

**Samson Cree Nation  
Consolidated Financial Statements  
*March 31, 2015***

**Samson Cree Nation  
Contents**  
*For the year ended March 31, 2015*

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## Management's Responsibility

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To the Members of Samson Cree Nation:

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

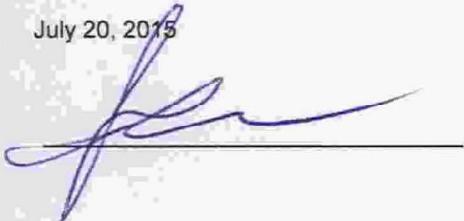
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

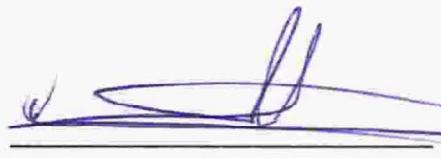
The Samson Cree Nation Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

July 20, 2015



Councillor



Councillor

## Independent Auditors' Report

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To the Members of Samson Cree Nation:

We have audited the accompanying consolidated financial statements of Samson Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets and cash flows, and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### *Basis for Qualified Opinion*

Notes 1 and Note 17 indicate that commencing in the 2003 year, the Chief and Council of Samson Cree Nation instructed management to exclude the financial results of Peace Hills Trust Company and Peace Hills General Insurance Company from the consolidated financial statements. Canadian public sector accounting standards require inclusion of the financial statements of subsidiary companies with those of the reporting enterprise. Had these entities been consolidated, as at March 31, 2015, total assets and accumulated surplus would increase by increase by \$138,313,044, and for the year ended March 31, 2015, surplus would increase by \$2,366,462.

### *Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly in all material respects the financial position of Samson Cree Nation as at March 31, 2015 and the results of its operations (including remeasurement gains and losses), changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta

July 20, 2015

**MNP LLP**  
Chartered Accountants

**Samson Cree Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2015*

	<b>2015</b> <i>Actual</i>	<b>2014</b> <i>Actual</i>
<b>Financial assets</b>		
<b>Current</b>		
Cash <i>(Note 2)</i>	15,363,380	4,892,136
Accounts receivable <i>(Note 3)</i>	8,617,438	9,180,830
Inventory for resale <i>(Note 4)</i>	429,207	501,213
<b>Subtotal of current assets</b>	<b>24,410,025</b>	14,574,179
<b>Capital funds held in trust <i>(Note 5)</i></b>	<b>1,860,873</b>	1,657,021
<b>Revenue funds held in trust <i>(Note 6)</i></b>	<b>231,050</b>	845,937
<b>Kisoniyaminaw Heritage Trust Fund <i>(Note 7)</i></b>	<b>453,093,691</b>	431,265,450
<b>Samson Education Trust Fund <i>(Note 8)</i></b>	<b>29,667,763</b>	28,053,852
<b>Investments <i>(Note 9)</i></b>	<b>5,560,087</b>	5,090,087
<b>Oil and gas properties <i>(Note 10)</i></b>	<b>2,365,949</b>	2,507,144
<b>Total financial assets</b>	<b>517,189,438</b>	483,993,670

**Samson Cree Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2015*

	2015 Actual	2014 Actual
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 11)	4,705,288	4,241,229
Accounts payable and accruals (Note 12)	7,472,745	4,389,053
Deferred revenue (Note 13)	8,277,355	449,577
Current portion of long-term debt (Note 14)	8,903,956	2,188,265
<b>Subtotal of current liabilities</b>	<b>29,359,344</b>	<b>11,268,124</b>
Long-term debt (Note 14)	12,073,285	18,198,495
<b>Total financial liabilities</b>	<b>41,432,629</b>	<b>29,466,619</b>
<b>Net financial assets</b>	<b>475,756,809</b>	<b>454,527,051</b>
<b>Guarantees (Note 9), (Note 11)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	75,309,167	77,257,714
Inventory held for use (Note 15)	1,701,027	935,078
<b>Total non-financial assets</b>	<b>77,010,194</b>	<b>78,192,792</b>
<b>Accumulated surplus</b>	<b>552,767,003</b>	<b>532,719,843</b>
<b>Accumulated surplus is comprised of:</b>		
Accumulated operating surplus	462,081,891	447,949,880
Accumulated remeasurement gains	90,685,112	84,769,963
	<b>552,767,003</b>	<b>532,719,843</b>

Approved on behalf of the Board

Councillor

Councillor

**Samson Cree Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2015*

	<b>Schedules</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Revenue</b>				
Government funding				
Aboriginal Affairs and Northern Development Canada	23,361,828	23,361,828	24,050,016	
First Nations and Inuit Health Branch	2,008,995	2,008,995	1,966,299	
First Nations Development Fund	1,841,436	1,841,436	1,755,431	
Human Resources and Skills Development Canada	1,654,995	1,654,995	1,511,354	
Government of Canada - RCMP building	545,541	545,541	544,281	
Canada Mortgage and Housing Corporation	396,144	396,144	370,070	
Service Canada - Change it Up	310,338	310,338	528,819	
	<b>30,119,277</b>	<b>30,119,277</b>	<b>30,726,270</b>	
Samson Management - Gas Bar	-	10,146,468	10,185,987	
Samson Management - Real Estate	-	1,398,934	1,299,831	
Samson Management - Roots & Berries	-	1,361,857	1,421,563	
Samson Management - Grocery	-	587,956	565,817	
Samson Management - Maskwapeetoon Automotive	-	550,932	563,852	
Samson Management - Subway	-	426,231	468,254	
Samson Management - Robins Donuts	-	222,273	-	
Samson Management - Art Gallery	-	92,282	101,693	
Samson Management - Administration	-	12,508	399,022	
Samson Management - Emerging Opportunities	-	461	2,213	
Samson Management - Off Reserve Housing	-	-	237	
Samson Tribal Enterprises	-	5,947,489	5,199,495	
Maskwacis Ambulance Authority	-	4,298,294	4,030,161	
Parcan Developments	-	1,773,731	1,785,864	
Samson Oil & Gas	-	2,363,562	1,249,613	
Bingo	-	1,535,767	1,630,740	
Samson Cree Medical Services	-	143,279	-	
Other revenue	-	5,442,679	3,299,947	
Peace Hills Trust dividend	-	-	887,373	
GST refunds	-	108,006	77,200	
Family Violence	-	58,076	51,076	
ATCO donations	-	-	260,890	
Debenture trust revenue	-	-	141,339	
Band funds revenue	1,000,000	-	-	
Capital funds held in trust	-	557,532	266,584	
Revenue funds held in trust	-	385,113	427,124	
Samson Education Trust Fund	-	2,237,551	1,716,990	
Kisoniyaminaw Heritage Trust Fund	17,000,000	42,819,109	25,485,941	
Kisoniyaminaw Heritage Trust Fund - additional 2014 fourth quarter distributions deferred (Note 13)	-	(7,457,105)	-	
	<b>48,119,277</b>	<b>105,132,262</b>	<b>92,245,076</b>	

*Continued on next page*

**Samson Cree Nation**  
**Consolidated Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2015*

	<b>Schedules</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Total revenues (Continued from previous page)</b>		<b>48,119,277</b>	<b>105,132,262</b>	92,245,076
<b>Expenses</b>				
Governance	3	<b>12,257,667</b>	<b>11,969,531</b>	13,340,098
Operational Support	4	<b>3,698,300</b>	<b>3,909,112</b>	3,704,394
Justice	5	<b>1,351,735</b>	<b>1,435,900</b>	1,754,470
Community Wellness / Family Support	6	<b>10,985,829</b>	<b>11,666,470</b>	11,881,153
Infrastructure	7	<b>6,098,392</b>	<b>6,125,978</b>	7,344,556
Education	8	<b>12,669,674</b>	<b>14,074,712</b>	12,781,434
Nation Projects	9	<b>488,590</b>	<b>2,752,946</b>	1,799,679
Nation Businesses	10	<b>310,338</b>	<b>30,615,016</b>	28,004,289
Other	11	-	<b>3,426,219</b>	3,222,077
<b>Total expenses</b>		<b>47,860,525</b>	<b>85,975,884</b>	83,832,150
<b>Surplus before other items</b>		<b>258,752</b>	<b>19,156,378</b>	8,412,926
<b>Other income (expense)</b>				
Gain on disposal of Samson Tribal Enterprises tangible capital assets		-	<b>302,998</b>	148,113
Gain on disposal of Samson Oil & Gas investments		-	<b>268,455</b>	-
Gain on disposal of Samson Management tangible capital assets		-	<b>7,378</b>	-
Gain on disposal of Samson Oil & Gas tangible capital assets		-	-	217,888
Depletion of oil and gas properties		-	<b>(199,555)</b>	-
Amortization		<b>(258,752)</b>	<b>(5,403,643)</b>	(5,125,376)
		<b>(258,752)</b>	<b>(5,024,367)</b>	(4,759,375)
<b>Surplus</b>		-	<b>14,132,011</b>	3,653,551
<b>Accumulated surplus, beginning of year</b>		-	<b>447,949,880</b>	444,296,329
<b>Accumulated surplus, end of year</b>		-	<b>462,081,891</b>	447,949,880

**Samson Cree Nation**  
**Consolidated Statement of Remeasurement Gains and Losses**  
*For the year ended March 31, 2015*

	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Accumulated remeasurement gains, beginning of year</b>	<b>84,769,963</b>	36,991,897
<b>Unrealized gains attributable to:</b>		
Portfolio investments in KHTF and SETF	38,436,826	63,701,347
<b>Amounts reclassified to the statement of operations:</b>		
Portfolio investments in KHTF and SETF	(32,521,677)	(15,923,281)
<b>Change in remeasurement gains, for the year</b>	<b>5,915,149</b>	47,778,066
<b>Accumulated remeasurement gains, end of year</b>	<b>90,685,112</b>	84,769,963

**Samson Cree Nation**  
**Consolidated Statement of Changes in Net Financial Assets**  
*For the year ended March 31, 2015*

	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Surplus</b>	-	<b>14,132,011</b>	3,653,551
Purchases of tangible capital assets	-	(3,878,911)	(2,713,188)
Amortization of tangible capital assets	-	5,403,643	5,125,376
Proceeds on disposal of tangible capital assets	-	734,191	1,144,661
Gain on disposal of tangible capital assets	-	(310,376)	(366,001)
Purchase of inventory held for use	-	(765,949)	(175,671)
Use of prepaid expenses	-	-	137,700
Change in remeasurement gains	-	5,915,149	47,778,066
	-	<b>7,097,747</b>	50,930,943
<b>Increase in net financial assets</b>	-	<b>21,229,758</b>	54,584,494
<b>Net financial assets, beginning of year</b>	-	<b>454,527,051</b>	399,942,557
<b>Net financial assets, end of year</b>	-	<b>475,756,809</b>	454,527,051

**Samson Cree Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2015*

	<b>2015</b>	<b>2014</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Receipts from government sources	29,821,411	30,862,504
Receipts from trust funds	28,883,337	20,191,318
Receipts from other sources	20,702,716	14,860,057
Paid to suppliers and employees	(64,978,346)	(66,197,076)
Interest paid	(1,607,789)	(1,106,537)
	<b>12,821,329</b>	<b>(1,389,734)</b>
<b>Financing activities</b>		
Advances of bank indebtedness, net of repayments	464,059	844,337
Advances of long-term debt	2,392,753	1,297,443
Repayment of long-term debt	(1,802,272)	(10,464,986)
	<b>1,054,540</b>	<b>(8,323,206)</b>
<b>Capital and investing activities</b>		
Proceeds on disposal of tangible capital assets	734,191	1,144,670
Purchase of tangible capital assets	(3,878,911)	(2,713,188)
Purchase of oil and gas properties	(58,360)	(26,954)
Purchase of investments	(500,000)	-
Proceeds on disposal of investments	298,455	-
Proceeds on redemption of subordinated debenture	-	10,000,000
	<b>(3,404,625)</b>	<b>8,404,528</b>
<b>Increase (decrease) in cash resources</b>	<b>10,471,244</b>	<b>(1,308,412)</b>
<b>Cash resources, beginning of year</b>	<b>4,892,136</b>	<b>6,200,548</b>
<b>Cash resources, end of year</b>	<b>15,363,380</b>	<b>4,892,136</b>

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**1. Significant accounting policies**

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards except as explained below and include the following significant accounting policies:

***Reporting entity consolidated***

These consolidated financial statements include Samson Cree Nation (the "Nation") and certain related entities which are accountable to the Nation and are either owned or controlled by the Nation.

These consolidated financial statements include the assets, liabilities, revenues and expenses of the Nation including the accounts of the following unincorporated entities and limited companies:

- Samson Tribal Enterprises Ltd.
- Samson Management Ltd.
- Samson Management (2009) Ltd.
- Samson Management Limited Partnership
- Samson Education Trust Fund
- Parcan Developments Inc.
- Mihkwani Financial Advisory Inc.
- Samson Oil & Gas Inc.
- Kisoniyaminaw Heritage Trust Fund
- Maskwacis Ambulance Authority Ltd.
- Samson Cree Medical Services Inc.

Business entities, that are owned or controlled by the Nation and that are not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the accounting principles of the business entity are not adjusted to conform with those of the Nation. Thus, the Nation's investment in these enterprises is recorded at cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. These business entities include:

- SEM Resort Limited Partnership (1/3 interest)

These consolidated financial statements do not include the accounts of these wholly-owned companies:

- Peace Hills Trust Company
- Peace Hills General Insurance Company

The annual report for the fiscal year is available online and at the head office location for both Peace Hills Trust Company and Peace Hills General Insurance Company. See Note 17 for further discussion of the exclusion of these two companies from the consolidated financial statements.

These consolidated financial statements do not include the assets or liabilities of individual Nation members.

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, inventory held for use and prepaid expenses.

***Net financial assets***

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the Nation are determined as its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

***Basis of presentation and revenue recognition***

Sources of revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Unrestricted government transfers are recognized when they become receivable under the terms of applicable funding agreements. Restricted government transfers are deferred and recognized as revenue in the period in which the resources are used for the purposes specified.

Oil and gas royalties are paid in trust to the Government of Canada on behalf of the Nation pursuant to the provisions of the Indian Oil and Gas Act and Regulations. This revenue is recognized in the accounts of the Nation when reported by the Government of Canada.

The Nation recognizes revenues and profits from business enterprises when the requirements as to performance for transactions involving the sale of goods are met and ultimate collection is reasonably assured at the time of performance.

***Statement of Remeasurement Gains and Losses***

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement are distinguished from revenues and expenses reported in the statement of operations. The statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) attributable to financial instruments in the fair value category do not affect this assessment as they are recognized in the statement of remeasurement gains and losses. Taken together, the two statements account for changes in a Nation's net assets (liabilities) in the period.

Upon settlement of a financial asset or liability measured at fair value, the cumulative gain (loss) is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations.

***Cash resources***

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

***Inventory***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business less estimated selling cost.

***Funds held in trust***

Funds held in trust on behalf of Nation members by the Government of Canada are reported on the consolidated statement of financial position. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other Nation capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Investments***

Long-term investments in entities that are not owned, controlled, or significantly influenced by the Nation are accounted for using the cost method. They are recorded at cost less any provision for other than temporary impairment.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

***Oil and gas properties***

The full cost method of accounting for oil and natural gas operations is followed whereby all costs of acquiring, exploring and developing oil and natural gas reserves are capitalized. These costs include lease acquisition, geological and geophysical, exploration and development, and related equipment costs. Proceeds from the disposition of oil and natural gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such disposition results in a significant change in the depletion rate.

Depletion of resource properties is calculated using the unit of production method based on production volumes before royalties in relation to total proved reserves, as estimated by independent petroleum engineers. Natural gas volumes are converted to equivalent oil volumes based upon the relative energy content of six thousand cubic feet of natural gas to one barrel of oil. Significant natural gas processing facilities net of estimated salvage values, are amortized using the declining balance method over the estimated useful lives of the facilities.

The recoverability of accumulated costs in a cost centre is assessed based on undiscounted future cash flows from proved reserves and the cost of unproven properties. If accumulated costs are assessed to be not fully recoverable, the cost centre is written down to its fair value estimated as the present value of expected future cash flows from proved and probable reserves and the value of unproved properties. Expected future cash flows are discounted at the Nation's estimated risk free rate.

Costs are based on engineering estimates of the anticipated method and extent of site restoration in accordance with current legislation, industry practices and costs. The accumulated provision is reflected as a liability and actual expenditures are charged against the accumulated provision when incurred.

Revenue from the sale of crude oil, natural gas liquids and natural gas revenues are recorded using the entitlement method. Under the entitlement method, revenue is recognized when title passes based on the Nation's net interest. The Nation records its entitled share of revenues based on entitled volumes and contracted sales prices.

All petroleum and natural gas activities are conducted jointly with others. These consolidated financial statements reflect only the Nation's proportionate interest in such activities.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution.

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings	declining balance	4-5 %
Equipment	declining balance	10-100 %
Houses - country	declining balance	10 %
Houses - townsite	declining balance	10 %
Infrastructure	declining balance	5 %

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in surplus (deficit) for the year.

Prices for similar items are used to measure fair value of long-lived assets.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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

**Segments**

The Nation conducts its business through the following reportable segments as reported on Schedule 3: Governance, Operational Support, Justice, Community Wellness / Family Support, Infrastructure, Education, Nation Projects, Nation Business and Other Programs. These operating segments are established by Chief and Council to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in this note.

**Measurement uncertainty (use of estimates)**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Depletion of oil and gas properties is based on estimates by independent petroleum engineers.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in surplus in the years in which they become known.

**Financial instruments**

The Nation recognizes its financial instruments when the Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**2. Cash**

	<b>2015</b>	<b>2014</b>
<b>Nation Departments:</b>		
Treasury	7,052,179	348,607
Social Development	537,971	594,354
First Nations Development Fund	318,869	(4,028)
Maskwacis Youth Initiatives	227,717	35,002
Community Wellness	171,270	13,269
Payroll	89,621	27,934
CMHC Innovative Housing Program	42,549	9,663
Human Resources (HRDC)	19,697	(247,010)
Nipisihkopahk Education Authority	12,285	6,106
Per Capita Distribution	(10,035)	(110,039)
Operations	(542,767)	(250,032)
	<b>7,919,356</b>	<b>423,826</b>
<b>Other Entities:</b>		
Samson Management	1,160,854	2,019,733
Mihkwan Financial Advisory	232,754	244,668
Corporate trust	317,631	317,338
Maskwacis Ambulance Authority - includes GIC of \$325,000 (2014 - \$325,000)	952,793	853,534
RCMP	236,786	236,965
Parcan Developments - includes GIC of \$100,000 (2014 - \$100,000)	382,762	453,412
Bingo	336,639	252,808
Samson Cree Medical Services	88,651	63,872
Samson Oil & Gas	(22,584)	(8,504)
Samson Tribal Enterprises	34,888	34,484
Cash held in trust - Sasakamoose Law Office - sale of Cold Lake properties (Note 18)	3,722,850	-
	<b>7,444,024</b>	<b>4,468,310</b>
	<b>15,363,380</b>	<b>4,892,136</b>

**3. Accounts receivable**

	<b>2015</b>	<b>2014</b>
<b>Nation Departments:</b>		
First Nations Development Fund	397,432	755,899
Human Resources and Skills Development Canada	141,882	-
Government of Canada - RCMP building	45,357	45,357
Aboriginal Affairs and Northern Development Canada - receivables and PAYE	715,713	407,379
Service Canada - Change it Up	30,954	-
	<b>1,331,338</b>	<b>1,208,635</b>
<b>Other Entities:</b>		
Samson Management	3,225,360	3,977,022
Parcan Developments	741,832	545,100
Samson Tribal Enterprises	468,210	649,505
Samson Oil & Gas	780,082	409,003
Advances - Mihkwan Financial Advisory	701,512	829,908
Maskwacis Ambulance Authority	533,889	512,630
Samson Cree Medical Services	35,215	249,027
Advances to Lubicon Lake Nation	800,000	800,000
	<b>7,286,100</b>	<b>7,972,195</b>
	<b>8,617,438</b>	<b>9,180,830</b>

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**4. Inventory for resale**

Inventory for resale is held by Samson Management (2009) Ltd. and consists of the following:

	<b>2015</b>	<b>2014</b>
Tobacco (Gas Bar)	84,004	69,944
Confectionary (Gas Bar)	31,329	36,015
Fuel (Gas Bar)	58,516	99,223
Parts (Automotive)	28,850	26,370
Merchandise (Pharmacy)	15,559	23,616
Pharmaceuticals (Pharmacy)	106,786	110,799
Food (Subway)	5,544	9,287
Food (Grocery)	50,848	93,502
Food (Robins Donuts)	19,918	-
Artwork (Art Gallery)	27,853	32,457
	<b>429,207</b>	<b>501,213</b>

**5. Capital funds held in trust**

	<b>2015</b>	<b>2014</b>
AANDC capital trust	886,323	930,652
Suspense account (membership)	528,224	515,801
Share of Four Nations trust accounts	446,326	210,568
	<b>1,860,873</b>	<b>1,657,021</b>

**Summary of Activity:**

Balance, beginning of year	1,657,021	2,004,200
Interest revenue	12,423	14,270
Oil and gas royalties	545,109	252,314
Transfer to Kisoniyaminaw Heritage Trust Fund	(353,680)	(613,763)
Balance, end of year	<b>1,860,873</b>	<b>1,657,021</b>

**6. Revenue funds held in trust**

	<b>2015</b>	<b>2014</b>
AANDC revenue account	149,235	773,807
Suspense account (oil & gas)	81,815	72,130
	<b>231,050</b>	<b>845,937</b>
<b>Summary of Activity:</b>		
Balance, beginning of year	845,937	418,813
Interest revenue	38,109	47,015
Oil and gas royalties	347,004	380,109
Withdrawal of band funds	(1,000,000)	-
Balance, end of year	<b>231,050</b>	<b>845,937</b>

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**7. Kisoniyaminaw Heritage Trust Fund**

On July 25, 2005 the Nation's Chief and Council approved the Kisoniyaminaw Heritage Trust Deed created for the purpose of the transfer of the Capital Moneys. The Trust Deed identifies the Nation, including its present and future members, as the beneficiaries of the trust. The Kisoniyaminaw Heritage Trust Fund ("KHTF") has been established pursuant to and in conformity with Treaty No. 6. Article 4 of the Trust Deed confirms that the Trust shall not impair, reduce or negatively affect the treaty rights of the Nation and its present and future members or the treaty obligations of Canada.

Article 3 of the Trust Deed identifies the responsibilities of the trustees. They are to manage and invest the trust fund as a prudent person would. Further, they are to invest the trust fund in an attempt to generate sufficient income annually to assist Samson in meeting its responsibilities to present and future members. They are also to attempt to maintain the purchasing power of the trust fund by endeavouring to ensure that it grows with inflation.

The Nation's Chief and Councilors cannot be trustees. Moreover, no officer, employee or agent of the Nation can be a trustee.

	<b>2015</b>	<b>2014</b>
<b>Summary of Activity:</b>		
Net assets, beginning of year	431,265,450	378,877,963
Transfer from Capital Funds Held in Trust	353,680	613,763
Investment income and realized gains	42,819,109	25,485,941
Unrealized gains	5,625,073	45,602,691
Investment management fees	(1,738,350)	(1,578,654)
Commissions	(129,395)	(139,950)
Trustee honoraria	(202,952)	(203,807)
Custodial	(148,674)	(143,275)
Administration and annual report	(151,011)	(151,957)
Professional fees	(119,039)	(75,956)
Trustee expenses	(23,095)	(21,309)
Transfers to programs	(24,457,105)	(17,000,000)
Net assets, end of year	<b>453,093,691</b>	<b>431,265,450</b>

**8. Samson Education Trust Fund**

The trust was established by the Nation on June 23, 1980 and varied on June 29, 1990 to provide limited supplementary financial assistance to qualifying Nation members through incentives and scholarships and to assist in other educational endeavours. This assistance is supplementary to the obligations of the Government of Canada.

The trust capital is subject to the terms and conditions of the Samson Education Trust Fund, which requires the trustees to hold and preserve the trust capital and to apply trust income in accordance with the purpose of the trust.

	<b>2015</b>	<b>2014</b>
<b>Summary of Activity:</b>		
Net assets, beginning of year	28,053,852	25,068,654
Unrealized gains	290,063	2,175,389
Investment income and realized gains	2,237,551	1,716,990
Travel and training	(8,310)	(8,825)
Education incentives, awards and student benefits	(618,320)	(587,210)
Fundraising - golf tournament	(2,150)	(12,567)
Board and committee fees	(65,575)	(59,718)
Professional fees	(10,740)	(37,158)
Office expenses	(16,202)	(22,505)
Investment management fees	(123,713)	(114,996)
Salaries, wages and benefits	(68,693)	(64,202)
Net assets, end of year	<b>29,667,763</b>	<b>28,053,852</b>

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**9. Investments**

The Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative earnings (loss)</i>	<i>2015 Total investment</i>
<b>Investments - at cost:</b>				
Investor membership in Anishnabe Healing Centre	160,000	-	-	160,000
<b>Nation Business Partnerships – modified equity:</b>				
SEM Limited Partnership - (33%)	5,000,000	500,000	(99,913)	5,400,087
	<b>5,160,000</b>	<b>500,000</b>	<b>(99,913)</b>	<b>5,560,087</b>

	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative earnings (loss)</i>	<i>2014 Total investment</i>
<b>Investments - at cost:</b>				
Investor membership in Anishnabe Healing Centre	160,000	-	-	160,000
Braveheart Oil & Gas Ltd.	30,000	-	-	30,000
	190,000	-	-	190,000
<b>Nation Business Partnerships – modified equity:</b>				
SEM Limited Partnership - (33%)	5,000,000	-	(99,913)	4,900,087
	5,190,000	-	(99,913)	5,090,087

The Nation's investment in SEM Limited Partnership was established for the purposes of earning investment income. Summary financial information for their respective year-end is as follows and represents 100% of the assets, liabilities, revenues and expenses of SEM Limited Partnership:

<i>As at March 31, 2015</i>	
<b>Assets</b>	
Cash	3,053,639
Accounts receivable	2,663,353
Inventory	261,535
Prepaid expenses	157,159
GIC's	1,130,343
Property, plant and equipment	10,602,825
<b>Total assets</b>	<b>17,868,854</b>
<b>Liabilities</b>	
Accounts payable and accruals	3,266,261
BC Lottery Corp. cash float	600,000
Due to related parties	5,000,133
Obligations under capital lease	301,844
<b>Total liabilities</b>	<b>9,168,238</b>
<b>Net assets</b>	<b>8,700,616</b>
<b>Total revenue</b>	<b>13,381,043</b>
<b>Total expenses</b>	<b>13,381,043</b>
<b>Net income</b>	<b>-</b>

As at March 31, 2015, the Nation has guaranteed jointly and severally the credit facilities of SEM Limited Partnership, of which the Nation has a 1/3 interest, up to a maximum amount of \$5,000,000 (2014 - \$5,000,000). This guarantee is provided by the Nation along with the Chippewas of Rama First Nation and is supported by Band Council Resolutions from each party. Payments under this guarantee, which will remain in place for the next 12 months, are triggered upon an event of default. As at March 31, 2015, no liabilities have been recorded in association with this guarantee by the Nation.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**10. Oil and gas properties**

	<b>2015</b>	<b>2014</b>
<b>Samson Oil &amp; Gas:</b>		
Cost	7,902,278	7,843,918
Accumulated depletion	(5,536,329)	(5,336,774)
	<b>2,365,949</b>	<b>2,507,144</b>

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**11. Bank indebtedness**

Bank indebtedness consists of the following credit facilities:

	<b>2015</b>	<b>2014</b>
<b>Samson Tribal Enterprises:</b>		
BMO Agri-Readiline	2,621,260	2,751,080
BMO farm equipment demand loans	724,247	528,057
BMO operating line of credit	1,354,781	642,092
	<b>4,700,288</b>	<b>3,921,229</b>
<b>Samson Management:</b>		
RBC Royal Bank revolving demand facility	5,000	5,000
<b>Samson Cree Medical Services:</b>		
Peace Hills Trust revolving demand facility	-	315,000
	<b>4,705,288</b>	<b>4,241,229</b>

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**Samson Tribal Enterprises:**

- BMO Agri-Readiline with a maximum facility amount of \$3,000,000 (2014 - \$3,000,000), bearing interest at prime plus 1.50%, due on demand;
- BMO farm equipment lines of credit with a maximum facility amount of \$800,000 (2014 - \$700,000), bearing interest at prime plus 2.375%, due on demand; and
- BMO operating line of credit with a maximum facility amount of \$1,650,00 (2014 - \$1,000,000), bearing interest at prime plus 1.875%, due on demand.

These facilities are secured by a corporate guarantee by Samson Cree Nation, the company's sole shareholder, in the amount of \$5,400,000; band council resolution; operating loan agreement; certificate of the Chief of Samson Cree Nation; postponement and subordination agreement BCR; pledge of bills; and a general security agreement.

These facilities are subject to a financial covenant with respect to its debt servicing ratio. The company is required to maintain a debt servicing ratio of 1.25:1 tested annually. As at March 31, 2015, the company was not in compliance with the debt servicing ratio requirement.

**Samson Management:**

RBC Royal Bank revolving demand facility bearing interest at prime plus 2.0% per annum, authorized to a maximum of \$500,000 (2014 - \$500,000), of which \$5,000 (2014 - \$5,000) was drawn at year-end.

This credit facility is secured by a general security agreement constituting a first ranking security interest on all property of the company; a collateral mortgage in the amount of \$1,000,000 on specific land and improvements; and a postponement and assignment of claim signed by the Nation.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**11. Bank indebtedness (Continued from previous page)**

**Samson Cree Medical Services:**

Peace Hills Trust revolving demand facility bearing interest at prime plus 2.0% per annum, authorized to a maximum of \$315,000 (2014 - \$315,000), of which \$nil (2014 - \$315,000) was drawn at year-end.

This credit facility is secured by collateral assignment of Maskwacis Ambulance Authority GIC in the amount of \$325,000; a Maskwacis Ambulance Authority board resolution which guarantees the facility; guarantee and postponement of claim; a general security agreement; a line of credit agreement in the amount of \$315,000; and a promissory note in the amount of \$315,000.

**12. Accounts payable and accruals**

	<b>2015</b>	<b>2014</b>
<b>Nation programs and services</b>	<b>514,495</b>	1,322,053
Other Entities:		
Samson Oil & Gas	1,374,247	1,134,417
Samson Tribal Enterprises	667,835	431,234
Parcan Developments	205,945	291,936
Samson Management	350,774	603,192
Non-coterminous year-end adjustment - Samson Management (Note 18)	3,722,850	-
Maskwacis Ambulance Authority	82,098	135,550
Samson Cree Medical Services	39,538	39,538
Bingo	514,963	431,133
	6,958,250	3,067,000
	<b>7,472,745</b>	4,389,053

**13. Deferred revenue**

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

	<i>Balance, beginning of year</i>	<i>Amounts received in year</i>	<i>Recognized in year</i>	<i>Balance, end of year</i>
First Nations Development Fund	449,577	1,614,916	1,841,436	223,057
Human Resources and Skills Development Canada	-	1,706,352	1,654,995	51,357
Kisoniyaminaw Heritage Trust Fund	-	24,457,105	17,000,000	7,457,105
Other revenue - Enhanced Service Delivery	-	710,219	278,742	431,477
Other revenue - Human Resources	-	243,848	129,489	114,359
	<b>449,577</b>	<b>28,732,440</b>	<b>20,904,662</b>	<b>8,277,355</b>

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

**14. Long-term debt**

	<b>2015</b>	<b>2014</b>
Samson Cree Nation - RBC Royal Bank fixed rate term loan payable at \$30,218 per month including interest at 5.15%, due November 2015, secured by guarantee and postponement of claim in the amount of \$10,233,687 signed by Samson Tribal Enterprises Ltd., supported by a collateral mortgage in the amount of \$8,412,500 and \$10,233,867 covering 8,370 acres of non-reserve land owned by Samson Tribal Enterprises Ltd.	4,604,900	4,726,862
Samson Cree Nation - RBC Royal Bank fixed rate term loan payable at \$60,957 per month including interest at 4.86%, due November 2015, secured by guarantee and postponement of claim in the amount of \$10,233,687 signed by Samson Tribal Enterprises Ltd., supported by a collateral mortgage in the amount of \$8,412,500 and \$10,233,867 covering 8,370 acres of non-reserve land owned by Samson Tribal Enterprises Ltd.	1,810,129	2,436,879
Samson Cree Nation - RBC Royal Bank fixed rate term loan repayable at \$9,042 per month including interest at prime plus 1.95%, due August 2015, secured by guarantee and postponement of claim in the amount of \$10,233,687 signed by Samson Tribal Enterprises Ltd., supported by a collateral mortgage in the amount of \$8,412,500 and \$10,233,867 covering 8,370 acres of non-reserve land owned by Samson Tribal Enterprises Ltd.	451,299	535,337
Samson Cree Nation - CMHC Direct Lending financing repayable at \$6,634 per month including interest at 2.40% per annum, due October 2015, secured by AANDC Ministerial guarantee and CMHC insurance.	1,023,217	1,077,832
Samson Cree Nation - CMHC Direct Lending financing repayable at \$1,559 per month including interest at 2.37% per annum, due June 2016, secured by AANDC Ministerial guarantee and CMHC insurance.	183,817	198,039
Samson Cree Nation - CMHC Direct Lending financing repayable at \$1,284 per month including interest at 2.37% per annum, due June 2016, secured by AANDC Ministerial guarantee and CMHC insurance.	151,409	163,123
Samson Cree Nation - CMHC Direct Lending financing repayable at \$4,631 per month including interest at 1.80% per annum, due May 2017, secured by AANDC Ministerial guarantee and CMHC insurance.	811,658	852,366
Samson Cree Nation - CMHC Direct Lending financing repayable at \$8,553 per month including interest at 2.35% per annum, due September 2018, secured by AANDC Ministerial guarantee and CMHC insurance.	1,189,427	1,263,503
Samson Cree Nation - CMHC Direct Lending financing repayable at \$3,067 per month including interest at 1.62% per annum, due March 2018, secured by AANDC Ministerial guarantee and CMHC insurance.	426,901	456,599
Samson Cree Nation - CMHC Direct Lending financing repayable at \$2,017 per month including interest at 1.62% per annum, due March 2018, secured by AANDC Ministerial guarantee and CMHC insurance.	280,696	300,223
Samson Cree Nation - First Nations Bank financing for RCMP building repayable at \$40,287 per month including interest at 4.25%, due May 2019. This financing relates to capital construction costs of the RCMP building which costs are being recovered under a lease with the Government of Canada over 20 years; all lease receipts relating to the capital cost are directed to the First Nations Bank.	5,136,944	5,395,875

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**14. Long-term debt (Continued from previous page)**

	<b>2015</b>	<b>2014</b>
Parcan Developments - Canadian Western Bank mortgage, repayable in monthly payments of \$42,708 plus interest at prime plus 1.25%, due October 2022, secured by promissory note, general security agreement covering all assets of Parcan Developments and an assignment of rents and leases.	3,886,458	1,888,693
Samson Management - First National Financial LP mortgages bearing interest at 3.21%, payable in monthly instalments of \$2,139 and \$3,193 including interest, due December 2016, secured by specific real estate properties, a general security agreement, guarantees and postponement and assignment of claims.	1,013,974	1,044,545
Samson Tribal Enterprises - John Deere Financial loan repayable in monthly instalments of \$3,206 including interest at 3.90% per annum, due June 2015, secured by specific equipment with a net book value of \$75,422 (2014 - \$94,278).	6,412	46,884
	<b>20,977,241</b>	20,386,760
<u>Less: current portion of long-term debt</u>	<b>8,903,956</b>	2,188,265
	<b>12,073,285</b>	<b>18,198,495</b>

Principal repayments on long-term debt in each of the next five years and thereafter, assuming all term debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2016	8,903,956
2017	2,255,351
2018	2,221,181
2019	1,777,089
2020 and thereafter	5,819,664

Long-term debt with First Nations Bank is subject to certain financial covenants with respect to debt service coverage ratio. As at March 31, 2015, the Nation is in compliance with all such covenants.

**15. Inventory held for use**

Inventory held for use relates to Samson Tribal Enterprises and consists of: buffalo of \$45,876 (2014 - \$76,600); gravel of \$457,936 (2014 - \$457,936); and grain, seed and sileage of \$1,197,215 (2014 - \$400,542).

**16. Financial instruments**

The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***Risk management policy***

The Nation, as part of operations, has established risk management objectives such as avoidance of undue concentrations of risk as risk management objectives. In seeking to meet these objectives, the Nation follows a risk management policy approved by Chief and Council.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2015*

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**16. Financial instruments (Continued from previous page)**

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Nation is exposed to interest rate cash flow risk with respect to its investments held within the Kisoniyaminaw Heritage Trust Fund and the Samson Education Trust Fund, bank indebtedness and certain long-term debt amounts which are subject to floating interest rates. The Nation is exposed to interest rate price risk with respect to its investments held within the Kisoniyaminaw Heritage Trust Fund and the Samson Education Trust Fund and certain long-term debt amounts which bear interest at rates agreed upon at the time of issuance.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Nation enters into transactions to purchase portfolio investments for which the market price fluctuates via its investments held within the Kisoniyaminaw Heritage Trust Fund and the Samson Education Trust Fund.

Other price risk is measured using standard deviation, which measures a portfolio investment's volatility regardless of the cause. The Nation manages its other price risk by utilizing investment managers and custodians to monitor the volatility of the portfolio investments held and manage the investments according to the investment guidelines.

***Credit risk***

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

The First Nation manages its credit risk by performing regular credit assessments of its customers, providing allowances for potentially uncollectible accounts receivable, and considering credit ratings of counterparties.

***Liquidity risk***

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services on credit and borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the First Nation's future net cash flows for the possibility of negative net cash flow.

***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Nation is exposed to foreign currency risk via its investments held within the Kisoniyaminaw Heritage Trust Fund and the Samson Education Trust Fund. In seeking to manage the risks from foreign exchange rate fluctuations, the First Nation attempts to invest in a manner to protect against any adverse movements in the exchange rate.

**Samson Cree Nation**  
**Notes to the Consolidated Financial Statements**  
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**17. Exclusion of Peace Hills Trust Company and Peace Hills General Insurance Company**

Chief and Council of the Nation have instructed management to not include the financial results of Peace Hills Trust Company and of Peace Hills General Insurance Company. This has been done as the financial results of both companies are readily available to the membership of the Nation and as both companies are subject to their own separate audits as well as to numerous levels of audit by regulatory authorities.

In addition, due to the specialized nature of the operations and certain of the components of the financial statements of Peace Hills Trust Company and Peace Hills General Insurance Company, the inclusion of their financial statements in the accounts of the Nation would not result in the most informative presentation to the Nation members.

Peace Hills Trust Company prepares annual audited financial statements which are submitted to the The Office of the Superintendent of Financial Institutions ("OFSI"), Canada Deposit Insurance Corporation ("CDIC"), Canada Revenue Agency ("CRA") and to provincial authorities in all provinces in which the company conducts business. In addition to its own audit, Peace Hills Trust Company is also subject to examinations by OFSI and reports on an ongoing basis to OFSI.

Peace Hills General Insurance Company prepares annual audited financial statements which are submitted to the The Alberta Superintendent of Financial Institutions ("ASFI"), CRA and to provincial authorities in all provinces in which the company conducts business. In addition to its own audit, Peace Hills General Insurance is also subject to annual audit by ASFI.

**18. Non-coterminous year-end adjustment**

Subsequent to the December 31, 2014 year-end of Samson Management, the company disposed of its interest in Cold Lake properties with a carrying value of \$5,526,186 for total proceeds of \$5,526,186. Of the total proceeds, an amount of \$1,803,336 was retained by Samson Management and \$3,722,850 was advanced to the Nation. The Nation's share of the proceeds are held in trust by Sasakamoose Law office in the form of cash resources. The disposal of the Cold Lake properties will be reflected in the December 31, 2015 financial statements of Samson Management.

**19. Comparative figures**

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