



Sweetgrass First Nation
Consolidated Financial Statements
March 31, 2017



Sweetgrass First Nation Contents

For the year ended March 31, 2017

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Management's Responsibility



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.

June 26, 2017

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, 2017, 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, 2017 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 12 to the consolidated financial statements which describes that Sweetgrass First Nation entered into a treaty annuities claim against the Government of Canada for damages sustained by the First Nation. The First Nation has obtained a loan to fund costs of negotiations and has taken insurance to cover the repayment of the loan if it is in excess of settlement proceeds.

Saskatoon, Saskatchewan

June 26, 2017

MNP LLP

Chartered Professional Accountants



Sweetgrass First Nation
Consolidated Statement of Financial Position
As at March 31, 2017

	2017	2016
Financial assets		
Current		
Cash resources	134,096	222,610
Restricted cash (Note 3)	603,994	256,305
Accounts receivable (Note 4)	443,767	596,799
Portfolio investments (Note 5)	1,011	1,011
	1,182,868	1,076,725
Investment in First Nation business entity (Note 6)	638,931	524,626
Funds held in Ottawa Trust Fund (Note 7)	234,579	65,306
	2,056,378	1,666,657
Liabilities		
Current		
Bank indebtedness (Note 8)	357,629	382,995
Accounts payable and accruals	597,431	593,261
Deferred revenue (Note 9)	603,375	56,275
Current portion of long-term debt (Note 10)	561,603	487,173
Term loans subject to refinancing (Note 10)	2,222,526	-
	4,342,564	1,519,704
Long-term debt (Note 10)	3,525,789	2,463,003
	7,868,353	3,982,707
Net debt	(5,811,975)	(2,316,050)
Contingent asset (Note 12)		
Non-financial assets		
Tangible capital assets (Note 11)	17,834,254	15,499,908
Accumulated surplus (Note 15)	12,022,279	13,183,858

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, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	2,261,957	2,536,487	2,347,998
Flexible	435,703	1,286,377	435,703
Band support	328,597	370,299	328,597
Set	64,994	76,210	70,628
Funding repaid	-	(954)	(3,384)
Deferred revenue	-	(556,378)	-
First Nations Trust	3,091,251	3,712,041	3,179,542
Rental	661,965	624,908	661,965
Other	607,377	622,834	506,746
Treaty Land Entitlement Trust	326,418	574,453	343,158
Saskatchewan Indian Institute of Technologies	-	347,195	309,992
CMHC rent	119,000	160,184	172,896
Canada Mortgage and Housing Corporation	-	133,732	135,496
Battleford Agency Tribal Chiefs - CDC	-	119,479	119,363
Battleford Tribal Council - Health Committee	151,216	107,325	151,218
Health Canada	19,825	33,017	19,825
Insurance proceeds	-	17,347	74,994
Loss from investment in First Nation business entity (Note 6)	-	-	181,795
	-	(39,136)	(64,701)
	4,977,052	6,413,379	5,792,289
Program expenses			
Band Government Support	602,988	604,477	633,248
Capital	478,985	528,183	574,857
Community Development	936,201	1,081,537	866,795
Education	1,787,646	1,821,430	1,787,644
Lands and Trust	208,004	205,411	208,004
Other	-	955,851	561,789
Ottawa Trust Fund	147,355	173,265	147,355
Own Source	1,461,540	2,204,804	1,474,417
Total expenses	5,622,719	7,574,958	6,254,109
Deficit	(645,667)	(1,161,579)	(461,820)
Accumulated surplus, beginning of year	13,183,858	13,183,858	13,645,678
Accumulated surplus, end of year	12,538,191	12,022,279	13,183,858

The accompanying notes are an integral part of these financial statements



Sweetgrass First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Deficit	(645,667)	(1,161,579)	(461,820)
Purchases of tangible capital assets	-	(3,016,353)	(166,335)
Amortization of tangible capital assets	388,523	682,007	727,123
	388,523	(2,334,346)	560,788
Change in net debt	(257,144)	(3,495,925)	98,968
Net debt, beginning of year	(2,316,050)	(2,316,050)	(2,415,018)
Net debt, end of year	(2,573,194)	(5,811,975)	(2,316,050)

The accompanying notes are an integral part of these financial statements



Sweetgrass First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(1,161,579)	(461,820)
Non-cash items		
Amortization of tangible capital assets	682,007	727,123
Loss from investment in First Nation business entity	39,136	64,701
	(440,436)	330,004
Changes in working capital accounts		
Accounts receivable	153,032	212,525
Restricted cash	(347,689)	163,223
Funds held in Ottawa Trust Fund	(169,273)	(59,440)
Accounts payable and accruals	4,170	(193,200)
Deferred revenue	547,100	(74,994)
	(253,096)	378,118
Financing activities		
Advances of long-term debt	4,742,511	760,000
Repayment of long-term debt	(1,382,769)	(335,897)
Increase in bank indebtedness	(25,366)	(314,215)
	3,334,376	109,888
Capital activities		
Purchases of tangible capital assets	(3,016,353)	(166,335)
Investing activities		
Contribution to investment in First Nation business entity	(153,441)	(99,061)
Increase in cash resources	(88,514)	222,610
Cash resources, beginning of year	222,610	-
Cash resources, end of year	134,096	222,610

The accompanying notes are an integral part of these financial statements



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
- Sweetgrass Investments Ltd.

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 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

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:

	<i>Method</i>	<i>Rate</i>
Buildings and infrastructure	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, 2017.

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, 2017.

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.

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.



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

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.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to funds held in the Ottawa Trust Fund is recognized when it is deposited in the trust account.

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 16). 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.

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.

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.

3. Restricted cash

	2017	2016
CMHC replacement reserve	291,761	920
New housing	277,205	10,194
Sweetgrass Health Centre	17,990	234,256
Subdivision project	16,240	16,199
Firehall project	3,528	25,091
CMHC operating reserve	16	36
TLE Revenue operating	(2,746)	(30,391)
	603,994	256,305



Sweetgrass First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

4. Accounts receivable

	2017	2016
Sweetgrass Treaty Land Entitlement Trust	333,934	477,788
Former employees	187,869	187,869
BATC Social Development	81,546	65,482
Canada Mortgage and Housing Corporation	34,698	9,347
Health Canada	30,835	30,835
Other funding agencies	24,310	44,929
Salary advances	15,427	10,281
Indigenous and Northern Affairs Canada	-	35,120
	708,619	861,651
Less: Allowance for doubtful accounts	264,852	264,852
	443,767	596,799

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 Financial Statements
For the year ended March 31, 2017

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	524,626	153,441	(39,136)	638,931

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, 2017</i>
Assets	
Cash	4,172
Accounts receivable	156
Property, plant and equipment	854,388
Total assets	858,716
Liabilities	
Accounts payable and accruals	2,000
Long-term debt	217,785
Total liabilities	219,785
Partners Capital	638,931
Total revenues	-
Total expenses	39,136
	(39,136)

Sweetgrass Investments Ltd. is the General Partner of Sweetgrass Developments Limited Partnership and is included above as it does not have active operations.

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

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>		<i>Total</i>
Sweetgrass Developments Limited Partnership	-	56,106	58,334	60,650	42,695	-
						217,785



Sweetgrass First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

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.

	2017	2016
Revenue Account		
Balance, beginning of year	65,306	5,866
Interest	2,666	880
Land leases	563,817	423,914
<hr/>		
Less: Transfers to First Nation	631,789	430,660
	397,210	365,354
<hr/>		
Balance, end of year	234,579	65,306

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, 2017, \$260,149 (2016 - \$283,125) has been drawn on the Post Secondary account. 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:

	Balance 2016	Contributions received	Contributions utilized	Balance 2017
Culture and Recreation - INAC	-	550,000	73,622	476,378
New school - INAC	-	80,000	-	80,000
Health Centre - Health Canada	40,111	-	9,278	30,833
Subdivision - INAC	16,164	-	-	16,164
<hr/>				
	56,275	630,000	82,900	603,375

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>2017</u>	<u>2016</u>
I	154	3.03%	1-Apr-17	1,517	3,287
IV	---	---	---	---	6,983
V	2,754	2.61%	1-Jul-18	43,263	74,735
VI	1,630	1.92%	1-Apr-19	284,885	298,866
VII	2,711	1.03%	1-Oct-21	576,741	601,992
VIII	2,623	1.92%	1-Jul-19	571,640	591,991



Sweetgrass First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

10. Long-term debt (Continued from previous page)

				2017	2016
X	5,746	1.44%	1-Feb-22	<u>925,278</u>	<u>---</u>
				2,403,324	1,577,854
	CMHC Section 95 - Phase 9 Advances, subject to refinancing			1,372,526	-
	RBC CMHC Phase 9 bridge financing term loan, with interest at Royal Bank prime plus 2.8%, due August 2017, secured by general security agreement, subject to refinancing upon completion of construction			850,000	-
	RBC Treaty Annuities term loan, with interest at Royal Bank prime plus 0.75%, repayable the earlier of: receipt of funds pursuant to a settlement, judgment or order relating to the claim and January 31, 2022, secured by AmTrust Europe Limited insurance policy, surety bond and assignment of all proceeds payable under the insurance policy (see note 12)			568,060	-
	RBC term loan, repayable in semi-annual instalments of \$75,000 plus interest at Royal Bank prime plus 2.8%, secured by a general security agreement, matures June 2020			500,000	725,000
	RBC term loan, repayable in annual instalments of \$30,713 plus interest at Royal Bank prime plus 2.5%, secured by general security agreement, matures March 2024			215,000	-
	RBC term loan, repayable in quarterly instalments of \$15,280 plus interest at Royal Bank prime plus 1.5%, secured by a general security agreement, matures June 2020			198,640	259,760
	RBC term loan, repayable in quarterly instalments of \$37,500 plus interest at Royal Bank prime plus 2.85%, secured by a general security agreement, matures April 2018			187,500	337,500
	CMHC RRAP loans			14,868	15,062
	RBC CMHC Phase 10 bridge financing term loan			-	35,000
				6,309,918	2,950,176
	Less: current portion			561,603	487,173
	Less: term loans subject to refinancing			2,222,526	-
				3,525,789	2,463,003

Term loans subject to refinancing include CMHC Section 95 advances and RBC Phase 9 Bridge Financing. These loans are expected to be refinanced in the next year and have not been included in estimated principal repayments. Principal repayments on the remainder of long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2018	561,603
2019	414,998
2020	371,935
2021	232,495
2022	173,715



Sweetgrass First Nation
Notes to the Consolidated Financial Statements

For the year ended March 31, 2017

11. Tangible capital assets

For the year ended March 31, 2017

	Cost				Accumulated Amortization				Net book value
	Opening balance	Additions	Disposals	Ending balance	Opening balance	Current amortization	Disposals	Ending balance	
Buildings and infrastructure	11,447,354	200,000	-	11,647,354	5,285,086	359,528	-	5,644,614	6,002,740
Equipment	363,851	-	-	363,851	309,784	13,518	-	323,302	40,549
CMHC housing	3,183,947	930,000	(184,946)	3,929,001	967,786	308,961	(184,946)	1,091,801	2,837,200
Projects under construction	78,631	1,886,353	-	1,964,984	-	-	-	-	1,964,984
Purchased land	6,988,781	-	-	6,988,781	-	-	-	-	6,988,781
	22,062,564	3,016,353	(184,946)	24,893,971	6,562,656	682,007	(184,946)	7,059,717	17,834,254

For the year ended March 31, 2016

	Cost				Accumulated Amortization				Net book value
	Opening balance	Additions	Disposals	Ending balance	Opening balance	Current amortization	Disposals	Ending balance	
Buildings and infrastructure	11,361,193	86,161	-	11,447,354	4,914,585	370,501	-	5,285,086	6,162,268
Equipment	363,851	-	-	363,851	291,762	18,022	-	309,784	54,067
CMHC housing	3,182,404	1,543	-	3,183,947	629,186	338,600	-	967,786	2,216,161
Projects under construction	-	78,631	-	78,631	-	-	-	-	78,631
Purchased land	6,988,781	-	-	6,988,781	-	-	-	-	6,988,781
	21,896,229	166,335	-	22,062,564	5,835,533	727,123	-	6,562,656	15,499,908



Sweetgrass First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

12. Contingent asset

During the year, the First Nation initiated a treaty annuity claim against the Government of Canada. The First Nation has obtained a loan to finance the costs of negotiating the settlement. Insurance has been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time the claim is resolved.

As of March 31, 2017, expenses of \$568,060 have been incurred and available financing drawn (Note 10). The First Nation anticipates the loan will be paid from settlement proceeds. When the claim is finalized or the insurance proceeds are paid the amounts will be recognized in revenue.

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 August 2016. The consolidated budget approved by Chief and Council did not include amounts for CMHC or Treaty Land Entitlement. Budgets for large capital projects were also not included as these are prepared on an individual project basis.

15. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
Operating	(1,262,266)	(249,355)
Capital assets	12,092,396	12,549,732
Commercial	638,931	524,626
CMHC Operating Reserve	44,382	40,181
CMHC Replacement Reserve	281,442	253,368
Ottawa Trust Fund	227,394	65,306
	12,022,279	13,183,858



Sweetgrass First Nation
Notes to the Financial Statements
For the year ended March 31, 2017

16. 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.

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.



Sweetgrass First Nation
Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Salaries and benefits	1,537,142	1,682,175	1,610,132
Repairs and maintenance	525,817	959,094	602,933
Student expenses	839,154	841,311	906,458
Amortization	388,523	682,007	727,123
Chief and Council	406,079	394,350	386,829
Contracted services	357,213	380,233	378,839
Professional fees	234,825	378,936	215,553
Treaty annuities claim - professional fees	-	323,855	-
Treaty annuities claim - insurance	-	226,341	-
Community events	225,944	239,386	225,743
Supplies	174,901	187,378	145,661
Christmas sponsorship	181,788	187,037	181,788
Emergency assistance and funerals	62,481	186,560	62,480
Insurance	140,635	184,459	160,156
Elders utilities	140,535	160,659	140,535
Interest on long-term debt	87,512	157,480	120,524
Utilities	124,388	126,238	124,202
Property tax	-	66,144	42,270
Rent	91,938	65,363	91,938
Travel	42,865	43,750	52,925
Bank charges and interest	17,643	31,652	13,756
Training	11,047	28,855	10,139
Rent	34,042	26,809	25,524
Honoraria	21,100	16,946	29,500
Administration	(22,853)	(2,060)	(899)
	5,622,719	7,574,958	6,254,109



Sweetgrass First Nation
Band Government Support
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	19,252	78,216	59,587
Band support	328,597	370,299	328,597
Set	50,711	62,237	56,345
Funding repaid	-	(954)	(3,384)
	398,560	509,798	441,145
Expenses			
Professional fees	203,680	232,239	168,238
Salaries and benefits	209,601	204,980	243,022
Chief and Council	120,540	76,154	103,812
Contracted services	10,388	27,817	37,844
Supplies	27,398	18,875	27,398
Amortization	-	13,517	18,022
Bank charges and interest	12,843	11,867	12,555
Utilities	4,759	5,597	4,759
Travel	6,913	4,922	6,913
Administration	1,500	4,324	5,319
Interest on long-term debt	3,267	3,359	3,267
Training	2,099	826	2,099
	602,988	604,477	633,248
Deficit	(204,428)	(94,679)	(192,103)



Sweetgrass First Nation
Capital
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada			
Flexible	435,703	342,455	435,703
Health Canada	-	17,347	74,994
Other	-	106	164
	435,703	359,908	510,861
Expenses			
Repairs and maintenance	299,682	229,254	303,474
Insurance	139,606	160,573	139,606
Amortization	-	92,830	92,033
Chief and Council	39,000	39,000	39,000
Professional fees	-	6,453	-
Interest on long-term debt	697	34	697
Bank charges and interest	-	39	47
	478,985	528,183	574,857
Deficit	(43,282)	(168,275)	(63,996)



Sweetgrass First Nation
Community Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	2017 <i>Budget</i> <i>(Note 14)</i>	2017 <i>Actual</i>	2016 <i>Actual</i>
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	421,363	421,363	455,144
Flexible	-	943,922	-
Deferred revenue	-	(556,378)	-
	421,363	808,907	455,144
Expenses			
Repairs and maintenance	145,201	448,303	186,350
Amortization	388,523	266,698	278,468
Salaries and benefits	244,298	230,738	243,798
Utilities	103,355	90,884	103,355
Supplies	29,323	27,379	29,323
Travel	15,245	9,527	15,246
Professional fees	-	4,500	-
Training	2,736	2,049	2,736
Interest on long-term debt	939	1,245	939
Community events	-	121	-
Bank charges and interest	-	93	-
Contracted services	6,581	-	6,580
	936,201	1,081,537	866,795
Deficit	(514,838)	(272,630)	(411,651)



**Sweetgrass First Nation
Education**

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	1,626,387	1,841,852	1,638,312
Set	14,283	13,973	14,283
	1,640,670	1,855,825	1,652,595
Expenses			
Student expenses	701,028	678,596	701,028
Salaries and benefits	687,741	670,742	687,743
Contracted services	308,320	299,112	297,990
Supplies	46,962	92,538	56,631
Community events	11,515	24,508	11,514
Training	2,170	15,859	2,169
Interest on long-term debt	17,054	14,328	17,054
Travel	6,534	11,271	6,534
Honoraria	5,200	6,475	5,200
Professional fees	578	4,500	578
Utilities	-	2,691	-
Bank charges and interest	-	810	659
Chief and Council	544	-	544
	1,787,646	1,821,430	1,787,644
Surplus (deficit)	(146,976)	34,395	(135,049)



Sweetgrass First Nation
Lands and Trust
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	2017 <i>Budget</i> <i>(Note 14)</i>	2017 <i>Actual</i>	2016 <i>Actual</i>
Revenues			
Indigenous and Northern Affairs Canada			
Fixed	194,955	195,056	194,955
Expenses			
Salaries and benefits	143,894	150,745	143,895
Professional fees	2,898	17,572	2,665
Rent	12,000	12,000	12,000
Repairs and maintenance	39,775	8,617	39,775
Supplies	2,529	5,665	2,790
Utilities	4,259	5,250	4,259
Travel	2,680	4,959	2,680
Insurance	29	543	-
Training	(60)	60	(60)
	208,004	205,411	208,004
Deficit	(13,049)	(10,355)	(13,049)



Sweetgrass First Nation
Other
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Revenues			
Treaty Land Entitlement Trust	-	347,195	309,992
CMHC rent	-	133,732	135,496
Canada Mortgage and Housing Corporation	-	119,479	119,363
Other	-	5,425	21
	-	605,831	564,872
Expenses			
Amortization	-	308,962	338,600
Repairs and maintenance	-	115,935	32,174
Christmas sponsorship	-	94,537	-
Elders utilities	-	92,035	-
Emergency assistance and funerals	-	92,035	-
Interest on long-term debt	-	82,404	33,011
Property tax	-	66,144	42,270
Insurance	-	22,343	19,550
Salaries and benefits	-	21,553	27,652
Professional fees	-	20,280	20,723
Administration	-	17,506	18,140
Travel	-	6,066	10,517
Supplies	-	5,243	3,200
Honoraria	-	3,500	6,000
Contracted services	-	3,200	4,500
Chief and Council	-	1,957	3,423
Training	-	1,257	1,606
Bank charges and interest	-	894	423
	-	955,851	561,789
Surplus (deficit)	-	(350,020)	3,083



Sweetgrass First Nation
Ottawa Trust Fund
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Revenues			
Rental	525,427	566,484	424,796
Expenses			
Christmas sponsorship	94,000	92,500	94,000
Interest on long-term debt	-	47,880	-
Community events	32,705	32,885	32,705
Salaries and benefits	20,650	-	20,650
	147,355	173,265	147,355
Surplus before transfers	378,072	393,219	277,441
Transfers between programs	-	(223,946)	(218,001)
Surplus	378,072	169,273	59,440



Sweetgrass First Nation
Own Source

Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2017

	2017 Budget (Note 14)	2017 Actual	2016 Actual
Revenues			
First Nations Trust	-	624,908	661,965
Other	326,418	568,922	342,973
Saskatchewan Indian Institute of Technologies	119,000	160,184	172,896
Battleford Agency Tribal Chiefs - CDC	151,216	107,325	151,218
Rental	81,950	56,350	81,950
Battleford Tribal Council - Health Committee	19,825	33,017	19,825
Loss from investment in First Nation business entity	-	(39,136)	(64,701)
Gain on insurance proceeds	-	-	181,795
	698,409	1,511,570	1,547,921
Expenses			
Salaries and benefits	230,959	403,417	243,372
Treaty annuities claim - professional fees	-	323,855	-
Chief and Council	245,995	277,239	240,050
Treaty annuities claim - insurance	-	226,341	-
Community events	181,724	181,872	181,524
Student expenses	138,126	162,715	205,430
Repairs and maintenance	41,160	156,985	41,160
Emergency assistance and funerals	62,481	94,525	62,480
Professional fees	27,669	93,392	23,349
Elders utilities	140,535	68,624	140,535
Rent	91,938	65,363	91,938
Contracted services	31,924	50,104	31,925
Supplies	68,690	37,678	26,319
Utilities	12,015	21,816	11,829
Bank charges and interest	4,800	17,949	72
Rent	22,042	14,809	13,524
Training	4,103	8,804	1,589
Interest on long-term debt	65,556	8,230	65,556
Travel	11,493	7,005	11,035
Honoraria	15,900	6,971	18,300
Insurance	1,000	1,000	1,000
Christmas sponsorship	87,788	-	87,788
Administration	(24,358)	(23,890)	(24,358)
	1,461,540	2,204,804	1,474,417
Surplus (deficit) before transfers	(763,131)	(693,234)	73,504
Transfers between programs	-	223,946	218,001
Surplus (deficit)	(763,131)	(469,288)	291,505