



Flying Post First Nation

Consolidated Financial Statements

March 31, 2021

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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, 2021, 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, 2021, 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
October 21, 2021

Chartered Professional Accountants
Licensed Public Accountants



FLYING POST FIRST NATION

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FLYING POST FIRST NATION
March 31, 2021

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



Councilor

Flying Post First Nation

Consolidated Statement of Financial Position

Statement 1

As at March 31

2021

2020

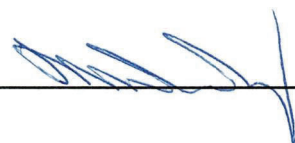
	\$	\$
FINANCIAL ASSETS		
Cash	14,723,959	18,631,526
Accounts receivable [note 2]	645,459	176,306
Investments [note 3]	82,747	174,673
Investment Fund asset	250,000	250,000
Restricted assets [note 4]	5,285,618	4,458,280
Trust Fund asset	212,139	209,507
Total financial assets	21,199,922	23,900,292
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	116,886	276,574
Due to Ministry of Health and Long-Term Care	271,393	187,071
Promissory note [note 5]	-	346,020
Total financial liabilities	388,279	809,665
NET FINANCIAL ASSETS	20,811,643	23,090,627
NON-FINANCIAL ASSETS		
Tangible capital assets, net [notes 6 and 15]	2,747,284	1,058,412
Prepaid expenses	7,626	1,305
	2,754,910	1,059,717
Total accumulated surplus	23,566,552	24,150,344

Contingencies [note 8]

See accompanying notes to the consolidated financial statements.

Approved by

Chief



Councillor



Flying Post First Nation

Consolidated Statement of Operations and Accumulated Surplus

Statement 2

Year ended March 31	2021	2020
	\$	\$
Revenue [note 14]		
Indigenous Services Canada	874,700	571,757
Ontario First Nations Limited Partnership	526,397	536,838
Health Canada	113,186	192,910
Ministry of Health	14,148	12,420
Wabun Tribal Council	152,932	79,989
Nishnawbe Aski Nation	43,883	58,766
Mining agreements	2,305,805	1,996,176
Interest	179,674	93,430
Provincial Resource Revenue Sharing	2,592,979	2,642,643
TLE Land Claim Settlement	17,265,768	14,100,000
Ministry of Indigenous Affairs	-	31,033
Other	355,635	325,878
	24,425,108	20,641,840
Expenses [note 14]		
Band support	23,713,646	1,170,479
Education	291,916	294,027
Health Programs	96,447	187,999
New Relationship Fund	72,911	81,481
Mining Community Fund	268,791	1,152,098
Casino Rama	565,189	600,776
	25,008,900	3,486,860
Excess (shortfall) of revenue over expenses for the year	(583,792)	17,154,980
Total accumulated surplus, beginning of year	24,150,344	6,995,364
Total accumulated surplus, end of year	23,566,552	24,150,344

See accompanying notes to the consolidated financial statements.

Flying Post First Nation

Statement 3

Consolidated Statement of Changes in Fund Balances

Year ended March 31

2021

	Beginning Accumulated Surplus (Deficit) \$	Revenue \$	Expenses \$	Excess (Shortfall) of Revenue Over Expenses \$	Ending Accumulated Surplus (Deficit) \$
Operating Fund:					
General Programs [schedule 1]	16,184,957	20,974,421	23,713,646	(2,739,225)	13,445,732
Education [schedule 2]	(193,979)	280,770	291,916	(11,146)	(205,125)
Health Programs [schedule 3]	70,513	113,186	96,447	16,739	87,252
New Relationship Fund [schedule 4]	60,628	81,350	72,911	8,439	69,067
Community mining and Exploration Fund [schedule 5]	4,848,494	2,305,805	268,791	2,037,014	6,885,508
Trust Fund [statement 4]	209,507	2,633	-	2,633	212,140
Investment Fund [statement 5]	250,000	-	-	-	250,000
Casino Rama [statement 6]	2,724,888	666,942	565,189	101,753	2,826,641
	24,155,008	24,425,106	25,008,900	(583,793)	23,571,215

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	2021	2020
	\$	\$
Revenue		
Interest Income	2,633	4,033
Fund Balance, beginning of year	209,507	205,474
Fund Balance, end of year	212,140	209,507

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	2021	2020
	\$	\$
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	2021	2020
	\$	\$
Revenue		
Ontario First Nations Limited Partnership		
Regular	526,397	536,838
Interest	140,545	53,612
	666,942	590,450
Expenses		
Community development	512,695	524,883
Cultural development	1,521	1,891
Economic development	13,531	32,736
Education	30,499	29,802
Health	6,943	11,464
	565,189	600,776
Excess (shortfall) of revenue over expenses for the year	101,753	(10,326)
Fund balance, beginning of year	2,724,888	2,735,214
Fund balance, end of year	2,826,641	2,724,888

See accompanying notes to the consolidated financial statements.

Flying Post First Nation

Consolidated Statement of Cash Flows

Statement 7

Year Ended March 31

2021

2020

	\$	\$
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenses for the year	(583,792)	17,154,980
Add charges (deduct credits) to operations not requiring an outlay of cash		
Amortization of tangible capital assets	81,916	20,896
Impairment of investments	91,926	-
	(409,950)	17,175,876
Add (deduct) changes in non-cash working capital items		
Accounts receivable	(469,154)	730,983
Prepaid expenses	(6,321)	24,026
Accounts payable and accrued liabilities	(159,688)	213,184
Due to Ministry of Health and Long-Term Care	84,322	71,902
Cash provided by operating activities	(960,791)	18,215,971
INVESTING ACTIVITIES		
Decrease (increase) in investments	-	191,063
Decrease in restricted assets invested in GICs	7,720	274
Increase in Trust Fund asset	(2,633)	(4,032)
Purchase of capital assets	(1,770,786)	(928,030)
Cash used in investing activities	(1,765,699)	(740,725)
FINANCING ACTIVITY		
Promissory note proceeds (repayment)	(346,020)	90,129
Cash provided by financing activities	(346,020)	90,129
Increase (decrease) in cash during the year	(3,072,509)	17,565,375
Cash and cash equivalents, beginning of year	21,076,477	3,511,102
Cash and cash equivalents, end of year	18,003,968	21,076,477
Cash and cash equivalents consists of:		
Cash and cash equivalents	14,723,959	18,631,526
Restricted assets <i>[note 4]</i>	856,238	2,444,951
	15,580,197	21,076,477

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

Year ended March 31

2021

2020

	\$	\$
Excess (shortfall) of revenue over expenses for the year	(583,792)	17,154,980
Decrease (increase) in prepaid expenses	(6,321)	24,026
Purchase of capital assets	(1,770,786)	(928,030)
Amortization of tangible capital assets	81,915	20,896
	(2,278,984)	16,271,872
Net financial assets, beginning of year	23,090,627	6,818,755
Net financial assets, end of year	20,811,643	23,090,627

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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, 2021

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, 2021

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, 2021

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

	2021	2020
	\$	\$
Accounts receivable	653,200	183,557
Less: Allowance for doubtful accounts	(7,741)	(7,251)
	645,459	176,306

3. INVESTMENTS

	2021		2020	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Elcora Resources Corp.	5,000	4,690	5,000	950
Galleon Gold Corp.	20,000	22,500	20,000	30,000
GFG Resources Inc.	8,250	1,238	8,250	675
Red Pine Exploration Inc.	2,000	3,600	2,000	1,500
Ophir Gold Corp.	1,000	1,500	1,000	833
Probe Metals Inc.	43,460	27,585	135,386	10,578
Pancontinental Resources Corp.	3,037	7,567	3,037	2,280
	82,747	68,680	174,673	46,816

The First Nation owns 50,000 [2020 – 50,000] common shares of Elcora Resources Corp.

The First Nation owns 250,000 [2020 – 250,000] 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 [2020 – 8,333 Kapuskasing Gold Corp.] common shares of Ophir Gold Corp. 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. Effective October 21, 2020, MinKap Resources Inc. changed its name to Ophir Gold Corp.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2021

The First Nation owns 11,250 [2020 – 11,250] common shares of GFG Resources Inc.

The First Nation owns 25,000 [2020 – 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 5,000 [2020 – 50,000] common shares of Red Pine Exploration Inc. On March 11, 2021, Red Pine Exploration Inc. announced TSXVE approval for a consolidation of common shares. Shareholders received 1 new common share for every 10 old common shares owned.

The First Nation owns 50,000 [2020 - 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.

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:

	2021	2020
	\$	\$
Undistributed funds on deposit with bank	856,238	744,715
Undistributed funds invested in GIC's	861,520	869,240
Fund allocations, in trust, invested in GIC's	1,144,089	1,144,089
	2,861,847	2,758,044

The GIC's bear interest from 1.45% – 3.55% and mature between December, 2021 and December, 2025.

- [b] Restricted assets related to the Resource Revenue Sharing Agreement consist of bank balances amounting to \$2,423,771 [\$1,700,236].

5. PROMISSORY NOTE

During the year, Flying Post First Nation paid off the promissory note from the Ministry of Indian Affairs and Northern Development for expenses related to a treaty land entitlement claim in the amount of \$346,020.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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 [2020 - \$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 Services Canada (ISC), as a result, treaties entered into with the Government of Canada. These treaties are administered by ISC 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, 2021

13. GOVERNMENT TRANSFERS

	Operating \$	Capital \$	2021 \$	2020 \$
Federal Government transfers				
Indigenous Services Canada	874,700	-	874,700	571,757
Health Canada	113,186	-	113,186	192,910
Total Federal	987,886	-	987,886	764,667
Provincial Government transfers				
Ministry of Health	14,148	-	14,148	12,420
Ministry of Indigenous Affairs	-	-	-	31,033
Total Provincial	14,148	-	14,148	43,453
	1,002,035	-	1,002,035	808,120

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, 2021

14. SEGMENTED INFORMATION	Band Support		Economic Development		Education		Health	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Indigenous Services Canada	549,489	308,750	44,441	42,514	280,770	220,493	-	-
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-
Health Canada	-	-	-	-	-	-	113,186	192,910
Ministry of Health	14,148	12,420	-	-	-	-	-	-
Wabun Tribal Council	71,582	(1,761)	-	-	-	-	-	-
Nishnawbe Aski Nation	43,883	58,766	-	-	-	-	-	-
Mining agreements	-	-	-	-	-	-	-	-
Provincial Resource Revenue Sharing	2,592,979	2,642,643	-	-	-	-	-	-
Interest	39,129	39,818	-	-	-	-	-	-
TLE Land Claim Settlement	17,265,768	14,100,000	-	-	-	-	-	-
Ministry of Indigenous Affairs	-	31,033	-	-	-	-	-	-
Other	355,635	325,878	-	-	-	-	-	-
	20,932,613	17,517,547	44,441	42,514	280,770	220,493	113,186	192,910
Expenses								
Amortization	81,915	20,896	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-
Band equipment	3,134	-	-	-	-	-	-	-
Bank charges	3,982	3,619	-	-	-	-	-	-
Health program expenses	-	-	-	-	-	-	70,226	83,012
Casino Rama	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	-	-	-	-
- Cultural development	-	-	-	-	-	-	-	-
- Economic development	-	-	-	-	-	-	-	-
- Education	-	-	-	-	-	-	-	-
- Health	-	-	-	-	-	-	-	-
Community outreach	-	-	-	-	-	-	-	-
Distribution	22,416,166	-	-	-	-	-	-	-
Education allowances and tuition	-	-	-	-	291,916	294,027	-	-
Elder's services	-	12,420	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Impairment - Investments	-	-	-	-	-	-	-	-
Honorariums	63,000	64,500	-	-	-	-	-	6,388
Maintenance	4,768	4,625	-	-	-	-	-	-
Miscellaneous	10,506	491,619	-	-	-	-	5,135	3,072
Office	75,157	49,065	-	-	-	-	-	39,622
Professional fees	111,361	182,827	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Resource Revenue Sharing	-	-	-	-	-	-	-	-
- Community development	578,147	-	-	-	-	-	-	-
- Business development	16,269	-	-	-	-	-	-	-
- Cultural development	4,511	-	-	-	-	-	-	-
- Education	5,947	-	-	-	-	-	-	-
- Administrative cost	51,860	90,675	-	-	-	-	-	-
Student employment	10,086	5,904	-	-	-	-	-	-
Training	-	-	-	-	-	-	11,665	6,443
Travel and meetings	39,641	75,209	-	-	-	-	-	-
Wabun Resource Coordinator	-	-	-	-	-	-	-	-
Wages and benefits	237,196	169,120	-	-	-	-	9,421	49,462
	23,713,646	1,170,479	-	-	291,916	294,027	96,447	187,999
Excess (shortfall) of revenue over expenses	(2,781,032)	16,347,068	44,441	42,514	(11,146)	(73,534)	16,739	4,911

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2021

14. SEGMENTED INFORMATION (CONT'D)	New Relationship Fund		Mining Agreements		Casino Rama		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Indigenous Services Canada	-	-	-	-	-	-	874,700	571,757
Ontario First Nations Limited Partnership	-	-	-	-	526,397	536,838	526,397	536,838
Health Canada	-	-	-	-	-	-	113,186	192,910
Ministry of Health	-	-	-	-	-	-	14,148	12,420
Wabun Tribal Council	81,350	81,750	-	-	-	-	152,932	79,989
Nishnawbe Aski Nation	-	-	-	-	-	-	43,883	58,766
Mining agreements	-	-	2,305,805	1,996,176	-	-	2,305,805	1,996,176
Provincial Resource Revenue Sharing	-	-	-	-	-	-	2,592,979	2,642,643
Interest	-	-	-	-	140,545	53,612	179,674	93,430
TLE Land Claim Settlement	-	-	-	-	-	-	17,265,768	14,100,000
Ministry of Indigenous Affairs	-	-	-	-	-	-	-	31,033
Other	-	-	-	-	-	-	355,635	325,878
	81,350	81,750	2,305,805	1,996,176	666,942	590,450	24,425,107	20,641,840
Expenses								
Amortization	-	-	-	-	-	-	81,915	20,896
Bad debts	-	-	5,000	7,251	-	-	5,000	7,251
Band equipment	-	-	-	-	-	-	3,134	-
Bank charges	-	-	-	-	-	-	3,982	3,619
Health program expenses	-	-	-	-	-	-	70,226	83,012
Casino Rama	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	512,695	524,883	512,695	524,883
- Cultural development	-	-	-	-	1,521	1,891	1,521	1,891
- Economic development	-	-	-	-	13,531	32,736	13,531	32,736
- Education	-	-	-	-	30,499	29,802	30,499	29,802
- Health	-	-	-	-	6,943	11,464	6,943	11,464
Community outreach	959	5,497	-	-	-	-	959	5,497
Distribution	-	-	5,000	1,010,965	-	-	22,421,166	1,010,965
Education allowances and tuition	-	-	-	-	-	-	291,916	294,027
Elder's services	-	-	-	-	-	-	-	12,420
Equipment	158	-	-	-	-	-	158	-
Impairment - Investments	-	-	91,926	-	-	-	91,926	-
Honorariums	-	-	-	-	-	-	63,000	70,888
Maintenance	-	-	-	-	-	-	4,768	4,625
Miscellaneous	-	-	-	-	-	-	15,641	494,691
Office	14,840	4,000	-	-	-	-	89,997	92,687
Professional fees	-	-	30,769	21,382	-	-	142,130	204,209
Rent	-	-	-	-	-	-	-	-
Resource Revenue Sharing	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	-	-	578,147	-
- Business development	-	-	-	-	-	-	16,269	-
- Cultural development	-	-	-	-	-	-	4,511	-
- Education	-	-	-	-	-	-	5,947	-
- Administrative cost	-	-	-	-	-	-	51,860	90,675
Student employment	-	-	-	-	-	-	10,086	5,904
Training	8,537	8,786	-	-	-	-	20,202	15,229
Travel and meetings	1,081	13,650	-	-	-	-	40,722	88,859
Wabun Resource Coordinator	-	-	136,096	112,500	-	-	136,096	112,500
Wages and benefits	47,336	49,548	-	-	-	-	293,953	268,130
	72,911	81,481	268,791	1,152,098	565,189	600,776	25,008,900	3,486,860
Excess (shortfall) of revenue over expenses	8,439	269	2,037,014	3,486,721	101,753	(10,326)	(583,793)	17,154,980

Flying Post First Nation Notes to Consolidated Financial Statements

March 31, 2021

15. CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

	Buildings \$	Automotive \$	Computer Equipment \$	Office Equipment \$	Program Supplies \$	Construction in-Progress \$	2021 \$	2020 \$
Cost								
Balance, beginning of year	51,274	80,595	43,739	33,755	14,550	988,030	1,211,943	283,913
Acquisition of tangible capital assets	1,627,190	-	3,204	140,393	-	-	1,770,787	-
Disposal of assets	-	-	-	-	-	-	-	-
Construction-in-progress	988,030	-	-	-	-	(988,030)	-	928,030
	2,666,494	80,595	46,943	174,148	14,550	-	2,982,730	1,211,943
Accumulated amortization								
Balance, beginning of year	29,802	46,322	38,994	32,244	6,169	-	153,531	132,635
Annual amortization	53,378	10,281	2,095	14,485	1,676	-	81,915	20,896
Accumulated amortization on disposals	-	-	-	-	-	-	-	-
	83,180	56,603	41,089	46,729	7,845	-	235,446	153,531
Net book value of tangible capital assets	2,583,314	23,992	5,854	127,419	6,705	-	2,747,284	1,058,412

During the year, interest costs of \$nil [2020 - \$nil] were capitalized.

During the year, impairment costs of \$nil [2020 - \$nil] were recognized.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2021

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 First Nation's financial position and results of its operations for the year ended March 31, 2021 have not 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.

Flying Post First Nation

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

Schedule 1

Year ended March 31

2021

2020

	Band Support \$	Economic Development \$	Land Claim \$	Total \$	Total \$
Revenue					
Indigenous Services Canada	549,489	44,441	-	593,930	351,264
Wabun Tribal Council	71,582	-	-	71,582	(1,761)
Nishnawbe Aski Nation	43,883	-	-	43,883	58,766
Interest	39,129	-	-	39,129	39,818
Ministry of Health	14,148	-	-	14,148	12,420
Provincial Revenue Resource Sharing	2,592,979	-	-	2,592,979	2,642,643
TLE Ontario Land Claim Settlement	-	-	-	-	14,100,000
TLE Canada Land Claim Settlement	-	-	17,265,768	17,265,768	-
Ministry of Indigenous Affairs	-	-	-	-	31,033
Other	353,002	-	-	353,002	321,845
	3,664,212	44,441	17,265,768	20,974,421	17,556,028
Expenses					
Amortization	81,915	-	-	81,915	20,896
Band Equipment	3,134	-	-	3,134	-
Bank Charges	3,982	-	-	3,982	3,619
Elder's Services	-	-	-	-	12,420
Honorariums	63,000	-	-	63,000	64,500
Maintenance	4,768	-	-	4,768	4,625
Member Support	-	-	-	-	384,000
Office	75,157	-	-	75,157	49,065
Other	2,506	-	8,000	10,506	107,619
Professional and Consulting fees	62,664	-	48,697	111,361	182,827
Resource Revenue Sharing					
- Community development	578,147	-	-	578,147	-
- Business development	16,269	-	-	16,269	-
- Cultural development	4,511	-	-	4,511	-
- Education	5,947	-	-	5,947	-
- Administrative cost	51,860	-	-	51,860	90,675
Student employment	10,086	-	-	10,086	5,904
TLE Ontario Land Claim Settlement - Payments	-	-	10,236,166	10,236,166	-
TLE Canada Land Claim Settlement - Payments	-	-	12,180,000	12,180,000	-
Travel and meetings	39,641	-	-	39,641	75,209
Wages and Benefits	237,196	-	-	237,196	169,120
	1,240,783	-	22,472,863	23,713,646	1,170,479
Excess of revenue over expenses for the year	2,423,431	44,441	(5,207,095)	(2,739,224)	16,385,549
Accumulated surplus (deficit), beginning of year	2,121,423	287,451	13,776,083	16,184,957	(200,592)
Accumulated surplus (deficit), end of year	4,544,853	331,892	8,568,988	13,445,733	16,184,957

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

Schedule 2

Year ended March 31

2021

2020

	Elementary/ Secondary Education \$	Post-Secondary Education \$	Total \$	Total \$
Revenue				
Indigenous and Northern Affairs Canada	36,440	244,330	280,770	220,493
Expenses				
Allowance, books and graduation	-	147,112	147,112	186,474
Supplies	-	311	311	485
Training	-	-	-	-
Travel and meetings	-	42,791	42,791	15,137
Tuition	-	101,702	101,702	91,931
	-	291,916	291,916	294,027
Excess (shortfall) of revenue over expenses for the year	36,440	(47,586)	(11,146)	(73,534)
Accumulated surplus (deficit), beginning of year	285,124	(479,103)	(193,979)	(120,445)
Accumulated surplus (deficit), end of year	321,564	(526,689)	(205,125)	(193,979)

Flying Post First Nation

Revenue, Expenses and Accumulated Surplus -

Health Programs

Schedule 3

Year ended March 31	2021	2020
	\$	\$
Revenue		
Health Canada	113,186	192,910
Expenses		
Aboriginal Diabetes Initiative	4,768	4,754
Adult Recreation	5,220	10,283
Charity	5,135	800
Early Childhood Development	11,000	11,600
Education and training	11,665	6,443
Health consultation	9,421	9,422
Medical	8,014	12,984
Programs and events	33,965	32,881
Youth recreation	7,259	7,710
NAN Choose Life Program	-	91,122
	96,447	187,999
Excess of revenue over expenses for the year	16,739	4,911
Accumulated surplus, beginning of year	70,513	65,602
Accumulated surplus, end of year	87,252	70,513

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

Schedule 4

Year ended March 31	2021	2020
	\$	\$
Revenue		
Wabun Tribal Council	81,350	81,750
Expenses		
Community Outreach	959	5,497
Equipment	158	-
Office	14,840	4,000
Training	8,537	8,786
Travel and meetings	1,081	13,650
Wages and benefits	47,336	49,548
	72,911	81,481
Excess (shortfall) of revenue over expenses for the year	8,439	269
Accumulated surplus, beginning of year	60,628	60,359
Accumulated surplus, end of year	69,067	60,628

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

March 31, 2021

Schedule 5

	Resource Development Agreements		Resource Exploration Agreements										2021	2020
	Pan American Silver Corp.	Newmont Goldcorp Corp.	Elcora Resources	IAM Gold	Imery's Talc	Kapuska-sing Gold	Osisk Mining	GFG Resources Inc.	Red Pine Exploration	Probe Metals	Richmond Minerals	Pancontinental Resources	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue														
Contribution for exploration - Cash	-	-	-	108,400	-	-	-	47,014	-	-	9,830	-	165,244	50,079
Implementation of benefit agreements - cash	959,218	62,500	-	150,850	-	-	-	-	-	-	-	-	1,172,568	1,524,315
Production based revenue sharing													-	-
-Cash	226,227	477,213	-	193,561	70,992	-	-	-	-	-	-	-	967,993	421,782
-Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,185,445	539,713	-	452,811	70,992	-	-	47,014	-	-	9,830	-	2,305,805	1,996,176
Expenses														
Bad debts	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000	7,251
Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	85,965
IBA Dividend	5,000	-	-	-	-	-	-	-	-	-	-	-	5,000	925,000
Impairment - Investments	-	-	-	-	-	-	-	-	-	91,926	-	-	91,926	-
Professional Fees	-	-	-	30,769	-	-	-	-	-	-	-	-	30,769	21,382
Wabun resource development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
co-ordinators	50,000	86,096	-	-	-	-	-	-	-	-	-	-	136,096	112,500
	60,000	86,096	-	30,769	-	-	-	-	-	91,926	-	-	268,791	1,152,098
Excess (shortfall) of revenue over expenses for year	1,125,445	453,617	-	422,042	70,992	-	-	47,014	-	(91,926)	9,830	-	2,037,014	844,078
Accumulated surplus, beginning 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
Accumulated surplus, end of year	3,331,426	1,785,959	37,607	1,127,018	381,680	1,000	6,654	110,279	7,986	73,688	9,830	12,381	6,885,508	4,848,494

Flying Post First Nation Federal Government Funding

Schedule 6

Year ended March 31

2021

	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	36,440	-	-	36,440	34,860
Post-Secondary education	244,330	-	-	244,330	185,633
Economic development	44,441	-	-	44,441	42,514
Band support	549,489	-	-	549,489	308,750
	874,700	-	-	874,700	571,757
Health Canada					
Health programs	113,186	-	-	113,186	192,910
	987,886	-	-	987,886	764,667