

**Long Point First Nation
Financial statements
*March 31, 2022***

Long Point First Nation

Contents

Year ended March 31, 2022

	Page
Management's Statement of Responsibility	
Independent Auditor's Report	
Financial statements	
Statement of operations.....	1
Statement of cumulative operating surplus.....	3
Statement of net investment in capital assets.....	4
Statement of financial position.....	5
Statement of changes in net financial assets.....	6
Statement of cash flows.....	7
Notes to the financial statements.....	8
Schedules.....	19

Management's Statement of Responsibility

The financial statements of the Long Point First Nation as of March 31, 2022, 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.

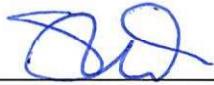
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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 27, 2022

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, 2022, 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, 2022, 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.

Emphasis of Matter

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 ("ISC"), addresses the conciliation of the surplus under ISC financial reporting requirements on page 2. The Organization also choose to present a statement of cumulative operating surplus on page 3, a statement of net investment in capital assets on page 4 and schedules on pages 19 to 196. Our opinion is not modified in respect of this matter.

Other Matter

The Organization has prepared a set of financial statements for general purpose for the year ended March 31, 2022 in accordance with PSAS on which we issued an auditor's report dated September 27 2022.

Other Matter - Restriction on Use

These special purpose financial statements have been prepared to assist the Organization to comply with the Financial Reporting Requirements in the Indigenous Services Canada Financial Reporting Guide. Our report is intended solely for the Organization and Indigenous Services Canada and should not be used by parties other than the Organization and Indigenous Services Canada.

Responsability 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 the 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.

Independent Auditor's Report

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.

1

MNP LLP

MNP LLP

Amos (Québec)
September 27, 2022

¹ CPA auditor, public accountancy permit No.A121190

Long Point First Nation
Statement of operations
Year ended March 31, 2022

	2022	2021
Revenues		
ISC - Grant	9,467,674	7,534,183
ISC - Fixed contribution	11,333,386	8,036,675
ISC - Flexible contribution	3,189,471	3,176,636
ISC - Block contribution	-	87,190
ISC - Set contribution	575,125	-
Refundable surplus to ISC	(169,866)	-
Review letters	(14,505)	-
Aboriginal Savings Corporation of Canada (ABSCAN)	-	1,169,105
Administration fees	1,240,822	931,207
Canada Mortgage and Housing Corporation (CMHC)	1,689,914	99,529
Canadian Malartic Mine	567,500	580,000
Centre jeunesse de l'Abitibi-Témiscamingue	15,000	15,000
Contract with forestry companies	713,511	471,500
Grand Conseil de la Nation Waban-Aki	-	1,147,465
Contracts and rental	69,923	161,610
First Nations Education Council	1,874,783	1,934,498
First Nations Human Resources Development (FNHRDCQ)	601,312	443,245
Government of Quebec	97,000	55,947
First Nations of Quebec and Labrador Health and Social Services Commission	314,702	134,807
Interests	50,370	28,894
Ministère de la Culture et des Communications	10,000	10,000
Ministère des Forêts, de la Faune et des Parcs (MFFP)	1,530,963	766,146
Rent revenue	459,227	347,116
Secrétariat aux affaires autochtones	192,728	205,000
Tax reimbursement	20,126	48,631
Other revenues	556,487	267,522
Withdrawal from replacement reserve	88,048	32,799
Deferred revenue from previous year	810,761	471,805
Deferred revenue to following year	(2,736,951)	(810,761)
ISC - Unexpended contribution from previous year	5,179,207	3,075,202
ISC - Unexpended contribution to following year	(9,566,502)	(5,179,207)
	28,160,216	25,241,744

Long Point First Nation
Statement of operations
Year ended March 31, 2022

	2022	2021
Expenses (Note 17)		
Band government	6,869	6,869
Administration	1,391,575	1,014,202
Human resources development	451,973	469,961
Education	4,725,488	4,846,481
Health	6,422,622	5,350,217
Public works	2,180,596	1,976,270
Fire and public security protection	4,596	36,819
Social assistance	1,512,999	1,442,363
Housing	1,213,949	1,081,092
Economic development	654,992	356,791
Natural resources and others	2,323,648	999,401
	20,889,307	17,580,466
Surplus of the year	7,270,909	7,661,278
Conciliation to ISC financial reporting requirements		
Surplus for the year	7,270,909	7,661,278
Reimbursement of capital on long-term debt	(103,799)	(106,986)
Acquisition of capital assets	(4,309,804)	(4,142,129)
Proceeds from long-term debt and Residential Rehabilitation Assistance Program On-Reserve (RRAP)	-	9,650
Surplus under ISC financial reporting requirements (1)	2,857,306	3,421,813

(1) The operating surplus under ISC financial reporting requirements before amortization is \$4,139,997 (surplus of \$4,549,075 in 2021).

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

Long Point First Nation
Statement of cumulative operating surplus
Year ended March 31, 2022

	2022	2021
Balance at beginning of year	4,665,212	2,766,876
Surplus of the year	7,270,909	7,661,278
Transfer to net investment in capital assets		
Acquisition of capital assets	(4,309,804)	(4,142,129)
Amortization of capital assets	1,282,691	1,127,262
Loan revenue	-	9,650
Reimbursement of capital on long-term debt	(103,799)	(106,986)
Adjustment of reserved funds - Article 95	(13,482)	(16,271)
Transfer to the reserve for ISC grant funding	(2,793,035)	(2,619,607)
Allocation to fire protection reserve	(50,550)	(14,861)
BALANCE AT END OF YEAR	5,948,142	4,665,212

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, 2022

	2022	2021
Net investment in capital assets at beginning of year	26,884,423	23,748,778
Variation of net investment in capital assets		
Plus:		
Acquisition of capital assets	4,309,804	4,142,129
Reimbursement of capital on long-term debt	103,799	106,986
Reimbursement of RRAP loans	14,996	23,442
	4,428,599	4,272,557
Less:		
Loan revenue	-	9,650
Amortization of capital assets	1,282,691	1,127,262
	1,282,691	1,136,912
Net investment in capital assets at end of year	30,030,331	26,884,423

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

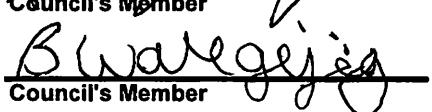
Long Point First Nation
Statement of financial position
As at March 31, 2022

	2022	2021
Financial assets		
Cash	13,992,517	9,063,302
Accounts receivable (Note 3)	11,170,508	5,692,926
Restricted cash and deposits (Note 4)	485,160	452,040
	25,648,185	15,208,268
Liabilities		
Accounts payable and accrued liabilities	1,554,817	1,458,757
Deferred revenue (Note 6)	2,736,951	810,761
ISC - Unexpended funding (Note 7)	9,566,502	5,179,207
Refundable contribution to ISC	169,866	-
Long-term debt (Note 8)	776,193	894,988
	14,804,329	8,343,713
Net financial assets	10,843,856	6,864,555
Non-financial assets		
Prepaid expenses	532,365	207,085
Capital assets (Note 5)	30,806,524	27,779,411
	31,338,889	27,986,496
Accumulated surplus (Note 11)	42,182,745	34,851,051

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, 2022

	2022	2021
Surplus for the year	7,270,909	7,661,278
Changes in capital assets		
Acquisition of capital assets	(4,309,804)	(4,142,129)
Amortization of capital assets	1,282,691	1,127,262
	(3,027,113)	(3,014,867)
Changes in non-operational surpluses and reserves		
Variation of surpluses and reserves	44,433	(6,476)
Increase in in-trust fund	1,356	1,201
Changes in other non-financial assets	(325,280)	(106,302)
RRAP loan instalments remission	14,996	23,442
	(264,495)	(88,135)
Changes in net financial assets	3,979,301	4,558,276
Net financial assets at beginning of year	6,864,555	2,306,279
Net financial assets at end of year	10,843,856	6,864,555

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

Long Point First Nation
Statement of cash flows
Year ended March 31, 2022

	2022	2021
Operating activities		
Surplus for the year	7,270,909	7,661,278
Item not affecting cash		
Amortization of capital assets	1,282,691	1,127,262
	8,553,600	8,788,540
Changes in non-cash operating working capital items (Note 10)	776,549	886,292
	9,330,149	9,674,832
Investing activities		
Acquisition of capital assets	(4,309,804)	(4,142,129)
Increase in restricted cash and deposits	(33,120)	(7,433)
	(4,342,924)	(4,149,562)
Financing activities		
Variation of surpluses and reserves	44,433	(6,476)
Increase in in-trust fund	1,356	1,201
Proceeds from long-term debt and Residential Rehabilitation Assistance Program On-Reserve (RRAP)	-	9,650
Reimbursement of capital on long-term debt	(118,795)	(130,428)
RRAP loan instalments remission	14,996	23,442
	(58,010)	(102,611)
Net increase in cash and cash equivalents	4,929,215	5,422,659
Cash and cash equivalents, beginning of year	9,063,302	3,640,643
Cash and cash equivalents, end of year	13,992,517	9,063,302

See additional information presented in Note 10.

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

Long Point First Nation
Notes to the financial statements
March 31, 2022

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. Significant accounting policies

The financial statements have been prepared in accordance with the Canadian public sector accounting standards.

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 accounted for at cost. Amortization is calculated using the following method at the following rates and over the following periods :

	Methods	Periods
Private housing	Diminishing balance and straight-line	5% and 25 years
Community and residential buildings	Declining balance	2.50%
Equipment	Declining balance	20 to 30%
Motorized equipment	Declining balance	10 to 20%
Roadway system	Declining balance	2.50%
Water and sanitation systems	Declining balance	2.50%

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Other 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, 2022

2. Significant accounting policies (continued)

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. The critical estimates relate to the provision for doubtful accounts in respect of receivables, the useful lives of long-lived assets, the deferred revenue, the ISC-unexpended funding, certain accrued liabilities 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

	2022	2021
ISC	7,800,989	3,690,799
CMHC	1,607,064	94,286
First Nations Education Council	296,077	428,115
Rent - Band housing and Article 95	2,064,215	1,949,484
FNHRDCQ	18,077	16,920
MFFP	258,442	446,463
Secrétariat aux affaires autochtones	244,043	295,249
Other accounts receivable	1,091,187	862,979
	13,380,094	7,784,295
Allowance for doubtful accounts	(2,209,586)	(2,091,369)
	11,170,508	5,692,926

4. Restricted cash and deposits

	2022	2021
In-trust surplus	98,124	96,768
Reserved funds - Article 95*	387,036	355,272
	485,160	452,040

* 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 (\$280,227) and in the operating reserve (\$157,792) by \$50,983. In 2021, the First Nation underfunded the replacement reserve and the operating reserve by \$24,832.

Long Point First Nation
Notes to the financial statements
March 31, 2022

5. Capital assets

	2022	2021		
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Private housing	9,271,897	3,840,874	5,431,023	5,765,027
Community and residential buildings	17,815,008	4,670,316	13,144,691	13,436,344
Equipment	2,825,221	1,990,296	834,926	679,163
Motorized equipment	3,444,131	1,987,982	1,456,149	1,641,652
Roadway system	4,409,586	1,294,555	3,115,031	3,194,906
Water and sanitation systems	8,341,283	1,585,619	6,755,664	3,062,319
Assets under construction	69,040	-	69,040	-
	46,176,166	15,369,642	30,806,524	27,779,411

An amount of \$1,282,691 has been considered for depreciation (\$1,127,262 as at March 31, 2021).

6. Deferred revenue

	<i>Project</i>	2022	2021
Schedule 15 - FNHRDCQ - CRF - COVID	5526	69,500	-
Schedule 33 - FNEC - Education Partnership Program	3017	116,092	-
Schedule 37 - FNEC - Partnership Initiative	3027	-	72,587
Schedule 39 - FNEC - Post Secondary Partnership Program	2365	275,914	206,389
Schedule 48 - Family Violence	2430	55,323	21,614
Schedule 49 - Community Sport Project	2557	4,505	6,092
Schedule 54 - FNQLHSSC - Fight Against Poverty	3266	34,492	-
Schedule 83 - Cancer Control	9315	21,150	21,150
Schedule 120 - Public Security	7000	50,208	-
Schedule 125 - Special Needs	2390	117,891	-
Schedule 129 - CMHC 6 Mini Houses	2352	1,516,528	-
Schedule 130 - CMHC RRAP - Housing and Community Buildings Renovation	2572	6,230	6,598
Schedule 135 - Training - Housing	2582	7,984	-
Schedule 154 - Childcare	3256	-	75,399
Schedule 155 - Elders	3298	25,000	-
Schedule 158 - Negotiation - Framework Agreement	9720	58,167	159,011
Schedule 162 - Baseball Field	2556	-	-
Schedule 164 - Culture, Language and Sports Recreation	5100	-	3,223
Schedule 170 - Rapid 7 Road Repairs	6410	176,617	228,698
Schedule 173 - Wasamac Project	6555	146,350	10,000
Schedule 175 - Mining Upper Beaver Gold	6575	5,000	-
Schedule 177 - Youth Council	3085	50,000	-
	2,736,951	810,761	

Long Point First Nation
Notes to the financial statements
March 31, 2022

7. ISC – Unexpended funding

	Project	2022	2021
Schedule 6 - Financial Management Governance Capacity	1844	-	80,071
Schedule 7 - Human Resources Management Governance Capacity Development	1845	59,330	77,589
Schedule 8 - Rights & Self-determination Discussion	1830	244,603	115,858
Schedule 45 - Rental and Construction of twin houses for teachers	2285	-	148,867
Schedule 50 - Renovations COVID-19	3159	365	159,423
Schedule 55 - ISC - Health Branch - Clinic Repairs	9004	730,323	259,545
Schedule 56 - First Line Services	9050	628,984	469,711
Schedule 57 - Community Based Initiatives Retro-Action	9060	491,493	-
Schedule 58 - Communicable Diseases	9051	57,629	47,432
Schedule 62 - ISC - Health Branch - Fetal Alcohol Disorders	9080	122,957	-
Schedule 66 - Health Plan	9101	-	79,153
Schedule 70 - ISC - Health Branch - Traditional Healers	9125	12,711	12,649
Schedule 72 - Communication Health Promo & Injury/Illness	9135	13,240	-
Schedule 76 - ISC - Health Branch - Medical Transportation	9301	-	76,364
Schedule 79 - Tobacco Control Strategy	9306	6,145	10,806
Schedule 83 - Cancer Control	9315	986	-
Schedule 87 - ISC - Health Branch - Mental Wellness Team	9450	245,253	137,816
Schedule 99 - O & M Water & Wastewater	2518	826,045	714,955
Schedule 104 - Old school demolition	4150	42,346	49,130
Schedule 105 - Sanitary Sewer Repairs	4210	4,386,550	1,654,579
Schedule 106 - Aeragated Lagoons	4215	288,270	-
Schedule 107 - Drinking Water Upgrade	4228	747,348	346,277
Schedule 108 - Ecocenter & Waste Management Project	4235	86,734	115,355
Schedule 110 - O & M Roll-Off Truck	8200	441,434	19,485
Schedule 111 - Wastewater	8750	-	515,022
Schedule 113 - Core Capital Budget	8999	-	(51,687)
Schedule 125 - Special Needs	2390	-	23,384
Schedule 126 - Social Assistance - Service Delivery	2401	-	6,663
Schedule 131 - Major Renovations, Extensions & Repairs	2573	-	12,539
Schedule 133 - Housing Maintenance Plan	2580	32,194	32,194
Schedule 138 - Housing - Infrastructure Master Plan Phase 1	2599	-	6,040
Schedule 139 - Housing Policy Review	2590	7,714	10,054
Schedule 152 - CEDO - Planning & Operations	2685	93,848	-
Schedule 155 - Elders	3298	-	40,527
Schedule 172 - Specific Claim - Flooding And Village Relocation	2020	-	9,406
	9,566,502	5,179,207	

8. Long-term debt

	2022	2021
Loan, 1.12%, guaranteed by ISC, payable by monthly instalments of \$229, including interest, maturing in 2042 - Loan No. 16229619011	47,166	49,472
Loan, 3.97%, guaranteed by ISC, payable by monthly instalments of \$680, including interest, maturing in 2033	70,944	75,141
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$1,716, including interest, maturing in 2030 - Loan No. 16229619008	143,327	162,191

Long Point First Nation
Notes to the financial statements
March 31, 2022

8. Long-term debt (continued)

	2022	2021
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$295, including interest, maturing in 2032 - Loan No. 16229619009	28,782	31,575
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$590, including interest, maturing in 2032 - Loan No. 16229619010	57,564	63,149
Loan, 4.49%, guaranteed by ISC, payable by monthly instalments of \$1372, including interest, maturing in 2031	123,811	130,763
Loan, 4.94%, guaranteed by ISC, payable by monthly instalments of \$680, including interest, maturing in 2023	5,338	13,025
Loans from CMHC (RRAP), no interest*	38,624	53,620
Loan, 2.78%, guaranteed by ISC, payable by monthly instalments of \$778, including interest, maturing in 2023	3,864	12,947
Loan, 1.85%, guaranteed by ISC, payable by monthly instalments of \$575, including interest, maturing in 2023 - Loan No. 16229619004	4,567	11,312
Loan, 1.30%, guaranteed by ISC, payable by monthly instalments of \$551, including interest, maturing in 2026 - Loan No. 16229619001	20,518	26,824
Loan, 1.22%, guaranteed by ISC, payable by monthly instalments of \$468, including interest, maturing in 2030 - Loan No. 16229619002	42,023	47,135
Loan, 0.71%, guaranteed by ISC, payable by monthly instalments of \$405, including interest, maturing in 2030 - Loan No. 16229619003	37,008	41,587
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$722, including interest, maturing in 2032 - Loan No. 16229619005	75,378	83,139
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$329, including interest, maturing in 2030 - Loan No. 16229619006	27,167	30,786
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$326, including interest, maturing in 2030 - Loan No. 16229619007	26,888	30,470
Loan, 7.49%, guaranteed by a motorized equipment with a net book value of \$41,926, payable by monthly instalments of \$894, including interest, maturing in 2025	23,224	31,852
	776,193	894,988
<u>Current portion</u>	121,945	118,795
	654,248	776,193

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

	\$
2023	121,945
2024	101,245
2025	96,583
2026	77,232
2027	77,732

* 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).

Long Point First Nation
Notes to the financial statements
March 31, 2022

9. Replacement reserve fund - Article 95

	2022	2021
Balance at beginning of year	235,794	242,270
Transfer to replacement reserve fund - Article 95	131,218	25,090
Interest earned	1,263	1,233
Withdrawal from replacement reserve	(88,048)	(32,799)
	280,227	235,794

Under the terms of the agreement with CMHC, the replacement reserve fund – Article 95 is to be credited of \$25,090 (\$25,090 in 2021) annually. In 2022, a special contribution of \$106,128 has been made to the replacement reserve fund. 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.

10. Additional information relating to the statement of cash flows

Changes in non-cash operating working capital items:

	2022	2021
Accounts receivable	(5,477,582)	(1,790,995)
Prepaid expenses	(325,280)	(106,301)
Accounts payable and accrued liabilities	96,060	340,627
Deferred revenue	1,926,190	327,909
ISC - Unexpended funding	4,387,295	2,115,052
Refundable contribution to ISC	169,866	-
	776,549	886,292

Cash and cash equivalents:

Cash	13,992,517	9,063,303
Interest paid	17,196	19,352

11. Accumulated surplus

	2022	2021
Net investment in capital assets	30,030,331	26,884,423
In-trust fund	98,124	96,768
Replacement reserve fund - Article 95	280,227	235,794
Reserve for ISC grant funding *	5,412,642	2,619,607
Reserve for fire equipment *	255,487	204,937
Operating reserve fund - Article 95	157,792	144,310
Cumulative operating surplus	5,948,142	4,665,212
	42,182,745	34,851,051

* These reserves have been created from the cumulative operating surplus.

Long Point First Nation
Notes to the financial statements
March 31, 2022

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 \$369,046 (\$254,377 in 2021).

13. Financial instruments

Credit facility (bank loan)

An authorized amount of \$450,000, bearing interest at prime rate (2.70% as at March 31 2022) 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, 2022.

Fair value of financial assets and liabilities

The fair value of cash, accounts receivable, restricted cash and deposits, accounts payable and accrued liabilities and refundable contribution to ISC 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, 2022, the net book value of all financial instruments corresponded approximately to their fair value

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.

Long Point First Nation
Notes to the financial statements
March 31, 2022

14. Related parties

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

	2022	2021
Revenues		
Sales - companies held by a council member	92,542	156,572
Expenses		
Purchases - companies held by a council member	1,534,709	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:

	2022	2021
Accounts receivable		
Companies held by a council member	6,273	132,108
Accounts payable and accrued liabilities		
Companies held by a council member	228,997	318,127

15. Cumulative operating and funds balances

The cumulative operating and funds balances as at March 31, 2022, 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.

16. Comparative figures

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

Long Point First Nation
Notes to the financial statements
March 31, 2022

17. Expenses by object

	2022	2021
Salaries and fringe benefits	7,506,441	5,916,090
Accommodation and meals	26,313	29,465
Amortization of capital assets	1,282,691	1,127,262
Administration fees	1,164,902	854,458
Allocation for education	167,630	398,643
Allocation for human resources development	7,530	4,773
Allocation for social assistance	1,430,722	1,330,071
Allocation for trappers	5,292	5,292
Bad debts	118,216	100,430
Contracts	2,469,510	3,004,476
Election expenses	-	12,390
Electricity	164,343	167,835
Honoraria	75,479	222,168
Insurances	159,754	156,998
Interest and bank charges	6,107	12,507
Interest on long-term debt	17,196	19,352
Licence and permits	33,462	8,749
Maintenance	392,527	58,500
Material and supplies	1,809,638	1,452,180
Medical transportation	172,672	184,030
Membership fees	1,025	1,000
Professional fees	661,618	500,095
Purchase of fuel	93,923	63,625
Rental of equipment	117,194	256,923
Telephone	89,053	130,587
Training	30,427	4,027
Transfer to businesses	-	107,462
Transfer to Makwa Machinery Inc. and Kuzzin store (SAT)	3,225	-
Transfer to replacement reserve fund - Article 95	131,218	25,090
Travel expenses	199,589	111,493
Tuition fees	132,538	180,233
Workshops	370,024	269,558
Other expenses	401,489	342,391
Transfer to Amosesag Childcare Center	303,075	202,127
Transfer to Makwa Machinery	1,344,484	320,186
	20,889,307	17,580,466

Long Point First Nation

Notes to the financial statements

March 31, 2022

18. Segment disclosure

	Band government		Administration	
	2022	2021	2022	2021
Revenues				
Federal government transfers	6,869	6,869	864,883	714,485
Provincial governments transfers	-	-	94,520	-
Other revenues	-	-	1,416,165	1,042,406
	6,869	6,869	2,375,568	1,756,891
Expenses				
Salaries and fringe benefits	6,553	6,508	812,752	629,301
Amortization	-	-	8,352	8,750
Other expenses	316	361	570,471	376,151
	6,869	6,869	1,391,575	1,014,202
	-	-	983,993	742,689

	Human resources development		Education	
	2022	2021	2022	2021
Revenues				
Federal government transfers	621,931	469,961	6,808,495	6,636,480
Provincial governments transfers	-	-	-	5,000
Other revenues	(67,058)	-	(478,760)	(493,566)
	554,873	469,961	6,329,735	6,147,914
Expenses				
Salaries and fringe benefits	379,616	367,257	2,647,550	2,692,022
Amortization	-	-	412,747	341,701
Other expenses	72,357	102,704	1,665,191	1,812,758
	451,973	469,961	4,725,488	4,846,481
	102,900	-	1,604,247	1,301,433

	Health		Public works	
	2022	2021	2022	2021
Revenues				
Federal government transfers	6,787,315	5,578,040	5,169,312	5,019,724
Provincial governments transfers	15,000	15,000	-	-
Other revenues	(66,614)	161,296	644,970	626,702
	6,735,701	5,754,336	5,814,282	5,646,426
Expenses				
Salaries and fringe benefits	2,446,862	1,224,882	599,420	591,214
Interests on long-term debt	-	-	2,094	2,525
Amortization	56,748	53,265	439,121	358,434
Other expenses	3,919,012	4,072,070	1,139,961	1,024,097
	6,422,622	5,350,217	2,180,596	1,976,270
	313,079	404,119	3,633,686	3,670,156

Long Point First Nation
Notes to the financial statements
March 31, 2022

18. Segment disclosure

	Fire and public security protection		Social assistance	
	2022	2021	2022	2021
Revenues				
Federal government transfers	52,559	72,232	2,091,039	2,354,085
Provincial governments transfers	50,208	-	-	-
Other revenues	(50,208)	-	(121,640)	-
	52,559	72,232	1,969,399	2,354,085
Expenses				
Salaries and fringe benefits	-	-	56,157	68,223
Amortization	2,587	3,234	-	-
Other expenses	2,009	33,585	1,456,842	1,374,140
	4,596	36,819	1,512,999	1,442,363
	47,963	35,413	456,400	911,722
Housing		Economic development		
2022	2021	2022	2021	
Revenues				
Federal government transfers	1,803,208	387,845	233,979	404,385
Provincial governments transfers	-	-	110,000	220,947
Other revenues	(1,065,874)	371,072	276,532	(115,712)
	737,334	758,917	620,511	509,620
Expenses				
Salaries and fringe benefits	153,154	69,077	134,493	64,568
Interests on long-term debt	15,102	16,827	-	-
Amortization	334,751	346,720	9,895	5,856
Other expenses	710,942	648,468	510,604	286,367
	1,213,949	1,081,092	654,992	356,791
	(476,615)	(322,175)	(34,481)	152,829
Natural resources and other		TOTAL		
2022	2021	2022	2021	
Revenues				
Federal government transfers	35,111	15,224	24,474,701	21,659,330
Provincial governments transfers	1,575,963	811,146	1,845,691	1,052,093
Other revenues	1,352,311	938,123	1,839,824	2,530,321
	2,963,385	1,764,493	28,160,216	25,241,744
Expenses				
Salaries and fringe benefits	269,884	203,038	7,506,441	5,916,090
Interests on long-term debt	-	-	17,196	19,352
Amortization	18,490	9,302	1,282,691	1,127,262
Other expenses	2,035,274	787,061	12,082,979	10,517,762
	2,323,648	999,401	20,889,307	17,580,466
	639,737	765,092	7,270,909	7,661,278