021
	\$
Revenues	
Sales – companies held by a council member	156,572
Expenses	
Purchases – companies held by a council member	509,488
Purchase of capital assets – company held by a council member	435,276

The transactions were carried out in the normal course of operations. They are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At year-end, the following amounts were receivable from and payable to related parties:

	2021
	\$
Accounts receivable	
Companies held by a council member	132,108
Accounts payable	
Companies held by a council member	318,127

15. Segment disclosure

	Band government		Administration	
	2021	2020	2021	2020
Revenues				
Federal government transfers	6,869	6,427	714,485	787,618
Other revenues	-	-	1,042,406	857,228
Total revenues	6,869	6,427	1,756,891	1,644,846
Expenses				
Salaries and fringe benefits	6,508	6,112	629,301	594,032
Amortization	-	-	8,750	9,564
Other expenses	361	315	376,151	440,267
Total expenses	6,869	6,427	1,014,202	1,043,863
Annual surplus (deficit)	-	-	742,689	600,983
	Human resources development		Education	
	2021	2020	2021	2020
Revenues				
Federal government transfers	469,961	495,143	6,636,480	4,908,514
Provincial government transfers	-	-	5,000	19,980
Other revenues	-	-	(493,566)	(437,152)
Total revenues	469,961	495,143	6,147,914	4,491,342

15. Segment disclosure (continued)

	Human resources development		Education	
	2021	2020	2021	2020
Expenses				
Salaries and fringe benefits	367,257	392,786	2,692,022	2,527,672
Amortization	-	-	341,701	300,399
Other expenses	102,704	102,357	1,812,758	1,585,361
Total expenses	469,961	495,143	4,846,481	4,413,432
Annual surplus (deficit)	-	-	1,301,433	77,910
	Health		Public works	
	2021	2020	2021	2020
Revenues				
Federal government transfers	5,577,799	2,849,724	5,019,724	1,483,230
Provincial government transfers	15,000	15,000	-	-
Other revenues	161,537	97,653	626,702	524,259
Total revenues	5,754,336	2,962,377	5,646,426	2,007,489
Expenses				
Salaries and fringe benefits	1,224,882	809,173	591,214	569,207
Interest on long-term debt	-	-	2,525	3,198
Amortization	53,265	42,308	358,434	286,219
Other expenses	4,072,070	2,154,294	1,024,097	880,474
Total expenses	5,350,217	3,005,775	1,976,270	1,739,098
Annual surplus (deficit)	404,119	(43,398)	3,670,156	268,391
	Fire protection		Social assistance	
	2021	2020	2021	2020
Revenues				
Federal government transfers	72,232	51,164	2,354,085	1,232,821
Total revenues	72,232	51,164	2,354,085	1,232,821
Expenses				
Salaries and fringe benefits	-	-	68,223	46,272
Amortization	3,234	4,042	-	-
Other expenses	33,585	26,199	1,374,140	1,183,971
Total expenses	36,819	30,241	1,442,363	1,230,243
Annual surplus (deficit)	35,413	20,923	911,722	2,578

15. Segment disclosure (continued)

	Housing		Economic development	
	2021	2020	2021	2020
Revenues				
Federal government transfers	387,845	636,853	404,385	129,039
Provincial government transfers	-	-	220,947	62,000
Other revenues	371,072	488,667	(115,712)	(6,615)
Total revenues	758,917	1,125,520	509,620	184,424
Expenses				
Salaries and fringe benefits	69,077	323,351	64,568	25,499
Interest on long-term debt	16,827	19,341	-	-
Amortization	346,720	357,807	5,856	808
Other expenses	648,468	690,397	286,367	171,981
Total expenses	1,081,092	1,390,896	356,791	198,288
Annual surplus (deficit)	(322,175)	(265,376)	152,829	(13,864)
	Natural resources and other		Total	
	2021	2020	2021	2020
Revenues				
Federal government transfers	15,224	34,000	21,659,089	12,614,533
Provincial government transfers	811,146	193,000	1,052,093	289,980
Other revenues	938,123	2,795,903	2,530,562	4,319,943
Total revenues	1,764,493	3,022,903	25,241,744	17,224,456
Expenses				
Salaries and fringe benefits	203,038	163,517	5,916,090	5,457,621
Interest on long-term debt	-	-	19,352	22,539
Amortization	9,302	937	1,127,262	1,002,084
Other expenses	787,061	697,783	10,517,762	7,933,399
Total expenses	999,401	862,237	17,580,466	14,415,643
Annual surplus (deficit)	765,092	2,160,666	7,661,278	2,808,813

16. Expenses by object

	2021	2020
	\$	\$
Salaries and fringe benefits	5,916,090	5,457,621
Accommodation and meals	29,465	30,455
Amortization	1,127,262	1,002,083
Administration fees	854,458	791,324
Allocation for education	398,643	270,732
Allocation for human resources development	4,773	8,796
Allocation for social assistance	1,330,071	1,171,161
Allocation for trappers	5,292	5,292
Bad debt	100,430	117,160
Contracts	3,004,476	1,120,756
Election expenses	12,390	10,014
Electricity	167,835	139,248
Honoraria	222,168	105,266
Insurances	156,998	120,726
Interest and bank charges	12,507	11,433

16. Expenses by object (continued)

	2021	2020
	\$	\$
Interest on long-term debt	19,352	22,539
Licence and permits	8,749	19,630
Maintenance	58,500	43,811
Material and supplies	1,452,180	851,617
Medical transportation	184,030	213,751
Membership fees	1,000	1,000
Professional fees	500,095	623,185
Purchase of fuel	63,625	86,565
Rental of equipment	256,923	94,068
Telephone	130,587	74,872
Training	4,027	10,223
Transfer to businesses	107,462	-
Transfer to Makwa Machinery Inc. and Kuzzin store (SAT)	-	4,155
Transfer to replacement reserve fund – Article 95	25,090	25,090
Travel expenses	111,493	468,114
Tuition fees	180,233	160,841
Workshops	269,558	728,206
Other expenses	342,391	219,626
Transfer to Amosesag Childcare Center	202,127	235,081
Transfer to Makwa Machinery	320,186	120,000
Loss on disposal of capital assets	-	51,202
	17,580,466	14,415,643

17. Expenses by object – ISC financial reporting requirements

	2021	2020
	\$	\$
Salaries and fringe benefits	5,916,090	5,485,760
Accommodation and meals	29,465	30,455
Amortization	1,127,262	1,002,083
Administration fees	925,162	792,868
Allocation for education	398,643	270,732
Allocation for human resources development	4,773	8,796
Allocation for social assistance	1,330,071	1,171,161
Allocation for trappers	5,292	5,292
Bad debt	100,430	117,160
Contracts	5,546,713	2,328,717
Election expenses	12,390	10,014
Electricity	167,835	139,248
Honoraria	222,168	105,266
Insurances	156,998	120,726
Interest and bank charges	12,507	9,009
Interest on long-term debt	19,352	22,539
Licence and permits	8,749	19,630
Maintenance	58,500	43,810
Material and supplies	1,471,900	882,598
Medical transportation	184,030	213,751
Membership fees	1,000	1,000
Professional fees	631,283	690,283
Purchase of capital assets	1,378,157	821,283
Purchase of fuel	63,625	86,565
Reimbursement of capital on long-term debt	106,986	103,985

17. Expenses by object – ISC financial reporting requirements (continued)

	2021	2020
	\$	\$
Rental of equipment	256,923	94,446
Telephone	130,587	74,872
Training	4,027	10,223
Transfer to businesses	107,462	-
Transfer to Makwa Machinery Inc. and Kuzzin store (SAT)	-	4,155
Transfer to replacement reserve fund – Article 95	25,090	25,090
Travel expenses	111,619	468,408
Tuition fees	180,233	160,841
Workshops	269,558	728,206
Other expenses	342,388	219,649
Transfer to Amosesag Childcare Center	202,127	235,081
Transfer to Makwa Machinery	320,186	120,000
Transfer to net investment in capital assets	(4,142,129)	(2,155,277)
Loss on disposal of capital assets	-	51,202
	17,687,452	14,519,627

18. Unappropriated deficit

The unappropriated deficit as at March 31, 2021, does not take into consideration possible modifications following the review and analysis of the present financial statements by ISC, 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. Comparative figures

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