

Enoch Cree Nation
Consolidated Financial Statements
March 31, 2022

Enoch Cree Nation

Consolidated Financial Statements

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Enoch Cree Nation

Management's Responsibility for Financial Reporting

March 31, 2022

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 _____
Chief

July 28, 2022 _____
Date

Original signed by _____
Chair of Finance & Audit Committee

July 28, 2022 _____
Date

Original signed by _____
Chief Financial Officer

July 28, 2022 _____
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, 2022, 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, 2022, 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, 2022**


Chartered Professional Accountants

Enoch Cree Nation

Consolidated Statement of Financial Position

March 31	2022	2021
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Financial Assets

Cash (Note 3)	\$ 59,068,526	\$ 29,742,931
Accounts receivable (Note 4)	19,456,346	8,422,604
Restricted Cash - Ottawa Trust Funds (Note 5)	3,721,793	2,540,276
Restricted Investments - Yekau Lake Trust (Note 6)	55,859,100	55,851,183
Restricted Investments - Settlement Trust Funds (Note 7)	6,913,071	6,684,797
Investments (Note 8)	500,000	500,000
Investment in Business Enterprises (Note 9)	918,520	373,789
Due from Enoch Cree Nation Business Trust (Note 15)	154,638,037	-
Franchise Fee	38,750	43,750
	301,114,143	104,159,330

Liabilities

Accounts payable (Note 12)	10,589,702	10,466,652
Deferred revenue (Note 13)	29,361,759	11,956,151
Long-term debt (Note 14)	60,974,677	60,371,909
First Nations Finance Authority Financing (Note 15)	199,128,941	35,145,907
	300,055,079	117,940,619

Net financial assets (debt)	1,059,064	(13,781,289)
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Non-financial Assets

Tangible capital assets (Note 16)	156,751,342	157,120,071
Prepaid expenses (Note 17)	1,811,993	2,659,627
Inventory (Note 18)	761,063	730,131
	159,324,398	160,509,829

Accumulated Surplus (Note 19)	\$ 160,383,462	\$ 146,728,540
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Contingent liabilities (Note 20)
Commitments (Note 21)

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

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Federal Government:			
Indigenous Services Canada (ISC)	\$ 19,318,345	\$ 32,340,454	\$ 28,369,054
Indigenous Services Canada - River Cree Resort	-	2,588,967	4,411,030
Canada Mortgage and Housing Corporation subsidies	2,282,385	1,664,710	1,121,424
Indigenous Skills and Employment Training Strategy	423,060	1,155,786	249,904
Yekau Lake Settlement	-	-	91,000,000
Government of Alberta	75,000	447,140	1,707,659
First Nations Development Fund	15,146,660	16,971,998	9,919,975
First Nations Development Fund - River Cree Resort	-	11,499,750	30,319,959
Loss from investment in River Cree Resort	-	(14,187,342)	(34,884,476)
Mechet Charities Limited	22,550,205	28,882,003	15,686,814
Taxation	1,088,958	957,421	746,456
Business enterprises (EDHL & River Cree Enterprises)	-	37,766,708	28,097,993
Resource and investment income	210,000	3,952,916	2,514,346
Other revenue	6,600,714	7,983,189	7,511,188
	67,695,327	132,023,700	186,771,326
Expenses (Note 25)			
Administration	3,721,929	4,109,732	2,453,956
Amortization	-	8,009,410	8,490,439
Enhanced Services/ Economic Development	1,950,714	42,838,917	65,582,750
Community Service	2,508,614	5,416,727	5,176,835
Finance	3,591,465	2,491,852	2,228,832
Education	14,301,286	15,904,491	12,133,597
Office of the Chief	4,316,361	5,613,629	6,018,318
Health	3,037,570	3,098,588	2,184,537
Language and Culture	7,239,489	6,553,051	5,347,533
Planning and Development	2,812,304	2,209,430	2,236,499
Infrastructure	15,413,422	14,651,728	12,766,367
Mamowicitowin	6,691,534	7,471,223	4,253,577
	65,584,688	118,368,778	128,873,240
Excess of revenue over expenses	2,110,639	13,654,922	57,898,086
Accumulated surplus, beginning of year	146,728,540	146,728,540	88,830,454
Accumulated surplus, end of year	\$ 148,839,179	\$ 160,383,462	\$ 146,728,540

Enoch Cree Nation

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended March 31

	2022 Budget	2022 Actual	2021 Actual
Excess of revenue over expenses	\$ 2,110,639	\$ 13,654,922	\$ 57,898,086
Acquisition of tangible capital assets	(9,542,616)	(8,294,171)	(8,487,826)
Amortization of tangible capital assets	-	8,009,410	8,490,439
Writedown of tangible capital assets	-	12,605	-
Disposition of capital assets	-	640,885	1,404
	(9,542,616)	368,729	4,017
(Acquisition) use of prepaid asset	-	847,634	(869,114)
(Acquisition) use of inventory	-	(30,932)	(284,695)
(Decrease) increase in net financial assets	(7,431,977)	14,840,353	56,748,294
Net debt, beginning of year	(13,781,289)	(13,781,289)	(70,529,583)
Net assets (debt), end of year	\$ (21,213,266)	\$ 1,059,064	\$ (13,781,289)

Enoch Cree Nation

Consolidated Statement of Cash Flow

For the year ended March 31,	2022	2021
Cash flows from		
Operating activities		
Excess of revenue over expenses	\$ 13,654,922	\$ 57,898,086
Items not affecting cash		
Amortization	8,009,410	8,490,439
Writedown of tangible capital assets	12,605	1,404
Loss on disposition of investment	-	13,164
Loss on sale of building and equipment	215,697	-
Amortization of franchise fee	5,000	5,000
	21,897,634	66,408,093
Change in non-cash operating working capital		
Accounts receivable	(11,033,742)	(117,073)
Inventory	(30,932)	(284,695)
Prepaid expenses	847,634	(869,114)
Accounts payable	123,055	1,019,724
Deferred revenue	17,405,608	7,284,564
	29,209,257	73,441,499
Capital activities		
Purchase of tangible capital assets	(8,294,171)	(8,487,826)
Proceeds on disposal of tangible capital assets	425,188	-
	(7,868,983)	(8,487,826)
Financing activities		
Proceeds of long term debt	3,210,508	3,039,776
Repayment of long term debt	(2,607,741)	(1,314,605)
Proceeds from First Nations Finance Authority	165,212,258	5,263,160
Repayment of First Nations Finance Authority	(1,229,227)	(674,184)
Advance to Enoch Cree Nation Business Trust	(155,000,005)	-
Payment from Enoch Cree Nation Business Trust	361,968	-
	9,947,761	6,314,147
Investing activities		
Net change Restricted Cash - Ottawa Trust Fund	(1,181,518)	237,864
Net change in Settlement Trust Funds	(228,274)	(6,225)
Net change in Investments in Business Enterprises	(544,731)	(111,072)
Net change in Yekau Lake Trust investment	(7,917)	(55,851,183)
	(1,962,440)	(55,730,616)
Increase in cash and cash equivalents	29,325,595	15,537,204
Cash and cash equivalents, beginning of year	29,742,931	14,205,727
Cash and cash equivalents, end of year	\$ 59,068,526	\$ 29,742,931

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

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, 2022 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 Resources Foundation
5. Enoch Cree Nation Ottawa Trust Funds
6. Enoch Cree Investment Trust (December 31, 2021)
7. Enoch Cree Nation Settlement Trust (December 31, 2021)
8. Mechet Charities Limited
9. Mechet Waskahikanuk Association
10. Enoch Development Holdings Ltd.
11. Indian Lakes Golf Ltd.
12. North on 60 Gas Bar and Convenience Store Ltd.
13. Yekau Lake Trust (December 31, 2021)
14. Oskya Energy Ltd.
15. Enoch Lands Development Ltd.
16. Enoch Construction Ltd.
17. River Cree Tobacco Shop Inc.
18. 7 points Cannabis Inc.
19. Enoch Utilities Ltd.
20. River Cree Enterprises Corporation
21. River Cree Development Corporation
22. River Cree Crossing Inc.
23. Enoch Cree Investment Ltd. (December 31, 2021)
24. River Cree Land Development Corporation
25. Enoch Construction Limited Partnership (December 31, 2021)
26. Enoch Cree Nation Consultation Trust (December 31, 2021)
27. River Cree Convenience Inc.
28. River Cree Foods Inc.
29. Istemaw Wholesale (GP) Corporation
30. Maskekosak Transportation Services Corporation
31. Enoch Cree Nation Specific Claims Settlement Trust

The year ends of the entities are March 31, 2022, except for the entities noted above, which indicate December 31, 2021 year ends. Adjustments are made for entities whose fiscal year-ends are different from March 31, 2022.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

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

The following entities are recorded on the modified equity basis:

1. River Cree Resort Limited Partnership (December 31, 2021)
2. River Cree Corporation (December 31, 2021)
3. Enoch Casino Limited Partnership (December 31, 2021)
4. Enoch Casino Corporation (December 31, 2021)
5. River Cree Enterprises Limited Partnership (December 31, 2021)
6. 1023576 Alberta Ltd. (Trustee for the Enoch Cree Nation Business Trust) (December 31, 2021)
7. Enoch Community Development Corporation (December 31, 2021)
8. Enoch First Nations Development Fund Corporation (December 31, 2021)
9. River Cree Sports Inc. (December 31, 2021)
10. River Cree Sports Limited Partnership (December 31, 2021)
11. Enoch Cree Nation Business Trust (December 31, 2021)
12. Enoch Health Services Inc. (March 31, 2022)

(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.

(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.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

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

(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.

(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.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

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

(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.

(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, 2022. 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.

2. COVID-19 Pandemic

The breadth and depth of the pandemic and its impact on the economy is still evolving and includes past, current and future measures taken by authorities in many jurisdictions including, at their most extreme, restrictions, closures and shutdowns. Future developments of the pandemic and its impact on the economy are uncertain and include new information on vaccination rates and efficacies, disease immunity and the recurrence of significant waves of infection.

In response, Enoch Cree Nation received from Indigenous Services Canada, \$17,397,085 (2021 - \$11,574,723) 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 \$1,082,085 (2021 - \$2,355,104) under the Canada Emergency Wage Subsidy program and \$Nil (2021 - \$73,110) under Canada Emergency Commercial Rent Assistance. The Government of Canada provided \$Nil (2021 - \$676,996) of interest relief through First Nations Finance Authority.

Enoch Cree Nation agreed to forgive rent on certain properties for six months during the the 2022 fiscal year (2021 - twelve months) in order to provide relief to tenants. This resulted in a decrease to net income and cashflow from operations of \$348,450 (2021 - \$637,150).

The impact of the COVID-19 pandemic including its duration may result in additional uncertainties, risks and complexities in management's determination of the estimates and assumptions used to prepare the Company's financial results.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

3. Cash

Included in cash is \$471,528 (2021 - \$901,958) held in a Secured Revenues Trust Account (SRTA) by First Nations Finance Authority, as described in Note 15.

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, 2022, the Enoch Cree Nation has drawn \$nil (2021 - \$nil) of the operating line.

Cash also includes a CMHC replacement reserve balance of \$115,425 (2021 - \$120,474), which is restricted.

4. Accounts receivable

Accounts receivable include amounts due from the following:

	2022	2021
First Nations Development Funds	\$ 1,427,070	\$ -
Indigenous Services Canada	6,821,018	78,000
Canada Mortgage Housing Corporation	1,654,782	115,099
Government remittances - GST	470,303	470,586
Other Government Agencies	1,121,260	1,147,013
Other receivables	5,426,481	4,134,983
Other receivables - Allowance for doubtful accounts	(604,685)	(591,298)
First Nation - member and employee advances	6,963,696	6,829,300
First Nation - member and employee advances - allowance for doubtful accounts	(3,823,579)	(3,761,079)
	\$ 19,456,346	\$ 8,422,604

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

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, 2021	Income, 2022	Withdrawals, 2022	March 31, 2022
Capital funds	\$ 218,392	\$ 447,905	\$ -	\$ 666,297
Revenue funds	2,321,884	1,484,797	(751,185)	3,055,496
	\$ 2,540,276	\$ 1,932,702	\$ (751,185)	\$ 3,721,793

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, 2022

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, 2022, the investment in Yekau Lake Trust consisted of cash of \$15,895,106 (2021 - \$55,851,183) and portfolio investments with a carrying value of \$39,999,995 (2021 - \$Nil).

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 previously paid out to such member.

At March 31, 2022, the Minors Trust balance consisted of cash of \$11,709,531 (2021 - \$12,497,593).

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

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, 2021 is \$20,676,154 (2020 - \$20,717,472), which includes cash of \$37,190 (2020 - \$235,946) and marketable securities of \$6,913,071 (2020 - \$6,684,787), loans receivable from Enoch entities of \$15,051,975 (2020 - \$14,398,237) and income allocation payable to Enoch entities of \$1,326,072 (2020 - \$1,573,216). 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 \$1,618,090 (2020 - \$1,510,156) has been eliminated against the accumulated surplus of \$20,676,154 (2020 - \$20,717,472) in the Enoch Cree Nation Settlement Trust Funds resulting in a net accumulated surplus of \$19,058,064 (2020 - \$19,207,306).

8. Investments

	2022	2021
First Nations Bank of Canada - shares at cost	500,000	500,000

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

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, 2021 financial statements of Enoch Cree Nation Business Trust and 1023576 Alberta Ltd. and summary of the March 31, 2022 financial statements of Enoch Health Service Inc. are as follows:

	2022	2021
Equity at beginning of year	\$ 373,789	\$ 262,717
Opening net assets - Enoch Health Services Inc.	-	152,059
Contributions net of distributions	12,143,106	34,843,489
Net loss	(11,598,375)	(34,884,476)
Investment in Business Enterprises	\$ 918,520	\$ 373,789

Balance Sheet December 31, 2021 and 2020	Enoch Cree Nation Business Trust		1023576 Alberta Ltd.	2021 Total	2020 Total
Cash	\$ -	\$ 334,188	\$ 334,188	\$ 111,903	
Accounts receivable	36,820	97,598	134,418	68,292	
Investments	22,869,790	1,198,370	24,068,160	1,420,446	
Due from related parties	18,047	-	18,047	761	
Prepaid expenses	-	9,964	9,964	8,722	
Total assets	\$ 22,924,657	\$ 1,640,120	\$ 24,564,777	\$ 1,610,124	
Accounts payable	\$ 12,500	\$ 407,423	\$ 419,923	\$ 348,831	
Due to related parties	-	425,237	425,237	9,642,962	
Promissory note due to Enoch Cree Nation	7,256,527	-	7,256,527	-	
Long-term debt	155,000,005	40,000	155,040,005	-	
Government remittance payable	-	-	-	13,990	
Total liabilities	162,269,032	872,660	163,141,692	10,005,783	
Share capital/Contributed surplus	-	11,385,122	11,385,122	10,597,622	
Accumulated Deficit	(139,344,375)	(10,617,662)	(149,962,037)	(18,993,281)	
Total Deficit	(139,344,375)	767,460	(138,576,915)	(8,395,659)	
Total liabilities and deficit	\$ 22,924,657	\$ 1,640,120	\$ 24,564,777	\$ 1,610,124	

Enoch Cree Nation

Notes to Consolidated Financial Statements

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9. Investment in Business Enterprises, continued

Income Statement December 31, 2021 and 2020	Enoch Cree Nation Business Trust	1023576 Alberta Ltd.	2021 Total	2020 Total
Equity loss from investments	\$ (28,041,826)\$	-	\$ (28,041,826)\$	(29,950,803)
Management fees	-	780,480	780,480	780,480
Government grants	-	-	-	20,000
Expenses	(1,755,325)	(1,023,249)	(2,778,574)	(1,178,967)
Net loss, December 31,	(29,797,151)	(242,769)	(30,039,920)	(30,329,290)
Adjustment to loss	18,441,545	-	18,441,545	(4,555,186)
Net Loss	\$ (11,355,606)\$	(242,769)\$	(11,598,375)\$	(34,884,476)

Enoch Health Services Inc. as at March 31	2022	2021
Cash	\$ 463,716	\$ 346,401
Accounts receivable	61,087	50,401
Inventory	54,721	32,074
Tangible capital assets	697	871
Total assets	\$ 580,221	\$ 429,747
Accounts payable	\$ 82,903	\$ 94,614
Due to related party	345,259	183,074
Total liabilities	428,162	277,688
Equity	152,059	152,059
Total liabilities and equity	\$ 580,221	\$ 429,747

Enoch Health Services Inc. for the period ended March 31,	2022	2021
Revenue	\$ 901,481	\$ 792,146
Expenses	901,481	792,146
Net income	\$ -	\$ -

Enoch Cree Nation

Notes to Consolidated Financial Statements

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9. Investment in Business Enterprises, continued

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 \$13,782,069 (2021 - \$30,394,959) and ISC funding of \$2,588,967 (2021 - \$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. Investment in Mamawatoskewak Trust

Enoch Cree Nation holds an investment in Mamawatoskewak Trust. The purpose of the trust is to hold investment and partnership units for the benefit of Enoch Cree Nation.

As at March 31, 2022 the trust holds an investment in a power and utility project, as the project is still in the development stage, there has been no activity in the trust and therefore the carrying value is \$Nil (2021 - \$Nil).

11. Investment in Age Care LP & Age Care GP Ltd.

During the year Enoch Cree Nation incorporated Age Care LP and Age Care GP Ltd, the purpose of these new entities is to provide surgical facilities and services to members and others for the benefit of the Enoch Cree Nation.

As at March 31, 2022 there has been no activity in these entities and therefore the carrying value is \$Nil (2021 - \$Nil).

12. Accounts payable

	2022	2021
Trade accounts payable	\$ 10,370,478	\$ 10,193,911
Tuition payable	683	500
Government remittances payable	174,388	213,289
Deposits	44,152	-
	\$ 10,589,701	\$ 10,407,700

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

13. Deferred revenue

Deferred revenue represents funding received during the year that has not been expended as at March 31, 2022.

	March 31, 2021	Funding received, 2022	Revenue recognized/ recovered 2022	March 31, 2022
Indigenous Services Canada	\$ 9,762,469	\$ 51,793,794	\$ (34,929,421)	\$ 26,626,843
First Nation Development Fund	-	28,687,276	(28,087,651)	599,625
Government of Alberta	919,514	1,135,876	(1,254,668)	800,722
Other	608,622	11,438,363	(11,109,306)	937,679
Indigenous Skills and Employment Training Strategy	665,546	887,490	(1,156,146)	396,890
	\$ 11,956,151	\$ 93,942,799	\$ (76,537,192)	\$ 29,361,759

Enoch Cree Nation

Notes to Consolidated Financial Statements

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14. Long-term debt

	2022	2021
Enoch Cree Nation		
Various equipment leases, repayable in total instalments of \$114,212 per year including interest at rates ranging from 1.82% to 9.25% per annum, secured by equipment with a net book value of \$833,739 (2021 - \$1,245,338), maturing on various dates from April 2023 to May 2028.	\$ 730,041	\$ 717,939
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.	8,860,661	7,399,858
Enoch Cree Nation		
Bank of Montreal loan repayable in blended monthly installments of \$8,257 including interest at 4.05%, maturing January 2027.	1,126,570	1,185,994
Kitaskinaw Education Authority Inc.		
AIIC loan, repayable in total monthly instalments of \$6,505 including interest at a rate of 9.25% per annum, disposed off during the year to Enoch Cree Nation as part of a restructuring transaction on April 1, 2021.	-	210,420
Enoch Cree Nation Social Housing Authority		
CMHC mortgages, repayable in total monthly instalments of \$109,596 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 January 2047.	18,269,695	17,512,654
Enoch Cree Nation Social Housing Authority		
Bank of Montreal demand loans, repayable in total monthly instalments of \$74,859 including interest at rates ranging from 3.515 to 4.15% per annum, secured by a general security agreement, maturing on various dates from March 2023 to June 2026.	8,143,244	8,700,982

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

14. Long-term debt, continued

	2022	2021
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 \$6,830,229 (2021 - \$7,035,371).	4,312,108	4,612,110
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.	19,532,358	20,031,952
	\$ 60,974,677	\$ 60,371,909

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%.

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

2023	\$ 2,933,222
2024	9,404,733
2025	8,858,796
2026	5,892,526
2027 and thereafter	33,885,400
	\$ 60,974,677

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

15. 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

\$8,487,660 of interim financing was issued in 2022. The interim financing is repayable on demand and bears interest at the rate of 1.75% to 2.40% per annum.

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% per annum.

\$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% per annum.

\$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% per annum.

\$165,419,980 was rolled from interim financing to long term debenture financing in 2022. The debenture has a term of 10 years with amortization of 30 years and interest rate of 3.06% per annum.

	2022	2021
Interim financing	\$ 8,487,660	\$ -
Debt reserve fund - interim financing	(424,420)	-
Debenture financing	201,325,534	37,099,344
Debt reserve fund - debenture financing	(10,259,833)	(1,953,437)
Total funds owing to First Nations Finance Authority	\$ 199,128,941	\$ 35,145,907

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Notes to Consolidated Financial Statements

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Total interest paid during the year for all FNFA loans was \$3,739,867 (2021 - \$968,361). Interest relief received was \$Nil (2021 - \$676,966).

D) River Cree Crossing Inc.

The amount of the above debenture financing balance attributable to River Cree Crossing Inc. is \$6,635,683 (2021 - \$6,264,840).

E) Enoch Cree Nation Social Housing.

The amount of the above interim financing balance attributable to Enoch Cree Nation Social Housing is \$5,766,778 (2021 - \$Nil).

F) Enoch Cree Nation Business Trust.

The amount of the above debenture financing balance attributable to Enoch Cree Nation Business Trust is \$154,638,037 (2021 - \$Nil).

Subsequent to year end, Enoch Cree Nation pursued a non-revolving credit term facility financing from First Nations Finance Authority up to the maximum amount of \$124,578,947 of which \$118,350,000 was approved via a band council resolution to Enoch Cree Nation Business Trust to assist in refinancing current debt. The Debt Reserve Fund (DRF) attributable to the non-revolving credit facility is \$6,228,947. The Council has also commissioned a group of senior officials and professionals to oversee the refinancing efforts of the Enoch Cree Nation Business Trust.

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

16. 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	2022 net book value
Land	\$ 2,275,942	\$ -	\$ -	\$ 2,275,942	\$ -	\$ -	\$ -	\$ -	\$ 2,275,942
Buildings	193,501,470	4,192,227	-	197,693,697	51,185,642	6,781,562	12,605	57,979,809	139,713,888
Equipment	16,583,404	942,630	-	17,526,034	12,255,203	1,047,831	-	13,303,034	4,223,000
Leasehold improvements	2,472,930	8,275	(732,888)	1,748,317	603,442	180,016	(92,003)	691,455	1,056,862
Assets under construction	6,330,612	3,151,038	-	9,481,650	-	-	-	-	9,481,650
	\$ 221,164,358	\$ 8,294,170	\$ (732,888)	\$ 228,725,640	\$ 64,044,287	\$ 8,009,409	\$ (79,398)	\$ 71,974,298	\$ 156,751,342

	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	7,221,402	-	193,501,470	44,451,364	6,734,278	-	51,185,642	142,315,828
Equipment	16,143,276	440,128	-	16,583,404	11,091,379	1,163,824	-	12,255,203	4,328,201
Leasehold improvements	2,364,627	841,191	(732,888)	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
	\$ 212,834,917	\$ 9,062,329	\$ (732,888)	\$ 221,164,358	\$ 55,711,919	\$ 8,332,368	\$ -	\$ 64,044,287	\$ 157,120,071

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

17. Prepaid expenses

	2022	2021
Prepaid insurance	\$ 1,339,822	\$ 2,324,676
Prepaid other	472,171	337,576
	\$ 1,811,993	\$ 2,662,252

\$1,268,883 (2021 - \$1,372,236) 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.

18. Inventory

	2022	2021
Grocery	\$ 56,977	\$ 62,022
Tobacco	334,374	292,620
Gasoline	265,715	149,856
Cannabis products	103,997	225,633
	\$ 761,063	\$ 730,131

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 \$27,499,989 (2021 - \$20,564,167).

19. Accumulated Surplus

	2022	2021
Unrestricted operating deficit	\$ (24,609,320)	\$ (38,910,633)
Equity in Tangible Capital Assets	101,187,225	107,138,265
Equity in Enoch Cree Nation Settlement Trust Funds	19,058,064	19,207,306
Equity in Ottawa Trust Funds	3,721,793	2,540,276
Equity in CMHC Replacement Reserve	1,198,785	528,354
Equity in Business Enterprises	918,520	373,789
Equity in Yekau Lake Trust	55,859,100	55,851,183
Internally Restricted Funds - ISC Grant	3,049,295	-
	\$ 160,383,462	\$ 146,728,540

Enoch Cree Nation

Notes to Consolidated Financial Statements

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20. 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.

21. Commitments

As at March 31, 2022 the Nation has undertaken housing construction projects which were in progress as at March 31, 2022 costs to complete the projects have been estimated at \$290,045.

22. 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 \$631,186 (2021 - \$526,460).

23. Comparative Amounts

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

24. Budget Information

The budget information for the year ended March 31, 2022 is prepared by management, approved by Chief and Council and is unaudited. Amortization was not contemplated in the preparation of the budget.

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March 31, 2022

25. Expenses by object

For the year ended March 31	2022 Budget	2022 Actual	2021 Actual
Amortization - capital assets	\$ -	\$ 8,009,410	\$ 8,490,439
Bad Debts	-	64,013	65,126
Insurance	993,842	1,924,042	880,349
Interest and bank charges	4,453,918	3,507,455	4,318,337
Materials and supplies	1,190,783	2,157,131	8,343,715
Per Capita Distribution	-	1,311,074	34,945,102
Professional fees	1,958,102	2,956,356	3,491,319
Program costs	16,883,902	50,715,049	17,623,712
Rent	693,631	1,216,654	698,467
Repairs and maintenance	4,045,459	4,965,795	3,889,540
Telephone and utilities	1,657,072	2,532,571	3,025,561
Travel and meetings	399,926	438,101	130,380
Wages and subcontractors	33,308,053	38,571,126	42,971,172
	\$ 65,584,688	\$ 118,368,777	\$ 128,873,219

26. 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 \$197,683 (2021- \$759,544) 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 2023.

Enoch Cree Nation

Notes to Consolidated Financial Statements

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27. 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.

As a result of COVID-19 (see note 2), these risks remain unchanged from the prior year. 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.

28. 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, 2022 was underfunded by \$583,359 (2021- \$407,909).

Enoch Cree Nation

Notes to Consolidated Financial Statements

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29. 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		
	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual	2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	147,490	1,502,890	183,488	-	-	-	151,062	2,504,106	3,892,345
Business enterprises and taxation	-	-	-	-	-	-	-	37,766,708	28,097,993
Equity income - Business enterprises	-	-	-	-	-	-	-	(14,187,342)	(34,884,476)
Resource and investment income	-	255	5	-	-	-	(952,295)	2,387,767	1,611,534
Mechet Charities Limited	137,846	144,259	84,618	-	-	-	-	8,639,495	1,469,177
First Nations Development Fund	3,137,515	2,907,253	1,184,470	-	-	-	(702,874)	2,464,924	1,775,888
Government of Alberta	-	21,963	-	-	-	-	-	-	(26,919)
ISC and FNDF - Resort	-	-	-	-	-	-	-	14,088,717	34,390,989
Other revenue	-	97,277	211,846	-	-	-	1,118,957	1,703,258	91,638,425
Total revenue	3,422,851	4,673,897	1,664,427	-	-	-	(385,150)	55,367,633	127,964,956
Expenses									
Wages and subcontractors	1,689,467	1,491,807	1,213,402	-	-	-	-	7,334,946	5,246,181
Travel and meetings	7,200	8,477	-	-	-	-	-	54,622	11,831
Repairs and maintenance	-	43,739	50,448	-	-	-	65,256	406,674	244,833
Interest and bank charges	-	37,031	1,823	-	-	-	1,707,312	2,300,748	2,398,890
Amortization - capital assets	-	-	-	-	8,009,410	8,490,439	-	-	-
Telephone and utilities	288,600	298,551	319,420	-	-	-	-	348,801	209,798
Materials and supplies	102,074	61,332	62,491	-	-	-	-	28,907,643	20,808,014
Professional fees	99,750	44,137	35,875	-	-	-	-	812,167	1,012,034
Other expenses	1,534,838	2,124,658	770,497	-	-	-	178,146	2,673,317	35,651,168
Total expenses	3,721,929	4,109,732	2,453,956	-	8,009,410	8,490,439	1,950,714	42,838,918	65,582,749
Annual surplus (deficit)	(299,078)	564,165	(789,529)	-	(8,009,410)	(8,490,439)	(2,335,864)	12,528,715	62,382,207

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

29. Segmented information, continued

	2022 Budget	Community Service 2022 Actual	2021 Actual	2022 Budget	Finance 2022 Actual	2021 Actual	2022 Budget	Education 2022 Actual	2021 Actual
Revenues									
Indigenous and Services Canada	82,182	2,888,743	3,000,140	46,961	58,909	5,052	9,558,633	12,849,032	10,908,412
Business enterprises & taxation	-	-	-	788,958	722,211	446,456	-	-	-
Resource and investment income	-	-	-	-	-	-	-	153,150	27,705
Mechet Charities Limited	833,456	1,144,848	743,548	621,804	414,213	253,692	4,224,519	3,550,944	2,106,298
First Nations Development Fund	1,281,049	1,237,040	824,372	2,240,831	2,077,248	1,175,315	58,205	58,205	-
Government of Alberta	-	-	-	-	-	-	-	217,700	553,783
Other revenue	180,000	437,347	346,957	125,000	24,160	3,825	645,843	1,356,354	808,525
Total revenue	2,376,687	5,707,978	4,915,017	3,823,554	3,296,741	1,884,340	14,487,200	18,185,385	14,404,723
Expenses									
Wages and subcontractors	1,831,705	1,676,610	1,273,127	2,157,343	1,950,466	1,642,205	8,185,362	8,230,127	6,803,721
Travel and meetings	6,150	8,250	-	30,900	12,143	1,173	2,500	12,191	10,451
Repairs and maintenance	334,870	145,843	59,170	-	100	-	280,671	385,432	236,976
Interest and bank charges	-	31,736	57,862	32,000	22,948	30,221	-	19,621	2,487
Telephone and utilities	38,999	171,266	54,910	29,480	25,271	10,330	146,472	170,465	186,213
Materials and supplies	93,480	148,232	103,722	79,900	55,182	32,957	301,797	1,129,170	496,528
Professional fees	6,000	14,200	10,956	325,000	291,010	379,780	144,673	290,168	174,525
Other expenses	197,410	3,220,590	3,617,088	936,842	134,731	132,166	5,239,811	5,667,317	4,222,696
Total expenses	2,508,614	5,416,727	5,176,835	3,591,465	2,491,851	2,228,832	14,301,286	15,904,491	12,133,597
Annual surplus (deficit)	(131,927)	291,251	(261,818)	232,089	804,890	(344,492)	185,914	2,280,894	2,271,126

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

29. Segmented information, continued

	2022 Budget	Office of the Chief 2022 Actual	2021 Actual	2022 Budget	Health 2022 Actual	2021 Actual	2022 Budget	Language and Culture 2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	977,072	1,067,872	438,222	2,982,900	3,364,847	1,705,572	-	-	-
Business enterprises & taxation	300,000	235,210	300,000	-	-	-	-	-	-
Resource and investment income	662,500	662,500	662,500	-	-	-	210,000	232,352	386,886
Mechet Charities Limited	-	-	-	1,730,992	1,599,220	1,283,088	2,296,365	1,465,294	879,651
First Nations Development Fund	2,043,837	1,785,733	1,508,736	-	-	-	3,535,886	4,111,816	2,082,432
Government of Alberta	-	-	50,000	-	-	79,288	-	63,500	40,037
Other revenue	424,497	603,902	400,274	-	122,262	750	187,706	261,121	161,536
Total revenue	4,407,906	4,355,217	3,359,732	4,713,892	5,086,329	3,068,698	6,229,957	6,134,083	3,550,542
Expenses									
Wages and subcontractors	3,443,696	3,099,445	3,481,125	2,129,275	1,818,662	1,423,368	2,270,687	1,665,139	920,864
Travel and meetings	217,609	187,395	57,203	23,817	14,606	-	30,000	6,995	-
Repairs and maintenance	5,000	39	-	82,581	54,741	94,946	54,072	5,218	8,986
Interest and bank charges	-	248,524	259,847	11,657	9,511	3,253	-	-	-
Telephone and utilities	14,675	10,002	9,002	7,317	4,437	5,414	458,200	628,042	653,185
Materials and supplies	15,250	22,408	14,872	78,596	80,610	28,157	42,015	16,508	2,988
Professional fees	395,634	1,355,866	1,640,690	260,000	-	-	125,000	1,750	700
Other expenses	224,497	689,950	555,579	444,327	1,116,021	629,399	4,259,515	4,229,399	3,760,810
Total expenses	4,316,361	5,613,629	6,018,318	3,037,570	3,098,588	2,184,537	7,239,489	6,553,051	5,347,533
Annual surplus (deficit)	91,545	(1,258,412)	(2,658,586)	1,676,322	1,987,741	884,161	(1,009,532)	(418,968)	(1,796,991)

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

29. Segmented information, continued

	2022 Budget	Infrastructure 2022 Actual	2021 Actual	2022 Budget	Mamowicitowin 2022 Actual	2021 Actual	Planning and Development 2022 Budget	2022 Actual	2021 Actual
Revenues									
Indigenous Services Canada	2,851,603	2,957,816	4,517,421	2,404,879	5,030,676	3,602,084	115,563	115,563	116,318
Resource and investment income	-	27,104	74,977	-	-	-	289,795	489,788	703,034
Mechet Charities Limited	10,554,726	10,596,150	8,108,462	1,732,655	1,327,405	758,279	417,842	175	-
First Nations Development Fund	745,610	632,805	358,876	1,713,059	1,223,952	645,717	1,093,542	473,022	364,169
Government of Alberta	50,000	50,000	620,672	25,000	93,977	201,798	-	-	189,000
Other revenue	5,285,902	4,193,586	4,381,856	423,060	728,037	398,167	915,194	1,276,381	918,061
Total revenue	19,487,841	18,457,461	18,062,264	6,298,653	8,404,047	5,606,045	2,831,936	2,354,929	2,290,582
Expenses									
Wages and subcontractors	7,684,941	7,422,941	6,197,732	3,046,140	3,252,620	1,915,168	869,437	628,360	553,807
Travel and meetings	9,350	14,500	-	58,600	98,631	49,722	13,800	20,291	-
Repairs and maintenance	3,134,161	3,841,405	3,155,030	63,912	12,401	5,494	24,936	11,048	33,656
Interest and bank charges	2,702,949	837,223	857,902	-	-	-	-	113	55
Telephone and utilities	497,020	370,063	275,797	171,509	52,953	16,386	4,800	452,720	467,708
Materials and supplies	275,465	150,273	63,433	90,871	64,125	40,479	111,335	64,999	3,071
Professional fees	138,108	45,836	132,749	13,000	87,607	87,112	450,937	18,617	24,605
Other expenses	971,428	1,969,487	2,083,724	3,247,502	3,902,886	2,139,217	1,337,059	1,013,282	1,153,597
Total expenses	15,413,422	14,651,728	12,766,367	6,691,534	7,471,223	4,253,578	2,812,304	2,209,430	2,236,499
Annual surplus (deficit)	4,074,419	3,805,733	5,295,897	(392,881)	932,824	1,352,467	19,632	145,499	54,083

Enoch Cree Nation

Notes to Consolidated Financial Statements

March 31, 2022

29. Segmented information, continued

	Consolidated totals		
	2022 Budget	2022 Actual	2021 Actual
Revenues			
Indigenous Services Canada	19,318,345	32,340,454	28,369,054
Business enterprises & taxation	1,088,958	38,724,129	28,844,449
Equity income - Business enterprises	-	(14,187,342)	(34,884,476)
Resource and investment income	210,000	3,952,916	3,466,641
Mechet Charities Limited	22,550,205	28,882,003	15,686,813
First Nations Development Fund	15,146,660	16,971,998	9,919,975
Government of Alberta	75,000	447,140	1,707,659
ISC and FNDF - Resort	-	14,088,717	34,390,989
Other revenue	9,306,159	10,803,685	99,270,222
Total revenue	67,695,327	132,023,700	186,771,326
Expenses			
Wages and subcontractors	33,308,053	38,571,123	30,670,700
Travel and meetings	399,926	438,101	130,380
Repairs and maintenance	4,045,459	4,906,640	3,889,539
Interest and bank charges	4,453,918	3,507,455	3,612,340
Amortization - capital assets	-	8,009,410	8,490,439
Telephone and utilities	1,657,072	2,532,571	2,208,163
Materials and supplies	1,190,783	30,700,482	21,656,712
Professional fees	1,958,102	2,961,358	3,499,026
Other expenses	18,571,375	26,741,638	54,715,941
Total expenses	65,584,688	118,368,778	128,873,240
Annual surplus (deficit)	2,110,639	13,654,922	57,898,086
