



Flying Post First Nation

Consolidated Financial Statements

March 31, 2020



FLYING POST FIRST NATION

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FLYING POST FIRST NATION

March 31, 2020

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 Murray Ray"

Chief

"Robert McLeod"

Councillor

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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, 2020, and the consolidated statements of operations, 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, 2020, and its results of operations, its changes in net debt, 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.

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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada
February 11, 2021

Chartered Professional Accountants
Licensed Public Accountants

Flying Post First Nation

Consolidated Statement of Financial Position

Statement 1

As at March 31

2020

2019

	\$	\$
FINANCIAL ASSETS		
Cash	18,631,526	2,739,706
Accounts receivable [note 2]	176,306	907,290
Investments [note 3]	174,673	365,736
Investment Fund asset	250,000	250,000
Restricted assets [note 4]	4,458,280	2,784,999
Trust Fund asset	209,507	205,474
Total financial assets	23,900,292	7,253,205
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	276,574	63,390
Due to Ministry of Health and Long-Term Care	187,071	115,169
Promissory notes [note 5]	346,020	255,891
Total financial liabilities	809,665	434,450
NET FINANCIAL ASSETS	23,090,627	6,818,755
NON-FINANCIAL ASSETS		
Tangible capital assets, net [notes 6 and 15]	1,058,412	151,278
Prepaid expenses	1,305	25,331
	1,059,717	176,609
Total accumulated surplus	24,150,344	6,995,364

Contingencies [note 8]

See accompanying notes to the consolidated financial statements.

Approved by

Chief "Chief Murray Ray" Councillor "Robert McLeod"

Flying Post First Nation

Consolidated Statement of Operations and Accumulated Surplus

Statement 2

Year ended March 31	2020	2019
	\$	\$
Revenue [note 14]		
Indigenous Services Canada	571,757	625,765
Ontario First Nations Limited Partnership	536,838	619,964
Health Canada	192,910	284,285
Ministry of Health	12,420	24,453
Wabun Tribal Council	79,989	90,552
Nishnawbe Aski Nation	58,766	56,300
Mining agreements	1,996,176	1,330,081
Interest	93,430	69,669
Provincial Resource Revenue Sharing	2,551,968	-
TLE Land Claim Settlement	14,100,000	-
Ministry of Indigenous Affairs	31,033	-
Other	325,878	189,904
	20,551,165	3,290,973
Expenses [note 14]		
Band support	1,079,804	664,907
Education	294,027	256,034
Health Programs	187,999	277,646
New Relationship Fund	81,481	86,205
Mining Community Fund	1,152,098	676,579
Casino Rama	600,776	546,178
	3,396,185	2,507,549
Excess of revenue over expenses for the year	17,154,980	783,424
Total accumulated surplus, beginning of year	6,995,364	6,211,940
Total accumulated surplus, end of year	24,150,344	6,995,364

See accompanying notes to the consolidated financial statements.

Flying Post First Nation

Consolidated Statement of Changes in Fund Balances

Statement 3

Year ended March 31

2020

	Beginning Accumulated Surplus (Deficit) \$	Revenue \$	Expenses \$	Excess (Shortfall) of Revenue Over Expenses \$	Ending Accumulated Surplus (Deficit) \$
Operating Fund:					
General Programs <i>[schedule 1]</i>	(200,592)	17,465,353	1,079,804	16,385,549	16,184,957
Education <i>[schedule 2]</i>	(120,445)	220,493	294,027	(73,534)	(193,979)
Health Programs <i>[schedule 3]</i>	65,602	192,910	187,999	4,911	70,513
New Relationship Fund <i>[schedule 4]</i>	60,359	81,750	81,481	269	60,628
Community mining and Exploration Fund <i>[schedule 5]</i>	4,004,416	1,996,176	1,152,098	844,078	4,848,494
Trust Fund <i>[statement 4]</i>	205,474	4,033	-	4,033	209,507
Investment Fund <i>[statement 5]</i>	250,000	-	-	-	250,000
Casino Rama <i>[statement 6]</i>	2,735,214	590,450	600,776	(10,326)	2,724,888
	7,000,028	20,551,165	3,396,185	17,154,980	24,155,008

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	2020	2019
	\$	\$
Revenue		
Interest Income	4,033	4,664
Fund Balance, beginning of year	205,474	200,810
Fund Balance, end of year	209,507	205,474

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	2020	2019
	\$	\$
Fund Balance, beginning of year	250,000	250,000
Fund Balance, end of year	250,000	250,000

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	2020	2019
	\$	\$
Revenue		
Ontario First Nations Limited Partnership		
Regular	536,838	619,964
Interest	53,612	51,793
	590,450	671,757
Expenses		
Community development	524,883	441,131
Cultural development	1,891	7,922
Economic development	32,736	15,578
Education	29,802	47,053
Health	11,464	34,494
	600,776	546,178
Excess (shortfall) of revenue over expenses for the year	(10,326)	125,579
Fund balance, beginning of year	2,735,214	2,609,635
Fund balance, end of year	2,724,888	2,735,214

See accompanying notes to the consolidated financial statements.

Flying Post First Nation

Consolidated Statement of Cash Flows

Statement 7

Year Ended March 31

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	17,154,980	783,424
Add charges (deduct credits) to operations not requiring an outlay of cash		
Amortization of tangible capital assets	20,896	16,793
Impairment of investments	-	152,115
	17,175,876	952,332
Add (deduct) changes in non-cash working capital items		
Accounts receivable	730,983	(235,508)
Prepaid expenses	24,026	(858)
Accounts payable and accrued liabilities	213,184	(12,233)
Due to Ministry of Health and Long-Term Care	71,902	115,169
Cash provided by operating activities	18,215,971	818,902
INVESTING ACTIVITIES		
Decrease (increase) in investments	191,063	(3,037)
Decrease in restricted assets invested in GICs	274	218
Increase in Trust Fund asset	(4,032)	(4,664)
Purchase of capital assets	(928,030)	(57,852)
Cash used in investing activities	(740,725)	(65,335)
FINANCING ACTIVITY		
Promissory note proceeds	90,129	101,875
Cash provided by financing activities	90,129	101,875
Increase in cash during the year	17,565,375	855,442
Cash and cash equivalents, beginning of year	3,511,102	2,655,660
Cash and cash equivalents, end of year	21,076,477	3,511,102
Cash and cash equivalents consists of:		
Cash and cash equivalents	18,631,526	2,739,706
Restricted assets <i>[note 4]</i>	2,444,951	771,396
	21,076,477	3,511,102

Flying Post First Nation Consolidated Statement of Changes in Net Financial Assets	Statement 8
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Year ended March 31

2020

2019

	\$	\$
Excess of revenue over expenses for the year	17,154,980	783,424
Decrease (increase) in prepaid expenses	24,026	(858)
Purchase of capital assets	(928,030)	(57,852)
Amortization of tangible capital assets	20,896	16,793
	16,271,872	741,507
Net financial assets, beginning of year	6,818,755	6,077,248
Net financial assets, end of year	23,090,627	6,818,755

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

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.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

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.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

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 measureable, 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, 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.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

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

	2020	2019
	\$	\$
Accounts receivable	183,557	912,290
Less: Allowance for doubtful accounts	(7,251)	(5,000)
	176,306	907,290

3. INVESTMENTS

	2020		2019	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Elcora Resources Corp.	5,000	950	5,000	4,500
Galleon Gold Corp.	20,000	30,000	20,000	15,000
Pan American Silver Corp.	-	-	191,063	191,063
GFG Resources Inc.	8,250	675	8,250	2,250
Red Pine Exploration Inc.	2,000	1,500	2,000	2,500
MinKap Resources Inc.	1,000	833	1,000	1,500
Probe Metals Inc.	135,386	10,578	135,386	34,957
Pancontinental Resources Corp.	3,037	2,280	3,037	1,167
	174,673	46,816	365,736	252,937

The First Nation owns 50,000 [2019 – 50,000] common shares of Elcora Resources Corp.

The First Nation owns 250,000 [2019 – 500,000 Explor] common shares of Galleon Gold Corp. On November 12, 2019, Explor amalgamated with 2227390 Alberta Ltd. (a wholly owned subsidiary of Galleon Gold) to form GGO Gold Corp. In connection with the amalgamation, Galleon Gold Corp. issued 95,198,612 common shares to the shareholders of Explor in exchange for all 190,397,224 issued and outstanding shares of Explor, excluding common shares owned by Galleon Gold Corp.

The First Nation owns 8,333 [2019 – 50,000 Kapuskasing Gold Corp.] common shares of MinKap Resources Inc. On April 22, 2019, Kapuskasing Gold Corp. changed its name to MinKap Resources Inc. and consolidated its common shares on a six (6) for one (1) basis.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

The First Nation owns 11,250 [2019 – 11,250] common shares of GFG Resources Inc.

The First Nation owns 25,000 [2019 – 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 [2019 – 50,000] common shares of Red Pine Exploration Inc.

The First Nation owns 50,000 [2019 - 50,000] common shares of Pancontinental Resources Corporation. In addition, the First Nation holds 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 Nil [2019 – 10,818] 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. The First Nation sold the Pan American Silver Corp. in September, 2019.

4. RESTRICTED ASSETS

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

	2020	2019
	\$	\$
Undistributed funds on deposit with bank	744,715	771,396
Undistributed funds invested in GIC's	869,240	869,514
Fund allocations, in trust, invested in GIC's	1,144,089	1,144,089
	2,758,044	2,784,999

The GIC's bear interest from 2.40% – 3.55% and mature between December, 2020 and December, 2024.

- [b] Restricted assets related to the Resource Revenue Sharing Agreement consist of bank balances amounting to \$1,700,236.

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 \$346,020 [2019 - \$255,891]. The notes are interest free and due on the earlier of March 31, 2021 or a date on which the Claim is settled.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

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.

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 [2019 - \$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.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

13. GOVERNMENT TRANSFERS

	Operating \$	Capital \$	2020 \$	2019 \$
Federal Government transfers				
Indigenous Services Canada	571,757	-	571,757	625,765
Health Canada	192,910	-	192,910	284,285
Total Federal	764,667	-	764,667	910,050
Provincial Government transfers				
Ministry of Health	12,420	-	12,420	24,453
Ministry of Indigenous Affairs	31,033	-	31,033	88,504
Total Provincial	43,453	-	43,453	112,957
	808,120	-	808,120	1,023,007

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

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, 2020

14. SEGMENTED INFORMATION	Band Support		Economic Development		Education		Health	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Indigenous Services Canada	308,750	366,225	42,514	42,318	220,493	217,222	-	-
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-
Health Canada	-	-	-	-	-	-	192,910	284,285
Ministry of Health	12,420	24,453	-	-	-	-	-	-
Wabun Tribal Council	(1,761)	4,734	-	-	-	-	-	-
Nishnawbe Aski Nation	58,766	56,300	-	-	-	-	-	-
Mining agreements	-	-	-	-	-	-	-	-
Provincial Resource Revenue Sharing	-	-	-	-	-	-	-	-
Interest	39,818	17,876	-	-	-	-	-	-
TLE Land Claim Settlement	14,100,000	-	-	-	-	-	-	-
Ministry of Indigenous Affairs	31,033	-	-	-	-	-	-	-
Other	325,878	189,904	-	-	-	-	-	-
	14,874,904	659,492	42,514	42,318	220,493	217,222	192,910	284,285
Expenses								
Amortization	20,896	16,793	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-
Band equipment	-	150	-	-	-	-	-	-
Bank charges	3,619	3,591	-	-	-	-	-	-
Health program expenses	-	-	-	-	-	-	83,012	178,498
Casino Rama	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	-	-	-	-
- Cultural development	-	-	-	-	-	-	-	-
- Economic development	-	-	-	-	-	-	-	-
- Education	-	-	-	-	-	-	-	-
- Health	-	-	-	-	-	-	-	-
Community outreach	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-
Education allowances and tuition	-	-	-	-	294,027	256,034	-	-
Elder's services	12,420	13,033	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Impairment - Investments	-	-	-	-	-	-	-	-
Honorariums	64,500	70,300	-	-	-	-	6,388	2,954
Maintenance	4,625	3,007	-	-	-	-	-	-
Miscellaneous	491,619	8,274	-	-	-	-	3,072	203
Office	49,065	42,205	-	-	-	-	39,622	25,525
Professional fees	182,827	207,496	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	6,000
Student employment	5,904	4,734	-	-	-	-	-	-
Training	-	-	-	-	-	-	6,443	9,714
Travel and meetings	75,209	144,030	-	-	-	-	-	-
Wabun Resource Coordinator	-	-	-	-	-	-	-	-
Wages and benefits	169,120	151,294	-	-	-	-	49,462	54,752
	1,079,804	664,907	-	-	294,027	256,034	187,999	277,646
Excess (shortfall) of revenue over expenses	13,795,100	(5,415)	42,514	42,318	(73,534)	(38,812)	4,911	6,639

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

14. SEGMENTED INFORMATION (CONT'D)	New Relationship Fund		Mining Agreements		Casino Rama		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Indigenous Services Canada	-	-	-	-	-	-	571,757	625,765
Ontario First Nations Limited Partnership	-	-	-	-	536,838	619,964	536,838	619,964
Health Canada	-	-	-	-	-	-	192,910	284,285
Ministry of Health	-	-	-	-	-	-	12,420	24,453
Wabun Tribal Council	81,750	85,818	-	-	-	-	79,989	90,552
Nishnawbe Aski Nation	-	-	-	-	-	-	58,766	56,300
Mining agreements	-	-	1,996,176	1,330,081	-	-	1,996,176	1,330,081
Provincial Resource Revenue Sharing	-	-	2,551,968	-	-	-	2,551,968	-
Interest	-	-	-	-	53,612	51,793	93,430	69,669
TLE Land Claim Settlement	-	-	-	-	-	-	14,100,000	-
Ministry of Indigenous Affairs	-	-	-	-	-	-	31,033	-
Other	-	-	-	-	-	-	325,878	189,904
	81,750	85,818	4,548,144	1,330,081	590,450	671,757	20,551,165	3,290,973
Expenses								
Amortization	-	-	-	-	-	-	20,896	16,793
Bad debts	-	-	7,251	-	-	-	7,251	-
Band equipment	-	-	-	-	-	-	-	150
Bank charges	-	-	-	-	-	-	3,619	3,591
Health program expenses	-	-	-	-	-	-	83,012	178,498
Casino Rama	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	524,883	441,131	524,883	441,131
- Cultural development	-	-	-	-	1,891	7,922	1,891	7,922
- Economic development	-	-	-	-	32,736	15,578	32,736	15,578
- Education	-	-	-	-	29,802	47,053	29,802	47,053
- Health	-	-	-	-	11,464	34,494	11,464	34,494
Community outreach	5,497	8,977	-	-	-	-	5,497	8,977
Distribution	-	-	1,010,965	3,742	-	-	1,010,965	3,742
Education allowances and tuition	-	-	-	-	-	-	294,027	256,034
Elder's services	-	-	-	-	-	-	12,420	13,033
Equipment	-	315	-	-	-	-	-	315
Impairment - Investments	-	-	-	152,115	-	-	-	152,115
Honorariums	-	-	-	-	-	-	70,888	73,254
Maintenance	-	-	-	-	-	-	4,625	3,007
Miscellaneous	-	-	-	-	-	-	494,691	8,477
Office	4,000	4,410	-	-	-	-	92,687	72,140
Professional fees	-	-	21,382	408,222	-	-	204,209	615,718
Rent	-	-	-	-	-	-	-	6,000
Student employment	-	-	-	-	-	-	5,904	4,734
Training	8,786	5,000	-	-	-	-	15,229	14,714
Travel and meetings	13,650	17,349	-	-	-	-	88,859	161,379
Wabun Resource Coordinator	-	-	112,500	112,500	-	-	112,500	112,500
Wages and benefits	49,548	50,154	-	-	-	-	268,130	256,200
	81,481	86,205	1,152,098	676,579	600,776	546,178	3,396,185	2,507,549
Excess (shortfall) of revenue over expenses	269	(387)	3,396,046	653,502	(10,326)	125,579	17,154,980	783,424

Flying Post First Nation Notes to Consolidated Financial Statements

March 31, 2020

15. CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

	Buildings \$	Automotive \$	Computer Equipment \$	Office Equipment \$	Program Supplies \$	Construction in-Progress \$	2020 \$	2019 \$
Cost								
Balance, beginning of year	51,274	80,595	43,739	33,755	14,550	60,000	283,913	226,061
Acquisition of tangible capital assets	-	-	-	-	-	-	-	57,852
Disposal of assets	-	-	-	-	-	-	-	-
Construction-in-progress	-	-	-	-	-	928,030	928,030	-
	51,274	80,595	43,739	33,755	14,550	988,030	1,211,943	283,913
Accumulated amortization								
Balance, beginning of year	28,672	31,635	36,656	31,598	4,074	-	132,635	115,842
Annual amortization	1,130	14,687	2,338	646	2,095	-	20,896	16,793
Accumulated amortization on disposals	-	-	-	-	-	-	-	-
	29,802	46,322	38,994	32,244	6,169	-	153,531	132,635
Net book value of tangible capital assets	21,472	34,273	4,745	1,511	8,381	988,030	1,058,412	151,278

During the year, interest costs of \$nil [2019 - \$nil] were capitalized.

During the year, impairment costs of \$nil [2019 - \$nil] were recognized.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2020

16. IMPACTS OF COVID-19

Since early 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The mandatory closure of non-essential business resulted in the First Nation closing their office on March 24th. In addition, COVID-19 pandemic pay in the amount of \$348,000 was provided to members during the year (190 cheques at \$2,000 and 1 at \$4,000). The pandemic pay was approved on March 19, 2020 with no spending restrictions, and all band members aged 18 years and older were eligible. Eleven cheques were written following year-end in the amount of \$22,000. The First Nation also set aside pandemic funds for minor members to be accessed when the members turn 18.

The First Nation's financial position and results of its operations for the year ended March 31, 2020 have been materially impacted by the COVID-19 pandemic due to the pandemic pay. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the First Nation for future periods.

17. SETTLEMENT OF LAND CLAIM

Subsequent to year-end, the Government of Canada and the First Nation successfully negotiated a land claim settlement agreement in the amount of \$17,200,000. Members of the First Nation voted in favour of the agreement in July, 2020.

Flying Post First Nation

Schedule 1

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

Year ended March 31

2020

2019

	Band Support \$	Economic Development \$	Land Claim \$	Total \$	Total \$
Revenue					
Indigenous Services Canada	308,750	42,514	-	351,264	408,543
Wabun Tribal Council	(1,761)	-	-	(1,761)	4,734
Nishnawbe Aski Nation	58,766	-	-	58,766	56,300
Interest	39,818	-	-	39,818	17,876
Ministry of Health	12,420	-	-	12,420	24,453
Provincial Revenue Resource Sharing	2,551,968	-	-	2,551,968	-
TLE Ontario Land Claim Settlement	-	-	14,100,000	14,100,000	-
Ministry of Indigenous Affairs	31,033	-	-	31,033	-
Other	321,845	-	-	321,845	189,904
	3,322,839	42,514	14,100,000	17,465,353	701,810
Expenses					
Amortization	20,896	-	-	20,896	16,793
Band Equipment	-	-	-	-	150
Bank Charges	3,619	-	-	3,619	3,591
Elder's Services	12,420	-	-	12,420	13,033
Honorariums	64,500	-	-	64,500	70,300
Maintenance	4,625	-	-	4,625	3,007
Member Support	384,000	-	-	384,000	-
Office	49,065	-	-	49,065	32,234
Other	99,619	-	8,000	107,619	18,245
Professional and Consulting fees	101,815	-	81,012	182,827	207,496
Student employment	5,904	-	-	5,904	4,734
Travel and meetings	65,827	-	9,382	75,209	144,030
Wages and Benefits	167,120	-	2,000	169,120	151,294
	979,410	-	100,394	1,079,804	664,907
Excess of revenue over expenses for the year	2,343,429	42,514	13,999,606	16,385,549	36,903
Accumulated surplus (deficit), beginning of year	(222,006)	244,937	(223,523)	(200,592)	(237,495)
Accumulated surplus (deficit), end of year	2,121,423	287,451	13,776,083	16,184,957	(200,592)

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

Schedule 2

Year ended March 31

2020

2019

	Elementary/ Secondary Education \$	Post-Secondary Education \$	Total \$	Total \$
Revenue				
Indigenous and Northern Affairs Canada	34,860	185,633	220,493	217,222
Expenses				
Allowance, books and graduation	-	186,474	186,474	142,049
Supplies	-	485	485	272
Training	-	-	-	-
Travel and meetings	-	15,137	15,137	8,998
Tuition	-	91,931	91,931	104,715
	-	294,027	294,027	256,034
Excess (shortfall) of revenue over expenses for the year	34,860	(108,394)	(73,534)	(38,812)
Accumulated surplus (deficit), beginning of year	250,264	(370,709)	(120,445)	(81,633)
Accumulated surplus (deficit), end of year	285,124	(479,103)	(193,979)	(120,445)

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

Year ended March 31	2020	2019
	\$	\$
Revenue		
Health Canada	192,910	284,285
Expenses		
Aboriginal Diabetes Initiative	4,754	15,128
Adult Recreation	10,283	12,348
Charity	800	1,000
Early Childhood Development	11,600	11,095
Education and training	6,443	9,714
Health consultation	9,422	10,164
Medical	12,984	15,745
Programs and events	32,881	27,676
Youth recreation	7,710	12,144
NAN Choose Life Program	91,122	162,632
	187,999	277,646
Excess of revenue over expenses for the year	4,911	6,639
Accumulated surplus, beginning of year	65,602	58,963
Accumulated surplus, end of year	70,513	65,602

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

Year ended March 31	2020	2019
	\$	\$
Revenue		
Wabun Tribal Council	81,750	85,818
Expenses		
Community Outreach	5,497	8,977
Equipment	-	315
Office	4,000	4,410
Training	8,786	5,000
Travel and meetings	13,650	17,349
Wages and benefits	49,548	50,154
	81,481	86,205
Excess (shortfall) of revenue over expenses for the year	269	(387)
Accumulated surplus, beginning of year	60,359	60,746
Accumulated surplus, end of year	60,628	60,359

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

Schedule 5

March 31, 2020

	Resource Development Agreements		Resource Exploration Agreements									2020	2019
	Pan American Silver Corp.	Newmont Goldcorp Corp.	Elcora Resources	IAM Gold	Imery's Talc	MinKap Resources Inc.	Osisk Mining	GFG Resources Inc.	Red Pine Exploration	Probe Metals	Pancontinental Resources	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		\$	
Revenue													
Contribution for exploration - Cash	-	-	-	13,563	-	-	-	36,516	-	-	-	50,079	20,434
Implementation of benefit agreements - cash	861,815	62,500	-	600,000	-	-	-	-	-	-	-	1,524,315	834,118
Production based revenue sharing												-	-
-Cash	222,418	119,028	-	-	70,992	-	-	-	-	-	9,344	421,782	472,492
-Shares	-	-	-	-	-	-	-	-	-	-	-	-	3,037
	1,084,233	181,528	-	613,563	70,992	-	-	36,516	-	-	9,344	1,996,176	1,330,081
Expenses													
Bad debts	7,251	-	-	-	-	-	-	-	-	-	-	7,251	-
Distribution	85,965	-	-	-	-	-	-	-	-	-	-	85,965	3,742
IBA Dividend	925,000	-	-	-	-	-	-	-	-	-	-	925,000	-
Impairment - Investments	-	-	-	-	-	-	-	-	-	-	-	-	152,115
Professional Fees	-	-	-	21,382	-	-	-	-	-	-	-	21,382	408,222
Wabun resource development co-ordinators	-	-	-	-	-	-	-	-	-	-	-	-	-
	112,500	-	-	-	-	-	-	-	-	-	-	112,500	112,500
	1,130,716	-	-	21,382	-	-	-	-	-	-	-	1,152,098	676,579
Excess (shortfall) of revenue over expenses for year	(46,483)	181,528	-	592,181	70,992	-	-	36,516	-	-	9,344	844,078	653,502
Accumulated surplus, beginning of year	2,252,464	1,150,814	37,607	112,795	239,696	1,000	6,654	26,749	7,986	165,614	3,037	4,004,416	3,350,914
Accumulated surplus, end of year	2,205,981	1,332,342	37,607	704,976	310,688	1,000	6,654	63,265	7,986	165,614	12,381	4,848,494	4,004,416

Flying Post First Nation Federal Government Funding

Schedule 6

Year ended March 31

2020

	Federal Funding Received \$	Unexpended Funding, Beginning of Year \$	Federal Funding Recovered \$	Total Funding Available \$	Total Expenses From All Sources \$
Indigenous Services Canada					
Elementary/Secondary education	34,860	-	-	34,860	-
Post-Secondary education	185,633	-	-	185,633	294,027
Economic development	42,514	-	-	42,514	-
Band support	308,750	-	-	308,750	979,410
	571,757	-	-	571,757	1,273,437
Health Canada					
Health programs	192,910	-	-	192,910	187,999
	764,667	-	-	764,667	1,461,436