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Paul First Nation

Financial Statements

March 31, 2018

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Paul First Nation

Financial Statements

March 31, 2018

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Paul First Nation

Management's Responsibility for Financial Reporting

March 31, 2018

The accompanying financial statements of Paul First Nation are the responsibility of management and have been approved by Council.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

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

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

Council meets periodically with management, 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 financial statements and the external auditor's report.

The external auditors, Crowe MacKay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Paul First Nation and meet when required.

On behalf of Paul First Nation:



Executive Director



Finance Director



Date



Date



Crowe MacKay LLP
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Independent Auditors' Report

To the Members of Paul First Nation

We have audited the accompanying financial statements of Paul First Nation, which comprise the statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, change in net financial assets, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The Paul First Nation owns certain subsidiaries that should be included in these consolidated financial statements and accounted for under the modified equity method. Unaudited financial statements were prepared for certain companies, and no financial statements were prepared for other companies owned by the Nation. The exclusion of the subsidiaries financial information from these financial statements is a departure from Canadian public sector accounting standards. The effect of the exclusion of the financial information of the subsidiaries on these consolidated financial statements cannot be quantified, however the affected areas of these consolidated financial statements include the investment in business enterprises and equity accounts on the Statement of Financial Position and investment income from business enterprises on the Statement of Operations and Cash Flow.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements, present fairly, in all material respects, the financial position of the First Nation as at March 31, 2018 and the results of its operations, the changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Edmonton, Canada
September 27, 2018**

Crowe MacKay LLP
Chartered Professional Accountants

Paul First Nation

Statement of Financial Position

March 31 2018 2017

Financial Assets

Cash	\$ 15,874,055	\$ 10,375,634
Accounts receivable (Note 2)	1,360,945	1,020,367
Long-term investments (Note 3)	2,655,995	2,221,070
Trust funds (Note 4)	5,408,212	4,695,944
	25,299,207	18,313,015

Liabilities

Operating loan (Note 5)	1,932,396	-
Accounts payable	3,190,229	2,998,432
Deferred revenue (Note 6)	12,343,387	8,451,836
Long-term debt (Note 7)	3,504,875	2,869,466
	20,970,887	14,319,734

Net financial assets 4,328,320 3,993,281



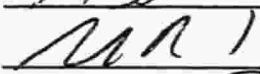
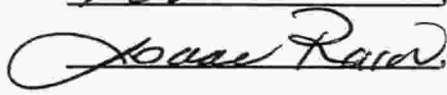
Non-financial Assets

Capital assets (Note 8)	42,691,218	29,793,457
Prepaid expenses	5,500	54,000
	42,696,718	29,847,457

Accumulated Surplus (Note 9) \$ 47,025,038 \$ 33,840,738

Contingent liabilities (Note 10)

Approved on behalf of the Council

 , Chief
 , Councillor
 , Councillor
 , Councillor
_____, Councillor

Paul First Nation

Statement of Operations and Accumulated Surplus

For the year ended March 31	2018 Budget	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada (ISC)	\$ 22,177,877	\$ 24,600,365	\$ 13,895,749
Indigenous Services Canada (ISC) - One time funding	-	-	1,185,999
Health Canada	1,599,825	2,397,225	1,549,313
CMHC subsidies	204,000	390,852	648,635
First Nations Development Fund	320,305	164,989	994,583
Service Canada (ASETS)	145,622	688,463	705,966
OttawaTrust revenue	-	466,929	605,063
Industry and other revenue	2,779,059	3,825,424	3,025,267
Net income (loss) from Band owned Enterprises	-	(63,039)	(170,963)
	27,226,688	32,471,208	22,439,612
Expenses (Note 18)			
Band Government	2,534,528	4,295,442	3,042,460
Education	-	4,004,287	3,800,559
Health	1,593,697	1,684,143	1,591,861
Economic Development	532,958	204,057	499,901
Public Works	1,346,827	1,329,228	954,975
Community Services	396,176	217,521	539,925
Social Services	1,007,431	3,009,023	3,163,071
Employment Programs	-	569,145	394,344
Housing	208,000	269,962	346,907
Capital Projects	19,607,071	1,192,414	453,299
Amortization	-	2,511,684	2,047,203
	27,226,688	19,286,906	16,834,505
Excess of revenue over expenses	-	13,184,300	5,605,107
Accumulated surplus, beginning of year	-	33,840,738	28,235,631
Accumulated surplus, end of year	\$ -	\$ 47,025,038	\$ 33,840,738

Paul First Nation**Statement of Change in Net Financial Assets**

For the year ended March 31	2018	2017
Excess of revenue over expenses	\$ 13,184,300	\$ 5,605,107
Acquisition of capital assets	(15,409,445)	(6,283,079)
Amortization of capital assets	2,511,684	2,047,203
	(12,897,761)	(4,235,876)
Acquisition of prepaid asset	(5,500)	(53,999)
Use of prepaid asset	54,000	113,961
	48,500	59,962
Increase in net financial assets	335,039	1,429,193
Net financial assets, beginning of year	3,993,281	2,564,088
Net financial assets, end of year	\$ 4,328,320	\$ 3,993,281

Paul First Nation

Statement of Cash Flow

For the year ended March 31, 2018	2018	2017
Cash flows from		
Operating activities		
Excess of revenue over expenses	\$ 13,184,300	\$ 5,605,107
Items not affecting cash		
Amortization	2,511,684	2,047,203
	15,695,984	7,652,310
Change in non-cash operating working capital		
Accounts receivable	(340,578)	(213,298)
Prepaid expenses	48,500	59,962
Accounts payable	191,801	(1,245,218)
Deferred revenue	3,891,551	6,520,329
	19,487,258	12,774,085
Financing activities		
Repayment of long term debt	(336,397)	(340,939)
Proceeds from long term debt	971,802	238,729
	635,405	(102,210)
Investing activities		
Capital asset additions	(15,409,445)	(6,283,079)
Change in investments	(434,925)	17,913
Change in funds held in trust	(712,268)	174,748
	(16,556,638)	(6,090,418)
Increase in cash and cash equivalents	3,566,025	6,581,457
Cash and cash equivalents, beginning of year	10,375,634	3,794,177
Cash and cash equivalents, end of year	\$ 13,941,659	\$ 10,375,634
Represented by		
Cash	\$ 15,874,055	\$ 10,375,634
Operating loan	(1,932,396)	-
	\$ 13,941,659	\$ 10,375,634

March 31, 2018

1. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Basis of consolidation

The Paul First Nation reporting entity includes the Paul First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the Paul First Nation. The First Nation records its related entities on the modified equity basis.

The following entities are included in the financial statements:

1. PFN Development Corporation
2. PFN Resources Inc
3. Paul Band Land Holdings Ltd.
4. Paul First Nation Industry Relations Corporation
5. Wapta Mnodai Developments Ltd. (o/a Ironhead Golf Course)

(b) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is recorded on the accrual basis.

Paul First Nation

Notes to Financial Statements

March 31, 2018

1. Basis of Presentation and Significant Accounting Policies (continued)

(c) Capital assets

Capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Infrastructure includes certain roads and bridges disclosed at a nominal amount. The First Nation holds works of art and historical treasures of a cultural value, which have not been included in capital assets due to their inability of estimating future benefits associated with such property. The cost of the capital assets are amortized over their expected useful life using the following rates and methods:

Buildings and Housing	20-25 years Straight line
Equipment	10 years Straight line
Infrastructure	45 years Straight line
Computer equipment	4 years Straight line
Automotive equipment	5 years Straight line

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

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets, including interest in reserve lands and natural resources, as well as assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(d) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

(e) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(f) Impairment of Long-Lived Assets

The First Nation tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Paul First Nation

Notes to Financial Statements

March 31, 2018

1. Basis of Presentation and Significant Accounting Policies (continued)

(g) Cash

Cash and cash equivalents include cash on hand and a revolving loan.

2. Accounts receivable

	2018	2017
Indigenous Services Canada (ISC)	\$ 135,889	\$ 341,509
Canada Mortgage and Housing Corporation (CMHC)	544,384	378,753
Six Independent Alberta First Nations (SIAFN)	206,534	-
Province of Alberta	474,138	156,627
Other	153,103	143,478
Advances to members	286,754	352,827
	1,800,802	1,373,194
Allowance for doubtful accounts	(439,857)	(352,827)
	\$ 1,360,945	\$ 1,020,367

Paul First Nation

Notes to Financial Statements

March 31, 2018

3. Long-Term Investments

	2018	2017
Paul Band Land Holdings Ltd.	\$ 210,944	\$ 200,704
Wapta Mnodai Developments Ltd. (o/a Ironhead Golf & Country Club)	2,177,079	2,013,966
Paul First Nation Industrial Relations Corporation	100,676	23,825
PFN Development Corporation	166,296	(17,425)
399250 Alberta Ltd.	1,000	-
	<hr/>	<hr/>
	\$ 2,655,995	\$ 2,221,070

Paul Band Land Holdings Ltd., Paul First Nation Industrial Relations Corporation, PFN Development Corporation, Weh-hnim-neh Business Development Corporation, Wapta Mnodai Development Ltd. and 399250 Alberta Ltd. are owned 100% by Paul First Nation.

The First Nation is also the 100% owner of 1018856 Alberta Ltd., and Ironhead Enterprises Inc., both of which are inactive.

The Weh-hnim-neh Business Development Corporation owns Seven Fires Developments Ltd., to which the First Nation has advanced funds. Seven Fires Developments Ltd. owns 100% of Ironhead Energy Services (2009) Ltd., Ironhead Recycling Ltd., and Ironhead Golf & Country Club Ltd., all of which are inactive.

Unaudited financial statements for PFN Development Corporation, Paul Band Land Holdings Ltd., Paul First Nation Industrial Relations Corporation, Wapta Mnodai Developments Ltd. (o/a Ironhead Golf & Country Club) and 399250 Alberta Ltd. have been prepared for the year ended March 31, 2018.

March 31, 2018 financial statements for the other companies referred to above have not been prepared.

Paul First Nation

Notes to Financial Statements

March 31, 2018

4. Trust funds

	March 31, 2017	Additions, 2018	Withdrawals, 2018	March 31, 2018
Capital Funds held in Trust (Ottawa)	\$ 812,526	\$ 291,846	\$ -	\$ 1,104,372
Revenue Funds held in Trust (Ottawa)	83,602	175,084	-	258,686
Settlement Trust Funds	3,726,829	118,226	(57,158)	3,787,897
Community Trust	72,987	1,855,039	(1,670,769)	257,257
	\$ 4,695,944	\$ 2,440,195	\$ (1,727,927)	\$ 5,408,212

The Capital and Revenue funds are held in Ottawa and arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by section 64 and 69 of the Indian Act. The Funds earn interest pursuant to section 61(2) of the Indian Act.

The Settlement Trust Funds are held in the form of short-term notes and fixed income Canadian government and corporate bonds with various terms. Under the terms of the agreement, the First Nation can withdraw up to 80% of the income earned annually for use in its operations. During the year \$57,158 (2017: \$61,921) was withdrawn. The market value of the Settlement Trust Funds at March 31, 2018 was \$3,847,307 (2017: \$3,836,019).

5. Operating loan and line of credit

The First Nation has a line of credit to a maximum of \$500,000 bearing interest at the Royal Bank prime rate plus 2%. As at March 31, 2018, no amount was owing (2017: \$nil).

During the year, the Nation entered into an revolving loan agreement with the Royal Bank of Canada to draw upon to a maximum of \$3,735,200 bearing interest at the Royal Bank prime rate plus 0.5%. As of March 31, 2018, the Nation had drawn upon the revolving loan resulting in a balance of \$1,932,396 for the payment of legal fees in relation to litigation for a Sharphead Band surrender claim (see note 11).

Paul First Nation

Notes to Financial Statements

March 31, 2018

6. Deferred revenue

Deferred revenue represents funds received, that will be recognized as revenue in the next fiscal year, when the related expenses are incurred, or when the terms of the funding have been completed. The deferred revenue relates to the following programs and funders:

	2018	2017
Capital Projects: Drainage Study - Indigenous Services Canada (ISC)	\$ 41,375	\$ -
Capital Projects: Fire Hall - ISC	1,305,235	1,700,000
Capital Projects: New Duplex - ISC	1,699,882	-
Capital Projects: New School - ISC	3,587,503	2,000,000
Capital Projects: Road Upgrade - ISC	77,000	-
Capital Projects: Wastewater System Upgrade - ISC	2,739,108	4,429,223
Capital Projects: Waste Transfer System - ISC	1,649,098	-
CMHC Housing - ISC	162,809	-
CMHC Housing - CMHC (Retrofit)	160,000	-
Community Health Services - Health Canada	35,270	-
Economic Development - ISC	164,811	75,000
Enhanced Service Delivery - Other revenue	34,769	-
First Nations Development Fund	474,138	-
Human Resource Development	106,544	126,197
Post Secondary Education - ISC	25,007	-
School Operations and Maintenance - ISC	30,727	91,416
Social Assistance - ISC	50,111	30,000
	\$ 12,343,387	\$ 8,451,836

Paul First Nation

Notes to Financial Statements

March 31, 2018

7. Long-term debt

	2018	2017
Canada Mortgage and Housing Corporation mortgage, repayable in monthly instalments of \$3,599 including interest at 1.83%, maturing November 2034. Secured by Band Funds and housing units.	\$ 620,271	\$ 652,844
Canada Mortgage and Housing Corporation mortgage, repayable in monthly instalments of \$1,399 including interest at 1.83%, maturing November 2034. Secured by Band Funds and housing units.	241,103	253,764
Royal Bank of Canada demand loan guaranteed by Canada Mortgage and Housing Corporation due June 2019. Repayable in monthly instalments of \$1,350 including interest at 2.87%. Secured by Band Funds and housing units.	64,732	78,850
Royal Bank of Canada demand loan guaranteed by Canada Mortgage and Housing Corporation due January 2018, repaid during the year.	-	37,422
Royal Bank of Canada demand loan guaranteed by Canada Mortgage and Housing Corporation due June 2017, repaid during the year.	-	3,676
Canada Mortgage and Housing Corporation mortgage, repayable in monthly instalments of \$1,906 including interest at 0.94%, maturing May 2025. Secured by Band Funds and housing units.	158,472	179,893
Canada Mortgage and Housing Corporation mortgage, repayable in monthly instalments of \$3,406 including interest at 1.52%, maturing May 2038. Secured by Band Funds and housing units.	708,523	739,358
Canada Mortgage and Housing Corporation mortgage, repayable in monthly instalments of \$3,551 including interest at 1.97%, maturing November 2037. Secured by Band Funds and housing units.	694,821	725,410
Alberta Indian Investment Corporation loan maturing April 2017, repaid during the year.	-	51,084
Royal Bank of Canada demand loan guaranteed by Canada Mortgage and Housing Corporation, including interest at Royal Bank prime plus 2.40%. Secured by Band Funds and housing units.	166,750	-
Caterpillar Financial vehicle loan, repayable in quarterly instalments of \$25,732 including interest at 5.55%. Secured by the vehicle.	50,636	147,165
Royal Bank of Canada demand loan guaranteed by Canada Mortgage and Housing Corporation due February 2023, repayable in monthly instalments of \$8,481 including interest at 4.85%. Secured by Band Funds and housing units.	799,567	-
	\$ 3,504,875	\$ 2,869,466

Paul First Nation**Notes to Financial Statements**

March 31, 2018

7. Long-term debt, continued

	2018	2017
Principal portion of long-term debt due within the next five years:		
2019	\$ 422,950	
2020	247,010	
2021	202,185	
2022	207,760	
2023 and thereafter	2,424,970	
	<hr/>	
	\$ 3,504,875	

Paul First Nation

Notes to Financial Statements

March 31, 2018

8. Capital Assets

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2018 Net book value
Land	\$ 292,818	\$ 1,000	\$ 293,818	\$ -	\$ -	\$ -	\$ 293,818
Buildings and Housing	26,924,045	3,373,455	30,297,500	13,717,322	1,241,031	14,958,353	15,339,147
Automotive equipment	5,177,467	255,184	5,432,651	4,518,729	341,289	4,860,018	572,633
Computer equipment	266,436	55,852	322,288	241,950	22,437	264,387	57,901
Infrastructure	24,823,238	11,723,954	36,547,192	9,212,546	906,927	10,119,473	26,427,719
	\$57,484,004	\$15,409,445	\$72,893,449	\$27,690,547	\$ 2,511,684	\$30,202,231	\$42,691,218

	Cost			Accumulated amortization			
	Balance, beginning of year	Additions	Balance, end of year	Balance, beginning of year	Amortization	Balance, end of year	2017 Net book value
Land	\$ 292,818	-	\$ 292,818	\$ -	\$ -	\$ -	\$ 292,818
Buildings	26,924,045	-	26,924,045	12,620,336	1,096,986	13,717,322	13,206,723
Automotive equipment	4,781,974	395,493	5,177,467	4,223,381	295,348	4,518,729	658,738
Computer equipment	250,235	16,201	266,436	233,476	8,474	241,950	24,486
Infrastructure	18,951,853	5,871,385	24,823,238	8,566,151	646,395	9,212,546	15,610,692
	\$51,200,925	\$ 6,283,079	\$57,484,004	\$25,643,344	\$ 2,047,203	\$27,690,547	\$29,793,457

Paul First Nation

Notes to Financial Statements

March 31, 2018

9. Accumulated Surplus

	2018	2017
Operating Fund	\$ (604,265)	\$ (379,020)
Enterprise Fund	2,655,995	2,221,070
Capital Asset Fund	39,186,343	26,923,991
Trust Fund	5,408,212	4,695,944
CMHC Replacement Reserve	378,753	378,753
	\$ 47,025,038	\$ 33,840,738

10. Contingent Liabilities

Legal proceedings:

Paul First Nation has been named as defendant in certain legal proceedings. The Nation is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these financial statements. Should a loss be incurred, it will be expensed in the year the liability is determined.

Government contributions:

Government contributions related to the projects of the entity are subject to conditions regarding the expenditure of funds. The entity's accounting records are subject to audit by the various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective funding agencies.

Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

11. Economic Dependence

Paul First Nation receives substantially all of its funding through contribution arrangements with the Department of Indigenous Services Canada, as administered under the conditions of the Indian Act. The First Nation also receives significant funding through contribution arrangements with the First Nations and Inuit Health Branch of Health Canada. The ability of the First Nation to continue operations is dependant upon funding from these bodies.

12. Commitments

Paul First Nation is currently undertaking significant capital projects which will continue into the next fiscal years. The total estimated cost of the projects is \$48 million.

Paul First Nation

Notes to Financial Statements

March 31, 2018

13. CMHC Reserve Fund

Under conditions of agreements with the Canada Mortgage and Housing Corporation, the First Nation is required to maintain certain reserves of \$378,753 related to on-reserve housing projects. These reserves are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement Fund.

14. Pension Plan

The First Nation has established a defined contribution pension plan, in which all permanent full-time employees are required to participate. Pension contributions of 5.5% are matched by the First Nation. No significant changes were made to the pension plan during the year. The pension expense for the year was \$81,904 (2017 - \$72,546).

15. Financial instruments

The Nation's financial instruments consist of cash, accounts receivable, Band member receivables, long-term investments, Trust funds, operating loan, accounts payable and accrued liabilities, and long-term debt. Unless otherwise noted, the carrying value of its financial instruments approximates fair value.

It is management's opinion that the Nation is not exposed to significant currency risk from its financial instruments. The Nation is subject to credit risk with respect to other income. Credit risk arises from the possibility that the entities may experience financial difficulty and be unable to fulfil their obligations. The large amount of annual funding received from the Government of Canada minimizes credit risk.

16. Budget Information

Budget information for the year ended March 31, 2018 is unaudited and has been provided by management.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Paul First Nation

Notes to Financial Statements

March 31, 2018

18. Expenses

For the year ended March 31	2018 Budget	2018 Actual	2017 Actual
Administration fees	\$ 6,128	\$ 4,309	\$ 188,367
Amortization	-	2,511,684	2,047,203
Bad debts	-	82,856	13,462
Co-Management fees	156,000	157,260	338,953
Community events	4,000	10,066	298,835
Corporate and intergovernmental affairs	-	3,675	1,033
Cultural events	394,947	415,806	251,675
Economic development	331,430	139,805	231,505
Education and tuition fees	-	533,778	723,794
Health Care expenses	-	65,576	23,284
Human Resources Development	20,188	174,229	184,303
Insurance	57,679	178,875	221,289
Interest and bank charges	71,000	117,011	135,863
Land claims - insurance	-	809,465	-
Land claims - legal fees	-	1,122,931	-
Materials and supplies	256,890	871,585	880,465
Meeting and travel expenses	315,492	478,535	372,460
Office expenses	25,295	136,608	102,415
Per capita distribution	-	-	55,007
Professional fees	550,459	782,836	405,241
Rent	-	8,168	3,900
Repairs and maintenance	222,613	576,946	534,186
Social Assistance	548,863	1,888,491	2,204,466
Subcontractors	19,927,422	1,066,349	678,734
Training	140,000	533,731	663,447
Utilities and telephone	369,644	511,757	396,081
Vehicle	127,449	296,010	257,279
Wages and benefits	3,701,189	5,808,564	5,621,258
	\$ 27,226,688	\$ 19,286,906	\$ 16,834,505

Paul First Nation

Notes to Financial Statements

March 31, 2018

19. Segmented information

	Band Government				Education			Health		
	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual	
Revenues										
Indigenous Services Canada (ISC)	\$ 1,032,849	\$ 1,415,592	\$ 1,119,239	-	\$ 3,762,313	\$ 3,552,687	-	\$ -	\$ -	-
Health Canada	-	-	-	-	-	-	1,599,825	2,397,225	1,549,313	-
Other revenue	1,501,679	(46,845)	2,448,975	-	218,274	239,918	(6,128)	2,911	-	-
Total revenue	2,534,528	1,368,747	3,568,214	-	3,980,587	3,792,605	1,593,697	2,400,136	1,549,313	
Expenses										
Community events	4,000	5,040	23,264	-	-	-	-	-	-	-
Materials and supplies	15,000	11,908	36,925	-	369,500	264,896	84,478	87,486	114,298	
Meeting and travel expenses	159,637	189,054	189,862	-	42,805	13,553	35,500	51,887	62,028	
Social Assistance	30,059	41,917	364,474	-	-	-	-	-	-	-
Subcontractors	95,695	106,233	211,323	-	137,080	32,486	158,720	45,157	60,190	
Training	1,000	3,890	1,120	-	313,536	410,198	121,637	127,111	172,011	
Utilities and telephone	105,350	119,724	106,291	-	58,596	52,063	39,754	60,822	43,720	
Wages and benefits	759,399	682,470	434,760	-	1,775,290	1,634,301	909,085	823,241	880,556	
Other expenses	1,364,388	3,135,206	1,674,441	-	1,307,480	1,393,062	244,523	488,439	259,058	
Total expenses	2,534,528	4,295,442	3,042,460	-	4,004,287	3,800,559	1,593,697	1,684,143	1,591,861	
Annual surplus (deficit)	\$ -	\$ (2,926,695)	\$ 525,754	-	\$ (23,700)	\$ (7,954)	-	\$ 715,993	\$ (42,548)	

Paul First Nation

Notes to Financial Statements

March 31, 2018

19. Segmented information, continued

	Economic Development			Public Works			Community Services		
	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual
Revenues									
ISC	\$ 395,708	\$ 194,947	\$ 176,787	\$ 686,144	\$ 729,021	\$ 681,493	\$ -	\$ -	\$ -
First Nations Development Fund	-	-	-	-	-	-	320,305	164,989	994,583
Other revenue	137,250	2,730,572	1,452,740	660,683	721,000	218,433	75,871	(99,689)	(69,617)
Total revenue	532,958	2,925,519	1,629,527	1,346,827	1,450,021	899,926	396,176	65,300	924,966
Expenses									
Community events	-	-	1,600	-	2,500	-	-	-	273,972
Materials and supplies	-	-	422	134,819	58,279	147,805	-	156,095	158,830
Meeting and travel expenses	52,000	6,974	36,872	31,035	16,922	16,400	4,800	5,440	8,575
Subcontractors	141,750	55,041	146,171	136,548	40,490	18,360	-	-	-
Training	17,000	760	1,988	-	-	-	-	-	-
Utilities and telephone	10,200	300	9,300	133,782	232,840	70,452	4,800	4,800	4,800
Wages and benefits	81,300	-	192,303	701,571	564,876	468,101	110,146	51,186	82,612
Other expenses	230,708	140,982	111,245	209,072	413,321	233,857	276,430	-	11,136
Total expenses	532,958	204,057	499,901	1,346,827	1,329,228	954,975	396,176	217,521	539,925
Annual surplus (deficit)	\$ -	\$ 2,721,462	\$ 1,129,626	\$ -	\$ 120,793	\$ (55,049)	\$ -	\$ (152,221)	\$ 385,041

Paul First Nation

Notes to Financial Statements

March 31, 2018

19. Segmented information, continued

	Social Services			Employment Programs				Housing	
	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual	2018 Budget	2018 Actual	2017 Actual
Revenues									
ISC	\$ 466,105	\$ 2,225,327	\$ 2,213,748	-	\$ -	\$ -	\$ -	\$ 292,191	\$ 245,520
CMHC subsidies	-	-	-	-	-	-	204,000	390,852	648,635
HRDC	145,622	192,571	313,622	-	495,891	392,344	-	-	-
Other revenue	395,704	448,530	475,986	-	150,000	2,000	4,000	(160,000)	20,880
Total revenue	1,007,431	2,866,428	3,003,356	-	645,891	394,344	208,000	523,043	915,035
Expenses									
Community events	-	2,526	-	-	-	-	-	-	-
Materials and supplies	22,093	69,476	64,636	-	1,034	53,684	500	17,639	1,321
Meeting and travel expenses	9,220	142,311	24,936	-	7,862	12,463	3,500	1,709	2,778
Social Assistance	518,804	1,846,574	1,839,992	-	-	-	-	-	-
Subcontractors	18,229	54,246	156,358	-	-	-	45,000	12,473	47,779
Training	363	18,669	30,795	-	69,765	47,336	-	-	-
Utilities and telephone	8,129	17,125	16,543	-	8,036	10,050	65,229	-	720
Wages and benefits	430,593	840,524	1,020,642	-	158,764	148,278	42,771	66,720	133,944
Other expenses	-	17,572	9,169	-	323,684	122,533	51,000	171,421	160,365
Total expenses	1,007,431	3,009,023	3,163,071	-	569,145	394,344	208,000	269,962	346,907
Annual surplus (deficit)	\$ -	\$ (142,595)	\$ (159,715)	-	\$ 76,746	\$ -	\$ -	\$ 253,081	\$ 568,128

Paul First Nation

Notes to Financial Statements

March 31, 2018

19. Segmented information, continued

	2018 Budget	Capital Projects 2018 Actual	2017 Actual	2018 Budget	Trust Funds 2018 Actual	2017 Actual	2018 Budget	Amortization 2018 Actual	2017 Actual
Revenues									
ISC	\$ 19,597,071	\$ 15,980,974	\$ 5,906,274	-	\$ -	\$ -	-	\$ -	\$ -
Other revenue	10,000	(447,706)	30,800	-	712,268	(174,748)	-	-	-
Total revenue	19,607,071	15,533,268	5,937,074	-	712,268	(174,748)	-	-	-
Expenses									
Materials and supplies	-	100,169	37,648	-	-	-	-	-	-
Meeting and travel expenses	19,800	13,573	4,993	-	-	-	-	-	-
Subcontractors	19,331,480	615,629	6,068	-	-	-	-	-	-
Utilities and telephone	2,400	9,515	82,142	-	-	-	-	-	-
Wages and benefits	204,096	193,972	72,136	-	-	-	-	-	-
Other expenses	49,295	259,556	250,312	-	-	-	-	2,511,684	2,047,203
Total expenses	19,607,071	1,192,414	453,299	-	-	-	-	2,511,684	2,047,203
Annual surplus (deficit)	\$ -	\$ 14,340,854	\$ 5,483,775	-	\$ 712,268	\$ (174,748)	-	\$ (2,511,684)	\$ (2,047,203)

Paul First Nation

Notes to Financial Statements

March 31, 2018

19. Segmented information, continued

	Consolidated totals		
	2018 Budget	2018 Actual	2017 Actual
Revenues			
ISC	\$ 22,177,877	\$ 24,600,365	\$ 13,895,748
Health Canada	1,599,825	2,397,225	1,549,313
CMHC subsidies	204,000	390,852	648,635
First Nations Development Fund	320,305	164,989	994,583
HRDC	145,622	688,462	705,966
Other revenue	2,779,059	4,229,315	4,645,367
Total revenue	27,226,688	32,471,208	22,439,612
Expenses			
Community events	4,000	10,066	298,836
Materials and supplies	256,890	871,586	880,465
Meeting and travel expenses	315,492	478,537	372,460
Social Assistance	548,863	1,888,491	2,204,466
Subcontractors	19,927,422	1,066,349	678,735
Training	140,000	533,731	663,448
Utilities and telephone	369,644	511,758	396,081
Wages and benefits	3,238,961	5,157,043	5,067,633
Other expenses	2,425,416	8,769,345	6,272,381
Total expenses	27,226,688	19,286,906	16,834,505
Annual surplus (deficit)	\$ -	\$ 13,184,302	\$ 5,605,107