

Long Point First Nation
Financial statements
March 31, 2023

Long Point First Nation
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Year ended March 31, 2023

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Management's Statement of Responsibility

The financial statements of the Long Point First Nation as of March 31, 2023, 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.

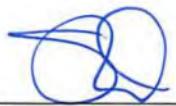
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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:



Q, EXECUTIVE DIRECTOR

Signature and title
for Long Point First Nation

October 31, 2023

Independent Auditor's Report

To the Chief and Council of
Long Point First Nation

Qualified Opinion

We have audited the financial statements of Long Point First Nation (the "First Nation"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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, except for the implication of the situation described in section «Basis for Qualified Opinion», the accompanying financial statements present fairly, in all material respects, the financial position of the First Nation for the year ended March 31, 2023, and the results of its operations, 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 Qualified Opinion

In connection with the April 1, 2022 application of CPA Canada Public Sector Accounting Handbook Section PS 3280, "Asset Retirement Obligations", the First Nation did not identify and measure its liabilities for asset retirement obligations as at April 1, 2022 and March 31, 2023, which constitutes a departure from Canadian public sector accounting standards. The First Nation should have identified the assets or components at risk of an asset retirement obligation liability, estimated and recorded the amount of this liability, and provided disclosures about the obligations. Since the identification, estimation, recognition and disclosure of the obligations have not been performed, we were unable to determine whether any adjustments might be required to the capital assets, liabilities for asset retirement obligations as at March 31, 2023, surplus for the year and cash flows from operating activities, as well as to the change in net financial assets and disclosures of the obligations for the year ended March 31, 2023.

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 First Nation 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 qualified opinion.

Emphasis of Matter

We draw attention to the fact that the First Nation 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 First Nation also choose to present a statement of cumulative operating surplus on page 3 and a statement of net investment in capital assets on page 4. Our qualified opinion is not modified in respect of this matter.

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 First Nation'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 First Nation or to cease operations, or has no realistic alternative but to do so.

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

MNP S.E.N.C.R.L., s.r.l./LLP

101, 1re Avenue Est, bureau 200, Amos (Québec) J9T 1H4

Tél. : 819.732.8273 Téléc. : 819.732.9143

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 First Nation'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.

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MNP LLP
MNP LLP

Amos (Québec)
October 31, 2023

Long Point First Nation
Statement of operations
Year ended March 31, 2023

	2023	2022
Revenues		
ISC - Grant	14,697,019	9,467,674
ISC - Fixed contribution	13,929,404	11,333,386
ISC - Flexible contribution	2,215,865	3,189,471
ISC - Set contribution	795,463	575,125
Refundable surplus to ISC	(270,879)	(169,866)
Review letters	-	(14,505)
Aboriginal Savings Corporation of Canada (ABSCAN)	583,842	-
Administration fees	1,359,866	1,240,823
Canada Mortgage and Housing Corporation (CMHC)	163,166	1,689,914
Canadian Malartic Mine	562,500	567,500
Centre jeunesse de l'Abitibi-Témiscamingue	15,000	15,000
Contract with forestry companies	641,409	713,510
Grand Conseil de la Nation Waban-Aki	98,553	-
Contracts and rental	21,655	69,923
First Nations Education Council	646,297	1,874,783
First Nations Human Resources Development (FNHRD)	432,181	601,312
Government of Quebec	45,000	97,000
First Nations of Quebec and Labrador Health and Social Services Commission	202,905	314,702
Interests	342,502	50,370
Ministère de la Culture et des Communications	35,000	10,000
Ministère des Forêts, de la Faune et des Parcs (MFFP)	-	1,530,963
Rent revenue	328,369	459,227
Secrétariat aux relations avec les Premières Nations les Inuits (SRPNI)	13,784	192,728
Tax reimbursement	36,172	20,126
Other revenues	384,521	556,487
Withdrawal from replacement reserve	67,022	88,048
Deferred revenue from previous year	2,736,951	810,761
Deferred revenue to following year	(481,387)	(2,736,951)
ISC - Unexpended contribution from previous year	9,566,502	5,179,207
ISC - Unexpended contribution to following year	(14,247,690)	(9,566,502)
	34,920,992	28,160,216

Long Point First Nation
Statement of operations
Year ended March 31, 2023

	2023	2022
Expenses (Note 18)		
Band government	7,455	6,869
Administration	1,712,122	1,391,575
Human resources development	503,802	451,973
Education	5,872,835	4,725,488
Health	5,494,830	6,422,622
Public works	2,329,263	2,180,596
Fire and public security protection	146,746	4,596
Social assistance	1,809,658	1,512,999
Housing	934,216	1,213,949
Economic development	759,672	654,992
Natural resources and others	1,901,687	2,323,648
	21,472,286	20,889,307
Surplus of the year	13,448,706	7,270,909
 Conciliation to ISC financial reporting requirements		
Surplus for the year	13,448,706	7,270,909
Reimbursement of capital on long-term debt	(105,718)	(103,799)
Acquisition of capital assets	(10,497,187)	(4,309,804)
Surplus under ISC financial reporting requirements (1)	2,845,801	2,857,306

(1) The operating surplus under ISC financial reporting requirements before amortization is \$4,278,604 (surplus of \$4,139,997 in 2022).

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

Long Point First Nation
Statement of cumulative operating surplus
Year ended March 31, 2023

	2023	2022
Balance at beginning of year	5,948,142	4,665,212
Surplus of the year	13,448,706	7,270,909
Transfer to net investment in capital assets		
Acquisition of capital assets	(10,497,187)	(4,309,804)
Amortization of capital assets	1,432,803	1,282,691
Reimbursement of capital on long-term debt	(105,718)	(103,799)
Adjustment of reserved funds - Article 95	16,134	(13,482)
Transfer to the reserve for ISC grant funding	(4,894,855)	(2,793,035)
Allocation to fire protection reserve	(14,251)	(50,550)
Balance at end of year	5,333,774	5,948,142

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, 2023

	2023	2022
Net investment in capital assets at beginning of year	30,030,331	26,884,423
Variation of net investment in capital assets		
Plus:		
Acquisition of capital assets	10,497,187	4,309,804
Reimbursement of capital on long-term debt	105,718	103,799
Reimbursement of RRAP loans	6,890	14,996
	10,609,795	4,428,599
Less:		
Loan revenue	-	-
Amortization of capital assets	1,432,803	1,282,691
	1,432,803	1,282,691
Net investment in capital assets at end of year	39,207,323	30,030,331

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

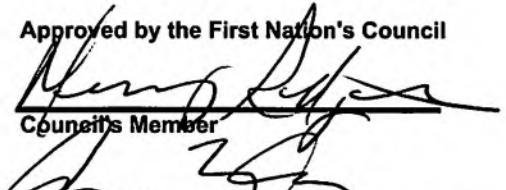
Long Point First Nation
Statement of financial position
As at March 31, 2023

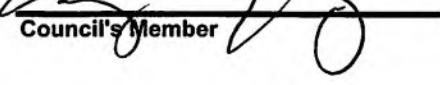
	2023	2022
Financial assets		
Cash	15,779,117	13,992,517
Short-term investment (5.05% renewable on February 2024)	5,000,000	-
Accounts receivable (Note 3)	13,253,746	11,170,508
Restricted cash and deposits (Note 4)	494,913	485,160
	34,527,776	25,648,185
Liabilities		
Accounts payable and accrued liabilities	2,176,012	1,554,817
Funding received in advance	1,275,692	-
Deferred revenue (Note 6)	481,387	2,736,951
ISC - Unexpended funding (Note 7)	14,247,692	9,566,502
Refundable contribution to ISC	464,896	169,866
Long-term debt (Note 8)	663,585	776,193
	19,309,264	14,804,329
Net financial assets	15,218,512	10,843,856
Non-financial assets		
Prepaid expenses	508,341	532,365
Capital assets (Note 5)	39,870,908	30,806,524
	40,379,249	31,338,889
Accumulated surplus (Note 11)	55,597,761	42,182,745

Contingency (note 16)

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, 2023

	2023	2022
Surplus for the year	13,448,706	7,270,909
Changes in capital assets		
Acquisition of capital assets	(10,497,187)	(4,309,804)
Amortization of capital assets	1,432,803	1,282,691
	(9,064,384)	(3,027,113)
Changes in non-operational surpluse, reserves and other non-financial assets		
Variation of surpluses and reserves	(43,230)	44,433
Increase in in-trust fund	2,650	1,356
Changes in other non-financial assets	24,024	(325,280)
RRAP loan instalments remission	6,890	14,996
	(9,666)	(264,495)
Changes in net financial assets	4,374,656	3,979,301
Net financial assets at beginning of year	10,843,856	6,864,555
Net financial assets at end of year	15,218,512	10,843,856

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

Long Point First Nation
Statement of cash flows
Year ended March 31, 2023

	2023	2022
Operating activities		
Surplus for the year	13,448,706	7,270,909
Item not affecting cash :		
Amortization of capital assets	1,432,803	1,282,691
	14,881,509	8,553,600
Changes in non-cash operating working capital items (Note 10)	2,558,329	776,549
	17,439,838	9,330,149
Investing activities		
Acquisition of capital assets	(10,497,187)	(4,309,804)
Increase in restricted cash and deposits	(9,753)	(33,120)
Increase in short-term investment	(5,000,000)	-
	(15,506,940)	(4,342,924)
Financing activities		
Variation of surpluses and reserves	(43,230)	44,433
Increase in in-trust fund	2,650	1,356
Reimbursement of capital on long-term debt	(112,608)	(118,795)
RRAP loan instalments remission	6,890	14,996
	(146,298)	(58,010)
Net increase in cash and cash equivalents	1,786,600	4,929,215
Cash and cash equivalents, beginning of year	13,992,517	9,063,302
Cash and cash equivalents, end of year	15,779,117	13,992,517

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, 2023

1. Description of the First Nation

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. Accounting policies

The financial statements have been prepared in accordance with the Canadian public sector accounting standards and are including the following significant accounting policies:

Change in accounting policies

PS 3450 - Financial Instruments

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

PS 3280 - Asset Retirement Obligations

Effective April 1, 2022, the First Nation adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of a liability asset retirement obligation Under Section 3280 Asset Retirement Obligations. The new standard establishes when to recognize and measure a liability for an asset retirement obligation, and provides related financial statement presentation and disclosure requirements. The First Nation has not adopted this new standard, as it has not identified and measured its liabilities for asset retirement obligations at either April 1, 2022 or March 31, 2023, which is a departure from Canadian public sector standards. The First Nation should have identified the assets or components presenting a risks of liability for asset retirement obligations, estimated and recorded the amount of this liability, and provided information on these obligations.

Significant accounting policies

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.

Financial instruments

On initial recognition, all financial instruments are initially recognized at fair value, and are classified as either financial instruments measured at cost or amortized cost, or as financial instruments measured at fair value. Transactions that are not contractual in nature do not generate items considered as financial instruments.

Cash and cash equivalents, accounts receivable (excluding commodity taxes receivable), loans receivable, loans and other receivables are classified as financial assets at cost or market value. Financial assets measured at cost or amortized cost using the effective interest method. Borrowings, accounts payable and accrued liabilities, excluding commodity taxes payable and employee benefits payable, accrued interest payable and debts are classified as financial liabilities measured at cost or amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to its carrying amount.

Long Point First Nation
Notes to the financial statements
March 31, 2023

2. Accounting policies (continued)

Transaction costs are added to the carrying amount of financial instruments measured at cost or amortized cost at cost or amortized cost on initial recognition.

All financial assets are tested annually for impairment. Management takes into consideration whether the issuing company has suffered continuous losses over a number of years, recent experience in collecting the receivable, such as a default or delay in interest or principal payments, and so on. Any impairment that is not considered temporary is recognized in the income statement. Reductions in the value of financial assets measured at cost and/or amortized cost to reflect impairment losses are not reversed for subsequent increases in value. Reversals of any net revaluation of financial assets measured at fair value are recognized in the statement of revaluation gains and losses. When the carrying value of a portfolio investment in shares quoted on an active market has been reduced to reflect an other-than-temporary impairment in value, the accumulated balance of unrealized losses recognized in the statement of remeasurement gains and losses is reclassified to the statement of income.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated using the following methods 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	2.5 to 5 %
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%

Assets under construction are not depreciated since they are not in use.

Impairment of long-lived assets

Capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-down are accounted for as expense in the Statement of Operations.

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.

Long Point First Nation
Notes to the financial statements
March 31, 2023

2. Accounting policies (continued)

Revenue recognition (continued)

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.

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

	2023	2022
ISC	11,202,102	7,800,989
CMHC	1,553,668	1,607,064
First Nations Education Council	18,046	296,077
Rent - Band housing and Article 95	2,150,589	2,064,215
FNHRDCQ	12,998	18,077
MFFP	503	258,442
Secrétariat aux relations avec les Premières Nations les Inuits (SRPNI)	163,479	244,043
Other accounts receivable	495,885	1,091,187
	<hr/> 15,597,270	<hr/> 13,380,094
Allowance for doubtful accounts	(2,343,524)	(2,209,586)
	<hr/> 13,253,746	<hr/> 11,170,508

Long Point First Nation
Notes to the financial statements
March 31, 2023

4. Restricted cash and deposits

	2023	2022
In-trust surplus	100,774	98,124
Reserved funds - Article 95*	394,139	387,036
	494,913	485,160

* 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 over funded the combined minimal amounts to be invested in the replacement reserve (\$222,880) and in the operating reserve (\$155,775) by \$15,484. In 2022, the First Nation underfunded the replacement reserve and the operating reserve by \$50,983.

5. Capital assets

	2023	2022		
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Private housing	9,418,468	4,180,473	5,237,995	5,431,023
Community and residential buildings	18,523,758	5,018,540	13,505,217	13,144,691
Equipment	2,921,383	2,197,791	723,593	834,926
Motorized equipment	4,114,474	2,203,807	1,910,667	1,456,149
Roadway system	5,265,244	1,386,011	3,879,233	3,115,031
Water and sanitation systems	13,246,261	1,815,823	11,430,438	6,755,664
Assets under construction	3,183,765	-	3,183,765	69,040
	56,673,353	16,802,445	39,870,908	27,779,411

An amount of \$1,432,803 has been considered for depreciation (\$1,282,691 as at March 31, 2022).

Long Point First Nation
Notes to the financial statements
March 31, 2023

6. Deferred revenue

	<i>Project</i>	2023	2022
FNHRDCQ - CRF - COVID	5526	-	69,500
FNEC - Education Partnership Program	3017	-	116,092
FNEC - Post Secondary Partnership Program	2365	110,234	275,914
Family Violence	2430	16,957	55,323
Community Sport Project	2557	-	4,505
FNQLHSSC - Fight Against Poverty	3266	41,290	34,492
Influenza Pandemic Preparedness (COVID-19)	9308	28,130	-
Cancer Control	9315	21,150	21,150
Public Security	7000	-	50,208
Special Needs	2390	-	117,891
CMHC 6 Mini Houses	2352	-	1,516,528
CMHC RRAP - Housing and Community Buildings Renovation	2572	6,345	6,230
Training - Housing	2582	-	7,984
HASI - 504 Mahigan Mikana	3232	1,442	-
Childcare	3256	19,720	-
Elders	3298	-	25,000
Radio Station	9200	12,750	-
Negociation - Framework Agreement	9720	-	58,167
Rapid 7 Road Repairs	6410	-	176,617
Wasamac Project	6555	145,594	146,350
Mining Upper Beaver Gold	6575	5,000	5,000
Youth Council	3085	-	50,000
Let's talk Anishnabeg	5110	72,775	-
		481,387	2,736,951

Long Point First Nation
Notes to the financial statements
March 31, 2023

7. ISC – Unexpended funding

	Project	2023	2022
Declaration on Rights of Indigenous	1820	51,600	-
Financial Management Governance Capacity Development	1844	21,258	-
Human Resources Management	1845	-	59,330
Rights & Self-determination Discussion	1830	-	244,603
Amo Ososwan School Repairs	2282	1,400,000	-
Renovations COVID-19	3159	-	365
ISC - Health Branch - Head Start	3257	510,000	-
ISC - Health Branch - Clinic Repairs	9004	764,952	730,323
First Line Services	9050	1,215,663	628,984
Community Based Initiatives Retro-Action	9060	491,493	491,493
Communicable Diseases	9051	20,560	57,629
ISC - Health Branch - Jordan's Principle	9080	483,997	122,957
ISC - Health Branch - Jordan's Principle Coordination	9085	16,775	-
ISC - Health Branch - Traditional Healers	9125	10,361	12,711
Communication Health Promo & Injury/Illness	9135	-	13,240
Tobacco Control Strategy	9306	17,545	6,145
Cancer Control	9315	986	986
ISC - Health Branch - Mental Wellness Team	9450	204,023	245,253
ISC - Health Branch - Emerging Technology	9475	14,072	-
O & M Water & Wastewater	2518	1,294,124	826,045
Old school demolition	4150	49,065	42,346
Sanitary Sewer Repairs	4210	4,104,143	4,386,550
New Wastewater Treatment (CMQ34) and Aerated Lagoons	4215	557,613	288,270
Drinking Water Upgrade	4228	1,244,399	747,348
Landfill Monitoring	4234	1,096	-
Ecocenter & Waste Management Project	4235	13,282	86,734
O & M Roll-Off Truck	8200	416,982	441,434
Feasibility Study - Youth Center	3082	144,208	-
Major Renovations, Extensions & Repairs	2573	147,284	-
Housing Maintenance Plan	2580	32,194	32,194
Housing Policy Review	2590	4,782	7,714
Housing Initiative Phase 2022-2023 - Fourplex 167 Kijigate	2553	896,810	-
CEDO - Planning & Operations	2685	-	93,848
Specific Claim - Flooding And Village Relocation	2020	9,538	-
First Nation Representative Service	9053	108,887	-
	14,247,692	9,566,502	

Long Point First Nation
Notes to the financial statements
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8. Long-term debt

	2023	2022
Loan, 1.12%, guaranteed by ISC, payable by monthly instalments of \$229, including interest, maturing in 2042 - Loan No. 16229619011	44,936	47,166
Loan, 3.97%, guaranteed by ISC, payable by monthly instalments of \$680, including interest, maturing in 2033	66,435	70,944
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$1,716, including interest, maturing in 2030 - Loan No. 16229619008	124,247	143,327
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$295, including interest, maturing in 2032 - Loan No. 16229619009	25,919	28,782
Loan, 2.48%, guaranteed by ISC, payable by monthly instalments of \$590, including interest, maturing in 2032 - Loan No. 16229619010	51,840	57,564
Loan, 4.49%, guaranteed by ISC, payable by monthly instalments of \$1,372, including interest, maturing in 2031	106,756	123,811
Loan, 4.94%, reimbursed during the year	-	5,338
Loans from CMHC (RRAP), no interest*	31,734	38,624
Loan, 2.78%, reimbursed during the year	-	3,864
Loan, 1.85%, Loan, reimbursed during the year	-	4,567
Loan, 2.99%, guaranteed by ISC, payable by monthly instalments of \$565, including interest, maturing in 2026 - Loan No. 16229619001	14,216	20,518
Loan, 1.22%, guaranteed by ISC, payable by monthly instalments of \$468, including interest, maturing in 2030 - Loan No. 16229619002	36,879	42,023
Loan, 0.71%, guaranteed by ISC, payable by monthly instalments of \$405, including interest, maturing in 2030 - Loan No. 16229619003	32,397	37,008
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$722, including interest, maturing in 2032 - Loan No. 16229619005	67,529	75,378
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$329, including interest, maturing in 2030 - Loan No. 16229619006	23,507	27,167
Loan, 1.13%, guaranteed by ISC, payable by monthly instalments of \$326, including interest, maturing in 2030 - Loan No. 16229619007	23,265	26,888
Loan, 7.49%, guaranteed by a motorized equipment with a net book value of \$37,734, payable by monthly instalments of \$894, including interest, maturing in 2025	13,925	23,224
	<u>663,585</u>	<u>776,193</u>
Current portion	109,357	121,945
	<u>554,228</u>	<u>654,248</u>

Long Point First Nation
Notes to the financial statements
March 31, 2023

8. Long-term dept (continued)

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

	\$
2024	109,357
2025	96,598
2026	77,142
2027	77,658
2028	79,363

* 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

	2023	2022
Balance at beginning of year	280,227	235,794
Transfer to replacement reserve fund - Article 95	23,792	131,218
Interest earned	7,936	1,233
Withdrawal from replacement reserve	(67,022)	(88,048)
	222,880	280,227

Under the terms of the agreement with CMHC, the replacement reserve fund – Article 95 is to be credited of \$23,792 (\$25,090 in 2022) 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.

Long Point First Nation
Notes to the financial statements
March 31, 2023

10. Additional information relating to the statement of cash flows

Changes in non-cash operating working capital items:

	2023	2022
Accounts receivable	(2,083,238)	(5,477,582)
Prepaid expenses	24,024	(325,280)
Accounts payable and accrued liabilities	621,195	96,060
Funding received in advance	1,275,692	-
Deferred revenue	(2,255,564)	1,926,190
ISC - Unexpended funding	4,681,190	4,387,295
Refundable contribution to ISC	295,030	169,866
	2,558,329	776,549

Cash and cash equivalents:

Cash	15,779,117	13,992,517
Interest paid	15,391	17,196

11. Accumulated surplus

	2023	2022
Net investment in capital assets	39,207,323	30,030,331
In-trust fund	100,774	98,124
Replacement reserve fund - Article 95	222,880	280,227
Reserve for ISC grant funding *	10,307,497	5,412,642
Reserve for fire equipment *	269,738	255,487
Operating reserve fund - Article 95	155,775	157,792
Cumulative operating surplus	5,333,774	5,948,142
	55,597,761	42,182,745

* These reserves have 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 non-native 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 \$414,655 (\$369,046 in 2022).

Long Point First Nation
Notes to the financial statements
March 31, 2023

13. Financial instruments

Credit facility (bank loan)

An authorized amount of \$450,000, bearing interest at prime rate (6.70% as at March 31 2023) plus 2.25% is available. The line of credit has been renewed in August 2023 with the same condition (renewable in August 2024) and is 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, 2023.

Fair value of financial assets and liabilities

The fair value of cash, accounts receivable, short-term investment, 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, 2023, 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.

14. Related parties

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

	2023	2022
Revenues		
Sales - companies held by a council member (until August 2022)	-	92,542
Expenses		
Purchases - companies held by a council member (until August 2022)	327,687	1,534,709

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.

Long Point First Nation
Notes to the financial statements
March 31, 2023

14. Related parties (continued)

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

	2023	2022
Accounts receivable		
Companies held by a council member	-	6,273
Accounts payable and accrued liabilities		
Companies held by a council member	-	228,997

15. Cumulative operating and funds balances

The cumulative operating and funds balances as at March 31, 2023, 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. Contingency

According to RBA pension plan policy, all eligible employees should be register to RBA pension plan when certain criteria are met. It turns out that some employees should have been covered by the RBA pension plan but were not registered. It is currently impossible to assess the amount from this situation that the First Nation could, if necessary, have to pay. No provision has been recorded in the financial statements.

17. 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, 2023

18. Expenses by object

	2023	2022
Salaries and fringe benefits	8,103,968	7,506,441
Accommodation and meals	35,477	26,313
Amortization of capital assets	1,432,803	1,282,691
Administration fees	1,242,565	1,164,902
Allocation for education	230,353	167,630
Allocation for human resources development	10,365	7,530
Allocation for social assistance	1,707,217	1,430,722
Allocation for trappers	5,001	5,292
Allocation for camps	24,936	-
Bad debts	135,829	118,216
Contracts	1,921,131	2,469,510
Election expenses	11,134	-
Electricity	184,888	164,343
Honoraria	113,357	75,479
Insurances	195,918	159,754
Interest and bank charges	15,222	6,107
Interest on long-term debt	15,391	17,196
Licence and permits	26,396	33,462
Maintenance	132,048	392,527
Material and supplies	1,679,308	1,809,638
Medical transportation	211,995	172,672
Membership fees	100	1,025
Professional fees	1,038,312	661,618
Purchase of fuel	164,061	93,923
Rental of equipment	263,647	117,194
Telephone	115,405	89,053
Training	27,301	30,427
Transfer to businesses	47,150	-
Transfer to Makwa Machinery Inc. and Kuzzin store (SAT)	9,000	3,225
Transfer to replacement reserve fund - Article 95	23,792	131,218
Travel expenses	418,043	199,589
Tuition fees	228,145	132,538
Workshops	963,655	370,024
Other expenses	329,129	401,489
Transfer to Amosesag Childcare Center	210,805	303,075
Transfer to Makwa Machinery	198,439	1,344,484
	21,472,286	20,889,307

Long Point First Nation
Notes to the financial statements
March 31, 2023

19. Segment disclosure

	Band government		Administration	
	2023	2022	2023	2022
Revenues				
Federal government transfers	7,455	6,869	871,624	864,883
Provincial governments transfers	-	-	-	94,520
Other revenues	-	-	1,745,948	1,416,165
	7,455	6,869	2,617,572	2,375,568
Expenses				
Salaries and fringe benefits	5,589	6,553	1,008,023	812,752
Amortization	-	-	16,209	8,352
Other expenses	1,866	316	687,890	570,471
	7,455	6,869	1,712,122	1,391,575
			905,450	983,993
 Human resources				
development		Education		
	2023	2022	2023	2022
Revenues				
Federal government transfers	459,762	621,931	9,618,765	6,808,495
Provincial governments transfers	-	-	-	-
Other revenues	44,040	(67,058)	(43,355)	(478,760)
	503,802	554,873	9,575,410	6,329,735
Expenses				
Salaries and fringe benefits	346,885	379,616	2,683,050	2,647,550
Amortization	-	-	420,775	412,747
Other expenses	156,917	72,357	2,769,010	1,665,191
	503,802	451,973	5,872,835	4,725,488
		- 102,900	3,702,575	1,604,247
 Health				
	2023	2022	2023	2022
Revenues				
Federal government transfers	6,316,849	6,787,315	7,164,840	5,169,312
Provincial governments transfers	15,000	15,000	-	-
Other revenues	(46,039)	(66,614)	527,776	644,970
	6,285,810	6,735,701	7,692,616	5,814,282
Expenses				
Salaries and fringe benefits	2,452,097	2,446,862	833,579	599,420
Interests on long-term debt	-	-	1,426	2,094
Amortization	72,893	56,748	557,076	439,121
Other expenses	2,969,840	3,919,012	937,182	1,139,961
	5,494,830	6,422,622	2,329,263	2,180,596
	790,980	313,079	5,363,353	3,633,686

Long Point First Nation
Notes to the financial statements
March 31, 2023

19. Segment disclosure (continued)

	Fire and public security protection		Social assistance	
	2023	2022	2023	2022
Revenues				
Federal government transfers	174,667	52,559	2,074,631	2,091,039
Provincial governments transfers	13,784	50,208	-	-
Other revenues	45,005	(50,208)	120,769	(121,640)
	233,456	52,559	2,195,400	1,969,399
Expenses				
Salaries and fringe benefits	2,640	-	59,866	56,157
Amortization	11,383	2,587	-	-
Other expenses	132,723	2,009	1,749,792	1,456,842
	146,746	4,596	1,809,658	1,512,999
	86,710	47,963	385,742	456,400
 Housing				
2023		2022	2023	2022
Revenues				
Federal government transfers	1,733,131	1,803,208	330,751	233,979
Provincial governments transfers	-	-	35,000	110,000
Other revenues	1,855,215	(1,065,874)	257,299	276,532
	3,588,346	737,334	623,050	620,511
Expenses				
Salaries and fringe benefits	136,605	153,154	188,889	134,493
Interests on long-term debt	13,965	15,102	-	-
Amortization	318,905	334,751	7,916	9,895
Other expenses	464,741	710,942	562,867	510,604
	934,216	1,213,949	759,672	654,992
	2,654,130	(476,615)	(136,622)	(34,481)
 Natural resources and other				
2023		2022	2023	2022
Revenues				
Federal government transfers	60,153	35,111	28,812,628	24,474,701
Provincial governments transfers	45,000	1,575,963	108,784	1,845,691
Other revenues	1,492,922	1,352,311	5,999,580	1,839,824
	1,598,075	2,963,385	34,920,992	28,160,216
Expenses				
Salaries and fringe benefits	386,745	269,884	8,103,968	7,506,441
Interests on long-term debt	-	-	15,391	17,196
Amortization	27,646	18,490	1,432,803	1,282,691
Other expenses	1,487,296	2,035,274	11,920,124	12,082,979
	1,901,687	2,323,648	21,472,286	20,889,307
	(303,612)	639,737	13,448,706	7,270,909