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July 31, 2019

Dear Department,

We are pleased to enclose the following:

- A copy of the signed audited consolidated financial statements of Flying Post First Nations for the year ended March 31, 2019;

If you have any questions, please do not hesitate to contact us.

Yours sincerely,  
Grant Thornton LLP

*Grant Thornton LLP*

Rosy Brizi, CPA, CA  
Partner  
(807) 346-7208

/cmr  
Enc

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AUG 01 2019

Indigenous Services Canada  
Ministère des Affaires autochtones et du Développement durable et des Terres  
Indigenous Services Canada  
Ministère des Affaires autochtones et du Développement durable et des Terres



**Grant Thornton**

**Flying Post First Nation**

Consolidated Financial Statements

**March 31, 2019**

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Indigenous Services Canada  
Services autochtones Canada  
Indigenes Services Canada  
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## FLYING POST FIRST NATION

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FLYING POST FIRST NATION  
March 31, 2019

### Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Flying Post First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Flying Post First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the consolidated financial statements are relevant, reliable and accurate and Flying Post First Nation's assets are appropriately accounted for and adequately safeguarded.

The Council of Flying Post First Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Financial Administration.

The Financial Administration meets periodically with the Chief and Council, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual consolidated financial statements and the external auditors' report. The Financial Administration reports its findings to the Council for consideration when approving the financial statements for issuance to the Members.

The consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. Grant Thornton LLP has full and free access to the Council.

Chief

Councillor

## Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement 1 - Consolidated Statement of Financial Position	3
Statement 2 - Consolidated Statement of Operations and Accumulated Surplus	4
Statement 3 - Consolidated Statement of Changes in Fund Balances	5
Statement 4 - Consolidated Trust Fund Statement of Changes in Fund Balance	6
Statement 5 - Consolidated Investment Fund Statement of Changes in Fund Balance	7
Statement 6 - Consolidated Casino Rama Fund Statement of Changes in Fund Balance	8
Statement 7 - Consolidated Statement of Cash Flows	9
Statement 8 - Consolidated Statement of Changes in Net Financial Assets	10
Notes to the Consolidated Financial Statements	11 - 20
 Schedule 1 - Revenue, Expenses and Accumulated Surplus (Deficit) - General Programs	 21
Schedule 2 - Revenue, Expenses, and Accumulated Surplus (Deficit) - Education Programs	22
Schedule 3 - Revenue, Expenses and Accumulated Surplus - Health Programs	23
Schedule 4 - Revenue, Expenses and Accumulated Surplus (Deficit) - New Relationship Fund Program	24
Schedule 5 - Revenue, Expenses and Accumulated Surplus (Deficit) - Community Mining and Exploration Funds Program	25
Schedule 6 - Federal Government Funding	26



## Independent auditor's report

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To the Chief, Council and Members of  
Flying Post First Nation

### Opinion

We have audited the consolidated financial statements of Flying Post First Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in fund balances, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Flying Post First Nation as at March 31, 2019, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 First Nation'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 consolidated 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 First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Thunder Bay, Canada  
July 31, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**Flying Post First Nation**  
**Consolidated Statement of Financial Position**

As at March 31

**Statement 1**

	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	2,739,706	2,085,045
Accounts receivable [note 2]	907,290	671,782
Investments [note 3]	365,736	514,814
Investment Fund asset	250,000	250,000
Restricted assets [note 4]	2,784,999	2,584,436
Trust Fund asset	205,474	200,810
<b>Total financial assets</b>	<b>7,253,205</b>	<b>6,306,887</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities	63,390	75,623
Due to Ministry of Health and Long-Term Care	115,169	-
Promissory notes [note 5]	255,891	154,016
<b>Total financial liabilities</b>	<b>434,450</b>	<b>229,639</b>
<b>NET FINANCIAL ASSETS</b>	<b>6,818,755</b>	<b>6,077,248</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets, net [notes 6 and 15]	151,278	110,219
Prepaid expenses	25,331	24,473
<b>Total accumulated surplus</b>	<b>176,609</b>	<b>134,692</b>
	<b>6,995,364</b>	<b>6,211,940</b>

Contingencies [note 8]

See accompanying notes to the consolidated financial statements.

Approved by



Chief



Councillor

**Flying Post First Nation** **Statement 2**  
**Consolidated Statement of Operations and Accumulated**  
**Surplus**

Year ended March 31	2019	2018
	\$	\$
<b>Revenue [Note 14]</b>		
Aboriginal Affairs and Northern Development Canada	625,765	565,938
Ontario First Nations Limited Partnership	619,964	489,144
Health Canada	284,285	138,779
Ministry of Health and Long-Term Care	24,453	-
Wabun Tribal Council	90,552	93,352
Nishnawbe Aski Nation	56,300	72,312
Mining agreements	1,330,081	1,039,064
Interest	69,669	26,180
Other	189,904	132,531
	<b>3,290,973</b>	<b>2,557,300</b>
<b>Expenses [Note 14]</b>		
Band support	664,907	454,687
Economic development	-	-
Education	256,034	208,143
Health Programs	277,646	100,049
New Relationship Fund	86,205	85,036
Mining Community Fund	676,579	470,712
Casino Rama	546,178	434,990
	<b>2,507,549</b>	<b>1,753,617</b>
<b>Excess of revenue over expenses for the year</b>	<b>783,424</b>	<b>803,683</b>
Total accumulated surplus, beginning of year	6,211,940	5,408,257
<b>Total accumulated surplus, end of year</b>	<b>6,995,364</b>	<b>6,211,940</b>

See accompanying notes to the consolidated financial statements.

**Flying Post First Nation**  
**Consolidated Statement of Changes in Fund Balances**  
Year ended March 31

**Statement 3**

2019

	Beginning Accumulated Surplus (Deficit)	Revenue	Expenses	Excess (Shortfall) of Revenue Over Expenses	Ending Accumulated Surplus (Deficit)
Operating Fund:					
General Programs [Schedule 1]	(237,495)	701,810	664,907	36,903	(200,592)
Education [Schedule 2]	(81,633)	217,222	256,034	(38,812)	(120,445)
Health Programs [Schedule 3]	58,963	284,285	277,646	6,639	65,602
New Relationship Fund [Schedule 4]	60,746	85,818	86,205	(387)	60,359
Community mining and Exploration Fund [Schedule 5]	3,350,914	1,330,081	676,579	653,502	4,004,416
Trust Fund [Statement 4]	200,810	4,664	-	4,664	205,474
Investment Fund [Statement 5]	250,000	-	-	-	250,000
Casino Rama [Statement 6]	2,609,635	671,757	546,178	125,579	2,735,214
	6,211,940	3,295,637	2,507,549	788,088	7,000,028

See accompanying notes to the consolidated financial statements.

**Flying Post First Nation****Statement 4****Consolidated Trust Fund Statement of Changes in  
Fund Balance**

Year ended March 31	2019	2018
	\$	\$
<b>Revenue</b>		
Interest Income	4,664	4,172
<b>Fund Balance, beginning of year</b>	<b>200,810</b>	<b>196,638</b>
<b>Fund Balance, end of year</b>	<b>205,474</b>	<b>200,810</b>

See accompanying notes to the consolidated financial statements.

**Flying Post First Nation** **Statement 5**  
**Consolidated Investment Fund Statement of Changes in**  
**Fund Balance**

Year ended March 31	2019	2018
	\$	\$
<b>Revenue</b>		
Equity in earnings of MMFW Partnership	-	-
<b>Fund Balance, beginning of year</b>	<b>250,000</b>	<b>250,000</b>
<b>Fund Balance, end of year</b>	<b>250,000</b>	<b>250,000</b>

See accompanying notes to the consolidated financial statements.

**Flying Post First Nation** **Statement 6**  
**Consolidated Casino Rama Fund Statement of Changes in**  
**Fund Balance**

Year ended March 31	2019	2018
	\$	\$
<b>Revenue</b>		
Ontario First Nations Limited Partnership		
Regular	619,964	489,144
Future Generations	-	-
Interest	51,793	17,412
	<b>671,757</b>	<b>506,556</b>
<b>Expenses</b>		
Community development	441,131	347,792
Cultural development	7,922	4,538
Economic development	15,578	20,280
Education	47,053	40,871
Health	34,494	21,509
	<b>546,178</b>	<b>434,990</b>
<b>Excess of revenue over expenses for the year</b>	<b>125,579</b>	71,566
Fund balance, beginning of year	2,609,635	2,538,069
<b>Fund balance, end of year</b>	<b>2,735,214</b>	2,609,635

See accompanying notes to the consolidated financial statements

**Flying Post First Nation  
Consolidated Statement of Cash Flows**

**Statement 7**

Year Ended March 31

	2019	2018
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	783,424	803,683
Add charges (deduct credits) to operations not requiring an outlay of cash		
Amortization of tangible capital assets	16,793	5,849
Impairment of investments	152,115	270,000
	952,332	1,079,532
Add (deduct) changes in non-cash working capital items		
Accounts receivable	(235,508)	(137,904)
Prepaid expenses	(858)	(12,641)
Accounts payable and accrued liabilities	(12,233)	14,553
Due to Ministry of Health and Long-Term Care	115,169	-
<b>Cash provided by operating activities</b>	<b>818,902</b>	<b>943,540</b>
<b>INVESTING ACTIVITIES</b>		
Increase in investments	(3,037)	(46,318)
Decrease (increase) in restricted assets invested in GICs	218	(2,013,821)
Increase in Trust Fund asset	(4,664)	(4,172)
Purchase of capital assets	(57,852)	(87,614)
<b>Cash used in investing activities</b>	<b>(65,335)</b>	<b>(2,151,925)</b>
<b>FINANCING ACTIVITY</b>		
Promissory note proceeds	101,875	76,813
<b>Cash provided by financing activities</b>	<b>101,875</b>	<b>76,813</b>
<b>Increase (decrease) in cash during the year</b>	<b>855,442</b>	<b>(1,131,572)</b>
Cash and cash equivalents, beginning of year	2,655,660	3,787,232
<b>Cash and cash equivalents, end of year</b>	<b>3,511,102</b>	<b>2,655,660</b>
<b>Cash and cash equivalents consists of:</b>		
Cash and cash equivalents	2,739,706	2,085,045
Restricted assets [note 4]	771,396	570,615
	<b>3,511,102</b>	<b>2,655,660</b>

**Flying Post First Nation** **Statement 8**  
**Consolidated Statement of Changes in Net Financial Assets**

Year ended March 31

	2019	2018
	\$	\$
Excess of revenue over expenses for the year	783,424	803,683
Increase in prepaid expenses	(858)	(12,641)
Purchase of capital assets	(57,852)	(87,614)
Amortization of tangible capital assets	16,793	5,849
	<b>741,507</b>	<b>709,277</b>
Net financial assets, beginning of year	6,077,248	5,367,971
<b>Net financial assets, end of year</b>	<b>6,818,755</b>	<b>6,077,248</b>

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# **Flying Post First Nation**

## **Notes to Consolidated Financial Statements**

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March 31, 2019

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### **GENERAL**

Flying Post First Nation is a band management group recognized under the Indian Act. The purpose of Flying Post First Nation is to provide leadership and accountability to the members of the band.

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements of Flying Post First Nation are prepared by management in accordance with accounting policies generally accepted for the public sector as prescribed by the Public Sector Accounting Board ("PSAB") of CPA Canada. The more significant of these accounting policies are as follows:

##### **Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Operating Fund, externally restricted Casino Rama Fund, and Indigenous and Northern Affairs Canada Trust Fund of Flying Post First Nation and include all band activities under the control of the First Nation, including those within Flying Post Holdings Inc., Flying Post Development General Partner Inc. and Flying Post Development Limited Partnership.

- [a] Portfolio investments wherein the First Nation owns a minority interest, or nonparticipating equity, and is not directly or indirectly, through partnerships, involved in the management of the business operations are accounted for by the cost method.

Under the cost method, investments are carried at cost and earnings are reflected only to the extent of dividends received. The carrying value of an investment is written-down to its net recoverable amount if a decline in market value is judged to be other than temporary.

- [b] Business enterprise investments wherein the First Nation owns a participating equity interest and is directly or indirectly, through partnerships, involved in the management of the business operations are accounted for by the modified equity method.

Under the modified equity method, the investment is initially recorded at cost and the carrying value is thereafter adjusted to include the First Nation's pro rata share of postacquisition earnings of the investee. The amount of the adjustment is included in the determination of net income of the First Nation's Investment Fund and the investment account is also increased or decreased to reflect the First Nation's share of capital transactions.

The equity method is only modified to the extent that the business enterprise's accounting principles are not adjusted to conform with those of the First Nation.

All interfund balances and transactions have been eliminated. However, any transactions between departments have not been eliminated in order to present the results of operations for each specific department.

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# **Flying Post First Nation**

## **Notes to Consolidated Financial Statements**

March 31, 2019

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### **Cash**

Cash consists of cash on hand, balances in banks and term deposits with a maturity period of three months or less at the date of acquisition.

### **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

#### **Tangible capital assets**

Tangible capital assets are initially recorded at cost. Subsequently, tangible capital assets are recorded at cost, less accumulated amortization and write-downs, if any. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. The cost of the tangible capital assets are amortized on a declining balance basis at the rates set out below:

Automotive	30%
Building	5%
Computer equipment	33%
Office equipment	20%-33%
Program supplies	20%

#### **Long-lived assets**

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using undiscounted future cash flows. Any impairment is included in surplus for the year.

#### **Fund accounting**

The First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the summary financial statements.

The Operating Fund reports on programs administered for the Community on behalf of various government agencies and corporate entities.

The Trust Fund reports on Trust Funds owned by the First Nation and held by the Government of Canada.

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# **Flying Post First Nation**

## **Notes to Consolidated Financial Statements**

March 31, 2019

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The Investment Fund reports the First Nation's share of earnings and equity in investments and restricted contributions from investee corporations. These funds are currently held in trust by the Wabun Tribal Council.

The Casino Rama Fund reports the activities financed in whole or in part by proceeds from Ontario First Nations Limited Partnership and Ontario First Nations (2008) Limited Partnership.

### **Government transfers**

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the consolidated financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers made to a recipient by the First Nation are recorded as an expense when they are authorized and the recipient meets all eligibility criteria.

### **Revenue recognition**

Other revenue is recognized in the period in which the related services are performed. Amounts collected for which the related services have yet to be performed have yet to be sold are recognized as a liability and recognized as revenue when the related services are performed or goods are sold.

Interest is recognized as it is earned.

Funds received, other than government transfers, for specified purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Consolidated Statement of Financial Position. The revenue is recognized in the year in which it is used for the specified purpose.

Revenues from trust monies are recognized when measurable, earned and collection is reasonably assured. These monies are reported on by the Government of Canada.

### **Segments**

The First Nation conducts its business through seven reportable segments: Band Support, Economic Development, Education, Health, New Relationship Fund Program, Community Mining and Exploration Agreements and Other. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

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## Flying Post First Nation Notes to Consolidated Financial Statements

March 31, 2019

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The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the significant accounting policies.

### Use of estimates

The preparation of consolidated 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions the First Nation may undertake in the future. Significant estimates include valuation allowance for accounts receivable and investments and recoveries from and payments to government agencies related to surpluses/deficiencies of funds transferred.

### 2. ACCOUNTS RECEIVABLE

	2019	2018
Accounts receivable	\$ 912,290	\$ 676,782
Less: Allowance for doubtful accounts	(5,000)	(5,000)
	<b>907,290</b>	<b>671,782</b>

### 3. INVESTMENTS

	2019		2018	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Elcora Resources Corp.	5,000	4,500	5,000	17,500
Explor Resources Inc.	20,000	15,000	20,000	20,000
Pan American Silver Corp.	191,063	191,063	339,692	339,296
GFG Resources Inc.	8,250	2,250	8,250	3,713
Red Pine Exploration Inc.	2,000	2,500	5,486	6,413
Kapuskasing Gold Corp.	1,000	1,500	1,000	1,500
Probe Metals Inc.	135,386	34,957	135,386	83,240
Pancontinental Resources Corp.	3,037	1,167	-	-
	<b>365,736</b>	<b>252,937</b>	<b>514,814</b>	<b>471,662</b>

The First Nation owns 50,000 [2018 – 50,000] common shares of Elcora Resources Corp.

The First Nation owns 100,000 [2018 – 100,000] common shares of Explor Resources Inc.

The First Nation owns 50,000 [2018 – 50,000] common shares of Kapuskasing Gold Corp.

The First Nation owns 11,250 [2018 – 75,000 Rapier Gold Inc. shares] common shares of GFG Resources Inc. GFG Resources Inc. acquired Rapier Gold Inc. in February 2018 and distributed 0.15 common shares for each common share of Rapier Gold Inc.

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## Flying Post First Nation Notes to Consolidated Financial Statements

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March 31, 2019

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The First Nation owns 25,000 [2018 – 25,000] common shares of Probe Metals Inc. In addition, the First Nation holds 50,000 warrants of Probe Metals Inc. expiring September 9, 2021 that entitle the First Nation to acquire one common share for each warrant at an exercise price of \$1.76 per share, of which 50,000 have vested at year-end.

The First Nation owns 50,000 [2018 – 50,000] common shares of Red Pine Exploration Inc. The First Nation held 100,000 warrants of Red Pine Exploration Inc. which expired February 19, 2019.

As a result of the signing of a memorandum of understanding, the First Nation was granted 50,000 common shares of Pancontinental Resources Corporation. In addition, the First Nation was granted 50,000 warrants of Pancontinental Resources Corporation expiring November 12, 2023 that entitle the First Nation to acquire one common share for each warrant at an exercise price of \$0.06 per share.

The First Nation owns 10,818 [2018 – 56,082 Tahoe Resources Inc. shares] common shares of Pan American Silver Corp. Pan American Silver Corp. acquired Tahoe Resources Inc. in February, 2019 and the First Nation received cash consideration of US\$0.67 (\$0.875 CAD) and 0.1929 common shares of Pan American Silver Corp. for each common share of Tahoe Resources Inc owned.

### 4. RESTRICTED ASSETS

Restricted assets are related to the Ontario First Nations Limited Partnership and Ontario First Nations (2008) Limited Partnership profit distribution and consist of bank balances and amounts held in GIC's. As at year-end, this balance was comprised as follows:

	2019	2018
Undistributed funds on deposit with bank	\$ 771,396	\$ 570,615
Undistributed funds invested in GIC's	869,514	869,732
Fund allocations, in trust, invested in GIC's	1,144,089	1,144,089
	<b>2,784,999</b>	<b>2,584,436</b>

The GIC's bear interest from 2.20% – 3.55% and mature between December, 2019 and December, 2023.

### 5. PROMISSORY NOTES

During the year, Flying Post First Nation held promissory notes from the Ministry of Indian Affairs and Northern Development for expenses related to a treaty land entitlement claim in the amount of \$255,891 [2018 - \$154,016]. The notes are interest free and due on the earlier of March 31, 2021 or a date on which the Claim is settled.

### 6. TANGIBLE CAPITAL ASSETS

The consolidated statement of tangible capital assets (note 15) presents all balances and changes in the year relating to tangible capital assets owned by the First Nations. Tangible capital assets acquired after March 31, 1997 are recorded at acquisition cost less amortization on the Consolidated Statement of Financial Position. Tangible capital assets acquired prior to April 1, 1997 are deemed to have been fully amortized and are recorded at a nominal value.

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# **Flying Post First Nation**

## **Notes to Consolidated Financial Statements**

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March 31, 2019

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### **7. FINANCIAL INSTRUMENTS**

The fair values of cash, restricted assets, accounts receivable, and accounts payable and accrued liabilities approximate their carrying value because of their short-term to maturity. Market risk arises from the First Nation's investment portfolio, consisting of equity instruments which exposes the First Nation to the risk that the fair value or future cash flows from a financial instrument will fluctuate because of general economic and other market factors affecting equity prices.

### **8. CONTINGENCIES**

The fund balances may include surpluses/deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to recovery/payment by the contributing agencies. These potential liabilities/receivables are not recorded until they become payable/recoverable. Some restrictions may apply to the use of the funds.

### **9. ANNUAL BUDGET**

The First Nation does not prepare an annual budget in a format that is comparable to these consolidated financial statements; therefore, comparative budget figures have not been presented.

### **10. COMPARATIVE FIGURES**

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

### **11. INTER-FUND TRANSFERS**

During the year, an amount of \$nil [2018 - \$nil] was transferred between funds.

### **12. ECONOMIC DEPENDENCE**

The First Nation receives a significant portion of its revenues from various funding agencies, the largest being, Indigenous and Northern Affairs Canada (INAC), as a result, treaties entered into with the Government of Canada. These treaties are administered by INAC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

### **13. GOVERNMENT TRANSFERS**

	<b>Operating</b> \$	<b>Capital</b> \$	<b>2019</b> \$	<b>2018</b> \$
<b>Federal Government transfers</b>				
Indigenous Northern Affairs Canada	625,765	-	625,765	565,938
First Nations and Inuit Health	284,285	-	284,285	138,779
<b>Total Federal</b>	<b>910,050</b>	<b>-</b>	<b>910,050</b>	<b>704,717</b>

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## Flying Post First Nation Notes to Consolidated Financial Statements

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March 31, 2019

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### 13. GOVERNMENT TRANSFERS (CON'T)

	Operating \$	Capital \$	2019 \$	2018 \$
<b>Provincial Government transfers</b>				
Ministry of Health and Long-Term Care	24,453	-	24,453	-
Ministry of Indigenous Affairs	88,504	-	88,504	71,395
<b>Total Provincial</b>	<b>112,957</b>	<b>-</b>	<b>112,957</b>	<b>71,395</b>
	1,023,007	-	1,023,007	776,112

### 14. SEGMENTED INFORMATION

Flying Post First Nation provides a range of services to its members. For management reporting purposes, Flying Post First Nation's operations and activities are organized and reported by Fund. The Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. The activities can also be categorized into segments. The following segments have been identified and separately disclosed:

#### **Band support**

Band support services are comprised of various administrative and other activities related to the operations of the First Nation.

#### **Economic development**

Economic development contains the activities related to economic development for the First Nation.

#### **Education**

Education contains the funding revenue and financial support to the First Nation members for elementary, secondary and post-secondary education.

#### **Health**

Health contains the revenue and expenses related to various health programs and services provided to the First Nation members.

#### **New Relationship Fund Program**

The New Relationship Fund contains the revenue and expenses related to the First Nation dealing with land and resource issues as funded by the Wabun Tribal Council.

#### **Community Mining and Exploration Agreements**

This segment includes the activity related to agreements signed with Pan American Silver Corp. (Tahoe Resources Inc./Lake Shore Gold), Newmont Goldcorp Corporation (Goldcorp) and various other exploration companies. This program has been established to accumulate funding from various mining agreements for the benefit of the community.

#### **Other**

Other includes the activities of the Trust Fund and Casino Rama Fund.

# FLYING POST FIRST NATION Notes to Consolidated Financial Statements

March 31, 2019

## 14. SEGMENTED INFORMATION

## **Flying Post First Nation Notes to Consolidated Financial Statements**

March 31 2019

#### 14. SEGMENTED INFORMATION (CONT'D)

**Flying Post First Nation  
Notes to Consolidated Financial Statements**  
March 31, 2019

**15. CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS**

	<b>Buildings</b> \$	<b>Automotive</b> \$	<b>Computer Equipment</b> \$	<b>Office Equipment</b> \$	<b>Program Supplies</b> \$	<b>Construction in-Progress</b> \$	<b>2019</b> \$	<b>2018</b> \$
<b>Cost</b>								
Balance, beginning of year	51,274	23,664	42,818	33,755	14,550	60,000	226,061	138,447
Acquisition of tangible capital assets	-	56,931	921	-	-	-	57,852	27,614
Disposal of assets	-	-	-	-	-	-	-	-
Construction-in-Progress	51,274	80,595	43,739	33,755	14,550	60,000	283,913	60,000
								226,061
<b>Accumulated amortization</b>								
Balance, beginning of year	27,482	22,852	33,384	30,659	1,455	-	115,842	109,993
Annual amortization	1,190	6,783	3,262	939	2,619	-	16,793	5,849
Accumulated amortization on disposals	-	-	-	-	-	-	-	-
	28,672	31,635	36,656	31,558	4,074	-	132,635	115,842
<b>Net book value of tangible capital assets</b>	22,602	48,960	7,083	2,157	10,476	60,000	151,276	110,219

During the year, interest costs of \$nil [2018 - \$nil] were capitalized.

During the year, impairment costs of \$nil [2018 - \$nil] were recognized.

**Flying Post First Nation**

**Schedule 1**

**Revenue, Expenses and Accumulated Surplus (Deficit) - General Programs**

Year ended March 31

					2019	2018
	Band Support	Economic Development	Land	Claim	Total	Total
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
INAC	366,225	42,318	-	-	408,543	354,856
Wabun Tribal Council	4,734	-	-	-	4,734	7,534
Nishnawbe Aski Nation	56,300	-	-	-	56,300	72,312
Interest	17,876	-	-	-	17,876	4,596
Ministry of Health	24,453	-	-	-	24,453	-
Other	101,400	-	88,504	88,504	189,904	132,531
	570,988	42,318	88,504	88,504	701,810	571,829
<b>Expenses</b>						
Amortization	16,793	-	-	-	16,793	5,849
Band Equipment	150	-	-	-	150	5,567
Bank Charges	3,591	-	-	-	3,591	2,272
Catering	-	-	-	-	-	43
Elder's Services	13,033	-	-	-	13,033	4,070
Honorariums	61,750	-	8,550	8,550	70,300	63,950
Maintenance	3,007	-	-	-	3,007	958
Office	38,180	-	4,025	4,025	42,205	18,076
Other	8,274	-	-	-	8,274	6,013
Professional and Consulting fees	28,459	-	179,037	179,037	207,496	137,214
Student employment	4,734	-	-	-	4,734	7,244
Travel and meetings	98,188	-	45,842	45,842	144,030	72,661
Wages and Benefits	147,294	-	4,000	4,000	151,294	130,770
	423,453	-	241,454	241,454	664,907	454,687
<b>Excess (shortfall) of revenue over expenses for the year</b>						
Accumulated surplus (deficit), beginning of year	147,535	42,318	(152,950)	(152,950)	36,903	117,142
	(369,541)	202,619	(70,573)	(70,573)	(237,495)	(354,637)
<b>Accumulated surplus (deficit), end of year</b>	<b>(222,006)</b>	<b>244,937</b>	<b>(223,523)</b>	<b>(223,523)</b>	<b>(200,592)</b>	<b>(237,495)</b>

**Flying Post First Nation  
Revenue, Expenses and Accumulated Surplus (Deficit)-  
Education Programs**

**Schedule 2**

Year ended March 31

			2019	2018
	Elementary/ Secondary Education	Post-Secondary Education	Total	Total
	\$	\$	\$	\$
<b>Revenue</b>				
Indigenous and Northern Affairs Canada	34,699	182,523	217,222	211,082
<b>Expenses</b>				
Allowance, books and graduation	-	142,049	142,049	120,546
Supplies	-	272	272	1,108
Training	-	-	-	-
Travel and meetings	-	8,998	8,998	2,864
Tuition	-	104,715	104,715	83,625
	-	256,034	256,034	208,143
<b>Excess (shortfall) of revenue over expenses for the year</b>				
	34,699	(73,511)	(38,812)	2,939
<b>Accumulated surplus (deficit), beginning of year</b>				
	215,565	(297,198)	(81,633)	(84,572)
<b>Accumulated surplus (deficit), end of year</b>				
	250,264	(370,709)	(120,445)	(81,633)

**Flying Post First Nation** **Schedule 3**  
**Revenue, Expenses and Accumulated Surplus -**  
**Health Programs**

Year ended March 31	2019	2018
	\$	\$
<b>Revenue</b>		
Health Canada	<b>284,285</b>	138,779
<b>Expenses</b>		
Aboriginal Diabetes Initiative	15,128	4,755
Adult Recreation	12,348	2,778
Charity	1,000	-
Early Childhood Development	11,095	10,600
Education and training	9,714	11,127
Health consultation	10,164	9,748
Medical	15,745	15,144
Programs and events	27,676	35,745
Youth recreation	12,144	10,152
NAN Choose Life Program	162,632	-
	<b>277,646</b>	100,049
<b>Excess of revenue over expenses for the year</b>	<b>6,639</b>	38,730
Accumulated surplus, beginning of year	<b>58,963</b>	20,233
<b>Accumulated surplus, end of year</b>	<b>65,602</b>	58,963

**Flying Post First Nation****Schedule 4****Revenue, Expenses and Accumulated Surplus -  
New Relationship Council**

Year ended March 31

	2019	2018
	\$	\$
<b>Revenue</b>		
Wabun Tribal Council	85,818	85,818
<b>Expenses</b>		
Community Outreach	8,977	5,795
Equipment	315	2,868
Office	4,410	7,443
Training	5,000	5,712
Travel and meetings	17,349	14,133
Wages and benefits	50,154	49,085
	86,205	85,036
<b>Excess (shortfall) of revenue over expenses for the year</b>	<b>(387)</b>	<b>782</b>
Accumulated surplus, beginning of year	60,746	59,964
<b>Accumulated surplus, end of year</b>	<b>60,359</b>	<b>60,746</b>

**Flying Post First Nation  
Revenue, Expense and Accumulated Surplus -  
Community Mining and Exploration Funds Program**  
March 31, 2016

**Schedule 5**

Resource Development Agreements										Resource Exploration Agreements									
	Pan American Silver Corp.	Newmont Goldcorp Corp.	Elcara Resources	iAM Gold	Imerys Talc	Kapusasing Gold	Osisko Mining	Rader Gold Inc.	Red Pine Exploration	Probe Metals	Pancontinental Resources		Total		2016	2018			
Revenue																			
Contribution for exploration - Cash																			
Implementation of benefit agreements - cash	5,069			7,131					8,235										
Production based revenue sharing	662,403	62,000		108,215											20,434	48,161			
-Cash	209,171	131,978			7,1340										834,118	227,571			
-Shares															472,492	666,014			
															3,037	3,037			
															98,318	98,318			
															1,030,081	1,030,081			
Expenses																			
Bail debts																			
Distribution	3,742															5,000			
Impairment - Investments	152,115														3,742	2,953			
Professional Fees	105,302				302,920										152,116	270,000			
Wabun resource development coordinators		62,500				302,920									408,772	80,259			
															112,900	112,900			
															676,579	470,712			
Excess (shortfall) of revenue over expenses for year	620,418	131,947		71,340			8,235		18,514	7,986	165,614	3,037			653,502	565,352			
Accumulated surplus, beginning of year	1,632,046	1,015,767		37,607	(186,575)	188,336	1,000	6,654							3,350,014	2,782,582			
Accumulated surplus, end of year	2,252,464	1,150,844		37,607	112,755	238,688	1,000	6,654	26,749	7,986	165,614	3,037			4,009,416	3,350,914			

**Flying Post First Nation  
Federal Government Funding**

Year ended March 31

**Schedule 6**

2019

	<b>Federal Funding Received</b>	<b>Unexpended Funding, Beginning of Year</b>	<b>Federal Funding Recovered</b>	<b>Total Funding Available</b>	<b>Total Expenses From All Sources</b>
	\$	\$	\$	\$	\$
<b>Indigenous and Northern Affairs Canada</b>					
Elementary/Secondary education	34,699	-	-	34,699	-
Post-Secondary education	182,523	-	-	182,523	256,034
Economic development	42,318	-	-	42,318	-
Band support	366,225	-	-	366,225	423,453
	<b>625,765</b>	<b>-</b>	<b>-</b>	<b>625,765</b>	<b>679,487</b>
<b>Health Canada</b>					
Health programs	284,285	-	-	284,285	277,646
	<b>910,050</b>	<b>-</b>	<b>-</b>	<b>910,050</b>	<b>957,133</b>