



Sweetgrass First Nation
Consolidated Financial Statements
March 31, 2016



Sweetgrass First Nation Contents

For the year ended March 31, 2016

	Page
Management's Responsibility	
Independent Auditors' Report	
Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements.....	5
Schedules	
Schedule of Consolidated Expenses by Object.....	16
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Band Government Support.....	17
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Capital.....	18
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Community Development.....	19
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Education.....	20
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Lands and Trust.....	21
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Other.....	22
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Ottawa Trust Fund.....	23
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Own Source.....	24



To the Members of Sweetgrass First Nation

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for appointing the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members of Sweetgrass First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

July 26, 2016

Signed by - Lisa Albert Management

Independent Auditors' Report

To the Members of Sweetgrass First Nation:

We have audited the accompanying consolidated financial statements of Sweetgrass First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows, and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity'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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sweetgrass First Nation as at March 31, 2016 and the results of its operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Restated Comparative Information

Without modifying our opinion we draw attention to Note 16 to the consolidated financial statements, which explains that certain comparative information for the year ended March 31, 2015 has been restated. The consolidated financial statements of Sweetgrass First Nation for the year ended March 31, 2015 (prior to the restatement of the comparative information) were reported on by another auditor who expressed an unqualified opinion on those financial statements on October 14, 2015.

Saskatoon, Saskatchewan

July 26, 2016

MNP LLP

Chartered Professional Accountants



Sweetgrass First Nation Consolidated Statement of Financial Position

As at March 31, 2016

	2016	2015 (Restated - Note 16)
Financial assets		
Current		
Cash resources	222,610	-
Restricted cash (Note 3)	256,305	419,528
Accounts receivable (Note 4)	596,799	809,324
Portfolio investments (Note 5)	1,011	1,011
Subtotal of current assets	1,076,725	1,229,863
Investment in First Nation business entity (Note 6)	524,626	490,266
Funds held in Ottawa Trust Fund (Note 7)	65,306	5,866
Total financial assets	1,666,657	1,725,995
Liabilities		
Current		
Bank indebtedness (Note 8)	382,995	697,210
Accounts payable and accruals	593,261	786,461
Deferred revenue (Note 9)	56,275	131,269
Current portion of long-term debt (Note 10)	487,173	345,562
	1,519,704	1,960,502
Long-term debt (Note 10)	2,463,003	2,180,511
Total financial liabilities	3,982,707	4,141,013
Net debt	(2,316,050)	(2,415,018)
Non-financial assets		
Tangible capital assets (Note 11)	15,499,908	16,060,696
Accumulated surplus (Note 12)	13,183,858	13,645,678

Approved on behalf of Chief and Council

Signed by - Lori Whitecalf

Chief

Signed by - Omer White

Councillor



Sweetgrass First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 14)</i>	2016 <i>Actual</i>	2015 <i>Actual</i>
Revenues			
Indigenous and Northern Affairs Canada <i>(Note 18)</i>	2,939,511	3,179,542	3,418,406
First Nations Trust	688,532	661,965	660,527
Rental	384,878	506,746	517,391
Other	21,000	351,973	134,463
Treaty Land Entitlement Trust	-	309,992	312,008
Gain on insurance proceeds	-	181,795	-
Saskatchewan Indian Institute of Technologies	119,000	172,896	43,449
Battleford Agency Tribal Chiefs - CDC	185,004	151,218	236,836
CMHC rent	-	135,496	127,062
Canada Mortgage and Housing Corporation	-	119,363	104,296
Health Canada	-	74,994	184,794
Battleford Tribal Council - Health Committee	-	19,825	69,118
Interest income	-	185	1,393
Loss from investment in First Nation business entity <i>(Note 6)</i>	-	(64,701)	(756,547)
	4,337,925	5,801,289	5,053,196
Program expenses			
Band Government Support	391,362	633,248	813,062
Capital	342,455	571,018	625,275
Community Development	415,319	866,795	730,618
Education	1,601,346	1,787,644	1,833,466
Lands and Trust	149,705	208,004	176,673
Other	-	561,789	361,804
Ottawa Trust Fund	384,878	147,355	708,420
Own Source	783,918	1,487,256	744,037
Total expenses	4,068,983	6,263,109	5,993,355
Surplus (deficit)	268,942	(461,820)	(940,159)
Accumulated surplus, beginning of year	13,645,678	13,645,678	14,585,837
Accumulated surplus, end of year	13,914,620	13,183,858	13,645,678

The accompanying notes are an integral part of these consolidated financial statements



Sweetgrass First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Surplus (deficit)	268,942	(461,820)	(940,159)
Purchases of tangible capital assets	-	(166,335)	(866,834)
Amortization of tangible capital assets	-	727,123	413,892
	-	560,788	(452,942)
Change in net debt	268,942	98,968	(1,393,101)
Net debt, beginning of year	(2,415,018)	(2,415,018)	(1,021,917)
Net debt, end of year	(2,146,076)	(2,316,050)	(2,415,018)

The accompanying notes are an integral part of these consolidated financial statements



Sweetgrass First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	(461,820)	(940,159)
Non-cash items		
Amortization	727,123	413,892
Loss from investment in First Nation business entity	64,701	756,547
	330,004	230,280
Changes in working capital accounts		
Accounts receivable	212,525	(13,424)
Funds held in Ottawa Trust Fund	(59,440)	681,994
Accounts payable and accruals	(193,200)	(101,066)
Deferred revenue	(74,994)	(486,940)
	214,895	310,844
Financing activities		
Advances of long-term debt	760,000	139,757
Repayment of long-term debt	(335,897)	(481,089)
	424,103	(341,332)
Capital activities		
Purchases of tangible capital assets	(166,335)	(866,834)
Investing activities		
Contribution to investment in First Nation business entity	(99,061)	-
Increase (decrease) in cash resources	373,602	(897,322)
Cash resources (deficiency), beginning of year	(277,682)	619,640
Cash resources (deficiency), end of year	95,920	(277,682)
Cash resources are composed of:		
Cash resources	222,610	-
Restricted cash	256,305	419,528
Bank indebtedness	(382,995)	(697,210)
	95,920	(277,682)

The accompanying notes are an integral part of these consolidated financial statements



Sweetgrass First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

1. Operations

The Sweetgrass First Nation (the "First Nation") is located in Treaty 6 Territory, Canada and provides various services to its Members. Sweetgrass First Nation includes all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities which are accounted for using the modified equity method.

The First Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Sweetgrass First Nation
- Sweetgrass First Nation C.M.H.C. Housing

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Sweetgrass First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Sweetgrass Developments Limited Partnership

Basis of presentation

Sources of revenues and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash consists of the TLE Revenue Operating, CMHC Operating Reserve and Replacement Reserve, and capital project bank accounts.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.



2. **Significant accounting policies** (Continued from previous page)

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

The First Nation's original reserve land is not recognized in the consolidated financial statements.

Amortization

During the year management determined that the estimated useful lives of CMHC housing had changed. Previously, CMHC housing was amortized based on the principal reduction of the related loans. Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	declining balance	5-10 %
Equipment	declining balance	25 %
CMHC Housing	straight-line	25-35 years

Land is not amortized. Projects under construction are not amortized until they are put into use.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2016.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made. There are no known liabilities at March 31, 2016.

Net debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.



2. **Significant accounting policies** *(Continued from previous page)*

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Externally restricted revenue

The First Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the First Nation records externally restricted inflows in deferred revenue.

Other revenues

Rental and lease revenue is recognized over the rental term. Other revenue is recognized as it becomes receivable or when it is earned.

Measurement uncertainty

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 revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

Segments

The First Nation conducts its business through 8 reportable segments (Note 15). 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, revenues 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.

Other economic interests

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been included in these consolidated financial statements.



2. Significant accounting policies *(Continued from previous page)*

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. A related standard PS 1201, was issued to address changes to financial statement presentation related to financial instruments. In June 2015, the effective date was deferred to fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

Related Party Transactions

In March 2015, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

Inter-entity Transactions

The Public Sector Accounting Board (PSAB) issued a new standard in March 2015 PS 3420 Inter-Entity Transactions. The new standard establishes how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The main features of the new standard are:

- Revenues and expenses are recognized on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amount dictated by policy, accountability structure or budget practice.
- The transfer of an asset or liability for a nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.

Inter-entity transactions are considered in conjunction with PS 2200 Related Party Disclosures. The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Assets, Contingent Assets and Contractual Rights

In June 2015, new PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights were included in the CPA Canada Public Sector Accounting Handbook (PSA HB).

PS 3210 Assets provides additional guidance to clarify the definition of assets set out in PS 1000 Financial Statement Concepts.

PS 3320 Contingent Assets establishes disclosure standards on contingent assets. Under previous standards contingent assets could not be recognized.

PS 3380 Contractual Rights establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

These standards are effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.



Sweetgrass First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

3. Restricted cash

	2016	2015
Health Centre project	234,256	237,931
Firehall project	25,091	4,055
Subdivision project	16,199	16,199
New housing	10,194	619
CMHC replacement reserve	920	6,738
CMHC operating reserve	36	36
Lawyers trust	-	153,045
TLE Revenue operating	(30,391)	905
	<hr/> 256,305	<hr/> 419,528

4. Accounts receivable

	2016	2015
Sweetgrass Treaty Land Entitlement Trust	477,788	523,738
Former employees	187,869	195,269
BATC Social Development	65,482	71,085
Other funding agencies	44,929	59,539
Indigenous and Northern Affairs Canada	35,120	40,875
Health Canada	30,835	30,835
Salary advances	10,281	-
Canada Mortgage and Housing Corporation	9,347	9,347
First Nations Trust	-	150,888
	<hr/> 861,651	<hr/> 1,081,576
Less: Allowance for doubtful accounts	264,852	272,252
	<hr/> 596,799	<hr/> 809,324

5. Portfolio investments

The First Nation has a 20% interest in BATC Investments Limited Partnership which has a carrying value of \$1,010. The First Nation also has a 20% interest in BATC Land Holdings Ltd. which has a carrying value of \$1.



Sweetgrass First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

6. Investment in First Nation business entity

The First Nation holds a 100% interest in the following entity:

	<i>Beginning of year</i>	<i>Contributions from the First Nation</i>	<i>Net loss</i>	<i>End of year</i>
Sweetgrass Developments Limited Partnership	490,266	99,061	(64,701)	524,626

Summary financial information for the First Nation business enterprise, accounted for using the modified equity method, follows:

	<i>Sweetgrass Development Limited Partnership As at March 31, 2016</i>
Assets	
Cash	35
Accounts receivable	4,291
Property, plant and equipment	854,388
Total assets	858,714
Liabilities	
Accounts payable and accruals	62,482
Long-term debt	271,606
Total liabilities	334,088
Partners Capital	524,626
Total revenues	-
Total expenses	64,701
	(64,701)

Subsequent to year-end long-term debt subject to refinancing was renewed. Principal repayments on long-term debt of the First Nation's business enterprise in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>Thereafter</i>	<i>Total</i>
Sweetgrass Developments Limited Partnership	53,964	56,106	58,334	60,650	42,552	-	271,606



Sweetgrass First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

7. Funds held in Ottawa Trust Fund

Capital and Revenue Trust monies are transferred to the First Nation on the authorization of Chief and Council, with the consent of the Minister of Indigenous and Northern Affairs Canada. There were no funds in the Capital Account at year-end, nor were there any transactions in the Capital Account during the year.

	2016	2015
Revenue Account		
Balance, beginning of year	5,866	572,533
Interest	880	-
Land leases	423,914	399,652
	430,660	972,185
Less: Transfers to First Nation	365,354	966,319
Balance, end of year	65,306	5,866

8. Bank indebtedness

The First Nation has an approved operating line of credit of \$350,000 with interest to be charged at Royal Bank Prime plus 1.5% per annum. At March 31, 2016, \$283,125 has been drawn. The operating line is secured by a general security agreement and a Band Council Resolution.

9. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance 2015</i>	<i>Contributions received</i>	<i>Contributions utilized</i>	<i>Balance 2016</i>
Health Centre	115,105	-	74,994	40,111
Subdivision	16,164	-	-	16,164
	131,269	-	74,994	56,275



Sweetgrass First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

10. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<u>Phase</u>	<u>Monthly payment including interest</u>	<u>Interest rate</u>	<u>Renewal Date</u>	<u>2016</u>	<u>2015</u>
I	154	3.03%	1-Apr-17	3,287	5,005
IV	964	2.28%	1-Aug-16	6,983	18,251
V	2,754	2.61%	1-Jul-18	74,735	105,380
VI	1,630	1.92%	1-Apr-19	298,866	312,556
VII	2,918	1.80%	1-Oct-16	601,992	625,950
VIII	2,623	1.92%	1-Jul-19	591,991	611,906
				1,577,854	1,679,048
RBC term loan, repayable in semi-annual instalments of \$75,000 plus interest at Royal Bank Prime plus 2.8%, due June 2016, secured by a general security agreement				725,000	-
RBC term loan, repayable in quarterly instalments of \$37,500 plus interest at Royal Bank Prime plus 2.85%, due April 2016, secured by a general security agreement				337,500	487,500
RBC term loan, repayable in quarterly instalments of \$15,280 including interest at Royal Bank Prime plus 1.5%, due June 2016, secured by a general security agreement				259,760	329,200
RBC CMHC Phase 9 bridge financing term loan, with interest at Royal Bank Prime plus 2.5%, due August 2016, secured by a general security agreement				35,000	-
CMHC RRAP loans				15,062	30,325
				2,950,176	2,526,073
Less: current portion				487,173	345,562
				2,463,003	2,180,511

Subsequent to year-end long-term debt due in April and June 2016 was renewed at similar terms. Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed with similar terms, are estimated as follows:

2017	487,173
2018	430,139
2019	294,210
2020	245,163
2021	173,726



Sweetgrass First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

11. Tangible capital assets

For the year ended March 31, 2016

	Cost		Accumulated Amortization		Net book value
	Opening balance	Ending balance	Opening balance	Ending balance	
Buildings	11,361,193	11,447,354	4,914,585	5,285,086	6,162,268
Equipment	363,851	363,851	291,762	309,784	54,067
CMHC Housing	3,182,404	3,183,947	629,186	967,786	2,216,161
Projects Under Construction	-	78,631	-	-	78,631
Purchased Land	6,988,781	6,988,781	-	-	6,988,781
	21,896,229	22,062,564	5,835,533	727,123	15,499,908

For the year ended March 31, 2015

	Cost		Accumulated Amortization		Net book value (Restated - Note 16)
	Opening balance (Restated - Note 16)	Ending balance	Opening balance	Ending balance	
Buildings	10,617,609	11,361,193	4,632,751	4,914,585	6,446,608
Equipment	336,197	363,851	272,877	291,762	72,089
CMHC Housing	3,086,808	3,182,404	516,013	629,186	2,553,218
Projects Under Construction	-	-	-	-	-
Purchased Land	6,988,781	6,988,781	-	-	6,988,781
	21,029,395	21,896,229	5,421,641	5,835,533	16,060,696

In the current year management revised its estimates of the useful lives of the CMHC Housing. This change in estimate is being applied prospectively. Amortization in the current year has increased by \$237,500 as a result of this change.



Sweetgrass First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

12. Accumulated surplus

Accumulated surplus consists of the following:

	2016	2015
Operating	(249,355)	(636,951)
Capital assets	12,549,732	13,534,623
Commercial	524,626	490,266
CMHC operating reserve	40,181	31,124
CMHC replacement reserve	253,368	220,750
Ottawa Trust Fund	65,306	5,866
	13,183,858	13,645,678

13. Funds and reserves

The Sweetgrass First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration.
- Capital Asset Fund reports on the capital assets and projects of the First Nation.
- Commercial Fund reports on commercial business operations owned by the First Nation.
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Fund reports on trust moneys owned by the First Nation and held by the Government of Canada.

14. Budget information

The disclosed budget information has been approved by Chief and Council in April 2015. The consolidated budget approved by Chief and Council did not include amounts for Treaty Land Entitlement Trust, Ottawa Trust and capital projects as budgets are prepared for these programs on an individual project basis.



15. Segments

The First Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

- Band Government Support - includes administration and governance activities.
- Capital - reports on capital projects.
- Community Development - includes operations for the maintenance of the First Nation's buildings and infrastructure.
- Education - includes the operations of education programs.
- Lands and Trusts - includes activities for the development of the First Nation's land.
- Other - reports on operations of band programs.
- Ottawa Trust Fund - reports trust funds held by the Government of Canada.
- Own Source - reports on operations related to economic development and other revenue generated by the Nation.

16. Correction of an error

During the year, the First Nation determined that certain land purchased by Sweetgrass Treaty Land Entitlement Trust on behalf of the First Nation had not been recorded in the consolidated financial statements. Management has determined that the land should have been recorded in the consolidated financial statements when purchased. In addition, Sweetgrass Treaty Land Entitlement Trust had purchased land in excess of its available capital of \$198,519. This should have been recorded as a reduction in the receivable from Sweetgrass Treaty Land Entitlement Trust. For 2016 and 2015 the impact of this correction has resulted in an increase to tangible capital assets of \$3,672,849, an increase to accumulated surplus of \$3,474,330 and a decrease to accounts receivable of \$198,519.

17. Economic dependence

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

18. Indigenous and Northern Affairs Canada Reconciliation

INAC funding per confirmation	3,188,681
Deduct:	
2014-15 BEB reconciliation included in 2015 accounts receivable	(5,755)
<u>2015-16 BEB reconciliation</u>	<u>(3,384)</u>
	<u>3,179,542</u>

19. Comparative figures

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



Sweetgrass First Nation Schedule of Consolidated Expenses by Object

For the year ended March 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Salaries and benefits	1,332,927	1,610,132	1,577,289
Student expenses	699,650	906,458	772,151
Amortization	-	727,123	413,892
Repairs and maintenance	216,324	602,933	564,343
Chief and Council	443,535	386,829	380,961
Contracted services	286,244	377,299	341,382
Community events	101,991	225,743	151,414
Professional fees	96,367	224,553	402,251
Christmas sponsorship	90,000	181,788	174,735
Insurance	215,326	160,156	262,930
Supplies	91,554	147,201	160,350
Elders utilities	96,000	140,535	127,286
Utilities	57,724	124,202	134,241
Interest on long-term debt	50,000	97,578	91,517
Rent	95,000	91,938	80,485
Travel	15,200	52,925	75,883
Property tax	-	42,270	37,223
Bank charges and interest	8,000	36,702	75,694
Funeral	35,000	33,906	41,763
Honoraria	20,800	29,500	24,677
Assistance	91,378	28,574	41,314
Rent	12,000	25,524	18,000
Training	13,963	10,139	26,304
Administration	-	(899)	17,270
	4,068,983	6,263,109	5,993,355



**Sweetgrass First Nation
Band Government Support
Schedule of Segment Revenues and Expenses and Surplus (Deficit)**
For the year ended March 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	17,234	59,587	117,116
Band support	328,597	328,597	328,597
Set	45,531	56,345	56,345
Funding repaid	-	(3,384)	(1,061)
	391,362	441,145	500,997
Expenses			
Salaries and benefits	260,298	243,022	292,264
Professional fees	52,057	168,238	323,565
Chief and Council	56,507	103,812	81,908
Contracted services	-	36,304	27,613
Supplies	5,000	28,938	28,096
Amortization	-	18,022	18,864
Bank charges and interest	8,000	15,822	15,401
Travel	5,000	6,913	16,538
Administration	-	5,319	-
Utilities	4,500	4,759	4,573
Training	-	2,099	3,078
Honoraria	-	-	1,162
	391,362	633,248	813,062
Deficit before transfers	-	(192,103)	(312,065)
Transfers between programs	-	-	(373,373)
Deficit	-	(192,103)	(685,438)



Sweetgrass First Nation Capital

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 14)</i>	2016 <i>Actual</i>	2015 <i>Actual</i>
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	-	-	10,604
Flexible	342,455	435,703	428,455
Gain on insurance proceeds	-	181,795	-
Interest income	-	-	913
Health Canada	-	74,994	184,794
	342,455	692,492	624,766
Expenses			
Repairs and maintenance	82,493	299,682	184,220
Insurance	203,455	139,606	235,050
Amortization	-	92,033	155,847
Chief and Council	56,507	39,000	38,982
Bank charges and interest	-	697	66
Travel	-	-	1,674
Interest on long-term debt	-	-	6,636
Supplies	-	-	300
Professional fees	-	-	2,500
	342,455	571,018	625,275
Surplus (deficit) before transfers	-	121,474	(509)
Transfers between programs	-	-	623
Surplus	-	121,474	114



Sweetgrass First Nation
Community Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2016

	<i>2016 Budget (Note 14)</i>	<i>2016 Actual</i>	<i>2015 Actual</i>
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	415,319	455,144	415,319
Funding repaid	-	-	(19,812)
	415,319	455,144	395,507
Expenses			
Amortization	-	278,468	120,643
Salaries and benefits	222,212	243,798	247,709
Repairs and maintenance	106,831	186,350	203,233
Utilities	49,224	103,355	109,491
Supplies	23,055	29,323	38,840
Travel	500	15,246	711
Contracted services	3,626	6,580	3,823
Training	-	2,736	1,285
Bank charges and interest	-	939	617
Insurance	9,871	-	150
Chief and Council	-	-	4,116
	415,319	866,795	730,618
Deficit	-	(411,651)	(335,111)



**Sweetgrass First Nation
Education**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada			
Funding repaid	-	-	(14,286)
Fixed	1,478,000	1,478,000	1,473,672
Set	162,670	174,595	166,728
	1,640,670	1,652,595	1,626,114
Expenses			
Student expenses	617,000	701,028	707,089
Salaries and benefits	662,685	687,743	743,181
Contracted services	282,618	297,990	290,022
Supplies	24,999	56,631	32,900
Bank charges and interest	-	17,713	16,047
Community events	4,744	11,514	14,411
Travel	3,000	6,534	16,265
Honoraria	4,800	5,200	5,328
Training	1,500	2,169	5,498
Professional fees	-	578	41
Chief and Council	-	544	-
Repairs and maintenance	-	-	2,684
	1,601,346	1,787,644	1,833,466
Surplus (deficit)	39,324	(135,049)	(207,352)



Sweetgrass First Nation
Lands and Trust
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2016

	2016 <i>Budget</i> <i>(Note 14)</i>	2016 <i>Actual</i>	2015 <i>Actual</i>
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	149,705	194,955	194,729
Expenses			
Salaries and benefits	74,732	143,895	115,904
Repairs and maintenance	-	39,775	6,606
Rent	12,000	12,000	12,000
Utilities	4,000	4,259	6,955
Supplies	7,000	2,790	7,784
Travel	1,200	2,680	1,676
Professional fees	38,310	2,665	14,653
Insurance	1,000	-	1,000
Training	11,463	(60)	10,095
	149,705	208,004	176,673
Surplus (deficit)	-	(13,049)	18,056



**Sweetgrass First Nation
Other**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	-	-	262,000
Treaty Land Entitlement Trust	-	309,992	312,008
CMHC rent	-	135,496	127,062
Canada Mortgage and Housing Corporation	-	119,363	104,296
Interest income	-	21	480
Other	-	-	24,151
	-	564,872	829,997
Expenses			
Amortization	-	338,600	118,538
Property tax	-	42,270	37,223
Repairs and maintenance	-	32,174	10,232
Interest on long-term debt	-	32,022	73,307
Salaries and benefits	-	27,652	14,665
Professional fees	-	20,723	11,510
Insurance	-	19,550	25,730
Administration	-	18,140	17,270
Travel	-	10,517	14,209
Honoraria	-	6,000	1,000
Contracted services	-	4,500	10,300
Chief and Council	-	3,423	5,565
Supplies	-	3,200	15,694
Training	-	1,606	6,348
Bank charges and interest	-	1,412	213
	-	561,789	361,804
Surplus before transfers	-	3,083	468,193
Transfers between programs	-	-	217,334
Surplus	-	3,083	685,527



Sweetgrass First Nation
Ottawa Trust Fund
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Revenues			
Rental	384,878	424,796	517,391
Other	-	-	77,182
	384,878	424,796	594,573
Expenses			
Christmas sponsorship	90,000	94,000	174,635
Community events	1,500	32,705	67,669
Salaries and benefits	30,000	20,650	20,241
Bank charges and interest	-	-	43,350
Elders utilities	60,000	-	126,286
Professional fees	-	-	15,852
Repairs and maintenance	9,000	-	96,001
Chief and Council	86,000	-	13,508
Funeral	35,000	-	41,763
Assistance	63,378	-	4,993
Contracted services	-	-	9,624
Rent	-	-	6,000
Honoraria	-	-	500
Supplies	-	-	1,263
Travel	-	-	419
Utilities	-	-	5,831
Rent	10,000	-	80,485
	384,878	147,355	708,420
Surplus (deficit) before transfers	-	277,441	(113,847)
Transfers between programs	-	(218,001)	144,812
Surplus	-	59,440	30,965



**Sweetgrass First Nation
Own Source**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Revenues			
First Nations Trust	688,532	661,965	660,527
Other	21,000	351,973	33,130
Saskatchewan Indian Institute of Technologies	119,000	172,896	43,449
Battleford Agency Tribal Chiefs - CDC	185,004	151,218	236,836
Rental	-	81,950	-
Battleford Tribal Council - Health Committee	-	19,825	69,118
Interest income	-	164	-
Loss from investment in First Nation business entity	-	(64,701)	(756,547)
	1,013,536	1,375,290	286,513
Expenses			
Salaries and benefits	83,000	243,372	143,325
Chief and Council	244,521	240,050	236,882
Student expenses	82,650	205,430	65,062
Community events	95,747	181,524	69,334
Elders utilities	36,000	140,535	1,000
Rent	85,000	91,938	-
Christmas sponsorship	-	87,788	100
Interest on long-term debt	50,000	65,556	11,574
Repairs and maintenance	18,000	44,952	61,367
Funeral	-	33,906	-
Professional fees	6,000	32,349	34,130
Contracted services	-	31,925	-
Assistance	28,000	28,574	36,321
Supplies	31,500	26,319	35,473
Honoraria	16,000	18,300	16,687
Rent	-	13,524	-
Utilities	-	11,829	7,391
Travel	5,500	11,035	24,391
Training	1,000	1,589	-
Insurance	1,000	1,000	1,000
Bank charges and interest	-	119	-
Administration	-	(24,358)	-
	783,918	1,487,256	744,037
Surplus (deficit) before transfers	229,618	(111,966)	(457,524)
Transfers between programs	-	218,001	10,604
Surplus (deficit)	229,618	106,035	(446,920)