



Flying Post First Nation

Consolidated Financial Statements

March 31, 2023

FLYING POST FIRST NATION
March 31, 2023

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.

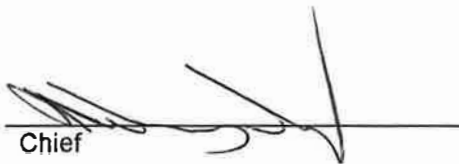
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen 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

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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, 2023, 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, 2023, 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Schedules of Revenue and Expenses by Program, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

Thunder Bay, Canada
August 30, 2024

Chartered Professional Accountants
Licensed Public Accountants

Flying Post First Nation

Consolidated Statement of Financial Position

Statement 1

As at March 31

2023

2022

	\$	\$
FINANCIAL ASSETS		
Cash	10,564,435	9,310,396
Accounts receivable <i>[note 3]</i>	302,714	393,722
Investments <i>[note 4]</i>	13,072,147	8,120,760
Investment Fund asset	250,000	250,000
Investment in Flying Post Development LP <i>[note 6]</i>	6,504,514	7,581,505
Investment in Flying Post Development GP <i>[note 6]</i>	(9,255)	(8,389)
Restricted assets <i>[note 5a and 5b]</i>	14,886,905	8,869,670
Trust Fund asset	3,352	3,351
Total financial assets	45,574,812	34,521,015
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	189,255	239,083
Due to Ministry of Health and Long-Term Care	596,800	487,778
Total financial liabilities	786,055	726,861
NET FINANCIAL ASSETS	44,788,757	33,794,154
NON-FINANCIAL ASSETS		
Tangible capital assets, net <i>[notes 7 and 17]</i>	2,853,753	2,598,715
Prepaid expenses	17,561	8,032
	2,871,314	2,606,747
Accumulated surplus		
Accumulated operating surplus	47,511,033	36,400,901
Accumulated re-measurement gains	150,901	-
Total accumulated surplus	47,661,934	36,400,901

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	2023	2022
	\$	\$
Revenue [note 16]		
Indigenous Services Canada	806,426	743,730
Ontario First Nations Limited Partnership	469,007	320,398
Health Canada	530,484	393,012
Ministry of Health	300	20,947
Wabun Tribal Council	173,229	122,655
Nishnawbe Aski Nation	71,247	102,851
Mining agreements	1,635,575	1,558,379
Interest	491,148	130,313
Provincial Resource Revenue Sharing	7,424,627	4,498,514
Investment Income	10,772,143	8,471,188
Other	15,809	(10,457)
	22,389,995	16,351,530
Expenses [note 16]		
Band support	8,127,343	3,110,819
Education	274,061	333,008
Health Programs	191,018	128,554
New Relationship Fund	82,905	63,836
Mining Community Fund	535,488	7,389,739
Casino Rama	325,179	447,317
Resource Revenue Sharing	1,743,869	584,642
	11,279,863	12,057,915
Excess (shortfall) of revenue over expenses for the year	11,110,132	4,293,615
Total accumulated operating surplus, beginning of year	36,400,901	32,107,286
Total accumulated operating surplus, end of year	47,511,033	36,400,901

See accompanying notes to the consolidated financial statements.

Flying Post First Nation	Statement 3
Consolidated Statement of Remeasurement Gains and Losses	

Year ended March 31	2023	2022
	\$	\$
Accumulated remeasurement gain (loss), beginning of year	-	-
Unrealized gains (losses) attributable to:		
Casino Rama	(4,092)	-
Resource Revenue Sharing	103,145	-
General Programs	51,848	-
Change in net remeasurement gain for the year	150,901	-
Accumulated remeasurement gain (loss), end of year	150,901	-

See accompanying notes to the consolidated financial statements.

Flying Post First Nation

Consolidated Statement of Changes in Fund Balances

Statement 4

Year ended March 31

2023

	Beginning Accumulated Surplus (Deficit) \$	Revenue \$	Expenses and Capital Expenditures \$	Excess (Shortfall) of Revenue Over Expenses \$	Transfers \$	Ending Accumulated Surplus (Deficit) \$
Operating Fund:						
General Programs <i>[schedule 1]</i>	26,144,786	11,773,526	8,127,343	3,646,183	391,758	30,182,727
Education <i>[schedule 2]</i>	(231,059)	332,558	274,061	58,497	-	(172,562)
Health Programs <i>[schedule 3]</i>	351,710	530,484	191,018	339,466	-	691,176
New Relationship Fund <i>[schedule 4]</i>	86,581	81,350	82,905	(1,555)	-	85,026
Community mining and Exploration Fund <i>[schedule 5]</i>	1,054,148	1,635,575	535,488	1,100,087	-	2,154,235
Remeasurement gains and losses <i>[statement 3]</i>	-	150,901	-	150,901	-	150,901
Trust Fund <i>[statement 5]</i>	3,352	-	-	-	-	3,352
Investment Fund <i>[statement 6]</i>	250,000	-	-	-	-	250,000
Casino Rama <i>[statement 7]</i>	2,741,211	542,975	325,179	217,796	-	2,959,007
Resource Revenue Sharing <i>[statement 8]</i>	6,000,172	7,493,527	1,743,869	5,749,658	(391,758)	11,358,072
	36,400,901	22,540,896	11,279,863	11,261,033	-	47,661,934

See accompanying notes to the consolidated financial statements.

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

Year ended March 31	2023	2022
	\$	\$
Revenue		
Interest Income	-	3,352
Fund Balance, beginning of year	3,352	212,140
Transfer to Resource Revenue Sharing Fund		(212,140)
Fund Balance, end of year	3,352	3,352

See accompanying notes to the consolidated financial statements.

Flying Post First Nation	Statement 6
Consolidated Investment Fund Statement of Changes in	
Fund Balance	

Year ended March 31	2023	2022
	\$	\$
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 7

Consolidated Casino Rama Fund Statement of Changes in Fund Balance

Year ended March 31	2023	2022
	\$	\$
Revenue		
Ontario First Nations Limited Partnership		
Regular	469,007	320,398
Interest	73,968	41,489
	542,975	361,887
Expenses		
Bank charges	446	216
Community development	244,888	386,933
Cultural development	1,261	180
Economic development	9,878	2,990
Education	29,905	40,832
Health	38,801	16,166
	325,179	447,317
Excess (shortfall) of revenue over expenses for the year	217,796	(85,430)
Fund balance, beginning of year	2,741,211	2,826,641
Fund balance, end of year	2,959,007	2,741,211

See accompanying notes to the consolidated financial statements.

Flying Post First Nation Statement 8

Consolidated Resource Revenue Sharing Fund Statement of Changes in Fund Balance

Year ended March 31	2023	2022
	\$	\$
Revenue		
Resource Revenue Sharing	7,424,627	4,498,514
Interest	68,900	1,183
	7,493,527	4,499,697
Expenses		
Bank charges	415	17
Community development	1,479,243	464,450
Cultural development	25,441	13,470
Economic development	42,872	2,867
Education	33,281	13,574
Health	14,124	311
Administrative cost	148,493	89,970
	1,743,869	584,659
Excess of revenue over expenses for the year	5,749,658	3,915,038
Capital assets acquired or constructed	-	-
	5,749,658	3,915,038
Fund balance, beginning of year	6,000,172	4,488,213
Adjustment for capital assets constructed	-	(2,615,219)
Fund balance, beginning of year, restated	6,000,172	1,872,994
Transfer from Trust Fund	-	212,140
Transfer to General Programs	(391,758)	-
Fund balance, end of year	11,358,072	6,000,172

See accompanying notes to the consolidated financial statements.

Flying Post First Nation

Consolidated Statement of Cash Flows

Statement 9

Year Ended March 31

	2023	2022
	\$	\$
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenses for the year	11,110,132	4,293,616
Add charges (deduct credits) to operations not requiring an outlay of cash		
Amortization of tangible capital assets	136,720	140,089
Loss on disposal of capital assets	-	19,949
	11,246,852	4,453,654
Add (deduct) changes in non-cash working capital items		
Accounts receivable	91,008	251,736
Prepaid expenses	(9,529)	(406)
Accounts payable and accrued liabilities	(49,828)	122,197
Due to Ministry of Health and Long-Term Care	109,022	216,385
Cash provided by operating activities	11,387,525	5,043,566
INVESTING ACTIVITIES		
Increase in investments	(3,873,530)	(7,070,396)
Increase in accumulated re-measurement gains	150,901	-
Increase in restricted assets invested in GICs	(4,111,245)	(97,895)
Decrease (increase) in Trust Fund asset	-	208,788
Disposal (purchase) of capital assets	(391,758)	(11,470)
Cash used in investing activities	(8,225,632)	(6,970,973)
Increase (decrease) in cash during the year	3,161,893	(1,927,407)
Cash and cash equivalents, beginning of year	16,076,562	18,003,968
Cash and cash equivalents, end of year	19,238,455	16,076,562
Cash and cash equivalents consists of:		
Cash and cash equivalents	10,564,435	9,310,396
Restricted assets <i>[note 5]</i>	8,672,157	6,766,166
	19,236,592	16,076,562

Flying Post First Nation Consolidated Statement of Changes in Net Financial Assets	Statement 10
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Year ended March 31	2023	2022
	\$	\$
Excess of revenue over expenses for the year	11,110,132	4,293,616
Decrease (increase) in prepaid expenses	(9,529)	(406)
Disposal (purchase) of capital assets	(391,758)	8,479
Remeasurement gains	150,901	-
Amortization of tangible capital assets	136,720	140,088
	10,996,466	4,441,777
Net financial assets, beginning of year	33,794,154	29,352,377
Net financial assets, end of year	44,790,620	33,794,154

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2023

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. ADOPTION OF NEW GUIDANCE

The Public Sector Accounting Board issued Section PS 3280 Asset Retirement Obligations. This new section addresses how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset.

The Public Sector Accounting Board issued Section PS 3450 Financial instruments, PS 2601 Foreign currency translation, PS 1201 Financial statement presentation, and PS 3041 Portfolio investments. Section PS 3450 Financial instruments requires a public sector entity to recognize a financial asset or a financial liability on its statement of financial position when it becomes a party to the contractual provisions of the instrument. Financial instruments within the scope of the Section are assigned to one of two measurement categories: fair value, or cost / amortized cost. Almost all derivatives are measured at fair value. Fair value measurement is required for portfolio investments in equity instruments that are quoted in an active market. Other financial assets and financial liabilities are generally measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement are reported in the statement of remeasurement gains and losses. When the public sector entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis, the entity may elect to include these items in the fair value category. Additional disclosures with respect to financial instruments are required, including the nature and extent of risks arising from a public sector entity's financial instruments.

PS 2601 Foreign currency translation revises and replaces Section PS 2600 Foreign currency translation. Section 2601 requires that until the period of settlement, foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses rather than the statement of operations, unless an irrevocable election is made at initial measurement to recognize exchange gains and losses on a financial asset or financial liability directly in the statement of operations. PS 1201 Financial statement presentation revises and replaces Section PS 1200 Financial statement presentation. The main amendment to this Section is the addition of the statement of remeasurement gains and losses. PS 3041 Portfolio investments revises and replaces Section PS 3040 Portfolio investments.

Flying Post First Nation adopted these standards and amendments as at April 1, 2022 and applied the new accounting policies prospectively. As a result of the adoptions, Portfolio investments are now measured at fair value with unrealized gains and losses being presented on the consolidated statement of re-measurement gains and losses. There were no impacts to the Council's consolidated financial statements other than additional note disclosures.

2. 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:

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2023

Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the Operating Fund, externally restricted Casino Rama Fund, externally restricted Resource Revenue Sharing 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 LP and Flying Post General Partner Inc.

- [a] 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 post acquisition 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.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2023

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	4%
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, 2023

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.

The Resource Revenue Sharing Fund reports activities financed in whole or in part by proceeds from Resource Revenue Sharing funds.

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 are recognized as a liability and recognized as revenue when the related services are performed.

Mining revenue and 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.

Financial instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operation. Changes in the fair value on restricted assets are recognized as liability until the criterion attached to the restriction has been met, upon which the gain or loss is recognized in the statement of operations.

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2023

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

Segments

The First Nation conducts its business through eight reportable segments: Band Support, Economic Development, Education, Health, New Relationship Fund, Community Mining and Exploration Agreements, Casino Rama, and Resource Revenue Sharing. 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.

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.

3. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Accounts receivable	302,714	401,463
Less: Allowance for doubtful accounts	-	(7,741)
	302,714	393,722

Flying Post First Nation

Notes to Consolidated Financial Statements

March 31, 2023

4. INVESTMENTS

	2023		2022	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Elcora Resources Corp.	5,000	5,150	5,000	2,145
Galleon Gold Corp.	20,000	70,000	20,000	145,000
GFG Resources Inc.	1,688	1,018	1,688	1,688
Red Pine Exploration Inc.	2,000	950	2,000	2,150
Ophir Gold Corp.	1,000	2,000	1,000	583
Probe Metals Inc.	42,750	27,500	42,750	41,000
Pancontinental Resources Corp.	3,037	3,037	3,037	7,567
Leede Jones Gable Common Shares	1,151	55,737	-	-
Minor Trusts GIC's	6,234,425	6,234,425	-	-
GICs and CI Corporate Bond Class A Fund	6,709,249	6,672,330	8,045,285	8,045,285
	13,020,300	13,072,147	8,120,760	8,245,418

The First Nation owns 50,000 [2022 – 50,000] common shares of Elcora Resources Corp.

The First Nation owns 250,000 [2022 – 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 [2022 – 8,333] 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.

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The First Nation owns 11,250 [2022 – 11,250] common shares of GFG Resources Inc.

The First Nation owns 25,000 [2022 – 25,000] common shares of Probe Metals Inc. In addition, the First Nation held 50,000 warrants of Probe Metals Inc. which expired September 9, 2021.

The First Nation owns 5,000 [2022 – 50,000] common shares of Red Pine Exploration Inc. On March 11, 2021, Red Pine Exploration Inc. announced TSXV 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 [2022 - 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 GIC's bear interest from 4.10% - 5.22% and mature between August, 2023 and November, 2027.

5. RESTRICTED ASSETS

- [a] Restricted assets relating 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:

	2023	2022
	\$	\$
Undistributed funds on deposit with bank and investment accounts	924,185	690,670
Undistributed funds invested in GIC's and other investments	2,083,987	2,103,504
	3,008,172	2,794,174

The GIC's bear interest from 1.58% – 4.90% and mature between December, 2023 and February 2028.

- [b] Restricted assets related to the Resource Revenue Sharing Agreement consists of a bank balances and amounts held in GIC's and other investments. As at year-end, this balance was comprised as follows:

	2023	2022
	\$	\$
Undistributed funds on deposit with bank and investment accounts	7,747,972	6,075,496
Undistributed funds invested in GIC and other investments	4,130,761	-
	11,878,733	6,075,496

The GIC bears interest at 5.25% and matures November, 2027.

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6. INVESTMENTS UNDER CONTROL OF FLYING POST FIRST NATION

Flying Post First Nation owns and controls Flying Post Development Limited Partnership and Flying Post Development General Partner Inc. Flying Post Development Limited Partnership holds an investment of 50.9% in Flying Post Camp Logistics Limited Partnership and 51% in Flying Post Camp and Logistics Inc.

Flying Post Development Limited Partnership's balance sheet is comprised of total assets of \$6,568,266 [2022 - \$7,644,493], total liabilities of \$60,936 [2022 - \$61,248], and partners' capital of \$6,507,330 [2022 - \$7,583,245]. Flying Post Development Limited Partnership's statement of earnings is comprised of total revenues of \$10,915,110 [2022 - \$9,013,925], and total expenses of \$141,024 [2022 - \$126,793]. Flying Post Development Limited Partnership distributed \$11,850,000 [2022 - \$9,853,000] of partners' capital to Flying Post First Nation during the year.

Flying Post Development General Partner Inc.'s balance sheet is comprised of total assets of \$2,917 [2022 - \$1,840], total liabilities of \$12,172 [2022 - \$10,229], and shareholder's deficit of (\$9,355) [2022 - (\$8,489)]. Flying Post Development General Partner Inc.'s statement of loss and deficit is comprised of total revenues of \$1,077 [2022 - \$889], and total expenses of \$1,943 [2022 - \$1,750].

7. TANGIBLE CAPITAL ASSETS

The consolidated statement of tangible capital assets (note 17) 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.

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.

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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 [2022 - \$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), and 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.

13. GOVERNMENT TRANSFERS

	Operating \$	Capital \$	2023 \$	2022 \$
Federal Government transfers				
Indigenous Services Canada	806,426	-	806,426	743,730
Health Canada	530,484	-	530,484	393,012
Total Federal	1,336,910	-	1,336,910	1,136,742
Provincial Government transfers				
Ministry of Health	300	-	300	20,947
Total Provincial	300	-	300	20,947
	1,337,210	-	1,337,210	1,157,690

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.

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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.

Casino Rama

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

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Flying Post First Nation is exposed to a variety of financial risks including credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of financial loss to Flying Post First Nation if a debtor fails to discharge their obligations. Flying Post First Nation's principal financial assets are cash, accounts receivable and investments, which are subject to this risk. The carrying amounts of financial assets on the Consolidated Statement of Financial Position represent Flying Post First Nation's maximum credit exposure as at year-end.

Liquidity risk

Liquidity risk is the risk that Flying Post First Nation will not be able to meet all cash outflow obligations as they come due. Flying Post First Nation mitigates this risk by monitoring cash activities and expected outflows through maintaining adequate cash balances.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and other price risk.

Flying Post First Nation is minimally exposed to interest rate risk with regards to its short and long-term investments. Given the composition of its fixed rate instruments subject Flying Post First Nation to a fair value risk.

Flying Post First Nation is not exposed to significant currency or other price risk. There were no changes in exposure to credit risk during the period.

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16. SEGMENTED INFORMATION	Band Support		Economic Development		Education		Health	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Indigenous Services Canada	419,918	381,136	53,950	55,520	332,558	307,074	-	-
Ontario First Nations Limited Partnership	-	-	-	-	-	-	-	-
Health Canada	-	-	-	-	-	-	530,484	393,012
Ministry of Health	300	20,947	-	-	-	-	-	-
Wabun Tribal Council	91,879	41,305	-	-	-	-	-	-
Nishnawbe Aski Nation	71,247	102,851	-	-	-	-	-	-
Mining agreements	-	-	-	-	-	-	-	-
Provincial Resource Revenue Sharing	-	-	-	-	-	-	-	-
Interest	348,280	87,641	-	-	-	-	-	-
Investment income	10,772,143	8,471,188	-	-	-	-	-	-
Other	15,809	(10,457)	-	-	-	-	-	-
	11,719,576	9,094,611	53,950	55,520	332,558	307,074	530,484	393,012
Expenses								
Amortization	136,720	140,089	-	-	-	-	-	-
Bad debts	-	-	-	-	-	-	-	-
Band equipment	-	8,627	-	-	-	-	-	-
Bank charges	5,292	2,904	-	-	-	-	-	-
Capital injection payment	-	-	-	-	-	-	-	-
Health program expenses	-	-	-	-	-	-	191,018	128,554
Casino Rama	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	-	-	-	-
- Cultural development	-	-	-	-	-	-	-	-
- Economic development	-	-	-	-	-	-	-	-
- Education	-	-	-	-	-	-	-	-
- Health	-	-	-	-	-	-	-	-
Community outreach	-	-	-	-	-	-	-	-
Distribution	7,388,555	2,260,000	-	-	-	-	-	-
Education allowances and tuition	-	-	-	-	274,061	333,008	-	-
Elder's services	-	1,447	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-
Impairment - Investments	-	-	-	-	-	-	-	-
Honorariums	72,000	63,400	-	-	-	-	-	-
Maintenance	26,704	62,572	-	-	-	-	-	-
Miscellaneous	38,149	85,972	-	-	-	-	-	-
Office	56,183	98,537	-	-	-	-	-	-
Professional fees	102,933	102,228	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Resource Revenue Sharing	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	-	-	-	-
- Business development	-	-	-	-	-	-	-	-
- Cultural development	-	-	-	-	-	-	-	-
- Education	-	-	-	-	-	-	-	-
- Health	-	-	-	-	-	-	-	-
- Administrative cost	-	-	-	-	-	-	-	-
Student employment	13,973	13,992	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-
Travel and meetings	82,173	23,029	-	-	-	-	-	-
IBA coordination and environmental monitoring	-	-	-	-	-	-	-	-
Wages and benefits	204,660	248,022	-	-	-	-	-	-
	8,127,343	3,110,819	-	-	274,061	333,008	191,018	128,554
Excess (shortfall) of revenue over expenses	3,592,233	5,983,793	53,950	55,520	58,497	(25,934)	339,466	264,458

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16. SEGMENTED INFORMATION (CONT'D)	New Relationship Fund		Mining Agreements		Casino Rama		Resource Revenue Sharing		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Indigenous Services Canada	-	-	-	-	-	-	-	-	806,426	743,730
Ontario First Nations Limited Partnership	-	-	-	-	469,007	320,398	-	-	469,007	320,398
Health Canada	-	-	-	-	-	-	-	-	530,484	393,012
Ministry of Health	-	-	-	-	-	-	-	-	300	20,947
Wabun Tribal Council	81,350	81,350	-	-	-	-	-	-	173,229	122,655
Nishnawbe Aski Nation	-	-	-	-	-	-	-	-	71,247	102,851
Mining agreements	-	-	1,635,575	1,558,379	-	-	-	-	1,635,575	1,558,379
Provincial Resource Revenue Sharing	-	-	-	-	-	-	7,424,627	4,498,514	7,424,627	4,498,514
Interest	-	-	-	-	73,968	41,489	68,900	1,183	491,148	130,313
Investment income	-	-	-	-	-	-	-	-	10,772,143	8,471,188
Other	-	-	-	-	-	-	-	-	15,809	(10,457)
	81,350	81,350	1,635,575	1,558,379	542,975	361,887	7,493,527	4,499,697	22,389,995	16,351,530
Expenses										
Amortization	-	-	-	-	-	-	-	-	136,720	140,089
Bad debts	-	-	-	-	-	-	-	-	-	-
Band equipment	-	-	-	-	-	-	-	-	-	8,627
Bank charges	-	-	-	-	446	216	415	-	6,153	3,120
Capital injection payment	-	-	-	100,000	-	-	-	-	-	100,000
Health program expenses	-	-	-	-	-	-	-	-	191,018	128,554
Casino Rama	-	-	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	244,888	386,933	-	-	244,888	386,933
- Cultural development	-	-	-	-	1,261	180	-	-	1,261	180
- Economic development	-	-	-	-	9,878	2,990	-	-	9,878	2,990
- Education	-	-	-	-	29,905	40,832	-	-	29,905	40,832
- Health	-	-	-	-	38,801	16,166	-	-	38,801	16,166
Community outreach	7,019	-	-	-	-	-	-	-	7,019	-
Distribution	-	-	440,300	7,124,842	-	-	-	-	7,828,855	9,384,842
Education allowances and tuition	-	-	-	-	-	-	-	-	274,061	333,008
Elder's services	-	-	-	-	-	-	-	-	-	1,447
Equipment	945	3,105	-	-	-	-	-	-	945	3,105
Impairment - Investments	-	-	-	-	-	-	-	-	-	-
Honorariums	-	-	-	-	-	-	-	-	72,000	63,400
Maintenance	-	-	-	-	-	-	-	-	26,704	62,572
Miscellaneous	-	-	-	-	-	-	-	-	38,149	85,972
Office	4,000	7,500	-	-	-	-	-	-	60,183	106,037
Professional fees	-	-	20,188	89,897	-	-	-	-	123,121	192,125
Rent	-	-	-	-	-	-	-	-	-	-
Resource Revenue Sharing	-	-	-	-	-	-	-	-	-	-
- Community development	-	-	-	-	-	-	1,479,243	464,450	1,479,243	464,450
- Business development	-	-	-	-	-	-	42,872	2,867	42,872	2,867
- Cultural development	-	-	-	-	-	-	25,441	13,470	25,441	13,470
- Education	-	-	-	-	-	-	33,281	13,574	33,281	13,574
- Health	-	-	-	-	-	-	14,124	311	14,124	311
- Administrative cost	-	-	-	-	-	-	148,493	89,970	148,493	89,970
Student employment	-	-	-	-	-	-	-	-	13,973	13,992
Training	5,536	1,527	-	-	-	-	-	-	5,536	1,527
Travel and meetings	13,044	6,704	-	-	-	-	-	-	95,217	29,733
IBA coordination and environmental monitoring	-	-	75,000	75,000	-	-	-	-	75,000	75,000
Wages and benefits	52,361	45,000	-	-	-	-	-	-	257,021	293,022
	82,905	63,836	535,488	7,389,739	325,179	447,317	1,743,869	584,642	11,279,863	12,057,915
Excess (shortfall) of revenue over expenses	(1,555)	17,514	1,100,087	(5,831,360)	217,796	(85,430)	5,749,658	3,915,055	11,110,132	4,293,615

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17. CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

	Buildings	Automotive	Computer Equipment	Office Equipment	Program Supplies	Construction in-Progress	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance, beginning of year	2,615,220	80,595	52,027	174,148	20,936	-	2,942,926	2,982,730
Acquisition of tangible capital assets	391,758	-	-	-	-	-	391,758	11,470
Disposal of assets	-	-	-	-	-	-	-	(51,274)
Construction-in-progress	-	-	-	-	-	-	-	-
	3,006,978	80,595	52,027	174,148	20,936	-	3,334,684	2,942,926
Accumulated amortization								
Balance, beginning of year	154,373	63,800	43,860	72,309	9,869	-	344,211	235,446
Annual amortization	106,252	5,038	2,695	20,432	2,303	-	136,720	140,089
Accumulated amortization on disposals	-	-	-	-	-	-	-	(31,324)
	260,625	68,838	46,555	92,741	12,172	-	480,931	344,211
Net book value of tangible capital assets	2,746,353	11,757	5,472	81,407	8,764	-	2,853,753	2,598,715

During the year, interest costs of \$nil [2022 - \$nil] were capitalized.

During the year, impairment costs of \$nil [2022 - \$nil] were recognized.