

Samson Cree Nation
Consolidated Financial Statements
March 31, 2021

Samson Cree Nation

Contents

For the year ended March 31, 2021

Page

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	3
Consolidated Statement of Remeasurement Gains and Losses.....	5
Consolidated Statement of Changes in Net Financial Assets.....	6
Consolidated Statement of Cash Flows.....	7

Notes to the Consolidated Financial Statements.....	8
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Schedules

Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	26
Schedule 2 - Consolidated Schedule of Expenses by Object.....	28
Schedules 3 - 10 - Segment Schedules of Revenue and Expenses.....	29 - 42

Management's Responsibility

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.

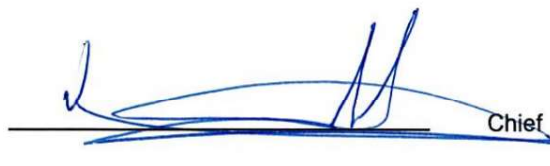
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 29, 2021



Chief



Councillor

To the Members of Samson Cree Nation:

Qualified Opinion

We have audited the consolidated financial statements of Samson Cree Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2021, and the results of its consolidated operations, its consolidated remeasurement gains and losses, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As discussed in Note 2 and Note 19 to the consolidated financial statements, commencing in the 2003 year, the Chief and Council of the 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 government business enterprises with those of the reporting enterprise. Had these entities been included, total net assets and accumulated surplus would increase by \$166,227,164 as at March 31, 2021 and \$143,396,553 as at March 31, 2020, and surplus would increase by \$22,830,611 for the year ended March 31, 2021 and would increase by \$11,882,433 for the year ended March 31, 2020. Our audit opinion on the consolidated financial statements for the year ended March 31, 2020 was modified because of the effects of this departure from Canadian public sector accounting standards.

As discussed in Note 17 to the consolidated financial statements, a judgment was issued in an ongoing lawsuit with respect to an overpayment of royalties to the Nation. The Nation's proportionate share of overpaid royalties and interest was calculated as \$8,018,237 as at March 31, 2021 and \$7,961,316 as at March 31, 2020. As at March 31, 2021, a liability with respect to this amount has not been recorded in the consolidated financial statements, as the Nation does not admit liability and has filed an appeal with respect to the decision. Had the judgment amount been recorded, current liabilities would increase and accumulated surplus would decrease by \$8,018,237 as at March 31, 2021 and \$7,961,316 as at March 31, 2020 and surplus would decrease by \$56,921 for the year ended March 31, 2021 and \$124,220 for the year ended March 31, 2020. Our audit opinion on the consolidated financial statements for the year ended March 31, 2020 was modified because of the effects of this departure from Canadian public sector accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 qualified 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 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 Nation or to cease operations, or has no realistic alternative but to do so.

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

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

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

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 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 Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 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.

July 29, 2021

Edmonton, Alberta


Chartered Professional Accountants

Samson Cree Nation
Consolidated Statement of Financial Position

As at March 31, 2021

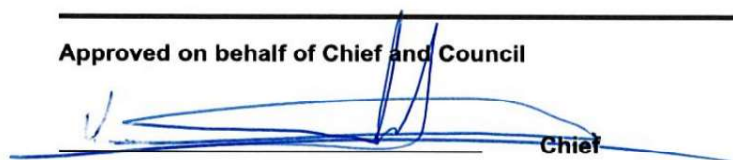
	2021	2020
Financial assets		
Current		
Cash (Note 3)	33,081,225	20,163,535
Accounts receivable (Note 4), (Note 21)	5,198,146	5,374,967
Inventory for resale (Note 5)	461,760	403,735
Subtotal of current assets	38,741,131	25,942,237
Capital funds held in trust (Note 6)	906,308	949,395
Revenue funds held in trust (Note 7)	841,570	1,210,019
Kisoniyaminaw Heritage Trust Fund (Note 8)	533,566,223	438,667,862
Nipisihkopahk Iyinihiwin Trust Fund (Note 9)	36,075,485	34,793,315
Investments (Note 10)	5,160,000	5,160,000
Oil and gas properties (Note 11)	1,309,616	1,399,625
Total financial assets	616,600,333	508,122,453

The accompanying notes are an integral part of these consolidated financial statements

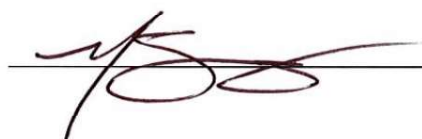
Samson Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Liabilities		
Current		
Bank indebtedness (Note 12)	173,449	978,312
Accounts payable and accruals (Note 13)	6,349,184	5,896,606
Deferred revenue (Note 14)	24,335,974	11,652,438
Current portion of long-term debt and term loans (Note 15)	3,105,158	2,993,726
Subtotal of current liabilities	33,963,765	21,521,082
Long-term debt and term loans (Note 15)	28,982,054	29,252,808
Total financial liabilities	62,945,819	50,773,890
Net financial assets	553,654,514	457,348,563
Guarantees (Note 12), (Note 15)		
Contingencies (Note 17)		
Non-financial assets		
Tangible capital assets (Schedule 1)	107,262,574	102,111,819
Inventory held for use (Note 16)	119,750	119,750
Total non-financial assets	107,382,324	102,231,569
Accumulated surplus	661,036,838	559,580,132
Accumulated surplus is comprised of:		
Accumulated surplus	592,462,705	588,276,097
Accumulated remeasurement gains (losses)	68,574,133	(28,695,965)
	661,036,838	559,580,132

Approved on behalf of Chief and Council



Chief



Councillor

Samson Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	<i>2021 Budget</i>	<i>2021 Actual</i>	<i>2020 Actual</i>
Revenue				
Government funding				
Indigenous Services Canada	31,794,040	31,794,040	38,272,911	
First Nations and Inuit Health Branch	3,652,647	3,652,647	3,003,072	
Employment and Social Development Canada	1,635,446	1,635,446	2,030,314	
First Nations Development Fund	607,910	607,910	1,352,333	
Government of Canada - RCMP building	544,282	544,282	544,282	
Canada Mortgage and Housing Corporation	482,758	482,758	437,076	
	38,717,083	38,717,083	45,639,988	
Samson Management - Gas Bar	-	7,786,467	9,604,497	
Samson Management - Real Estate	-	1,582,940	1,594,475	
Samson Management - Roots & Berries	-	1,245,764	1,218,145	
Samson Management - Maskepetoon Automotive	-	629,401	527,161	
Samson Management - Robins Donuts	-	341,162	432,586	
Samson Management - Subway	-	272,461	395,724	
Samson Management - Art Gallery	-	202,571	160,593	
Samson Management - Off Reserve Housing	-	152,062	-	
Samson Management - Administration	-	119,518	160,574	
Samson Management - Emerging Opportunities	-	-	170,920	
Maskwacis Ambulance Authority	-	5,868,043	5,477,044	
Samson Cree Medical Services	-	2,034,975	584,073	
Parcan Developments	-	1,651,662	2,089,347	
Samson Tribal Enterprises	-	1,497,691	1,589,068	
Samson Recreation Bingo	-	839,450	1,686,151	
Bear Hills Industries	-	799,938	1,986,389	
Other revenue	-	3,868,122	5,828,772	
Peace Hills Trust dividend	-	500,000	500,000	
Peace Hills General Insurance dividend	-	464,072	329,178	
GST refunds	-	128,751	82,770	
Capital funds held in trust (Note 6)	-	204,119	303,074	
Revenue funds held in trust (Note 7)	-	157,223	293,762	
Kisoniyaminaw Heritage Trust Fund (Note 8)	21,240,751	22,297,213	16,776,242	
Nipisihkopahk Iyiniisiwin Trust Fund (Note 9)	-	1,919,957	2,949,756	
Kisoniyaminaw Heritage Trust Fund - change in deferred revenue (Note 14)	(4,841,675)	(4,841,675)	371,943	
	55,116,159	88,438,970	100,752,232	

Continued on next page

Samson Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	<i>Schedules</i>	<i>2021 Budget</i>	<i>2021 Actual</i>	<i>2020 Actual</i>
Total revenue <i>(Continued from previous page)</i>		55,116,159	88,438,970	100,752,232
Expenses				
Governance Segment	3	3,749,002	6,080,438	7,664,451
Operational & Justice Support Segment	4	4,782,670	5,125,506	5,343,802
Community Wellness & Family Support Segment	5	13,644,596	14,549,908	16,989,827
Infrastructure Segment	6	12,977,363	13,471,972	13,635,451
Education Segment	7	3,657,722	3,676,173	4,226,303
Nation Projects Segment	8	8,340,793	9,736,818	9,064,095
Nation Businesses Segment	9	-	25,300,417	27,072,234
Other Programs Segment	10	-	3,725,199	3,767,103
Total expenses		47,152,146	81,666,431	87,763,266
Surplus before other items		7,964,013	6,772,539	12,988,966
Other income (expense)				
Government subsidies <i>(Note 21)</i>		-	898,792	-
Forgiveness of long-term debt <i>(Note 15), (Note 21)</i>		-	278,779	-
Bad debts recovery - prior years ISC funding		-	177,497	17,254
Gain on disposal of tangible capital assets		-	30,400	10,445
Depletion of oil and gas properties <i>(Note 11)</i>		-	(90,009)	(105,010)
Amortization <i>(Schedule 1)</i>		-	(3,881,390)	(3,835,683)
		-	(2,585,931)	(3,912,994)
Surplus		7,964,013	4,186,608	9,075,972
Accumulated surplus, beginning of year		588,276,097	588,276,097	579,200,125
Accumulated surplus, end of year		596,240,110	592,462,705	588,276,097

Samson Cree Nation
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2021

	2021	2020
Accumulated remeasurement gains (losses), beginning of year	(28,695,965)	5,312,813
Unrealized gains (losses) attributable to:		
Portfolio investments in KHTF and NITF	108,960,202	(26,003,807)
Amounts reclassified to the statement of operations and accumulated surplus:		
Portfolio investments in KHTF and NITF	(11,690,104)	(8,004,971)
Change in remeasurement gains (losses), for the year	97,270,098	(34,008,778)
Accumulated remeasurement gains (losses), end of year	68,574,133	(28,695,965)

Samson Cree Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2021

	2021 Budget	2021 Actual	2020 Actual
Surplus	7,964,013	4,186,608	9,075,972
Change in remeasurement gains (losses)	-	97,270,098	(34,008,778)
Purchases of tangible capital assets <i>(Schedule 1)</i>	(7,964,013)	(9,055,653)	(16,383,747)
Amortization of tangible capital assets <i>(Schedule 1)</i>	-	3,881,390	3,835,683
Proceeds on disposal of tangible capital assets	-	53,908	13,784
Gain on disposal of tangible capital assets	-	(30,400)	(10,445)
Use of inventory held for sale	-	-	13,177
Increase (decrease) in net financial assets	-	96,305,951	(37,464,354)
Net financial assets, beginning of year	457,348,563	457,348,563	494,812,917
Net financial assets, end of year	457,348,563	553,654,514	457,348,563

Samson Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Receipts from government sources	47,014,252	41,737,270
Receipts from trust funds	26,095,206	25,220,542
Receipts from other sources	30,751,743	36,044,855
Cash paid to suppliers and employees	(78,534,399)	(88,153,329)
Interest paid	(1,207,084)	(1,202,073)
	24,119,718	13,647,265
Financing activities		
Advances of bank indebtedness, net of repayments (Note 12)	(804,863)	570,355
Advances of long-term debt and term loans	2,903,942	5,966,860
Repayment of long-term debt and term loans	(3,063,264)	(2,169,677)
	(964,185)	4,367,538
Capital and investing activities		
Proceeds on disposal of tangible capital assets	53,908	13,784
Purchase of tangible capital assets (Note 13)	(10,291,751)	(17,383,209)
Purchases of investments (Note 10)	-	(5,000,000)
	(10,237,843)	(22,369,425)
Increase (decrease) in cash resources	12,917,690	(4,354,622)
Cash resources, beginning of year	20,163,535	24,518,157
Cash resources, end of year	33,081,225	20,163,535

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

1. Operations

The Samson Cree Nation (the "Nation") is located in the province of Alberta, and provides various services to its members. Samson Cree Nation includes the Nation's government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements of the Nation are the representations of management, prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of CPA Canada ("PSAB") except as noted in the following accounting policy:

Reporting entity consolidated

These consolidated financial statements include 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, revenue 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 Cree Nation Business Trust
- Nipisihkopahk Iyiniwin Trust Fund
- Parcan Developments Inc.
- Mikhwan Financial Advisory Inc.
- Bear Hills Industries Ltd.
- Samson Energy Services and Construction Inc.
- Kisoniyaminaw Heritage Trust Fund
- Maskwacis Ambulance Authority Ltd.
- Samson Cree Medical Services Inc.
- Samson Recreation Bingo

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 19 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.

The following accounting policies are in accordance with Canadian public sector accounting standards:

Basis of presentation

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

Asset classification

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

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

Net financial assets

The Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of consolidated financial position. The net financial assets of the Nation are determined as its financial assets less its liabilities. Net financial assets combined with non-financial assets comprises a second indicator of consolidated financial position, accumulated surplus.

Revenue recognition

The Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

The Nation recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the Nation records externally restricted inflows in deferred revenue.

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 revenue 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.

Other revenues, including investment income earned by Kisoniyaminaw Heritage Trust Fund and Nipisihkopahk Iyinihiwin Trust Fund, are recorded when received or receivable.

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 revenue and expenses reported in the consolidated statement of operations and accumulated surplus. The consolidated statement of operations and accumulated surplus reports the extent to which revenue 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 consolidated 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 consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations and accumulated surplus. Interest and dividends attributable to all financial instruments are reported in the consolidated statement of operations and accumulated surplus.

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 land or other Nation capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

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

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.

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 proven 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 revenue 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 revenue 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 declining balance method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings - Nation and Education	4-5 %
Equipment	10-100 %
Houses - country	10 %
Houses - townsite	10 %
Infrastructure	5 %

Amortization is not recorded on tangible capital assets under construction until such time the assets are completed and ready for their intended use. Assets under construction as at March 31, 2021 included townsite - housing of \$nil (2020 - \$1,339,986), waste transfer station of \$4,105,270 (2020 - \$4,128,778), and water treatment facility of \$34,498,522 (2020 - \$27,471,725).

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

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.

Segments

The Nation conducts its business through the following eight reportable segments: Governance, Operational & Justice Support, Community Wellness & Family Support, Infrastructure, Education, Nation Projects, Nation Businesses, 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.

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2021.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

At year-end, there was no liability recorded for contaminated sites (2020 - no liability recorded for contaminated sites).

Measurement uncertainty (use of estimates)

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses 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. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Nation is responsible for.

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.

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

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 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 consolidated 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 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 consolidated 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 consolidated statement of remeasurement gains and losses.

3. Cash

	2021	2020
Nation Departments:		
Payroll	206,048	(410,629)
Treasury and Operations	18,580,889	9,659,375
Social Development	540,718	24,852
Service Fees	39,796	39,054
Nipisihkopahk Education Authority	21,787	24,221
First Nations Development Fund	898,904	1,593,062
CMHC Innovative Housing Program	3,698,248	694,720
Community Wellness	3,279,341	168,804
Human Resources (ESD, formerly HRDC)	898,718	115,740
Per Capita Distribution	(497,519)	367,924
Wastewater	85,714	3,317,041
	27,752,644	15,594,164
Other Entities:		
Parcan Developments - includes GIC of \$100,000 (2020 - \$100,000)	1,004,604	459,729
Bear Hills Industries	26,360	22,290
Samson Tribal Enterprises	88,926	70,785
Samson Recreation Bingo	246,465	299,608
Mihkwana Financial Advisory	158,876	292,469
RCMP	175,035	163,802
Samson Management	1,108,271	585,654
Maskwacis Ambulance Authority	601,392	898,311
SCN Trust Grant bank account	1,539,074	1,065,608
Corporate Trust	319,519	319,200
Samson Cree Medical Services	60,059	391,915
	5,328,581	4,569,371
	33,081,225	20,163,535

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

4. Accounts receivable

	2021	2020
Nation Departments:		
First Nations Development Fund	423,711	-
Government of Canada - RCMP building	176,343	176,343
Indigenous Services Canada - receivables and PAYE	227,850	721,809
	827,904	898,152
Other Entities:		
Samson Management	1,425,386	1,497,852
Parcan Developments	328,861	623,082
Samson Tribal Enterprises	353,954	294,788
Bear Hills Industries	920,195	1,095,102
Advances - Mikhwan Financial Advisory	216,703	264,885
Maskwacis Ambulance Authority	752,371	637,606
Samson Cree Medical Services	372,772	63,500
	4,370,242	4,476,815
	5,198,146	5,374,967

5. Inventory for resale

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

	2021	2020
Tobacco (Gas Bar)	89,954	20,881
Confectionary (Gas Bar)	52,344	33,496
Fuel (Gas Bar)	50,997	87,550
Parts (Automotive)	32,534	42,075
Merchandise (Pharmacy)	330	3,968
Pharmaceuticals (Pharmacy)	76,787	94,157
Food (Subway)	5,544	5,544
Food (Robins Donuts)	18,441	18,441
Artwork (Art Gallery)	134,829	97,623
	461,760	403,735

The cost of inventories recognized as an expense and included in expenses amounts to \$8,354,365 (2020 - \$10,177,715).

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

6. Capital funds held in trust

	2021	2020
Indigenous Services Canada capital trust	606,594	649,310
Suspense account (membership)	143,712	142,053
Share of Four Nations trust accounts	156,002	158,032
	906,308	949,395
Summary of Activity:		
Balance, beginning of year	949,395	1,020,768
Interest revenue	1,659	2,249
Oil and gas royalties	202,460	300,825
Transfer to revenue funds held in trust	(124,328)	(123,760)
Transfer to Kisoniyaminaw Heritage Trust Fund	(122,878)	(250,687)
Balance, end of year	906,308	949,395

7. Revenue funds held in trust

	2021	2020
Indigenous Services Canada revenue account	819,388	1,130,269
Suspense account (oil & gas)	22,182	79,750
	841,570	1,210,019
Summary of Activity:		
Balance, beginning of year	1,210,019	792,497
Interest revenue	17,769	26,427
Oil and gas royalties	139,454	267,335
Transfer from capital funds held in trust	124,328	123,760
Withdrawal of band funds	(650,000)	-
Balance, end of year	841,570	1,210,019

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

8. 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 KHTF shall not impair, reduce or negatively affect the treaty rights of the Nation and its present and future members or the treaty obligations of the Government 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 Councillors cannot be trustees. Moreover, no officer, employee or agent of the Nation can be a trustee.

	2021	2020
Summary of Activity:		
Net assets, beginning of year	438,667,862	480,328,741
Transfer from capital funds held in trust	122,878	250,687
Investment income and realized gains	22,297,213	16,776,242
Unrealized gains (losses)	96,160,443	(35,600,579)
Investment management fees	(1,962,918)	(1,919,765)
Trustee honoraria	(223,299)	(221,061)
Professional fees	(115,949)	(103,947)
Custodial	(78,252)	(76,422)
Administration, annual report and bank charges	(51,434)	(48,520)
Commissions	(9,570)	(7,051)
Trustee expenses	-	(9,811)
Transfers to programs	(21,240,751)	(20,700,652)
Net assets, end of year	533,566,223	438,667,862

9. Nipisihkopahk Iyiniwi Trust Fund

The trust was established by the Samson Cree Nation, the settlor and beneficiary of the trust, on January 1, 2018 to promote education and well being through trust grants for the long-term benefit of Samson Cree Nation and its members.

	2021	2020
Summary of Activity:		
Net assets, beginning of year	34,793,315	32,385,071
Investment income and realized gains	1,919,957	2,949,756
Unrealized gains	1,109,655	1,591,801
Investment management fees	(130,079)	(133,613)
Custodial fees	(34,448)	(34,988)
Audit fees	(10,500)	(10,384)
Professional fees	(3,308)	(2,557)
Distributions to SCN Trust Grant bank account	(1,569,107)	(1,951,771)
Net assets, end of year	36,075,485	34,793,315

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Investments

The Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative earnings (loss)</i>	<i>2021 Total investment</i>
Investments - at cost:				
Investor membership in Anishnabe Healing Centre	160,000	-	-	160,000
Wholly-owned businesses:				
Peace Hills General Insurance Company - 5,000 Class A preferred shares	5,000,000	-	-	5,000,000
	5,160,000	-	-	5,160,000

	<i>Investment cost</i>	<i>Advances</i>	<i>Cumulative earnings (loss)</i>	<i>2020 Total investment</i>
Investments - at cost:				
Investor membership in Anishnabe Healing Centre	160,000	-	-	160,000
Wholly-owned businesses:				
Peace Hills General Insurance Company - 5,000 Class A preferred shares	5,000,000	-	-	5,000,000
	5,160,000	-	-	5,160,000

On June 24, 2019, the Nation acquired 5,000 Class A preferred shares of Peace Hills General Insurance Company with a redemption price of \$1,000 per share. The shares are redeemable at the option of Peace Hills General Insurance Company, on or after the earliest redemption date of five years and 183 days from the issue date, subject to certain restrictions. Payment of dividends of 6.5% on the Class A preferred shares are payable only when declared by the board of directors of Peace Hills General Insurance Company, such that the company will be able to meet the supervisory minimum capital test target after such declaration and payment.

11. Oil and gas properties

	<i>2021</i>	<i>2020</i>
Bear Hills Industries:		
Cost	7,639,505	7,639,505
Accumulated depletion	(6,329,889)	(6,239,880)
	1,309,616	1,399,625

12. Bank indebtedness

Bank indebtedness consists of the following credit facilities:

	<i>2021</i>	<i>2020</i>
Samson Tribal Enterprises:		
BMO operating line of credit	173,449	193,877
Samson Management:		
CIBC revolving demand facility - facility extinguished during the year	-	784,435
	173,449	978,312

As at March 31, 2021, the prime interest rate was 2.45% (2020 - 2.45%).

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Samson Tribal Enterprises:

The company has access to a BMO operating demand loan bearing interest at prime plus 1.25% per annum authorized to a maximum of \$500,000 (2020 - \$500,000) of which \$173,449 (2020 - \$193,877) was drawn at year-end.

This facility is secured by: a collateral mortgage in the amount of \$8,000,000 (2020 - \$8,000,000) over 6,292 acres of land, a corporate guarantee of \$500,000 (2020 - \$500,000) and BCR from the Nation, a general security agreement, a postponement and subordination agreement acknowledged by the Nation and registered first-ranking security.

Samson Cree Medical Services:

The company has access to a CIBC revolving demand facility bearing interest at prime plus 1.00% per annum authorized to a maximum of \$350,000 (2020 - \$350,000) of which \$nil (2020 - \$nil) was drawn at year-end.

This facility is secured by: a security agreement granting a first security interest in all present and after acquired personal property of the company and a guarantee by an unlimited guarantee by the Nation supported by a BCR.

Advances and repayments on these facilities are shown on a net basis in the consolidated statement of cash flows as it is impracticable to determine the gross transactions.

13. Accounts payable and accruals

	2021	2020
Nation Departments:		
Nation programs and services	3,222,451	3,438,025
Other Entities:		
Bear Hills Industries	1,027,462	630,153
Samson Tribal Enterprises	329,833	365,460
Parcan Developments	345,704	254,486
Samson Management	697,260	590,773
Maskwacis Ambulance Authority	233,036	138,780
Samson Cree Medical Services	68,237	937
Samson Recreation Bingo	424,790	477,933
SCN Trust Grant bank account	411	59
	3,126,733	2,458,581
	6,349,184	5,896,606

As at March 31, 2021, accounts payable and accruals includes \$2,158,227 (2020 - \$3,394,325) in amounts related to capital projects.

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

14. Deferred revenue

Deferred revenue consists of revenue that has not yet been allocated to projects, revenue that has been allocated to projects to be carried out in future years, and the unexpended portion of revenue on projects in progress at March 31, 2021. The following table represents changes in the deferred revenue balance attributable to each major category of funding source:

	<i>Balance, beg. of year</i>	<i>Amounts rec. in year</i>	<i>Recognized in year</i>	<i>Balance, end of year</i>
Indigenous Services Canada:				
Fixed - service delivery	212,306	1,437,739	721,664	928,381
Fixed - infrastructure construction transfer station	62,201	-	62,201	-
Fixed - wastewater > 1.5M	5,548,692	2,000,000	7,548,692	-
Fixed - water < 1.5M	600,000	-	600,000	-
Fixed - social assistance employment and training	115,959	-	115,959	-
Fixed - community based initiatives	382,578	498,545	881,123	-
Fixed - First Nations and Inuit - Skills Link program	228,019	777,349	66,158	939,210
Fixed - operations - maintenance	610,000	200,000	342,184	467,816
Fixed - client supports	-	409,830	210,605	199,225
Fixed - water systems	-	445,416	107,910	337,506
Fixed - wastewater systems	-	440,079	102,574	337,505
Fixed - FN & Inuit - summer work experience	-	229,329	144,041	85,288
Fixed - post secondary student support program	-	3,380,167	2,956,032	424,135
Flexible - recovery	244,278	281,638	525,916	-
Flexible - special needs	103,238	342,552	114,707	331,083
Flexible - basic needs	-	7,350,144	5,161,890	2,188,254
Flexible - recovery	-	2,072,996	-	2,072,996
Set - special needs	-	161,427	154,227	7,200
First Nations Development Fund	933,260	804,862	607,910	1,130,212
Employment and Social Development Canada:				
Daycare	351,219	543,971	347,847	547,343
ISETP Funding	64,001	1,649,447	1,287,599	425,849
First Nations and Inuit Health Branch:				
Healthy Families	-	304,640	112,077	192,563
Community Wellness	142,450	4,968,168	1,116,145	3,994,473
NEA Headstart	420,349	535,672	392,828	563,193
Horizontal Training	-	206,044	98,663	107,381
Canada Mortgage and Housing Corporation	-	3,448,616	482,758	2,965,858
Kisoniyaminaw Heritage Trust Fund:				
Band Administration	245,735	4,439,575	-	4,685,310
Housing	-	1,097,420	695,320	402,100
Other revenue:				
Education Administration	271,082	-	271,082	-
Hawk Radio	-	191,038	5,690	185,348
Consultation	249,292	513,470	702,251	60,511
Energy Audit	124,169	-	-	124,169
Pewapun	215,282	-	215,282	-
Parents Place	28,328	94,550	64,813	58,065
Friendship Centre	-	97,423	22,423	75,000
Peace Hills Trust dividend	500,000	500,000	500,000	500,000
	11,652,438	39,422,107	26,738,571	24,335,974

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. Long-term debt and term loans

	2021	2020
Samson Cree Nation - BMO term loan repayable at \$47,645 per month including interest at 1.84% per annum, maturing January 2024, secured by a BCR from the Nation supporting the requested financing of \$11,300,000, indicating a dedicated stream for repayment and a corporate guarantee from Samson Tribal Enterprises in the amount of \$11,300,000.	10,643,660	10,923,189
Samson Cree Nation - KHTF loan to be repaid over 5.5 years by way of reduction of the mandated quarterly distribution payable to the Nation if the distribution exceeds \$20,343,086 on an annual basis. Any amount remaining after 5.5 years will be repaid in equal quarterly instalments so that the entire advance is repaid within 8 years of the advance date of June 24, 2019. The advance bears interest at 6.50% per annum.	4,225,753	4,810,721
Samson Cree Nation - CMHC Direct Lending financing repayable at \$8,991 per month including interest at 0.98% per annum, maturing April 2025, secured by ISC Ministerial guarantee and CMHC insurance.	2,280,462	2,356,395
Samson Cree Nation - CMHC Direct Lending financing repayable at \$4,094 per month including interest at 1.05% per annum, maturing August 2021, secured by ISC Ministerial guarantee and CMHC insurance.	903,333	942,829
Samson Cree Nation - CMHC Direct Lending financing repayable at \$8,623 per month including interest at 2.52% per annum, maturing September 2023, secured by ISC Ministerial guarantee and CMHC insurance.	708,207	793,021
Samson Cree Nation - CMHC Direct Lending financing repayable at \$6,120 per month including interest at 1.21% per annum, maturing May 2021, secured by ISC Ministerial guarantee and CMHC insurance.	648,634	713,913
Samson Cree Nation - CMHC Direct Lending financing repayable at \$4,486 per month including interest at 1.35% per annum, maturing May 2022, secured by ISC Ministerial guarantee and CMHC insurance.	546,893	593,103
Samson Cree Nation - CMHC Direct Lending financing repayable at \$3,172 per month including interest at 2.35% per annum, maturing July 2023, secured by ISC Ministerial guarantee and CMHC insurance.	240,620	272,730
Samson Cree Nation - CMHC Direct Lending financing repayable at \$2,097 per month including interest at 2.48% per annum, maturing August 2023, secured by ISC Ministerial guarantee and CMHC insurance.	158,426	179,460
Samson Cree Nation - CMHC Direct Lending financing repayable at \$1,469 per month including interest at 1.14% per annum, maturing June 2021, secured by ISC Ministerial guarantee and CMHC insurance.	88,498	105,037
Samson Cree Nation - CMHC Direct Lending financing repayable at \$1,210 per month including interest at 1.14% per annum, maturing June 2021, secured by ISC Ministerial guarantee and CMHC insurance.	72,895	86,518
Samson Cree Nation - First Nations Bank financing for RCMP building repayable at \$39,152 per month including interest at 3.60%, due May 2025. 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.	3,319,463	3,661,230

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. Long-term debt and term loans *(Continued from previous page)*

	2021	2020
Samson Cree Nation - First Nations Bank financing for Kasohkowew Child Wellness Society (2012) building repayable at \$22,585 per month including interest at 4.65%, due May 2023. This financing relates to capital construction costs of the KCWS building, the cost of which is being recovered under a lease with Kasohkowew Child Wellness Society (2012) that will remain in place until the debt is repaid in full.	3,364,435	3,457,951
Parcan Developments - Canadian Western Bank mortgage, repayable in monthly payments of \$43,101 plus interest at prime plus 1.25%, maturing January 2023, secured by a promissory note; a general security agreement covering all assets; an assignment of rents and leases; demand commercial first mortgage of leaseholder interest in the amount of \$5,000,000 on real property; commitment letter executed by the borrower; unconditional and unlimited environmental agreement and indemnity; assignment of all risk casualty and liability insurance; authorization and granting of security from the Nation consenting to the mortgage on the properties; a solicitor's letter of opinion; a letter of consent from Parks Canada agreeing to the mortgage of the leaseholder interest; and a creditor life insurance waiver.	948,227	1,323,958
Parcan Developments - Indian Business Corporation loan received of \$40,000 which is unsecured, non-interest bearing, payable in monthly instalments of \$833 beginning September 2021, and maturing August 2024. Of the total advances received, \$10,000 is non-repayable and has been included in other income - forgiveness of long-term debt during the year.	30,000	-
Bear Hills Industries - Canadian Emergency Business Account ("CEBA") loan received of \$40,000 which is unsecured, non-interest bearing and provided 75% of the loan is repaid by December 31, 2022, the remaining 25% of the loan will be forgiven. As the company expects to meet these repayment terms, the \$10,000 forgivable portion of the loan has been recognized as other income - forgiveness of long-term debt during the year.	30,000	-
Samson Tribal Enterprises - Canadian Emergency Business Account ("CEBA") loan received of \$60,000 which is unsecured, non-interest bearing and provided 75% of the loan is repaid by December 31, 2022, the remaining 25% of the loan will be forgiven. As the company expects to meet these repayment terms, the \$20,000 forgivable portion of the loan has been recognized as other income - forgiveness of long-term debt during the year.	40,000	-
Samson Management - CIBC mortgage bearing interest at 3.84% per annum, payable in monthly instalments of \$11,920 including interest, maturing February 2025, secured by a first priority mortgage in the amount of \$4,927,500; assignment of fire and other perils property insurance; and a general security agreement giving first registered security interest (aside from the ATB Financial mortgage described below). The facility is also subject to certain restrictions with respect to liens on present and / or future assets.	1,987,202	-
Samson Management - ATB Financial mortgage payable bearing interest at 3.70% per annum, payable in monthly instalments of \$6,700 including interest, maturing September 2021, secured by specific real estate properties, a general security agreement, guarantees, and postponement and assignment of claims.	1,131,358	1,171,524
Samson Management - Centex Petroleum non-interest bearing, forgivable loan. The loan is to be forgiven over the term of the agreement of ten years, terminating in October 2029. During the year, \$158,779 was recognized in other income - forgiveness of long-term debt with respect to the forgivable loan.	479,146	-

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. Long-term debt and term loans *(Continued from previous page)*

	2021	2020
Samson Management - Indian Business Corporation loans received of \$320,000 which are unsecured, non-interest bearing, payable in monthly instalments of \$6,667 beginning August 2021, and maturing August 2024. Of the total advances received, \$80,000 is non-repayable and has been included in other income - forgiveness of long-term debt during the year.	240,000	-
Samson Management - CIBC term loan due on demand bearing interest at 4.95% per annum, repaid during the year.	-	854,955
	32,087,212	32,246,534
Less: current portion of long-term debt and term loans	3,105,158	2,993,726
	28,982,054	29,252,808

Principal repayments on long-term debt and term loans in each of the next five years and thereafter (excluding the Samson Management - Centrex Petroleum loan), assuming all long term-debt is subject to contractual terms of repayment and long-term debt subject to refinancing is renewed, are estimated as follows:

2022	3,105,158
2023	3,175,397
2024	2,711,983
2025	2,230,200
2026	1,524,244
Thereafter	18,861,084

Samson Management:

The ATB Financial mortgage payable is subject to certain financial covenants with respect to maintaining a debt service coverage ratio of no less than 1.20:1 pertaining to the investment property held as security. As at March 31, 2021, the company was in compliance with all such covenants.

16. Inventory held for use

Inventory held for use relates to Samson Tribal Enterprises and consists of gravel of \$119,750 (2020 - \$119,750).

17. Contingencies

In the normal conduct of operations, there are pending claims by and against the Nation. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. Aside from the matter noted below, in the opinion of management and based on the advice and information provided by its legal counsel, final determination of these other litigations will not materially affect the Nation's financial position or results of operations.

During the year, a judgment was issued in the ongoing litigation with respect to Chevron Canada Resources ("Chevron") v. The Queen et al. ("Canada"), Samson Indian Band (the "Nation") and the other three Maskwacis Nations ("Maskwacis Nations"). This action was brought by Chevron for damages arising from its alleged mistaken overpayment of royalties to the benefit of the four Maskwacis Nations. The court rendered a decision on June 6, 2019. In its decision, the court determined that despite both Chevron's gross negligence and Canada's negligence and breach of its duty of care to the Maskwacis Nations, it was unjust for the Maskwacis Nations to benefit from the mistaken overpayment of royalties. The Nation's proportionate share of overpaid royalties and interest was calculated as \$7,837,096. On July 5, 2019, the Nation (along with the co-defendant, Louis Bull Nation) filed an appeal with respect to certain portions of the decision. Chevron also filed a cross appeal with respect to the interest calculation. On November 5, 2019, the Nation and Louis Bull Nation filed a joint appeal record and on January 6, 2020 also filed their respective factums in the appeal. Chevron and Canada filed their respective factums on May 8, 2020. The Nation and Louis Bull Nation filed their responses to the cross appeal on June 5, 2020. The appeal has been scheduled to be heard on September 14, 2021.

Chevron has abandoned its claim for compound interest as well as interest to be calculated at the rates paid to First Nations for funds held in the Consolidated Revenue Fund. Rather Chevron seeks only simple interest for the overpaid royalties to be calculated from the date of each overpayment as opposed to the date on which the statement of claim was served.

As at March 31, 2021, the Nation has not recognized a liability for the judgment amount of \$8,018,236 (2020 - \$7,961,316) in the consolidated financial statements, as it does not admit liability and as noted, is appealing certain portions of the decision. The outcome of the proceedings before the Court of Appeal is not determinable as at the date of the consolidated financial statements.

These consolidated financial statements are subject to review by the Nation's funding agents. It is possible that adjustments, that may include repayment of amounts funded, could be made based on the results of their reviews.

18. 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.

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 Nipisihkopahk Iyiniwin 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 Nipisihkopahk Iyiniwin Trust Fund and certain long-term debt amounts which bear interest at rates agreed upon at the time of issuance.

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

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 Nipisihkopahk Iyiniwin 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 Nation is exposed to credit risk primarily through its accounts receivable. The 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 Nipisihkopahk Iyiniwin 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.

19. 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 ("OSFI"), 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 OSFI and reports on an ongoing basis to OSFI.

Peace Hills General Insurance Company prepares annual audited financial statements which are submitted to 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.

20. Budget information

The disclosed budget information has been approved by Chief and Council. Budgets for departments and projects not disclosed in the various schedules were not prepared by the Nation's management.

21. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Nation's operations and financial condition.

Canada Emergency Commercial Rent Assistance ("CECRA")

Parcan Developments - during the year, the company applied for CECRA. CECRA was introduced in response to the COVID-19 pandemic to provide relief for small businesses who experienced financial hardship due to COVID-19. During the year, the company recognized \$232,430 in CECRA in the statement of operations - government subsidies.

Indigenous Businesses Initiative ("IBI")

Parcan Developments - during the year, the company secured \$40,000 in advances through the IBI program, of which \$10,000 is non-repayable and has been included in the statement of operations - forgiveness of long-term debt for the year ended March 31, 2021. The remaining \$30,000 is an interest-free loan with no principal payments required until September 2021 at which point monthly payments of \$833 will commence.

Samson Management - during the year, the company secured \$320,000 in advances through the IBI program, of which \$80,000 is non-repayable and has been included in the statement of operations - forgiveness of long-term debt for the year ended March 31, 2021. The remaining \$240,000 is an interest-free loan with no principal payments required until August 2021 at which point monthly payments of \$6,667 will commence.

Canada Emergency Wage Subsidy ("CEWS")

Samson Management - under the CEWS program, certain organizations experiencing revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages paid during those periods. This program is expected to continue until June 2021. Included in the statement of operations - government subsidies, for the year ended March 31, 2021, the company claimed assistance under the CEWS programs of \$441,307 of which \$83,125 remained in accounts receivable at year-end.

Bear Hills Industries - under the CEWS program, certain organizations experiencing revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages paid during those periods. This program is expected to continue until June 2021. Included in the statement of operations - government subsidies, for the year ended March 31, 2021, the company claimed assistance under the CEWS programs of \$108,657 of which \$nil remained in accounts receivable at year-end.

Temporary Wage Subsidy ("TWS")

Samson Management - under the TWS program, eligible organizations were provided a credit for payroll remittances made between March and June 2020. This was a temporary measure intended to provide swift relief from any financial hardship caused by COVID-19 and was not extended beyond June 2020. Included in the statement of operations - government subsidies, for the year ended March 31, 2021, the company claimed TWS assistance of \$25,000.

Canada Emergency Business Account ("CEBA")

Samson Tribal Enterprises - during the year, the company secured a \$60,000 interest-free loan through the CEBA program. No principal payments are required until December 2022. Repayment of the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% or \$20,000 of the loan. During the year, the company recognized the forgivable portion of the loan of \$20,000 in the statement of operations - forgiveness of long-term debt.

Bear Hills Industries - during the year, the company secured a \$40,000 interest-free loan through the CEBA program. No principal payments are required until December 2022. Repayment of the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% or \$10,000 of the loan. During the year, the company recognized the forgivable portion of the loan of \$10,000 in the statement of operations - forgiveness of long-term debt.

22. Comparative figures

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