

Enoch Cree Nation
Consolidated Financial Statements
March 31, 2021

Enoch Cree Nation**Consolidated Financial Statements**

March 31, 2021

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Enoch Cree Nation

Management's Responsibility for Financial Reporting

March 31, 2021

The accompanying consolidated financial statements of Enoch Cree Nation are the responsibility of management and have been approved by Council.

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

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

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

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

On behalf of Enoch Cree Nation:

Original signed by _____ July 28, 2021 _____
Chief _____ Date _____

Original signed by _____ July 28, 2021 _____
Chair of Finance & Audit Committee _____ Date _____

Original signed by _____ July 28, 2021 _____
Chief Financial Officer _____ Date _____

Independent Auditors' Report

**To the Members of
Enoch Cree Nation**

Opinion

We have audited the consolidated financial statements of Enoch Cree 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 for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 changes in its consolidated 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 Auditors' 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.

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 financial statements. 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 auditors' 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 auditors' 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.

Edmonton, Canada
July 28, 2021

Grove Machay LLP
Chartered Professional Accountants

Enoch Cree Nation

Consolidated Statement of Financial Position

March 31	2021	2020
Financial Assets		
<hr/>		
Cash (Note 3)	\$ 29,742,931	\$ 14,205,727
Accounts receivable (Note 4)	8,361,027	8,243,954
Restricted Cash - Ottawa Trust Funds (Note 5)	2,540,276	2,778,140
Restricted Investments - Yekau Lake Trust (Note 6)	55,851,183	-
Restricted Investments - Settlement Trust Funds (Note 7)	6,684,797	6,678,572
Investments (Note 8)	500,000	513,164
Investment in Business Enterprises (Note 9)	373,789	262,717
Franchise Fee	43,750	48,750
	<hr/>	<hr/>
	104,097,753	32,731,024
Liabilities		
<hr/>		
Accounts payable (Note 10)	10,407,700	9,387,975
Deferred revenue (Note 11)	11,956,151	4,671,587
Long-term debt (Note 12)	60,371,909	58,646,739
First Nations Finance Authority Financing (Note 13)	35,145,907	30,556,931
	<hr/>	<hr/>
	117,881,667	103,263,232
Net debt	(13,783,914)	(70,532,208)
Non-financial Assets		
<hr/>		
Tangible capital assets (Note 14)	157,120,071	157,124,087
Prepaid expenses (Note 15)	2,662,252	1,793,138
Inventory (Note 16)	730,131	445,436
	<hr/>	<hr/>
	160,512,454	159,362,661
Accumulated Surplus (Note 17)	\$146,728,540	\$ 88,830,453

Contingent liabilities (Note 18)

Commitments (Note 19)

Approved on behalf of the Enoch Cree Nation

Original signed by _____, Chief

Original signed by _____, Chair of Finance & Audit Committee

Original signed by _____, Chief Financial Officer

Enoch Cree Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Revenue			
Federal Government:			
Indigenous Services Canada (ISC)	\$ 20,213,562	\$ 28,369,054	\$ 29,480,875
Indigenous Services Canada - River Cree Resort	-	4,411,030	-
Canada Mortgage and Housing Corporation subsidies	915,300	1,121,424	951,855
Aboriginal Skills and Employment Training Strategy	607,283	249,904	505,865
Yekau Lake Settlement	-	91,000,000	-
Government of Alberta	1,370,087	1,505,984	1,082,263
First Nations Development Fund	10,445,713	9,919,975	17,891,701
First Nations Development Fund - River Cree Resort	-	30,319,959	27,850,000
Loss from investment in River Cree Resort	12,523	(34,884,476)	(26,416,569)
Mechet Charities Limited	20,698,643	15,686,814	30,606,868
Taxation	861,958	746,456	742,973
Business enterprises (EDHL & River Cree Enterprises)	-	28,110,559	28,294,059
Resource and investment income	1,158,039	2,453,325	2,610,168
Other revenue	4,700,247	7,755,758	6,876,700
	60,983,355	186,765,766	120,476,758
Expenses (Note 23)			
Administration	1,709,025	37,227,585	3,972,589
Amortization	-	8,490,439	7,916,378
Enhanced Services/ Economic Development	801,548	32,115,607	38,492,550
Community Service	1,836,701	3,636,945	2,699,662
Finance	2,353,003	2,096,541	2,774,933
Education	13,872,116	11,067,118	17,759,053
Office of the Chief	4,335,935	6,689,595	7,810,318
Health	4,154,813	3,325,144	5,258,478
Language and Culture	4,909,763	5,397,511	6,316,256
Planning and Development	1,331,047	2,476,957	2,959,577
Infrastructure	13,457,677	12,765,880	17,365,185
Mamowicitowin	4,690,407	3,578,358	5,103,685
	53,452,035	128,867,680	118,428,664
Excess of revenue over expenses	7,531,320	57,898,086	2,048,094
Accumulated surplus, beginning of year	88,830,454	88,830,454	86,782,360
Accumulated surplus, end of year	\$ 96,361,774	\$ 146,728,540	\$ 88,830,454

Enoch Cree Nation**Consolidated Statement of Change in Net Debt**

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Excess of revenue over expenses	\$ 7,531,320	\$ 57,898,086	\$ 2,048,094
Acquisition of tangible capital assets	(7,191,716)	(8,487,826)	(20,078,345)
Amortization of tangible capital assets	-	8,490,439	7,916,378
Disposition of capital assets	-	1,404	999,422
	(7,191,716)	4,017	(11,162,545)
Acquisition of prepaid asset	-	(869,114)	(726,676)
Reduction (Acquisition) of inventory	-	(284,695)	81,515
Increase (decrease) in net financial assets	339,604	56,748,294	(9,759,612)
Net debt, beginning of year	(70,532,208)	(70,532,208)	(60,772,596)
Net debt, end of year	\$ (70,192,604)	\$ (13,783,914)	\$ (70,532,208)

Enoch Cree Nation

Consolidated Statement of Cash Flow

For the year ended March 31,	2021	2020
Cash flows from Operating activities		
Excess of revenue over expenses	\$ 57,898,086	\$ 2,048,094
Items not affecting cash		
Amortization	8,490,439	7,916,378
Writedown of tangible capital assets	1,404	(47,685)
Loss on disposition of investment	13,164	-
	66,403,093	9,916,787
Change in non-cash operating working capital		
Accounts receivable	(117,073)	1,377,238
Inventory	(284,695)	81,515
Prepaid expenses	(869,114)	(726,676)
Accounts payable	1,019,724	(4,459,657)
Deferred revenue	7,284,564	(4,424,757)
	73,436,499	1,764,450
Capital activities		
Purchase of tangible capital assets	(8,487,826)	(20,078,345)
Proceeds on disposal of tangible capital assets	-	1,047,107
	(8,487,826)	(19,031,238)
Financing activities		
Proceeds of long term debt	3,039,776	9,827,030
Repayment of long term debt	(1,314,605)	(3,440,011)
Net Proceeds from First Nations Finance Authority	5,263,160	-
Repayment of First Nations Finance Authority	(674,184)	(419,249)
	6,314,147	5,967,770
Investing activities		
Net change Restricted Cash - Ottawa Trust Fund	237,864	(504,068)
Net change in Settlement Trust Funds	(6,225)	(799,491)
Net change in Investments in Business Enterprises	(111,072)	66,569
Franchise fee	5,000	3,750
Net change in Yekau Lake Trust investment	(55,851,183)	-
	(55,725,616)	(1,233,240)
Increase (decrease) in cash and cash equivalents	15,537,204	(12,532,258)
Cash and cash equivalents, beginning of year	14,205,727	26,737,985
Cash and cash equivalents, end of year	\$ 29,742,931	\$ 14,205,727

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

1. Basis of Presentation and Significant Accounting Policies

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

(a) Reporting entity - Principles of financial reporting

The Enoch Cree Nation reporting entity includes the Enoch Cree Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the Enoch Cree Nation.

The March 31, 2021 Consolidated Financial Statements include the assets, liabilities and results of operations for the following entities:

1. Enoch Cree Nation
2. Kitaskinaw Education Authority Inc.
3. Enoch Cree Nation Social Housing
4. Enoch Human Resource Development
5. Enoch Human Resources Foundation

6. Enoch Youth Development Foundation (December 31, 2020)
7. Enoch Training & Development Foundation (December 31, 2020)
8. Enoch Cree Nation Ottawa Trust Funds
9. Enoch Cree Investment Trust (December 31, 2020)
10. Enoch Cree Nation Settlement Trust (December 31, 2020)

11. Mechet Charities Limited
12. Mechet Waskahikanuk Association
13. Enoch Development Holdings Ltd.
14. Indian Lakes Golf Ltd.
15. North on 60 Gas Bar and Convenience Store Ltd.

16. Oskya Gas Bar and Convenience Store Ltd.
17. Oskya Energy Ltd.
18. Enoch Lands Development Ltd.
19. Enoch Construction Ltd.
20. 317107 Alberta Ltd.

21. Enoch Farm Enterprise Ltd.
22. Enoch Utilities Ltd.
23. River Cree Enterprises Corporation
24. River Cree Development Corporation
25. River Cree Crossing Inc.

26. Enoch Cree Investment Ltd. (December 31, 2020)
27. River Cree Land Development Corporation
28. Enoch Construction Limited Partnership (December 31, 2020)
29. Enoch Cree Nation Consultation Trust (December 31, 2020)
30. River Cree Convenience Inc.
31. River Cree Foods Inc.
32. Cistemaw Wholesale Corporation
33. Maskekosak Transportation Services Corporation
34. Enoch Cree Nation Specific Claims Settlement Trust

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

- 35. River Cree Tobacco Shop Inc.
- 36. 7 points Cannabis Inc.
- 37. Yekau Lake Trust (December 31, 2020)

The year ends of the entities are March 31, 2021, except for the entities noted above, which indicate December 31, 2020 year ends. Adjustments are made for entities whose fiscal year-ends are different from March 31, 2021.

The following entities are recorded on the modified equity basis:

- 1. River Cree Resort Limited Partnership (December 31, 2020)
- 2. River Cree Corporation (December 31, 2020)
- 3. Enoch Casino Limited Partnership (December 31, 2020)
- 4. Enoch Casino Corporation (December 31, 2020)
- 5. River Cree Enterprises Limited Partnership (December 31, 2020)
- 6. 1023576 Alberta Ltd. (Trustee for the Enoch Cree Nation Business Trust) (December 31, 2020)
- 7. Enoch Community Development Corporation (December 31, 2020)
- 8. Enoch First Nations Development Fund Corporation (December 31, 2020)
- 9. River Cree Sports Inc. (December 31, 2020)
- 10. River Cree Sports Limited Partnership (December 31, 2020)
- 11. Enoch Cree Nation Business Trust (December 31, 2020)
- 12. Enoch Health Services Inc. (March 31, 2021)

(b) Revenue recognition

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

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

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

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

Income from investments is recorded on the accrual basis.

Band funds are recognized in the period in which the transactions or events occurred that gave rise to the funds.

Other income is recognized when earned and collection is reasonably assured.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

(d) Investments

Portfolio investments in the Enoch Cree Nation Settlement Trust Funds are carried at market. Other investments are carried at the lower of cost and net realizable value. Investments are written down where there has been a loss in value that is other than a temporary decline.

(e) Inventory

Inventory is valued at the lower of cost or net realizable value. Cost is determined using the first-in first-out method.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(f) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Enoch Cree Nation's incremental cost of borrowing.

Amortization is provided for on a declining balance and straight-line basis over their estimated useful lives as follows:

Buildings	5%
Equipment	20-30%
Assets under construction	0%
Leasehold improvements are amortized over the term of the lease.	

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

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

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

(g) Financial instruments

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

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

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

(h) Use of estimates and COVID-19 measurement uncertainty

In preparing these financial statements, management made estimates and judgments including consideration for the uncertainties and economic implications of the COVID-19 pandemic on the Enoch Cree Nation operations, financial performance and financial position for the year ended March 31, 2021. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts in the financial statements. Estimates not associated with the COVID-19 pandemic are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Oil and gas royalties and surface rights payments related to oil and gas exploration and development activities are administered directly by the Government of Canada ("Canada") under the provisions of the Indian Oil and Gas Act. The Nation records receipts based on currently available information supplied by Canada. Royalty payments from oil and gas producers are subject to periodic revision. Adjustments are recorded by the Nation in the period that the information becomes available.

At the date of publication of these financial statements, it is not possible to reliably estimate the length and severity of the COVID-19 pandemic developments and its potential impact on the First Nations financial results, conditions and cash flows.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

2. COVID-19 Pandemic

The COVID-19 pandemic has resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, social distancing, restrictions on business operations and isolation/quarantine periods have caused material disruptions to communities and businesses, resulting in an economic slowdown.

As a result, there was also significant disruption to the operations of Kitaskinaw school as students and teachers transitioned between in-class and online learning. Many cultural events and social development activities were cancelled or deferred to a future date. As well as there was significant disruption to the operations of River Cree Resort, that resulted in closures of the casino operations for a substantial part of the year.

In response, Enoch Cree Nation received from Indigenous Services Canada, \$11,542,723 in additional funding to assist with implementation of public health measures, income assistance initiatives, costs related to reopening as well as flexible funding through the Indigenous Community Support Fund. Enoch Cree Nation also pursued government assistance programs, receiving \$2,355,104 under the Canada Emergency Wage Subsidy program and \$73,110 under Canada Emergency Commercial Rent Assistance. Several lenders provided deferred payments on various loans (see Note 12). The Government of Canada provided \$676,996 of interest relief through First Nations Finance Authority.

Enoch Cree Nation agreed to forgive rent on certain properties for the 2021 fiscal year in order to provide relief to tenants. This resulted in a decrease to net income and cashflow from operations of \$637,150.

Enoch Cree Nation implemented remote work arrangements for those able to do so, and implemented stringent health and safety procedures and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic on the First Nation's operations and programs.

Effective July 1, 2021, the province of Alberta entered into stage 3 of the Alberta's Open for Summer Plan whereby all public health measures have now been lifted except for isolation/quarantine requirements and masking requirements in health care settings and public transit.

While recovery is underway, the efficacy of COVID-19 vaccines and longevity of the COVID-19 pandemic remains uncertain and as such it is not possible to estimate the length and severity of the pandemic and the impact on the financial results and condition on the First Nation and its operations in future periods.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

3. Cash

Included in cash is \$901,958 (2020 - \$975,366) held in a Secured Revenues Trust Account (SRTA) by First Nations Finance Authority, as described in Note 13.

Cash also includes an operating line of credit to a maximum of \$1,600,000, which bears interest at prime plus 1.0% and is secured by Government funding. As at March 31, 2021, the Enoch Cree Nation has drawn \$nil (2020 - \$nil) of the operating line.

Cash also includes a CMHC replacement reserve balance of \$120,474 (2020 - \$120,354), which is restricted.

4. Accounts receivable

Accounts receivable include amounts due from the following:

	2021	2020
Indigenous Services Canada	\$ 78,000	\$ -
Canada Mortgage Housing Corporation	115,099	635,890
Government remittances - GST	424,959	1,335,228
Other receivables	5,266,046	3,497,544
First Nation - member and employee advances	6,829,300	7,048,075
First Nation - member and employee advances - allowance for doubtful accounts	(4,352,377)	(4,272,783)
	\$ 8,361,027	\$ 8,243,954

5. Trust funds held by federal government

Funds held by the Government of Canada (Indigenous Services Canada) in trust for the use and benefit of the Enoch Cree Nation are as follows:

	March 31, 2020	Income, 2021	Withdrawals, 2021	March 31, 2021
Capital funds	\$ 379,371	\$ 141,521	\$ (302,500)	\$ 218,392
Revenue funds	2,396,918	657,557	(732,591)	2,321,884
Highway Settlement Receivable	1,851	-	(1,851)	-
	\$ 2,778,140	\$ 799,078	\$ (1,036,942)	\$ 2,540,276

The trust funds accounts held in Ottawa arise from monies derived from capital and revenue sources which the Crown considers are described in Section 62 of the Indian Act. These funds are held in trust by the Government of Canada and the Crown treats these funds as primarily governed by section 64 and 69 of the Indian Act.

These funds are treated by Canada as held in trust in the Consolidated Revenue fund of the Government of Canada. The funds attract interest pursuant to Section 61(2) of the Indian Act.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

6. Restricted Investment - Yekau Lake Trust

In 2008, Enoch Cree Nation submitted the Yekau Lake Practice Bombing Range Specific Claim, pursuant to the Specific Claims Tribunal Act, alleging that when the Department of Indian Affairs and Northern Development leased an area of Enoch Reserve Land to the Department of Transport in March 1942 for use as a practice bombing range, it did not follow specific provisions of the Indian Act.

On September 16, 2011, Canada accepted the Yekau Lake Practice Bombing Range claim for negotiation. Enoch Cree Nation and Canada reached a settlement agreement in January 2020. Under the agreement, the First Nation was awarded \$91,000,000 from Canada. \$90,813,324 was received net of previous advances.

Pursuant to the settlement claim with Canada, Enoch Cree Nation created Yekau Lake Trust to administer, manage and hold in trust the awarded funds from the Yekau Lake Practice Bombing Range claim. The Trustees of the Yekau Lake Trust are required to hold the Trust Property in trust to be used for the specific purposes outlined in the Yekau Lake Trust agreement.

As at March 31, 2021, the investment in Yekau Lake Trust consisted of cash of \$55,851,183.

Minors Trust

Enoch Cree Nation is the Trustee for the Minor's Trust account. The Nation is not the beneficiary of the trust. Accordingly, the Minors Trust's net assets are not recorded as an asset of the Nation.

Per capita distributions due to the beneficiaries who were under the age of 18 at the record date are considered minors trust and are to be invested in secure investment funds as outlined in the Yekau Lake Trust agreement. Upon a beneficiary reaching the age of eighteen years the per capital distribution shall be distributed to the member not later than the last day of the following month, following the month in which the member attains the age of eighteen years. In addition to the initial per capital distribution amount, the Trustees shall pay such person the total of all income (less administrative costs) earned on such members initial per capital distribution and held in the minors trust, but not previous paid out to such member.

At March 31, 2021, the Minors Trust balance consisted of cash of \$12,497,593.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

7. Restricted Investments - Enoch Cree Nation Settlement Trust Funds

The Enoch Cree Nation Settlement Trust Funds are restricted investments and are recorded at market value.

The Chief and Council of the Enoch Cree Nation approved the Trust's investment policy on September 27, 2004, creating two portfolios for investments, as follows:

a) The Trust's short-term portfolios are invested in highly secure money market instruments with a minimum credit rating of "R-1 low". No single investment, other than federal or provincial issued instruments can exceed 5% of the portfolio. The primary objectives of the short-term portfolios are liquidity and security of capital. The funds are expected to be drawn down through spending within two to five years, since the purpose of these accounts is that the capital be put to work and invested within the community in long-term or permanent capital projects.

b) The Trust's long-term portfolios include the long-term portions of the Elders, Youth Development and Human Resources accounts. The primary objective of these portfolios are to achieve a long-term rate of return superior to those achieved solely from money market instruments and to do so at an acceptable level of risk. The fixed-income category of the portfolios shall be a minimum of 40% and a maximum of 65%. The equity category of the portfolios shall be a minimum of 35% and a maximum of 60% of the total portfolios. Investments rated "BBB" may be held within a pooled fund to a maximum of 20% of the pooled fund. All Trust equity instruments shall trade on a recognized Global stock exchange or market and preferred stocks will have an acceptable investment grade quality of P2. No single investment, other than federal or provincial instruments, can exceed 5% of the portfolio. No single equity holding can exceed 10% of the amount the Trust can hold in equity instruments.

The net assets of the Enoch Cree Nation Settlement Trust Funds at December 31, 2020 is \$20,717,472 (2019 - \$20,475,185), which includes cash of \$235,946 (2019 - \$82,028) and marketable securities of \$6,684,787 (2019 - \$6,678,562), loans receivable from Enoch entities of \$15,369,955 (2019 - \$15,135,530) and income allocation payable to Enoch entities of \$1,573,216 (2019 - \$1,420,935). The loans receivable from the Enoch related entities and the loans payable to the Enoch Cree Nation Settlement Trust as recorded by the Enoch related entities have been eliminated in these consolidated financial statements.

In addition, the accumulated loss recorded in the Enoch Cree Nation Investment Trust of \$1,510,166 (2019 - \$1,410,274) has been eliminated against the accumulated surplus of \$20,717,472 (2019 - \$20,475,185) in the Enoch Cree Nation Settlement Trust Funds resulting in a net accumulated surplus of \$19,207,306 (2019 - \$19,064,911).

8. Investments

	2021	2020
United Grain Growers Ltd., at cost	-	13,164
First Nations Bank of Canada - shares at cost	500,000	500,000
	500,000	513,164

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

9. Investment in Business Enterprises

As described in note 1(a), the investment in the business enterprises are recorded on the modified equity basis. The summary of the December 31, 2020 financial statements of Enoch Cree Nation Business Trust and 1023576 Alberta Ltd. and summary of the March 31, 2021 financial statements of Enoch Health Service Inc. are as follows:

Change in investment in Business Enterprises

During the year, Enoch Health Services Inc. (o/a Enoch Pharmacy) met the definition of a government business enterprise and was no longer accounted for as a governmental unit. As this change occurred during the March 31, 2021 fiscal year, the prior year balances were not adjusted for the change in status. The modified equity basis was applied at the start of the current fiscal year. As a result, the opening investment in business enterprises increased by \$152,059 which was the net assets amount of Enoch Pharmacy as at April 1, 2020.

	2021	2020
Equity at beginning of year	\$ 262,717	\$ 329,286
Opening net assets - Enoch Pharmacy	152,059	-
Contributions net of distributions	34,843,489	26,350,000
Net loss	(34,884,476)	(26,416,569)
 Investment in Business Enterprises	 \$ 373,789	 \$ 262,717

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

9. Investment in Business Enterprises, continued

Balance Sheet	Enoch Cree Nation Business Trust		1023576	2020 Total	2019 Total
December 31, 2020 and 2019	Alberta Ltd.				
Cash	\$ -	\$ 111,903	\$ 111,903	\$ 350,572	
Accounts receivable	-	68,292	68,292	68,292	
Investments	222,076	1,198,370	1,420,446	115,420	
Due from related parties	761	-	761	812,277	
Prepaid expenses	-	8,722	8,722	-	
Total assets	\$ 222,837	\$ 1,387,287	\$ 1,610,124	\$ 1,346,561	
Accounts payable	\$ 12,500	\$ 336,331	\$ 348,831	\$ 322,340	
Due to related parties	8,828,725	814,237	9,642,962	9,478,391	
Government remittance payable	-	13,990	13,990	7,158	
Total liabilities	8,841,225	1,164,558	10,005,783	9,807,889	
Share capital/Contributed surplus	-	10,597,622	10,597,622	10,260,122	
Accumulated Deficit	(8,618,388)	(10,374,893)	(18,993,281)	(18,721,450)	
Total Deficit	(8,618,388)	222,729	(8,395,659)	(8,461,328)	
Total liabilities and deficit	\$ 222,837	\$ 1,387,287	\$ 1,610,124	\$ 1,346,561	

Income Statement	Enoch Cree Nation Business Trust		1023576	2020 Total	2019 Total
December 31, 2020 and 2019	Alberta Ltd.				
Equity loss from investments	\$ (29,950,803)	\$ -	\$ (29,950,803)	\$ (26,010,980)	
Management fees	-	780,480	780,480	780,480	
Government grants	-	20,000	20,000	-	
Expenses	-	(1,178,967)	(1,178,967)	(2,204,550)	
Adjustment to loss	(4,555,186)	-	(4,555,186)	1,018,481	
Net Loss	\$ (34,505,989)	\$ (378,487)	\$ (34,884,476)	\$ (26,416,569)	

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

9. Investment in Business Enterprises, continued

	Enoch Pharmacy
<u>Balance Sheet March 31, 2021</u>	
Cash	\$ 346,401
Accounts receivable	50,401
Inventory	32,074
Tangible capital assets	871
 Total assets	 \$ 429,747
 Accounts payable	 \$ 94,614
<u>Due to related party</u>	 183,074
 Total liabilities	 277,688
 Equity	 152,059
 Total liabilities and equity	 \$ 429,747

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

9. Investment in Business Enterprises, continued

	Enoch Pharmacy
Income Statement March 31, 2021	
Revenue	\$ 792,146
Expenses	792,146
Net income	\$ -

The Enoch Cree Nation as the Host First Nation of the River Cree Resort and Casino receives 30% of the slot revenue earned at the Casino, pursuant to the "Alberta First Nations Development Fund Grant Agreement".

Enoch Cree Nation advanced First Nation Development Funds of \$30,394,959 (December 31, 2019 - \$27,850,000) and ISC funding of \$4,411,030, as capital contributions to the Enoch Cree Nation Business Trust and 1023576 Alberta Ltd. (River Cree Resort entities). The funds were used by the River Cree Resort entities for operating expenses and debt servicing expenses.

10. Accounts payable

	2021	2020
Trade accounts payable	\$ 10,193,911	\$ 9,127,434
Tuitions payable	500	255,755
Government remittances payable	213,289	4,786
	\$ 10,407,700	\$ 9,387,975

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

11. Deferred revenue

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2021.

	March 31, 2020	Funding received, 2021	Revenue recognized/ recovered 2021	March 31, 2021
Indigenous Services Canada	\$ 3,005,658	\$ 39,489,696	\$ (32,732,885)	\$ 9,762,469
Government of Alberta	1,162,927	1,262,571	(1,505,984)	919,514
Other	360,414	8,003,966	(7,755,758)	608,622
Aboriginal Skills and Employment Training Strategy	142,588	772,862	(249,904)	665,546
	\$ 4,671,587	\$ 49,529,095	\$ (42,244,531)	\$ 11,956,151

Enoch Cree Nation**Notes to Consolidated Financial Statements**

March 31, 2021

12. Long-term debt

	2021	2020
Enoch Cree Nation		
Various equipment leases, repayable in total instalments of \$114,212 per year including interest at rates ranging from 0.00% to 10.50% per annum, secured by equipment with a net book value of \$833,739 (2020 - \$1,245,338), maturing on various dates from June 2021 to May 2028.	\$ 717,939	\$ 1,012,355
Enoch Cree Nation		
Loans payable to ATB Financial, accruing interest quarterly at a rate of prime plus 0.25% per annum. Repayable in one lump sum the earlier of settlement of specific claims against Canada, or between March 2024 and December 2024. The loan facility is available up to a maximum of \$15,314,320 with the use of loan proceeds restricted to costs relating to the claims. Secured by a first loss payee insurance policy and a surety bond up to a maximum of \$15,314,320.	7,399,858	5,606,521
Enoch Cree Nation		
Bank of Montreal loan repayable in blended monthly installments of \$8,257 including interest at 3.69%, maturing January 2022.	1,185,994	1,240,435
Enoch Cree Nation		
Loan payable to the Government of Canada, repaid during the year.	-	129,924
Kitaskinaw Education Authority Inc.		
AIIC loan, repayable in total monthly instalments of \$6,505 including interest at a rate of 9.25% per annum, secured by vehicles with a net book value of \$105,095 (2020 - \$209,876), maturing April 2024.	210,420	266,308
Enoch Cree Nation Social Housing Authority		
CMHC mortgages, repayable in total monthly instalments of \$100,518 including interest at rates ranging from 0.32% to 2.52% per annum, secured by Ministerial Guarantees, maturing on various dates from March 2026 to June 2046.	17,512,654	16,400,107

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

12. Long-term debt, continued

	2021	2020
Enoch Cree Nation Social Housing Authority		
Bank of Montreal demand loans, repayable in total monthly instalments of \$74,278 including interest at rates ranging from 3.51% to 4.15% per annum, secured by a general security agreement, maturing on various dates from June 2021 to March 2023.	8,700,982	8,792,854
Mechet Waskahikanuk Association		
First Nations Bank of Canada mortgages, repayable in total blended monthly instalments of \$41,578 including interest at rates ranging from 3.99% to 4.64% per annum maturing at various dates between December 2020 and July 2022, secured by a general security agreement, a guarantee by Mechet Charities Limited as well as land and buildings being financed with a net book value of \$7,035,371 (2020 - \$7,235,931).	4,612,110	4,793,369
River Cree Crossing Inc.		
Toronto-Dominion credit facility, to a maximum of \$25,000,000, repayable in blended monthly instalments of \$111,676 including interest at 4.34%, secured by a general security agreement, a registered leasehold mortgage issued by River Cree Crossing Inc. representing a first charge against all commercial property and improvements on commercial property in the principal amount of \$25,000,000, a general assignment of subleases and evidence of public liability insurance. Guaranteed by Enoch Cree Nation.	20,031,952	20,277,367
Maskekosak Transportation Services Corporation		
Lease payable to Century McMynn Leasing, repaid during the year.	-	<u>127,499</u>
	\$ 60,371,909	\$ 58,646,739

The CMHC housing mortgages are secured by Ministerial Guarantees. The Enoch Cree Nation has entered into an agreement with Canada Mortgage and Housing Corporation to subsidize the average interest rates to the extent required to reduce the effective rate to 2%.

In response to COVID 19, CMHC deferred monthly loan payments from May 2020 to December 2020, and BMO deferred payments from April 2020 to September 2020. This resulted in total deferred payments of \$1,232,541.

Enoch Cree Nation**Notes to Consolidated Financial Statements**

March 31, 2021

12. Long-term debt, continued

Principal portion of long-term debt due within the next five years:

2022	\$ 4,324,125
2023	10,725,430
2024	6,804,641
2025	5,041,190
<u>2026 and thereafter</u>	<u>33,476,523</u>
	<hr/> \$ 60,371,909 <hr/>

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

13. Loan - First Nations Finance Authority

A) Financing with the First Nations Finance Authority (FNFA):

Enoch Cree Nation has entered into an agreement with the FNFA to borrow funds at an interest rate of 3.75%. The funds received has been advanced by the FNFA in anticipation of a bond issued by the FNFA. This interim financing will be replaced by this long term financing upon the issuance of such securities and the earlier of five years from the date of issuance of the interim financing or the completion by Enoch Cree Nation of the defined purpose included in the Borrowing Agreement.

The interim financing loans require monthly interest payments only and are paid from Secured Revenue sources other than ISC or Health Canada funding. These funds are specified in the Borrowing Law adopted by Enoch Cree Nation and are paid directly into a Secured Revenues Trust Account (SRTA), which is governed by a Secured Revenues Trust Management Agreement between Enoch Cree Nation, FNFA and Computershare.

The following amounts are withdrawn from the SRTA:

- 1) Monthly interest payments directly to the FNFA under the terms of the Borrowing Agreement and
- 2) The excess in the SRTA is paid to Enoch Cree Nation

B) Debt Reserve Fund

Five percent of any funds borrowed from the FNFA are held by the Authority in a fund as security for payments for bond payments and interim financing providers. If at any time Enoch Cree Nation does not have sufficient funds to meet its obligations under the terms and conditions of the Borrowing Agreement the payments will be made from the Debt Reserve Fund

C) Debenture Financing

\$6,159,000 was rolled from interim financing to long term debenture financing in 2019. The debenture has a term of 20 years with amortization period of 30 years and interest rate of 3.65%.

\$26,566,000 was rolled from interim financing to long term debenture financing in 2020. The debenture has a term of 20 years with amortization period of 30 years and interest rate of 2.72%.

\$5,263,160 of long term debenture financing was issued in 2021. The debenture has a term of 10 years with amortization of 30 years and interest rate of 1.90%.

	2021	2020
Debt reserve fund	\$ (1,953,437)	\$ (1,675,364)
Debenture financing	37,099,344	32,232,295
Total funds owing to First Nations Finance Authority	\$ 35,145,907	\$ 30,556,931

Total interest paid during the year for all FNFA loans was \$968,361 (2020 - \$1,108,398). Interest relief received was \$676,966 (2020 - nil)

D) River Cree Crossing Inc.

The amount of the above debenture financing balance attributable to River Cree Crossing Inc. is \$6,264,840 (2020 - \$6,971,333).

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

14. Tangible Capital Assets

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2021 net book value
Land	\$ 2,275,942	\$ -	\$ -	\$ 2,275,942	\$ -	\$ -	\$ -	\$ -	\$ 2,275,942
Buildings	186,280,068	7,262,147	(40,745)	193,501,470	44,451,364	6,774,706	(40,428)	51,185,642	142,315,828
Equipment	16,145,166	557,768	(119,530)	16,583,404	11,092,180	1,281,467	(118,444)	12,255,203	4,328,201
Leasehold improvements	2,364,627	108,303	-	2,472,930	169,176	434,266	-	603,442	1,869,488
Assets under construction	5,771,004	559,608	-	6,330,612	-	-	-	-	6,330,612
	\$ 212,836,807	\$ 8,487,826	\$ (160,275)	\$ 221,164,358	\$ 55,712,720	\$ 8,490,439	\$ (158,872)	\$ 64,044,287	\$ 157,120,071

	Cost				Accumulated amortization				
	Balance, beginning of year	Additions	Disposals	Balance, end of year	Balance, beginning of year	Amortization	Accumulated amortization on disposals	Balance, end of year	2020 Net book value
Land	\$ 2,275,942	\$ -	\$ -	\$ 2,275,942	\$ -	\$ -	\$ -	\$ -	\$ 2,275,942
Buildings	150,522,424	37,291,559	(1,533,915)	186,280,068	38,416,754	6,569,103	(534,493)	44,451,364	141,828,704
Equipment	13,409,495	2,795,034	(59,363)	16,145,166	9,967,498	1,184,045	(59,363)	11,092,180	5,052,986
Leasehold improvements	837,878	1,526,749	-	2,364,627	5,946	163,230	-	169,176	2,195,451
Assets under construction	27,306,001	(21,534,997)	-	5,771,004	-	-	-	-	5,771,004
	\$ 194,351,740	\$ 20,078,345	\$ (1,593,278)	\$ 212,836,807	\$ 48,390,198	\$ 7,916,378	\$ (593,856)	\$ 55,712,720	\$ 157,124,087

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

15. Prepaid expenses

	2021	2020
Prepaid insurance	\$ 2,324,676	\$ 1,225,107
Prepaid other	337,576	568,031
	\$ 2,662,252	\$ 1,793,138

\$1,372,236 (2020 - \$1,225,107) of the prepaid insurance amount relates to an insurance policies the Nation has purchased to provide security for a bank loan received to pay past and future legal costs related to the negotiation with "Canada" of five specific claims.

16. Inventory

	2021	2020
Grocery	\$ 62,022	\$ 63,193
Tobacco	292,620	129,681
Gasoline	149,856	92,305
Pharmacy	-	52,717
Cannabis products	225,633	107,540
	\$ 730,131	\$ 445,436

The Nation's inventory is subject to spoilage. The Nation provides an allowance for spoilage against the cost of the inventory. A charge to cost of sales is recorded in the year in which the spoilage occurs and any profit or loss from the subsequent sale is reflected in the gross margin at the time of sale.

Total inventory expensed to cost of goods sold during the year was \$20,564,167 (2020 - \$22,699,657).

17. Accumulated Surplus

	2021	2020
Unrestricted operating deficit	\$ (38,910,633)	\$ (37,773,540)
Equity in Tangible Capital Assets	107,138,265	104,199,962
Equity in Enoch Cree Nation Settlement Trust Funds	19,207,306	19,064,911
Equity in Ottawa Trust Funds	2,540,276	2,778,140
Equity in CMHC Replacement Reserve	528,354	298,263
Equity in Business Enterprises	373,789	262,717
Equity in Yekau Lake Trust	55,851,183	-
	\$ 146,728,540	\$ 88,830,453

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

18. Contingent Liabilities

a) Legal proceedings

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

b) Government contributions

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

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

19. Commitments

As at March 31, 2021, the Nation has undertaken housing construction projects which were in progress as at March 31, 2021. Costs to complete the projects have been estimated at \$2,089,896.

20. Employment Retirement Plan

The Nation has a defined contribution plan for its employees. Participation in the pension plan is available to substantially all employees. Total employer contributions during the year were \$526,460 (2020 - \$1,330,190).

21. Comparative Amounts

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current year.

22. Budget Information

The budget information for the year ended March 31, 2021 is prepared by management, approved by Chief and Council and is unaudited. Amortization was not contemplated in the preparation of the budget.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

23. Expenses by object

For the year ended March 31	2021 Budget	2021 Actual	2020 Actual
Amortization - capital assets	\$ -	\$ 8,490,439	\$ 7,916,378
Bad Debts	-	43,116	25,174
Insurance	605,342	1,197,792	880,349
Interest and bank charges	2,764,903	3,573,998	4,318,337
Materials and supplies	814,652	7,118,919	8,343,715
Per Capita Distribution	-	34,945,102	1,295,500
Professional fees	1,199,447	3,485,686	3,491,319
Program costs	13,972,347	32,604,716	38,651,670
Rent	370,043	534,796	698,467
Repairs and maintenance	4,072,059	3,946,199	5,131,493
Telephone and utilities	1,141,566	2,205,537	3,025,561
Travel and meetings	241,475	130,380	1,046,719
Wages and benefits	28,270,201	30,591,000	43,603,982
	\$ 53,452,035	\$ 128,867,680	\$ 118,428,664

24. Enoch Minors' Trust Funds

Enoch Cree Nation is the Trustee for the Enoch Minor's Trust account. The Nation is not the beneficiary of the trust. Accordingly, the Minor's Trust is not recorded as an asset of the Nation.

The Enoch Minors' Trust Account of \$729,554 (2020 - \$1,042,962) arose from the per capita distribution of the Enoch Cree Nation - 1908 Settlement Trust Funds. The funds held in the trust account represents unpaid amounts to Enoch members who have not reached the age of eighteen. On the members' eighteenth birthday, they will receive the full entitlement of the per capita distribution plus interest earned to that date.

The investment consists of amounts held in trust by Peace Hills Trust which bear interest at 5.25% per annum. Amounts expected to be paid out to members who will reach the age of eighteen over the next fiscal year are kept in short term investments to ensure availability of funds for distribution. The remaining funds are invested in term deposits.

The final payment to be paid to minors is anticipated to be in 2022.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

25. Financial Instruments

The Nation's financial instruments consist of cash, accounts receivable, long-term investments, trust funds, accounts payable and long term debt.

It is management's opinion that the Nation is not exposed to significant currency risk from its financial instruments. The Nation is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that the entities may experience financial difficulty and be unable to fulfill their obligations.

The Nation is exposed to liquidity risk with respect to its accounts payable and long term debt. The Nation minimizes this risk by monitoring cash flows and the terms and conditions negotiated with trade creditors and lenders.

The Nation is exposed to interest rate risk with respect to its fixed rate long term debt as the fair value of the debt fluctuates as market rates of interest change. The cash flows resulting from variable rate financial instruments fluctuate as interest rates applicable to the instruments change. The Nation does not employ derivative financial instruments to hedge its exposure to interest rate risk.

The Nation is also exposed to other price risk with respect to certain of its Trust Funds invested in securities.

COVID-19 (see note 2) has resulted in an increase in risk of these financial instruments. The Enoch Cree Nation cannot predict changes in these risks or the impact on operating results. Such changes related to the COVID-19 pandemic, could have a material effect in the Enoch Cree Nation's operations and financial condition.

26. CMHC Replacement Reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, a replacement reserve account is to be credited annually with an agreed amount. These funds, along with accumulated interest, must be held in a separate bank account, and invested in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. The reserve fund balance at March 31, 2021 was underfunded by \$408,029 (2020 - \$177,909).

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

27. Segmented information

The Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. The segment revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounts Policies as described in Note 1. The segment results for the year are as follows:

	Administration		Amortization		Enhanced Services/ Economic Development				
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	110,490	3,104,411	153,054	-	-	-	-	971,422	192,262
Business enterprises and taxation	-	-	-	-	-	-	-	28,110,559	28,294,059
Equity income - Business enterprises	-	-	-	-	-	-	-	(34,884,476)	(26,416,569)
Resource and investment income	-	5	-	-	-	-	(65,256)	598,697	1,048,027
Mechet Charities Limited	125,713	84,618	142,680	-	-	-	-	1,469,177	934,995
First Nations Development Fund	1,472,822	1,184,470	2,064,481	-	-	-	-	1,775,888	3,858,013
Government of Alberta	-	-	-	-	-	-	-	(26,919)	-
ISC and FNDF - Resort	-	-	-	-	-	-	-	34,730,989	27,850,000
Other revenue	-	90,914,749	131,972	-	-	-	866,804	1,590,720	(116,193)
Total revenue	1,709,025	95,288,253	2,492,187	-	-	-	801,548	34,336,057	35,644,594
Expenses									
Wages and benefits	1,155,349	1,215,061	1,937,303	-	-	-	-	5,137,741	7,513,822
Travel and meetings	-	-	57,357	-	-	-	-	11,831	91,498
Repairs and maintenance	20,080	50,448	18,773	-	-	-	-	243,573	283,510
Interest and bank charges	-	13,544	-	-	-	-	623,402	2,352,097	3,122,059
Amortization - capital assets	-	-	-	8,490,439	7,916,378	-	-	-	-
Telephone and utilities	248,000	319,420	397,463	-	-	-	-	209,798	265,447
Materials and supplies	79,895	62,491	121,782	-	-	-	-	6,380,129	7,058,137
Professional fees	96,000	105,377	10,411	-	-	-	-	870,317	1,047,661
Other expenses	109,701	35,461,244	1,429,500	-	-	-	178,146	16,910,121	19,110,416
Total expenses	1,709,025	37,227,585	3,972,589	-	8,490,439	7,916,378	801,548	32,115,607	38,492,550
Annual surplus (deficit)	-	58,060,668	(1,480,402)	-	(8,490,439)	(7,916,378)	-	2,220,450	(2,847,956)

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

27. Segmented information, continued

	Community Service			Finance			Education		
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous and Services Canada	14,880	3,000,140	180,633	-	5,052	-	8,850,707	9,841,934	17,683,530
Resource and investment income	-	-	-	-	-	-	61,000	27,705	63,716
Mechet Charities Limited	760,096	743,548	934,276	564,959	253,692	(34,960)	4,431,625	2,106,298	5,682,125
First Nations Development Fund	1,002,544	737,058	1,234,158	1,663,044	1,175,315	2,228,124	-	-	-
Government of Alberta	-	-	49,401	-	-	-	646,198	553,783	298,408
Other revenue	180,000	229,614	312,104	125,000	3,825	157,553	138,357	808,525	1,014,157
Total revenue	1,957,520	4,710,360	2,710,572	2,353,003	1,437,884	2,350,717	14,127,887	13,338,245	24,741,936
Expenses									
Wages and benefits	1,227,668	1,220,411	1,890,972	1,546,881	1,533,603	2,059,046	7,300,064	6,001,388	8,985,171
Travel and meetings	1,000	-	20,568	-	1,173	20,619	85,000	10,451	151,073
Repairs and maintenance	209,137	57,591	148,286	-	-	482	238,950	96,513	279,624
Interest and bank charges	94,800	13,221	26,211	32,000	30,221	23,932	-	2,487	(95)
Telephone and utilities	31,450	40,296	63,220	22,880	10,330	19,626	147,705	183,763	219,662
Materials and supplies	76,737	103,167	104,922	42,400	32,470	69,925	227,660	311,144	308,861
Professional fees	1,000	7,324	63,315	325,000	356,577	459,115	80,000	174,525	149,426
Other expenses	194,909	2,194,935	382,168	383,842	132,167	122,188	5,792,737	4,286,847	7,665,331
Total expenses	1,836,701	3,636,945	2,699,662	2,353,003	2,096,541	2,774,933	13,872,116	11,067,118	17,759,053
Annual surplus (deficit)	120,819	1,073,415	10,910	-	(658,657)	(424,216)	255,771	2,271,127	6,982,883

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

27. Segmented information, continued

	2021 Budget	Office of the Chief 2021 Actual	2020 Actual	2021 Budget	Health 2021 Actual	2020 Actual	2021 Budget	Language and Culture 2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	805,516	749,575	1,943,522	3,526,197	2,799,800	2,977,339	-	50,000	-
Equity income - Business enterprises	-	-	-	12,523	-	-	-	-	-
Resource and investment income	662,500	662,500	664,227	-	-	-	210,000	386,886	264,446
Mechet Charities Limited	140,598	88,929	175,408	1,578,631	1,283,088	2,076,446	1,385,189	879,651	2,239,664
First Nations Development Fund	2,048,239	1,596,050	2,887,253	-	-	-	2,487,824	2,082,432	2,200,913
Government of Alberta	25,000	179,000	52,778	-	139,411	204,176	175,000	40,037	4,750
Other revenue	654,082	837,617	876,020	-	750	703,560	-	161,536	120,876
Total revenue	4,335,935	4,113,671	6,599,208	5,117,351	4,223,049	5,961,521	4,258,013	3,600,542	4,830,649
Expenses									
Wages and benefits	3,801,531	3,871,403	4,547,327	2,791,548	2,235,802	3,182,502	1,129,606	922,592	1,420,060
Travel and meetings	143,500	98,717	441,513	227	5,844	77,907	-	-	24,170
Repairs and maintenance	2,500	-	-	42,937	94,998	27,130	55,875	8,986	92,375
Interest and bank charges	-	304,488	160,655	-	-	120	-	-	-
Telephone and utilities	22,850	26,745	55,133	7,317	5,414	10,145	218,200	653,163	643,634
Materials and supplies	21,333	22,615	125,866	87,422	40,622	150,132	24,950	3,895	35,061
Professional fees	360,000	1,568,413	977,853	5,000	59,389	9,875	-	50,700	88,172
Other expenses	(15,779)	797,214	1,501,971	1,220,362	883,075	1,800,667	3,481,132	3,758,175	4,012,784
Total expenses	4,335,935	6,689,595	7,810,318	4,154,813	3,325,144	5,258,478	4,909,763	5,397,511	6,316,256
Annual surplus (deficit)	-	(2,575,924)	(1,211,110)	962,538	897,905	703,043	(651,750)	(1,796,969)	(1,485,607)

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

27. Segmented information, continued

	Infrastructure		Mamowicitowin		Planning and Development				
	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual	2021 Budget	2021 Actual	2020 Actual
Revenues									
Indigenous Services Canada	4,950,546	4,517,421	3,463,590	1,870,465	3,212,981	2,519,291	84,761	116,318	367,654
Business enterprises & taxation	-	-	-	-	-	-	861,958	746,456	742,973
Resource and investment income	-	74,498	57,750	-	-	-	289,795	703,034	512,002
Mechet Charities Limited	10,308,402	8,108,462	17,020,238	1,403,430	669,351	1,435,996	-	-	-
First Nations Development Fund	489,246	358,876	645,974	947,586	645,717	1,788,247	334,408	364,169	984,538
Government of Alberta	411,450	620,672	237,950	-	-	-	112,439	-	234,800
Other revenue	4,004,180	4,381,848	3,734,018	468,926	390,842	321,139	(214,519)	807,061	1,079,214
Total revenue	20,163,824	18,061,777	25,159,520	4,690,407	4,918,891	6,064,673	1,468,842	2,737,038	3,921,181
Expenses									
Wages and benefits	6,903,869	6,199,856	8,695,711	1,810,524	1,582,464	2,076,463	603,161	670,679	1,295,605
Travel and meetings	5,000	-	36,823	5,748	2,364	28,227	1,000	-	96,964
Repairs and maintenance	3,351,806	3,354,992	4,317,972	50,774	5,442	13,711	100,000	33,656	(50,370)
Interest and bank charges	2,014,701	857,885	985,373	-	-	-	-	55	82
Telephone and utilities	405,449	275,327	1,013,196	27,915	13,573	33,772	9,800	467,708	304,263
Materials and supplies	92,039	122,973	202,757	96,028	35,855	38,638	66,188	3,558	127,634
Professional fees	247,447	132,748	365,742	-	-	-	85,000	160,316	319,749
Other expenses	437,366	1,822,099	1,747,611	2,699,418	1,938,660	2,912,874	465,898	1,140,985	865,650
Total expenses	13,457,677	12,765,880	17,365,185	4,690,407	3,578,358	5,103,685	1,331,047	2,476,957	2,959,577
Annual surplus (deficit)	6,706,147	5,295,897	7,794,335	-	1,340,533	960,988	137,795	260,081	961,604

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2021

27. Segmented information, continued

		Consolidated totals		
		2021 Budget	2021 Actual	2020 Actual
Revenues				
Indigenous Services Canada		20,213,562	28,369,054	29,480,875
Business enterprises & taxation		861,958	28,857,015	29,037,032
Equity income - Business enterprises		12,523	(34,884,476)	(26,416,569)
Resource and investment income		1,158,039	2,453,325	2,610,168
Mechet Charities Limited		20,698,643	15,686,814	30,606,868
First Nations Development Fund		10,445,713	9,919,975	17,891,701
Government of Alberta		1,370,087	1,505,984	1,082,263
ISC and FNDF - Resort		-	34,730,989	27,850,000
Other revenue		6,222,830	100,127,087	8,334,420
Total revenue		60,983,355	186,765,766	120,476,758
Expenses				
Wages and benefits		28,270,201	30,591,000	43,603,982
Travel and meetings		241,475	130,380	1,046,719
Repairs and maintenance		4,072,059	3,946,199	5,131,493
Interest and bank charges		2,764,903	3,573,998	4,318,337
Amortization - capital assets		-	8,490,439	7,916,378
Telephone and utilities		1,141,566	2,205,537	3,025,561
Materials and supplies		814,652	7,118,919	8,343,715
Professional fees		1,199,447	3,485,686	3,491,319
Other expenses		14,947,732	69,325,522	41,551,160
Total expenses		53,452,035	128,867,680	118,428,664
Annual surplus (deficit)		7,531,320	57,898,086	2,048,094