



**Sweetgrass First Nation  
Consolidated Financial Statements**  
*March 31, 2021*



**Sweetgrass First Nation  
Contents**  
*For the year ended March 31, 2021*

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## **Management's Responsibility**

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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 fulfills 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 12, 2021

Signed by: Lisa Albert

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Management

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, 2021, 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, 2021, 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.

### **Emphasis of Matter**

Without modifying our opinion, we draw attention to Note 11 to the consolidated financial statements which describes that Sweetgrass First Nation initiated litigation against an oil company for damages sustained by the First Nation. The First Nation has obtained a loan to fund the costs of litigation and has taken insurance to cover the repayment of the loan if it is in excess of settlement proceeds.

### **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 12, 2021

*MNP LLP*

Chartered Professional Accountants

**MNP**



**Sweetgrass First Nation**  
**Consolidated Statement of Financial Position**  
As at March 31, 2021

	2021	2020
<b>Financial assets</b>		
<b>Current</b>		
Cash resources	1,565,462	158,202
Restricted cash (Note 3)	6,781,305	6,097,713
Accounts receivable (Note 4)	1,234,635	704,254
Portfolio investments (Note 5)	745,543	753,102
	<b>10,326,945</b>	7,713,271
<b>Funds held in Ottawa Trust Fund (Note 6)</b>	<b>122,006</b>	110,297
<b>Total financial assets</b>	<b>10,448,951</b>	7,823,568
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 7)	260,500	465,198
Accounts payable and accruals	1,514,455	822,231
Deferred revenue (Note 8)	8,157,300	6,298,880
Current portion of long-term debt (Note 9)	496,281	546,885
Term loan subject to refinancing (Note 9)	346,949	-
	<b>10,775,485</b>	8,133,194
<b>Long-term debt (Note 9)</b>	<b>4,837,650</b>	4,420,080
<b>Total financial liabilities</b>	<b>15,613,135</b>	12,553,274
<b>Net debt</b>	<b>(5,164,184)</b>	(4,729,706)
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	19,953,368	17,801,594
Prepaid expenses	134,686	150,821
<b>Total non-financial assets</b>	<b>20,088,054</b>	17,952,415
<b>Accumulated surplus (Note 12)</b>	<b>14,923,870</b>	13,222,709

**Approved on behalf of Chief and Council**

Signed by: Lorie Whitecalf

Chief

Signed by: Omer White

Councillor



**Sweetgrass First Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2021*

	<b>2021 Budget (Note 14)</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues</b>			
Indigenous Services Canada (Note 17)			
Fixed	3,401,628	4,138,027	3,222,126
Flexible	4,773,092	5,442,614	1,109,243
Band support	425,903	425,903	425,903
First Nations & Inuit Health Branch	-	-	608,138
Funding adjustments	-	16,365	(40,000)
Deferred revenue	295,000	(1,858,420)	26,810
Rental	8,895,623	8,164,489	5,352,220
First Nations Trust	637,600	591,227	591,454
Treaty Land Entitlement Trust	525,000	449,973	618,032
Canada Mortgage and Housing Corporation	179,767	324,417	330,534
Other	510,000	266,459	210,634
Battleford Agency Tribal Chiefs - CDC	-	163,776	137,772
Legacy Trust - annual payment	-	154,211	153,517
CMHC rent	142,200	135,420	114,720
Saskatchewan Indian Institute of Technologies	250,000	120,823	202,765
Battlefords Agency Tribal Chiefs Inc.	-	54,840	-
Insurance	-	-	87,966
	<b>11,140,190</b>	<b>10,829,578</b>	<b>8,272,259</b>
<b>Program expenses</b>			
Band Government Support	419,250	1,832,345	886,486
Capital	-	141,755	745,212
Community Development	1,372,051	1,467,476	1,153,677
Education	2,984,900	2,772,611	2,864,583
Lands and Trust	804,100	163,457	210,993
Other	318,350	618,770	765,693
Ottawa Trust Fund	284,500	555,778	486,195
Own Source	1,273,761	1,536,324	659,083
Health	-	39,901	498,969
<b>Total expenses</b>	<b>7,456,912</b>	<b>9,128,417</b>	<b>8,270,891</b>
<b>Annual surplus</b>	<b>3,683,278</b>	<b>1,701,161</b>	<b>1,368</b>
<b>Accumulated surplus, beginning of year</b>	<b>13,221,709</b>	<b>13,222,709</b>	<b>13,221,341</b>
<b>Accumulated surplus, end of year</b>	<b>16,904,987</b>	<b>14,923,870</b>	<b>13,222,709</b>

*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, 2021*

	<b>2021 Budget (Note 14)</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Annual surplus</b>	<b>3,683,278</b>	<b>1,701,161</b>	1,368
Purchases of tangible capital assets	(2,500,000)	(2,802,582)	(688,410)
Amortization of tangible capital assets	98,000	650,808	618,633
Acquisition of prepaid expenses	-	-	(150,821)
Use of prepaid expenses	-	16,135	-
<b>Change in net debt</b>	<b>1,281,278</b>	<b>(434,478)</b>	(219,230)
<b>Net debt, beginning of year</b>	<b>(4,729,706)</b>	<b>(4,729,706)</b>	(4,510,476)
<b>Net debt, end of year</b>	<b>(3,448,428)</b>	<b>(5,164,184)</b>	(4,729,706)



**Sweetgrass First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Annual surplus	1,701,161	1,368
Non-cash items		
Amortization of tangible capital assets	650,808	618,633
	<b>2,351,969</b>	620,001
Changes in working capital accounts		
Accounts receivable	(530,381)	(114,709)
Restricted cash	(683,592)	45,113
Funds held in Ottawa Trust Fund	(11,709)	16,153
Prepaid expenses	16,135	(150,821)
Accounts payable and accruals	692,224	204,913
Deferred revenue	1,858,420	(26,810)
	<b>3,693,066</b>	593,840
<b>Financing activities</b>		
Advances of long-term debt	1,260,763	842,043
Repayment of long-term debt	(546,848)	(572,996)
Increase (decrease) in bank indebtedness	(204,698)	107,526
	<b>509,217</b>	376,573
<b>Capital activities</b>		
Purchases of tangible capital assets	(2,802,582)	(688,410)
<b>Investing activities</b>		
Purchase of portfolio investments (net)	-	(752,091)
Proceeds on disposal of portfolio investments (net)	7,559	-
	<b>7,559</b>	(752,091)
<b>Increase (decrease) in cash resources</b>	<b>1,407,260</b>	(470,088)
<b>Cash resources, beginning of year</b>	<b>158,202</b>	628,290
<b>Cash resources, end of year</b>	<b>1,565,462</b>	158,202



# Sweetgrass First Nation

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

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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.

#### *COVID-19 (coronavirus) Impact on operations*

In early March 2020 the global outbreak of COVID-19 (coronavirus) began to have a significant impact on operations due to the restrictions put in place regarding travel, business operations and isolation/quarantine orders.

The First Nation's operations were impacted by COVID-19 due to increased pandemic related expenditures, decreased Battlefords Agency Tribal Chiefs CDC funding due to casino closures, and decreased First Nations Trust funding.

Indigenous Services Canada has provided additional funding to assist with some of the costs associated with responding to COVID-19.

### 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.

Sweetgrass Treaty Land Entitlement Trust and Sweetgrass Legacy Trust have not been included in these consolidated financial statements as Chief and Council do not control the Trusts.

#### **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 Replacement Reserve and capital project bank accounts.



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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

***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.

***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, 2021.

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, 2021.

***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, 2021*

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**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.

**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 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.

**3. Restricted cash**

	<b>2021</b>	<b>2020</b>
Capital projects	6,591,619	6,077,821
CMHC replacement reserve	197,291	10,692
TLE Revenue operating	(7,605)	9,200
	<b>6,781,305</b>	<b>6,097,713</b>



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**4. Accounts receivable**

	<b>2021</b>	2020
Sweetgrass Treaty Land Entitlement Trust	<b>771,286</b>	627,941
Salary advances	<b>194,372</b>	183,762
BATC Community Development Corporation	<b>159,523</b>	10,000
Sweetgrass Legacy Trust	<b>154,211</b>	-
BATC Social Development	<b>65,403</b>	68,550
Battlefords Agency Tribal Chiefs Inc.	<b>59,449</b>	-
Battle River Treaty 6 Health Centre Inc.	<b>46,012</b>	13,630
Canada Mortgage and Housing Corporation	<b>19,711</b>	35,703
Other	<b>4,201</b>	4,201
	<b>1,474,168</b>	943,787
Less: Allowance for doubtful accounts	<b>239,533</b>	239,533
	<b>1,234,635</b>	704,254

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**

	<b>2021</b>	2020
Royal Bank of Canada - Guaranteed Investment Certificate, maturing August 1, 2021 earning interest at 0.2%	<b>399,503</b>	395,000
Royal Bank of Canada - Guaranteed Investment Certificate, maturing August 15, 2021 earning interest at 0.001%	<b>50,012</b>	202,882
Royal Bank of Canada - Guaranteed Investment Certificate, maturing August 4, 2021 earning interest at 0.7%	<b>295,000</b>	154,209
Investment in BATC Investments Limited Partnership - 20% interest	<b>1,010</b>	1,010
Investment in BATC Land Holdings Limited Partnership - 16.67% interest	<b>18</b>	1
	<b>745,543</b>	753,102



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**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.

	<b>2021</b>	<b>2020</b>
<b>Revenue Account</b>		
Balance, beginning of year	110,297	126,450
Interest	2,538	3,175
Land leases	530,989	533,641
Less: Transfers to First Nation	521,818	552,969
Balance, end of year	<b>122,006</b>	110,297

Disbursements from the trust have been utilized as follows:

<b>Date</b>	<b>Amount disbursed</b>	<b>Purpose of disbursement</b>	<b>Costs recorded</b>	
2020-06-18	\$51,500	Loan payment	Note 9 - Long-term debt	51,500
2020-09-24	\$100,000	Elder utilities	Ottawa Trust Fund - Elders utilities	100,000
2020-12-02	\$100,000	Christmas hampers	Ottawa Trust Fund - Christmas sponsorship	100,000
2021-02-24	\$233,428	Band support	Ottawa Trust Fund - various	233,428
2020-05-05	\$18,445	Traditional land holders	Ottawa Trust Fund - Traditional land payment	18,445
2020-10-16	\$18,445	Traditional land holders	Ottawa Trust Fund - Traditional land payment	18,445
				<b>521,818</b>

**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, 2021, \$252,035 (2020 - \$302,662) has been drawn. The operating line is secured by a general security agreement and a Band Council Resolution.



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**8. Deferred revenue**

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

	<b>Balance 2020</b>	<b>Contributions received</b>	<b>Contributions utilized</b>	<b>Balance 2021</b>
New school	5,504,348	-	1,020,325	4,484,023
Roads and bridges	-	1,725,209	191,283	1,533,926
Construction (1-3 Bedroom Duplex)	332,573	-	5,000	327,573
Transfer station	39,911	295,000	8,361	326,550
Culture and Recreation - Capital	258,727	-	567	258,160
C-19 Perimeter Security #2	-	308,000	89,587	218,413
Renovation (5 Renos/Add)	-	200,000	-	200,000
Other EMAP Activities	-	180,115	-	180,115
C-19 Food Security #2	-	177,700	-	177,700
COVID Public Health Support	-	103,950	-	103,950
C-19 ICFS 3 Need Base	-	115,672	21,805	93,867
Covid 19 Community Guide	-	100,995	12,729	88,266
LED Planning Pilot	-	42,500	-	42,500
Response (COVID-19)	-	634,576	593,590	40,986
Subdivision - ISC	43,142	-	17,448	25,694
Band Office & Building Re-opening	-	18,249	5,964	12,285
Firehall Re-opening	-	18,277	-	18,277
Daycare Re-opening	-	18,277	-	18,277
C-19 Food Security #1	-	172,150	165,412	6,738
Community Backup Well	99,999	1,000,000	1,099,999	-
Water plan	20,180	10,000	30,180	-
	<b>6,298,880</b>	<b>5,120,670</b>	<b>3,262,250</b>	<b>8,157,300</b>

All deferred revenue noted above relates to funding from Indigenous Services Canada.

Note that Community Backup Well and Water Plan had additional expenses of \$379,797 and \$3,650 that were incurred during the year and will be used in the next year against future funding. Culture and Recreation - Capital incurred expenses of \$72,064, but only recognized deferred revenue of \$567 due to an opening difference between the funders unexpended funding and deferred revenue.



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**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>2021</u>	<u>2020</u>
VI	1,609	1.73%	1-Aug-24	<b>225,959</b>	241,224
VII	2,711	1.03%	1-Oct-21	<b>468,176</b>	495,748
VIII	2,366	0.79%	1-Jan-26	<b>484,442</b>	508,303
IX	7,290	1.69%	1-Sep-24	<b>1,696,707</b>	1,755,145
X	5,746	1.44%	1-Feb-22	<b>696,241</b>	733,334
				<b>3,571,525</b>	3,773,754
RBC term loan, with interest at Royal Bank prime plus 0.5%, repayable the earlier of: receipt of funds pursuant to a settlement, judgment or order relating to the claim and November 2024, secured by AmTrust Europe Limited insurance policy, surety bond and agreement of all proceeds payable under the insurance policy (see Note 11)					
				<b>932,263</b>	-
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>388,694</b>	570,560
CMHC Section 95 - Phase 11 and 12 advances					
				<b>346,949</b>	-
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 \$220,987					
				<b>250,829</b>	312,014
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 \$86,764					
				<b>98,480</b>	122,502
RBC term loan, repayable in annual instalments of \$30,715 plus interest at Royal Bank prime plus 2.5%, secured by general security agreement, matures March 2024					
				<b>92,140</b>	122,855
RBC term loans - repaid during the year					
				<b>-</b>	65,280
				<b>5,680,880</b>	4,966,965
Less: current portion					
				<b>496,281</b>	546,885
Less: term loan subject to refinancing					
				<b>346,949</b>	-
				<b>4,837,650</b>	4,420,080

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:

2022	496,281
2023	505,461
2024	318,447
2025	1,184,267
2026	192,800



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

**10. Tangible capital assets**

For the year ended March 31, 2021

	Cost			Accumulated Amortization				
	Opening balance	Additions	Transfers	Ending balance	Opening balance	Current amortization	Ending balance	Net book value
Buildings and infrastructure	12,162,637	-	-	12,162,637	6,663,161	314,652	6,977,813	5,184,824
Equipment	832,804	45,451	-	878,255	405,363	112,542	517,905	360,350
CMHC housing	5,643,675	-	-	5,643,675	1,685,118	223,614	1,908,732	3,734,943
Projects under construction	72,951	2,757,131	-	2,830,082	-	-	-	2,830,082
Purchased land	7,843,169	-	-	7,843,169	-	-	-	7,843,169
	<b>26,555,236</b>	<b>2,802,582</b>	-	<b>29,357,818</b>	<b>8,753,642</b>	<b>650,808</b>	<b>9,404,450</b>	<b>19,953,368</b>

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
	<b>25,866,826</b>	<b>688,410</b>	-	<b>26,555,236</b>	<b>8,135,009</b>	<b>618,633</b>	<b>8,753,642</b>	<b>17,801,594</b>



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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**11. Contingent asset**

During the year, the First Nation filed a legal claim against Husky Oil for an oil spill on Sweetgrass land for which the First Nation is claiming damages. 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, 2021, expenses of \$932,263 have been incurred and available financing drawn (Note 9). 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 as revenue.

**12. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2021</b>	<b>2020</b>
Operating	<b>258,860</b>	53,481
Capital assets	<b>14,272,488</b>	12,834,629
Commercial	<b>1,011</b>	1,011
CMHC Operating Reserve	<b>58,015</b>	38,643
CMHC Replacement Reserve	<b>211,492</b>	184,648
Ottawa Trust Fund	<b>122,004</b>	110,297
	<hr/> <b>14,923,870</b>	<hr/> 13,222,709

**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 2020. The original budget included purchases of tangible capital assets of \$2,500,000 as expenses, which have been adjusted and presented on the statement of change in net debt.



**Sweetgrass First Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2021*

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**15. Segments**

The First Nation has 9 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.

**16. Scope of operations**

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.

**17. Indigenous Services Canada reconciliation**

Total funding per year-end funding confirmation report	\$ 10,002,837
Add:	
Prior year deferred revenue	6,298,880
Funding recovered	16,365
CPP & Pension - 2019-20 reconciliation	3,707
Minus:	
Current year deferred revenue	<u>(8,157,300)</u>
	<u>\$ 8,164,489</u>

**18. Contingent liabilities**

These consolidated financial statements are subject to review by the First Nation's funding agencies. It is possible that adjustments could be made based on the results of their reviews. Any forfeited funding will be recorded in the year the amounts are determined.

**19. Legal contingency**

The First Nation has obtained legal counsel to represent them in various claims against the Government of Canada. Fees relating to these claims have not been invoiced. It is expected that any fees relating to these claims will be invoiced when the claim is resolved and will be paid from settlement proceeds.



**Sweetgrass First Nation**  
**Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
Salaries and benefits	2,620,353	2,644,077
Student expenses	951,026	965,362
Contracted services	705,455	974,060
Repairs and maintenance	654,631	571,489
Amortization	650,808	618,633
Husky oil spill - professional fees (Note 11.)	462,561	-
Social programs	453,182	29,057
Husky oil spill - insurance (Note 11.)	420,099	-
Chief and Council	382,076	395,906
Professional fees	271,787	231,037
Utilities	229,569	163,663
Elders utilities	218,768	226,303
Christmas sponsorship	163,394	208,296
Interest on long-term debt	151,120	135,154
Insurance	132,845	115,855
Supplies	130,470	193,473
Property tax	108,947	91,351
Emergency assistance and funerals	105,481	95,831
Rent contribution CMHC houses	79,048	53,375
Community events	61,101	178,492
Travel	58,532	120,815
Traditional land payment	36,871	33,195
Bank charges and interest	34,625	42,814
Rent	15,000	17,250
Housing subsidy	15,000	-
Honoraria	9,827	28,542
Training	4,207	45,773
Community projects	1,634	91,088
	<b>9,128,417</b>	<b>8,270,891</b>



**Sweetgrass First Nation**  
**Band Government Support**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Indigenous Services Canada		
Fixed	306,204	128,361
Flexible	1,991,986	151,277
Band support	425,903	425,903
Funding repaid	16,365	(40,000)
Deferred revenue	(864,269)	-
Other	1,876,189	665,541
	-	8,238
	<b>1,876,189</b>	<b>673,779</b>
<b>Expenses</b>		
Salaries and benefits	696,240	529,919
Social programs	434,653	29,057
Chief and Council	294,060	64,588
Administration	130,683	57,914
Professional fees	128,579	30,671
Utilities	39,001	5,369
Travel	28,767	27,096
Contracted services	19,692	27,338
Supplies	17,276	41,141
Bank charges and interest	12,476	14,624
Repairs and maintenance	12,055	28,629
Amortization	10,589	5,702
Student expenses	4,050	-
Emergency assistance and funerals	1,975	-
Community events	1,185	12,044
Training	1,064	10,721
Community projects	-	1,673
	<b>1,832,345</b>	<b>886,486</b>
<b>Annual surplus (deficit)</b>	<b>43,844</b>	<b>(212,707)</b>



**Sweetgrass First Nation**  
**Capital**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Indigenous Services Canada		
Flexible	1,008,375	188,375
Deferred revenue	1,158,520	399,294
	<b>2,166,895</b>	587,669
Other	6,935	6,183
	<b>2,173,830</b>	593,852
<b>Expenses</b>		
Amortization	79,353	88,171
Contracted services	33,832	453,260
Repairs and maintenance	27,989	133,319
Insurance	6,307	-
Interest on long-term debt	2,520	-
Community projects	1,634	67,910
Bank charges and interest	120	120
Training	-	250
Administration	(10,000)	2,182
	<b>141,755</b>	745,212
<b>Annual surplus (deficit)</b>	<b>2,032,075</b>	(151,360)



**Sweetgrass First Nation**  
**Community Development**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Indigenous Services Canada		
Fixed	893,834	295,019
Flexible	2,207,418	769,591
Deferred revenue	(2,152,671)	(372,484)
	<b>948,581</b>	692,126
<b>Expenses</b>		
Repairs and maintenance	365,493	286,526
Amortization	337,250	301,144
Contracted services	285,530	50,892
Salaries and benefits	253,464	231,966
Utilities	104,431	77,675
Insurance	81,590	71,679
Supplies	23,106	2,623
Travel	10,364	9,383
Professional fees	3,028	-
Bank charges and interest	2,458	5,120
Training	484	1,182
Social programs	278	-
Interest on long-term debt	-	10,243
Administration	-	105,244
	<b>1,467,476</b>	1,153,677
<b>Annual deficit</b>	<b>(518,895)</b>	(461,551)



## Sweetgrass First Nation

Education

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

For the year ended March 31, 2021

	2021	2020
<b>Revenues</b>		
Indigenous Services Canada		
Fixed	2,704,271	2,587,788
Flexible	234,835	-
	<b>2,939,106</b>	2,587,788
Other	2,533	1,178
	<b>2,941,639</b>	2,588,966
<b>Expenses</b>		
Salaries and benefits	1,287,771	1,228,006
Student expenses	862,383	827,661
Contracted services	350,507	401,635
Supplies	84,132	66,788
Utilities	69,645	45,507
Repairs and maintenance	63,282	12,715
Community events	25,189	49,906
Bank charges and interest	11,355	18,958
Travel	7,952	13,793
Honoraria	5,219	6,260
Training	2,574	11,029
Social programs	2,200	-
Professional fees	252	22,650
Christmas sponsorship	150	-
Administration	-	159,675
	<b>2,772,611</b>	2,864,583
<b>Annual surplus (deficit)</b>	<b>169,028</b>	(275,617)



**Sweetgrass First Nation  
Lands and Trust**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Indigenous Services Canada		
Fixed	233,718	210,958
Other	-	35
	<b>233,718</b>	210,993
<b>Expenses</b>		
Salaries and benefits	128,996	138,687
Rent	12,000	12,000
Utilities	5,831	5,223
Professional fees	4,400	2,300
Supplies	3,767	2,560
Travel	3,499	4,430
Repairs and maintenance	2,764	26,103
Training	1,200	-
Insurance	1,000	-
Bank charges and interest	-	95
Administration	-	19,595
	<b>163,457</b>	210,993
<b>Annual surplus</b>	<b>70,261</b>	-



**Sweetgrass First Nation**  
**Other**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Treaty Land Entitlement Trust	403,943	472,645
Canada Mortgage and Housing Corporation	324,417	330,534
CMHC rent	135,420	114,720
Other	12,590	130
	<b>876,370</b>	918,029
<b>Expenses</b>		
Amortization	223,616	223,616
Repairs and maintenance	166,131	49,052
Property tax	88,547	70,951
Insurance	43,948	40,067
Salaries and benefits	42,385	118,221
Interest on long-term debt	35,193	64,105
Professional fees	14,761	35,131
Honoraria	4,658	19,782
Bank charges and interest	3,987	519
Travel	2,314	11,226
Supplies	1,185	1,217
Training	145	6,570
Utilities	-	975
Administration	-	16,480
Contracted services	-	408
Chief and Council	-	177
Christmas sponsorship	(8,100)	107,196
	<b>618,770</b>	765,693
<b>Annual surplus</b>	<b>257,600</b>	152,336



**Sweetgrass First Nation**  
**Ottawa Trust Fund**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Rental	<b>533,527</b>	536,817
 <b>Expenses</b>		
Elders utilities	200,000	225,400
Christmas sponsorship	181,480	-
Emergency assistance and funerals	71,032	44,234
Traditional land payment	36,871	33,195
Professional fees	27,295	118,154
Social programs	17,489	-
Repairs and maintenance	17,150	2,377
Travel	3,031	11,771
Chief and Council	915	-
Salaries and benefits	495	18,120
Interest on long-term debt	20	764
Contracted services	-	26,498
Supplies	-	5,682
	<b>555,778</b>	486,195
<b>Annual surplus (deficit) before transfers</b>	<b>(22,251)</b>	50,622
<b>Transfers between programs - other</b>	<b>33,960</b>	137,725
 <b>Annual surplus</b>	<b>11,709</b>	188,347



**Sweetgrass First Nation**  
**Own Source**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
First Nations Trust	449,973	618,032
Other	244,401	194,562
Battleford Agency Tribal Chiefs - CDC	163,776	137,772
Legacy Trust - annual payment	154,211	153,517
Saskatchewan Indian Institute of Technologies	120,823	202,765
Rental	57,700	54,637
Battlefords Agency Tribal Chiefs Inc.	54,840	-
Insurance	-	87,966
	<b>1,245,724</b>	1,449,251
<b>Expenses</b>		
Husky oil spill - professional fees	462,561	-
Husky oil spill - insurance	420,099	-
Salaries and benefits	177,635	218,430
Interest on long-term debt	113,387	60,042
Professional fees	91,568	6,323
Chief and Council	87,101	278,226
Student expenses	84,593	137,701
Rent contribution CMHC houses	79,048	53,375
Community events	34,727	34,586
Emergency assistance and funerals	32,474	51,597
Property tax	20,400	20,400
Elders utilities	18,768	903
Contracted services	15,894	14,029
Housing subsidy	15,000	-
Utilities	6,036	9,454
Bank charges and interest	4,207	3,243
Travel	3,555	6,771
Rent	3,000	5,250
Supplies	618	39,730
Community projects	-	3,389
Honoraria	(50)	1,600
Repairs and maintenance	(780)	27,175
Training	(1,260)	7,591
Social programs	(1,438)	-
Christmas sponsorship	(10,136)	101,100
Administration	(120,683)	(421,832)
	<b>1,536,324</b>	659,083
<b>Surplus (deficit) before transfers</b>	<b>(290,600)</b>	790,168
<b>Transfers between programs</b>	<b>(33,960)</b>	(137,725)
<b>Annual surplus (deficit)</b>	<b>(324,560)</b>	652,443



**Sweetgrass First Nation**  
**Health**  
**Schedule of Segment Revenues and Expenses and Surplus (Deficit)**  
*For the year ended March 31, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Indigenous Services Canada		
First Nations & Inuit Health Branch	-	608,138
Other	-	308
	<b>-</b>	<b>608,446</b>
<b>Expenses</b>		
Salaries and benefits	33,367	160,728
Utilities	4,625	19,460
Professional fees	1,904	15,808
Repairs and maintenance	547	5,593
Supplies	386	33,732
Bank charges and interest	22	135
Community events	-	81,956
Community projects	-	18,116
Administration	-	60,742
Training	-	8,430
Chief and Council	-	52,915
Insurance	-	4,109
Honoraria	-	900
Travel	(950)	36,345
	<b>39,901</b>	<b>498,969</b>
<b>Annual surplus (deficit)</b>	<b>(39,901)</b>	<b>109,477</b>