



**Sweetgrass First Nation**  
**Consolidated Financial Statements**  
*March 31, 2020*



# Sweetgrass First Nation

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*For the year ended March 31, 2020*

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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 3, 2020

Signed by: Lisa Albert

Management

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To the Members of Sweetgrass First Nation:

### Opinion

We have audited the consolidated financial statements of Sweetgrass First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, its consolidated change in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## Independent Auditor's Report *(continued from previous page)*

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saskatoon, Saskatchewan

July 3, 2020

*MNP* LLP

Chartered Professional Accountants

**MNP**



# Sweetgrass First Nation

## Consolidated Statement of Financial Position

As at March 31, 2020

	2020	2019
<b>Financial assets</b>		
<b>Current</b>		
Cash resources	158,202	628,290
Restricted cash (Note 3)	6,097,713	6,142,826
Accounts receivable (Note 4)	704,254	589,545
Portfolio investments (Note 5)	753,102	1,011
	<b>7,713,271</b>	7,361,672
<b>Funds held in Ottawa Trust Fund (Note 6)</b>	<b>110,297</b>	126,450
<b>Total financial assets</b>	<b>7,823,568</b>	7,488,122
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 7)	465,198	357,672
Accounts payable and accruals	822,231	617,318
Deferred revenue (Note 8)	6,298,880	6,325,690
Current portion of long-term debt (Note 9)	546,885	433,785
Term loan subject to refinancing (Note 9)	-	1,414,526
	<b>8,133,194</b>	9,148,991
<b>Long-term debt (Note 9)</b>	<b>4,420,080</b>	2,849,607
<b>Total financial liabilities</b>	<b>12,553,274</b>	11,998,598
<b>Net debt</b>	<b>(4,729,706)</b>	(4,510,476)
<b>Subsequent event (Note 18)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	17,801,594	17,731,817
Prepaid expenses	150,821	-
<b>Total non-financial assets</b>	<b>17,952,415</b>	17,731,817
<b>Accumulated surplus (Note 11)</b>	<b>13,222,709</b>	13,221,341

Approved on behalf of Chief and Council

Signed by: Lorie Whitecalf	<b>Chief</b>	Signed by: Omer White	<b>Councillor</b>
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# Sweetgrass First Nation

## Consolidated Statement of Operations and Accumulated Surplus

*For the year ended March 31, 2020*

	2020 Budget (Note 12)	2020 Actual	2019 Actual
<b>Revenues</b>			
Indigenous Services Canada (Note 16)			
Fixed	2,656,666	3,222,126	2,976,879
Flexible	-	1,109,243	5,919,298
Band support	386,522	425,903	406,282
Set	-	-	10,000
First Nations & Inuit Health Branch	-	608,138	-
Funding repaid	-	(40,000)	(14,552)
Deferred revenue	-	26,810	(4,837,053)
	3,043,188	5,352,220	4,460,854
First Nations Trust	630,000	618,032	619,396
Rental	606,000	591,454	575,893
Treaty Land Entitlement Trust	400,000	472,645	372,185
Canada Mortgage and Housing Corporation	200,000	330,534	336,906
Other	736,000	210,634	471,360
Saskatchewan Indian Institute of Technologies	161,000	202,765	255,257
Legacy Trust - annual payment	-	153,517	59,002
Battleford Agency Tribal Chiefs - CDC	110,000	137,772	111,477
CMHC rent	148,000	114,720	115,659
Insurance	-	87,966	4,421
Battlefords Agency Tribal Chiefs Inc.	-	-	79,265
	6,034,188	8,272,259	7,461,675
<b>Program expenses</b>			
Band Government Support	562,503	886,486	749,151
Capital	-	745,212	391,432
Community Development	925,736	1,153,677	1,075,986
Education	1,835,397	2,864,583	2,327,124
Lands and Trust	196,146	210,993	199,194
Other	966,000	765,693	621,781
Ottawa Trust Fund	323,000	486,195	273,236
Own Source	1,420,200	659,083	966,351
Health	-	498,969	-
<b>Total expenses</b>	6,228,982	8,270,891	6,604,255
<b>Surplus before other item</b>	(194,794)	1,368	857,420
<b>Other item</b>			
Treaty annuities settlement	-	-	6,565,825
Treaty annuities expenses	-	-	(5,897,887)
	-	-	667,938
<b>Annual surplus (deficit)</b>	(194,794)	1,368	1,525,358
<b>Accumulated surplus, beginning of year</b>	13,221,341	13,221,341	11,695,983
<b>Accumulated surplus, end of year</b>	13,026,547	13,222,709	13,221,341

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, 2020*

	<i>2020 Budget (Note 12)</i>	<i>2020 Actual</i>	<i>2019 Actual</i>
<b>Annual surplus (deficit)</b>	<b>(194,794)</b>	<b>1,368</b>	<b>1,525,358</b>
Purchases of tangible capital assets	-	<b>(688,410)</b>	(116,644)
Amortization of tangible capital assets	<b>290,000</b>	<b>618,633</b>	501,017
Change in reporting entity	-	-	(854,388)
Acquisition of prepaid expenses	-	<b>(150,821)</b>	-
<b>Change in net debt</b>	<b>95,206</b>	<b>(219,230)</b>	<b>1,055,343</b>
<b>Net debt, beginning of year</b>	<b>(4,510,476)</b>	<b>(4,510,476)</b>	<b>(5,565,819)</b>
<b>Net debt, end of year</b>	<b>(4,415,270)</b>	<b>(4,729,706)</b>	<b>(4,510,476)</b>





# Sweetgrass First Nation

## Consolidated Statement of Cash Flows

*For the year ended March 31, 2020*

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus (deficit)	1,368	1,525,358
Non-cash items		
Amortization of tangible capital assets	618,633	501,017
	<b>620,001</b>	2,026,375
Changes in working capital accounts		
Accounts receivable	(114,709)	(229,047)
Restricted cash	45,113	(4,585,792)
Funds held in Ottawa Trust Fund	16,153	(91,761)
Prepaid expenses	(150,821)	-
Accounts payable and accruals	204,913	(12,966)
Deferred revenue	(26,810)	4,895,053
	<b>593,840</b>	2,001,862
<b>Financing activities</b>		
Advances of long-term debt	842,043	59,030
Repayment of long-term debt	(572,996)	(1,358,032)
Increase (decrease) in bank indebtedness	107,526	39,922
	<b>376,573</b>	(1,259,080)
<b>Capital activities</b>		
Purchases of tangible capital assets	(688,410)	(116,644)
<b>Investing activities</b>		
Purchase of portfolio investments	(752,091)	(41,257)
Change in reporting entity	-	521
	<b>(752,091)</b>	(40,736)
<b>Increase (decrease) in cash resources</b>	<b>(470,088)</b>	585,402
<b>Cash resources, beginning of year</b>	<b>628,290</b>	42,888
<b>Cash resources, end of year</b>	<b>158,202</b>	628,290



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

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### 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 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
- Sweetgrass Developments Limited Partnership
- Sweetgrass Investments Ltd.

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.

#### **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 resources**

Cash resources 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.



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

### 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:

	<b>Method</b>	<b>Rate</b>
Buildings and infrastructure	declining balance	5-10 %
Equipment	declining balance	25 %
Housing	straight-line	15-35 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, 2020.

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, 2020.

#### **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.



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

### 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, other than government transfers, as revenue in the period the resources are used for the purpose specified in accordance with an agreement. 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.

#### **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 9 reportable segments (Note 14). 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.

### 3. Restricted cash

	2020	2019
Capital projects	6,077,821	1,013,395
CMHC replacement reserve	10,692	16,910
TLE Revenue operating	9,200	5,297
New School - RBC general	-	5,000,000
Guaranteed Investment Certificate	-	107,224
	<b>6,097,713</b>	<b>6,142,826</b>



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

### 4. Accounts receivable

	2020	2019
Sweetgrass Treaty Land Entitlement Trust	627,941	395,091
Salary advances	183,762	182,547
BATC Social Development	68,550	66,599
Canada Mortgage and Housing Corporation	35,703	167,520
Other	27,831	11,534
Indigenous Services Canada	-	6,298
	<b>943,787</b>	829,589
Less: Allowance for doubtful accounts	<b>239,533</b>	240,044
	<b>704,254</b>	589,545

Amounts due from Sweetgrass Treaty Land Entitlement Trust relate to the undistributed Annual Income which is available to the First Nation through Schedule C requests.

### 5. Portfolio investments

	2020	2019
Royal Bank of Canada - Guaranteed Investment Certificate, maturing August 1, 2020 earning interest at 1.7%	395,000	-
Royal Bank of Canada - Guaranteed Investment Certificate, maturing August 15, 2020 earning interest at 1.7%	202,882	-
Royal Bank of Canada - Guaranteed Investment Certificate, maturing April 9, 2020 earning interest at 1.5%	154,209	-
Investment in BATC Investments Limited Partnership - 20% interest	1,010	1,010
Investment in BATC Land Holdings Inc. - 20% interest	1	1
	<b>753,102</b>	1,011



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

### 6. 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 Services Canada. There were no funds in the Capital Account at year-end, nor were there any transactions in the Capital Account during the year. Revenues generated in the trust fund have been presented as rental in the consolidated statement of operations.

	2020	2019
<b>Revenue Account</b>		
Balance, beginning of year	126,450	34,689
Interest	3,175	1,920
Land leases	533,641	516,373
Less: Transfers to First Nation	552,969	426,532
Balance, end of year	110,297	126,450

### 7. 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, 2020, \$302,662 (2019 - \$350,000) has been drawn. The operating line is secured by a general security agreement and a Band Council Resolution.

### 8. Deferred revenue

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

	<i>Balance 2019</i>	<i>Contributions received</i>	<i>Contributions utilized</i>	<i>Balance 2020</i>
New school - ISC	5,509,502	-	5,154	5,504,348
Construction (1-3 Bedroom Duplex) - ISC	-	395,600	63,027	332,573
Culture and Recreation - Capital - ISC	258,727	-	-	258,727
Community Backup Well - ISC	300,000	99,999	300,000	99,999
Subdivision - ISC	167,461	-	124,319	43,142
Transfer station - ISC	-	39,911	-	39,911
Water plan - ISC	90,000	80,000	149,820	20,180
	6,325,690	615,510	642,320	6,298,880



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

### 9. 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>2020</u>	<u>2019</u>
VI	1,609	1.73%	1-Aug-24	241,224	256,136
VII	2,711	1.03%	1-Oct-21	495,748	523,016
VIII	2,623	1.92%	1-May-20	508,303	529,805
IX	7,290	1.69%	1-Sep-24	1,755,145	-
X	5,746	1.44%	1-Feb-22	733,334	812,402
				<b>3,773,754</b>	2,121,359
RBC term loan, with interest at Royal Bank prime plus 2.82%, due in quarterly instalments of \$49,300, secured by general security agreement, matures July 2023				<b>570,560</b>	732,063
Caterpillar Financial Services Limited equipment loan, repayable in monthly instalments of \$6,416 with interest at 5.4%, due October 2024, secured by Motor Grader with a net book value of \$294,650				<b>312,014</b>	-
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				<b>122,855</b>	153,570
Caterpillar Financial Services Limited equipment loan, repayable in monthly instalments of \$2,519 with interest at 5.4%, due October 2024, secured by Backhoe Loader with a net book value of \$115,685				<b>122,502</b>	-
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				<b>50,000</b>	200,000
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				<b>15,280</b>	76,400
CMHC Section 95 - Phase 9 Advances - refinanced during the year				-	1,414,526
				<b>4,966,965</b>	4,697,918
Less: current portion				<b>546,885</b>	433,785
Less: term loan subject to refinancing				-	1,414,526
				<b>4,420,080</b>	2,849,607

Principal repayments on the remainder of long-term debt in each of the next five years, assuming loans are renewed at similar terms and interest rates, are estimated as follows:

2021	546,885
2022	499,131
2023	406,258
2024	321,552
2025	254,240



## Sweetgrass First Nation

### Notes to the Consolidated Financial Statements

For the year ended March 31, 2020

#### 10. Tangible capital assets

##### For the year ended March 31, 2020

	Cost				Accumulated Amortization			
	Opening balance	Additions	Transfers	Ending balance	Opening balance	Current amortization	Ending balance	Net book value
Buildings and infrastructure	11,893,145	195,991	73,501	12,162,637	6,332,466	330,695	6,663,161	5,499,476
Equipment	363,851	468,953	-	832,804	341,041	64,322	405,363	427,441
CMHC housing	3,859,656	-	1,784,019	5,643,675	1,461,502	223,616	1,685,118	3,958,557
Projects under construction	1,907,005	23,466	(1,857,520)	72,951	-	-	-	72,951
Purchased land	7,843,169	-	-	7,843,169	-	-	-	7,843,169
	25,866,826	688,410	-	26,555,236	8,135,009	618,633	8,753,642	17,801,594

##### For the year ended March 31, 2019

	Cost				Accumulated Amortization			
	Opening balance	Additions	Other adjustment	Ending balance	Opening balance	Current amortization	Ending balance	Net book value
Buildings and infrastructure	11,776,501	116,644	-	11,893,145	5,991,306	341,160	6,332,466	5,560,679
Equipment	363,851	-	-	363,851	333,439	7,602	341,041	22,810
CMHC housing	3,859,656	-	-	3,859,656	1,309,247	152,255	1,461,502	2,398,154
Projects under construction	1,907,005	-	-	1,907,005	-	-	-	1,907,005
Purchased land	6,988,781	-	854,388	7,843,169	-	-	-	7,843,169
	24,895,794	116,644	854,388	25,866,826	7,633,992	501,017	8,135,009	17,731,817

2019 other adjustment of \$854,388 relates to land held by Sweetgrass Developments Limited Partnership, which is now fully consolidated.





## Sweetgrass First Nation

### Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

#### 11. Accumulated surplus

Accumulated surplus (deficit) consists of the following:

	2020	2019
Operating	53,481	(142,979)
Capital assets	12,834,629	13,033,899
Commercial	1,011	1,011
CMHC Operating Reserve	38,643	51,536
CMHC Replacement Reserve	184,648	151,424
Ottawa Trust Fund	110,297	126,450
	<b>13,222,709</b>	<b>13,221,341</b>

#### 12. 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.

#### 13. Budget information

The disclosed budget information has been approved by Chief and Council in April 2019.



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

*For the year ended March 31, 2020*

### 14. Segments

The First Nation has 9 (2019 - 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.
- Health - reports on operations of health programs.

### 15. Economic dependence

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

### 16. Indigenous Services Canada reconciliation

Total funding per year-end funding confirmation report	\$ 5,371,708
Add:	
Prior year deferred revenue	6,325,690
Minus:	
Current year deferred revenue	(6,298,880)
CPP & Pension - 2018-19 reconciliation	(6,298)
Funding recovered	<u>(40,000)</u>
	\$ <u>5,352,220</u>

### 17. Comparative figures

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

### 18. Subsequent event

Effective April 1, 2020, the First Nation became a member of Battle River Treaty 6 Health Centre Inc. A significant portion of the health services that were administered directly by First Nation from September 1, 2019 to March 31, 2020, will be administered and received by Battle River Treaty 6 Health Centre Inc.

Funding for daycare services, which was administered by the First Nation from October 1, 2019 to March 31, 2020, will also be administered by Battle River Treaty 6 Health Centre Inc. and Nakowaciy-Kanaweyimawasokamik/Sweetgrass Daycare Centre Inc. effective April 1, 2020. The First Nation was previously a member of Battle River Treaty 6 Health Centre Inc. prior to September 1, 2019.



## **Sweetgrass First Nation**

### **Notes to the Consolidated Financial Statements**

*For the year ended March 31, 2020*

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#### **19. Significant event**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on the First Nation due to restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations, and isolation/quarantine orders. The First Nation has been impacted by office closures, travel restrictions, cancellation of events and increased costs of compliance with other guidelines and regulation. It is expected that future funding from First Nations Trust and BATC Community Development Corporation will be negatively impacted by the pandemic due to the temporary closure of SIGA casinos. Funding has been received to cover some of the additional costs associated with the pandemic.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.



**Sweetgrass First Nation**  
**Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
Salaries and benefits	<b>2,644,077</b>	1,826,507
Contracted services	<b>974,060</b>	739,570
Student expenses	<b>965,362</b>	929,353
Amortization	<b>618,633</b>	501,017
Repairs and maintenance	<b>571,489</b>	779,771
Chief and Council	<b>395,906</b>	315,151
Community events	<b>240,744</b>	112,546
Professional fees	<b>231,037</b>	198,046
Elders utilities	<b>226,303</b>	221,019
Christmas sponsorship	<b>208,296</b>	(8,800)
Supplies	<b>193,473</b>	187,455
Utilities	<b>163,663</b>	117,606
Interest on long-term debt	<b>135,175</b>	177,701
Travel	<b>120,815</b>	210,512
Insurance	<b>115,855</b>	78,253
Emergency assistance and funerals	<b>95,831</b>	72,945
Property tax	<b>91,351</b>	89,768
Community projects	<b>91,088</b>	24,898
Rent contribution CMHC houses	<b>53,375</b>	64,412
Training	<b>45,773</b>	51,409
Bank charges and interest	<b>42,793</b>	49,388
Honoraria	<b>28,542</b>	44,010
Rent	<b>17,250</b>	18,000
Bad debts	-	42,335
Reimbursement of legal fees	-	(238,617)
	<b>8,270,891</b>	6,604,255



**Sweetgrass First Nation**  
**Band Government Support**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada		
Fixed	128,361	207,597
Flexible	151,277	94,693
Band support	425,903	406,282
Set	-	10,000
Funding repaid	(40,000)	(14,552)
	665,541	704,020
Other	8,238	-
	673,779	704,020
<b>Expenses</b>		
Salaries and benefits	529,919	385,583
Chief and Council	64,588	65,000
Administration	57,914	24,450
Supplies	41,141	18,267
Community events	41,101	19,816
Professional fees	30,671	121,916
Repairs and maintenance	28,629	6,387
Contracted services	27,338	19,309
Travel	27,096	14,458
Bank charges and interest	14,624	14,018
Training	10,721	18,380
Amortization	5,702	7,602
Utilities	5,369	8,318
Community projects	1,673	22,593
Honoraria	-	3,054
	886,486	749,151
<b>Annual deficit</b>	<b>(212,707)</b>	<b>(45,131)</b>



# Sweetgrass First Nation Capital

## Schedule of Segment Revenues and Expenses and Surplus (Deficit)

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada		
Flexible	188,375	5,188,375
Deferred revenue	399,294	(4,895,291)
	587,669	293,084
Other	6,183	1,212
	593,852	294,296
<b>Expenses</b>		
Contracted services	453,260	290,301
Repairs and maintenance	133,319	34,919
Amortization	88,171	97,967
Community projects	67,910	2,305
Administration	2,182	(36,163)
Training	250	706
Bank charges and interest	120	120
Supplies	-	125
Chief and Council	-	1,152
	745,212	391,432
<b>Annual deficit</b>	<b>(151,360)</b>	<b>(97,136)</b>



**Sweetgrass First Nation**  
**Community Development**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada		
Fixed	295,019	284,539
Flexible	769,591	609,080
Deferred revenue	(372,484)	58,238
	<b>692,126</b>	<b>951,857</b>
<b>Expenses</b>		
Repairs and maintenance	286,526	445,700
Amortization	301,144	243,193
Salaries and benefits	231,966	180,915
Administration	105,244	60,906
Utilities	77,675	69,225
Insurance	71,679	44,682
Contracted services	50,892	2,373
Interest on long-term debt	10,243	-
Travel	9,383	11,996
Bank charges and interest	5,120	1,767
Supplies	2,623	13,850
Training	1,182	(244)
Community events	-	195
Professional fees	-	1,428
	<b>1,153,677</b>	<b>1,075,986</b>
<b>Annual deficit</b>	<b>(461,551)</b>	<b>(124,129)</b>



# Sweetgrass First Nation Education

## Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2020

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada		
Fixed	2,587,788	2,288,931
Flexible	-	27,150
	2,587,788	2,316,081
Other	1,178	350
	2,588,966	2,316,431
<b>Expenses</b>		
Salaries and benefits	1,228,006	935,598
Student expenses	827,661	679,943
Contracted services	401,635	347,517
Administration	159,675	39,730
Supplies	66,788	126,663
Community events	49,906	42,045
Utilities	45,507	23,130
Professional fees	22,650	5,160
Bank charges and interest	18,958	18,830
Repairs and maintenance	12,715	19,669
Travel	13,793	75,416
Training	11,029	6,537
Honoraria	6,260	6,886
	2,864,583	2,327,124
<b>Annual deficit</b>	<b>(275,617)</b>	<b>(10,693)</b>





**Sweetgrass First Nation**  
**Lands and Trust**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>		
Indigenous Services Canada		
Fixed	<b>210,958</b>	195,812
Other	<b>35</b>	-
	<b>210,993</b>	195,812
<b>Expenses</b>		
Salaries and benefits	<b>138,687</b>	126,613
Repairs and maintenance	<b>26,103</b>	7,753
Administration	<b>19,595</b>	19,580
Rent	<b>12,000</b>	12,000
Utilities	<b>5,223</b>	6,192
Travel	<b>4,430</b>	5,290
Supplies	<b>2,560</b>	2,225
Professional fees	<b>2,300</b>	16,700
Bank charges and interest	<b>95</b>	5
Contracted services	<b>-</b>	2,836
	<b>210,993</b>	199,194
<b>Annual surplus (deficit)</b>	<b>-</b>	<b>(3,382)</b>



# Sweetgrass First Nation Other

## Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2020

	2020	2019
<b>Revenue</b>		
Treaty Land Entitlement Trust	472,645	372,185
Canada Mortgage and Housing Corporation	330,534	336,906
CMHC rent	114,720	115,659
Other	130	-
	<b>918,029</b>	<b>824,750</b>
<b>Expenses</b>		
Amortization	223,616	152,255
Salaries and benefits	118,221	79,216
Christmas sponsorship	107,196	(4,700)
Property tax	70,951	69,368
Interest on long-term debt	64,105	72,219
Repairs and maintenance	49,052	149,996
Insurance	40,067	33,502
Professional fees	35,131	21,489
Honoraria	19,782	13,208
Administration	16,480	19,121
Travel	11,226	12,928
Training	6,570	-
Supplies	1,217	1,314
Utilities	975	-
Bank charges and interest	519	521
Contracted services	408	-
Chief and Council	177	1,344
	<b>765,693</b>	<b>621,781</b>
<b>Annual surplus</b>	<b>152,336</b>	<b>202,969</b>



**Sweetgrass First Nation  
Ottawa Trust Fund**

**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**

*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Rental	536,817	518,293
<b>Expenses</b>		
Elders utilities	225,400	157,246
Professional fees	118,154	-
Emergency assistance and funerals	44,234	66,616
Community events	33,195	33,530
Contracted services	26,498	-
Salaries and benefits	18,120	-
Travel	11,771	-
Supplies	5,682	-
Repairs and maintenance	2,377	-
Interest on long-term debt	764	19,944
Christmas sponsorship (recovery)	-	(4,100)
	<b>486,195</b>	<b>273,236</b>
<b>Annual surplus before transfers</b>	<b>50,622</b>	<b>245,057</b>
<b>Transfers between programs - other</b>	<b>137,725</b>	<b>(153,297)</b>
<b>Annual Surplus (deficit)</b>	<b>188,347</b>	<b>91,760</b>



**Sweetgrass First Nation**  
**Own Source**  
**Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
First Nations Trust	618,032	619,396
Saskatchewan Indian Institute of Technologies	202,765	255,257
Other	194,562	469,798
Legacy Trust - annual payment	153,517	59,002
Battleford Agency Tribal Chiefs - CDC	137,772	111,477
Insurance	87,966	4,421
Rental	54,637	57,600
Battlefords Agency Tribal Chiefs Inc.	-	79,265
	<b>1,449,251</b>	<b>1,656,216</b>
<b>Expenses</b>		
Chief and Council	278,226	247,655
Salaries and benefits	218,430	118,582
Student expenses	137,701	249,410
Christmas sponsorship	101,100	-
Interest on long-term debt	60,063	85,538
Rent contribution CMHC houses	53,375	64,412
Emergency assistance and funerals	51,597	6,329
Supplies	39,730	25,011
Community events	34,586	16,960
Repairs and maintenance	27,175	115,347
Property tax	20,400	20,400
Contracted services	14,029	77,234
Utilities	9,454	10,741
Training	7,591	26,030
Travel	6,771	90,424
Professional fees	6,323	31,353
Rent	5,250	6,000
Community projects	3,389	-
Bank charges and interest	3,222	14,127
Honoraria	1,600	20,862
Elders utilities	903	63,773
Insurance	-	69
Bad debts	-	42,335
Reimbursement of legal fees	-	(238,617)
Administration	(421,832)	(127,624)
	<b>659,083</b>	<b>966,351</b>
<b>Surplus before other items</b>	<b>790,168</b>	<b>689,865</b>

*Continued on next page*



**Sweetgrass First Nation**  
**Own Source**  
**Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	<b>2020</b>	<b>2019</b>
<b>Surplus before other items</b> <i>(Continued from previous page)</i>	<b>790,168</b>	689,865
<b>Treaty annuities claim</b>	-	667,938
<b>Surplus before transfers</b>	<b>790,168</b>	1,357,803
<b>Transfers between programs</b>	<b>(137,725)</b>	153,297
<b>Annual surplus</b>	<b>652,443</b>	1,511,100



**Sweetgrass First Nation**  
**Health**  
**Schedule of Revenue and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2020*

	2020	2019
<b>Revenue</b>		
Indigenous Services Canada		
First Nations & Inuit Health Branch	608,138	-
Other	308	-
	608,446	-
<b>Expenses</b>		
Salaries and benefits	160,728	-
Community events	81,956	-
Administration	60,742	-
Chief and Council	52,915	-
Travel	36,345	-
Supplies	33,732	-
Utilities	19,460	-
Community projects	18,116	-
Professional fees	15,808	-
Training	8,430	-
Repairs and maintenance	5,593	-
Insurance	4,109	-
Honoraria	900	-
Bank charges and interest	135	-
	498,969	-
<b>Annual surplus</b>	109,477	-