

Samson Cree Nation
Financial Statements
March 31, 2024

Samson Cree Nation

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For the year ended March 31, 2024

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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 Members 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.

September 12, 2024

e-Signed by Jaime Nepoose
2024-09-12 08:58:20:20 MDT

Financial
Administrator

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, 2024, 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, 2024, and the results of its consolidated operations, consolidated remeasurement gains and losses, changes in consolidated net financial assets and consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

As discussed in Note 3 and Note 21 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 \$265,475,732 as at March 31, 2024 and \$215,961,277 as at March 31, 2023, and surplus would increase by \$49,514,455 for the year ended March 31, 2024 and would increase by \$22,725,268 for the year ended March 31, 2023. Our audit opinion on the consolidated financial statements for the year ended March 31, 2023 was modified because of the effects of this departure from Canadian public sector accounting standards.

Canadian public sector accounting standards Section PS 3280 *Asset Retirements Obligations* ("ARO") requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The Nation has not identified ARO liabilities as of March 31, 2024 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities, net financial assets, tangible capital assets, accumulated surplus, expenses, annual surplus and changes in net financial assets for the years ended March 31, 2024 and 2023, and accumulated surplus as of April 1, 2022 and March 31, 2023 and 2024. Our audit opinion on the consolidated financial statements for the year ended March 31, 2023 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.

Edmonton, Alberta

September 12, 2024

MNP LLP

Chartered Professional Accountants

Samson Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2024

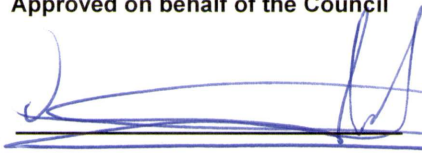
	2024	2023 <i>(restated - Note 25)</i>
Financial assets		
Current		
Cash (Note 4)	153,234,388	58,096,479
Accounts receivable (Note 5)	9,673,898	7,738,707
Inventory for resale (Note 6)	596,306	611,332
Advances to related Nation entities and departments	-	60,614
Subtotal of current assets	163,504,592	66,507,132
Capital funds held in trust (Note 8)	662,065	919,410
Revenue funds held in trust (Note 8)	703,981	1,559,348
Kisoniyaminaw Heritage Trust Fund (Note 9)	552,413,059	523,273,828
Nipisihkopahk Iyiniisiwin Trust Fund (Note 10)	42,380,164	38,471,102
Investments in Nation partnership and business entities (Note 11)	5,160,000	5,160,000
Oil and gas properties (Note 12)	1,075,101	1,145,221
Total financial assets	765,898,962	637,036,041

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

Samson Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2024

	2024	2023 (restated - Note 25)
Liabilities		
Current		
Accounts payable (Note 14)	5,050,527	6,309,619
Deferred revenue (Note 15)	64,872,193	54,231,238
Current portion of long-term debt and term loans (Note 16)	4,397,926	6,206,139
Subtotal of current liabilities	74,320,646	66,746,996
Long-term debt and term loans (Note 16)	7,842,439	20,676,522
Total financial liabilities	82,163,085	87,423,518
Net financial assets	683,735,877	549,612,523
Guarantees (Note 13), (Note 16)		
Contingencies (Note 17)		
Non-financial assets		
Tangible capital assets (Schedule 1)	129,795,217	119,690,822
Prepaid expenses and deposits (Note 7)	10,000	2,657,979
Total non-financial assets	129,805,217	122,348,801
Accumulated surplus	813,541,094	671,961,324
Accumulated surplus is comprised of:		
Accumulated operating surplus	742,263,599	630,303,415
Accumulated remeasurement gains	71,277,495	41,657,909
	813,541,094	671,961,324

Approved on behalf of the Council



 Chief



 Councillor

Samson Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	<i>Schedules</i>	<i>2024 Budget</i>	<i>2024 Actual</i>	<i>2023 Actual (restated - Note 25)</i>
Revenue				
Government funding				
Indigenous Services Canada		43,313,043	43,313,043	35,206,343
Canada Mortgage and Housing Corporation		4,660,751	4,660,751	8,621,825
First Nations and Inuit Health Branch		4,632,209	4,632,209	9,309,296
First Nations Development Fund		2,649,356	2,649,356	2,401,600
Employment and Social Development Canada		2,606,474	2,606,474	2,967,499
Government of Canada - RCMP building		544,282	544,282	545,282
		58,406,115	58,406,115	59,051,845
Kisoniyaminaw Heritage Trust Fund (Note 9)		23,772,566	28,064,784	17,831,403
Samson Management - Gas Bar		-	8,681,660	10,316,221
Other revenue		-	6,960,108	8,022,123
Maskwacis Ambulance Authority		-	5,423,070	6,866,036
Bear Hills Industries		-	3,415,390	5,786,547
Nipisihkopahk Iyiniisiwin Trust Fund (Note 10)		-	2,845,268	4,691,489
Samson Recreation Bingo		-	2,436,058	1,936,476
Samson Management - Roots & Berries		-	2,411,249	1,758,710
Samson Cree Medical Services		-	1,867,336	3,690,544
Parcan Developments		-	1,842,801	2,309,939
Samson Tribal Enterprises		-	1,609,007	1,609,972
Samson Management - Real Estate		-	1,523,453	1,598,855
Maskwacis Mobile Mental Health		-	858,602	-
Samson Management - Administration		-	767,885	621,257
Revenue funds held in trust (Note 8)		-	624,633	228,929
Peace Hills Trust dividend		-	500,000	500,000
Samson Management - Subway		-	328,102	247,830
Peace Hills General Insurance dividend - preferred (Note 11)		-	325,000	325,000
Capital funds held in trust (Note 8)		-	256,990	438,656
Samson Management - Maskepetoon Automotive		-	199,292	472,957
Samson Management - Art Gallery		-	123,037	796,335
Samson Management - Off Reserve Housing		-	20,000	258,239
Samson Cree Security Services		-	9,658	-
Kisoniyaminaw Heritage Trust Fund - change in deferred revenue		-	(1,221,097)	4,750,000
		82,178,681	128,278,401	134,109,363

Continued on next page

Samson Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	<i>Schedules</i>	<i>2024 Budget</i>	<i>2024 Actual</i>	<i>2023 Actual (restated - Note 24)</i>
Total revenue <i>(Continued from previous page)</i>		82,178,681	128,278,401	134,109,363
Program expenses				
Governance Segment	3	3,995,946	7,237,009	6,745,884
Operational and Justice Support Segment	4	3,950,964	6,885,663	6,244,220
Community Wellness and Family Support Segment	5	7,569,938	24,919,442	24,083,100
Housing and Infrastructure Segment	6	5,955,865	17,648,496	15,734,227
Education, Youth and Skills Development Segment	7	-	6,940,972	6,608,057
First Nations Child and Family Services Segment	8	-	3,323,470	-
Business Development Segment	9	789,771	2,161,656	4,817,196
Nation Projects Segment	10	7,434,058	41,319,332	18,968,403
Nation Businesses Segment	11	-	31,539,876	35,851,361
Other Programs Segment	12	-	2,561,819	2,820,583
Total expenses		29,696,542	144,537,735	121,873,031
Surplus (deficit) before other items		52,482,139	(16,259,334)	12,236,332
Other income (expense)				
Settlement proceeds <i>(Note 17)</i>		-	134,000,000	-
Forgiveness of long-term debt <i>(Note 16)</i>		-	174,500	54,500
Gain on disposal of tangible capital assets		-	169,299	-
Government subsidies		-	15,000	42,500
Depletion of oil and gas properties <i>(Note 12)</i>		-	(70,120)	(82,865)
Amortization <i>(Schedule 1)</i>		-	(6,069,161)	(5,274,878)
		-	128,219,518	(5,260,743)
Annual surplus		52,482,139	111,960,184	6,975,589
Accumulated surplus, beginning of year, as previously stated		630,303,415	627,266,318	623,327,826
Correction of error <i>(Note 25)</i>		-	3,037,097	-
Accumulated surplus, beginning of year, as restated		630,303,415	630,303,415	623,327,826
Accumulated surplus, end of year		682,785,554	742,263,599	630,303,415

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

Samson Cree Nation
Consolidated Statement of Remeasurement Gains and Losses
For the year ended March 31, 2024

	2024	2023
Accumulated remeasurement gains, beginning of year	41,657,909	54,941,665
Unrealized gains (losses) attributable to:		
Portfolio investments in KHTF and NITF	48,072,049	(5,888,309)
Amounts reclassified to the statement of operations:		
Portfolio investments in KHTF and NITF	(18,452,463)	(7,395,447)
Change in remeasurement gains, for the year	29,619,586	(13,283,756)
Accumulated remeasurement gains, end of year	71,277,495	41,657,909

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

Samson Cree Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2024

	2024 Budget	2024 Actual	2023 <i>Actual</i> <i>(restated - Note 25)</i>
Annual surplus	52,482,139	111,960,184	6,975,589
Change in remeasurement gains (losses) for the year	-	29,619,586	(13,283,756)
Purchases of tangible capital assets	-	(16,363,239)	(12,179,097)
Amortization of tangible capital assets	-	6,069,161	5,274,878
Proceeds on disposal of tangible capital assets	-	358,982	-
Gain on disposal of tangible capital assets	-	(169,299)	-
Use of (acquisition of) prepaid expenses	-	2,647,979	(2,151,984)
Use of inventory held for sale	-	-	91,454
Increase (decrease) in net financial assets	52,482,139	134,123,354	(15,272,916)
Net financial assets, beginning of year	549,612,523	549,612,523	564,885,439
Net financial assets, end of year	602,094,662	683,735,877	549,612,523

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

Samson Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023 (restated - Note 25)
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from government sources	58,228,197	68,248,574
Cash receipts from trust funds	34,975,680	27,734,633
Cash receipts from other sources	41,464,293	46,162,105
Cash paid to suppliers and employees	(142,069,920)	(121,999,777)
Interest paid	(784,873)	(856,846)
Settlement funds received (Note 17)	134,000,000	-
	125,813,377	19,288,689
Financing activities		
Advances of long-term debt and term loans	1,122,561	6,101,617
Repayment of long-term debt and term loans	(15,590,357)	(4,777,558)
Advances of bank indebtedness, net of repayments	-	(17,103)
	(14,467,796)	1,306,956
Capital activities		
Purchases of tangible capital assets (Note 14)	(16,627,268)	(12,303,264)
Proceeds on disposal of tangible capital assets	358,982	-
	(16,268,286)	(12,303,264)
Investing activities		
Repayment of advances to related Nation entities and departments	60,614	292,371
Increase in cash resources	95,137,909	8,584,752
Cash resources, beginning of year	58,096,479	49,511,727
Cash resources, end of year	153,234,388	58,096,479

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

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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 members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Change in accounting policy

Revenue

Effective April 1, 2023, the Nation adopted the Public Sector Accounting Board of CPA Canada's ("PSAB") new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions", as described in Note 3.

There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

3. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards established by PSAB" except as noted in the following accounting policy:

Reporting entity consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for government business entities. Trusts administered on behalf of third parties by Samson Cree Nation are excluded from the Nation reporting entity.

The Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- 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.
- Mikwan 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.
- Maskwacis Mobile Mental Health Inc.
- Samson Cree Security Services Inc.
- Samson Recreation Bingo

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

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

Reporting entity *(Continued from previous page)*

Samson Cree Nation government business entities, owned or controlled by the Nation's Council but 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 government business entity accounting principles are not adjusted to conform to those of the Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received.

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 21 for further discussion of the exclusion of these companies from the consolidated financial statements.

Investments in partnerships are accounted for using the proportionate consolidation method. The Nation's pro-rata share of the assets, liabilities, revenue, and expenses of the partnership have been combined on a line-by-line basis with similar items of the Nation.

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

Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Nation reviews the carrying amount of the liability. The Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The 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.

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 prepaid expenses.

3. 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 is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of consolidated financial position, accumulated surplus.

Revenue recognition

Government transfers

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.

Externally restricted revenue

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.

Business and other revenues

The Nation recognizes revenue from non-exchange transactions such as fines, penalties, fees, etc. These non-exchange transactions have no performance obligations and are recognized at their realizable value when the Nation has the authority to claim or retain economic inflows based on a past transaction or event giving rise to an asset.

Revenue from transactions with performance obligations, including business enterprise revenue, is recognized when the Nation satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time. The performance obligation related to the sale of goods is considered met when the goods have been provided to the customer and ultimate collection is reasonably assured.

Investment income earned by Kisoniyaminaw Heritage Trust Fund and Nipisihkopahk Iyiniisiwin 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, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues 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 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 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 and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

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

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 costs.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

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

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the Nation reporting entity 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 based on historical cost accounting records 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.

When conditions indicate that a tangible capital asset no longer contributes to the Nation's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the Nation reduces the cost of the asset to reflect the decline in its value. Write-downs of tangible capital assets are not reversed.

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

Tangible capital assets *(Continued from previous page)*

Amortization

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, 2024 included townsite - housing of \$nil (2023 - \$7,027,523).

Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Buildings - Nation and Education	declining balance	4-5 %
Houses - townsite	declining balance	10 %
Houses - country	declining balance	10 %
Equipment	declining balance	10-100 %
Infrastructure	declining balance	5 %
Waste water and water treatment	declining balance	2.5 %

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 amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

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 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, 2024.

At each financial reporting date, the 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 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 (2023 - none).

Segments

The Nation conducts its business through ten reportable segments: Governance; Operational and Justice Support; Community Wellness and Family Support; Housing and Infrastructure; Education, Youth and Skills Development; First Nations Child and Family Services; Business Development; 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 Note 3.

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

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 collectability 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.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations 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.

At initial recognition, the Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The Nation has not made such an election during the year.

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 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 operations. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized 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, recent collection experience for the loan, such as a default or delinquency in interest or principal payments 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.

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

4. Cash

	2024	2023 (restated - Note 25)
Nation Departments:		
Payroll	(171,671)	(114,277)
Treasury	62,779,684	43,075,045
Social Development	(83,455)	2,278,503
Service Fees	72,117	51,212
Nipisihkopahk Education Authority	17,684	47,270
First Nations Development Fund	604,218	1,378,315
CMHC Innovative Housing Program	1,089,888	5,201,343
Community Wellness	1,067,560	1,022,388
Human Resources (HRDC)	1,811,463	1,961,389
Nation Member Dividend	769,174	(742,464)
Operations	(2,538,589)	(1,185,671)
Wastewater	564	15,440
Settlement Funds - includes GIC of \$80,000,000 bearing interest at 5.61% per annum, maturing June 7, 2024	81,471,680	-
	146,890,317	52,988,493
Other Entities:		
Parcan Developments	1,375,837	1,248,083
Bear Hills Industries	870,216	736,213
Samson Tribal Enterprises	869,322	780,015
Samson Recreation Bingo	503,471	144,752
Mikwan Financial Advisory	267,073	387,417
RCMP	174,760	161,417
Samson Management	148,937	331,124
Maskwacis Ambulance Authority	591,526	361,948
Corporate Trust	320,430	320,134
Samson Cree Medical Services	799,225	489,170
Maskwacis Mobile Mental Health	179,643	-
Samson Cree Security Services	9,825	-
SCN Trust Grant account	233,806	147,713
	6,344,071	5,107,986
	153,234,388	58,096,479

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

5. Accounts receivable

	2024	2023
Nation Departments:		
First Nations Development Fund	166,370	148,551
Government of Canada - RCMP building	-	176,343
Indigenous Services Canada - receivables and PAYE	3,571,213	1,359,466
Employment and Social Development Canada	1,471,093	-
	5,208,676	1,684,360
Other Entities:		
Samson Management	871,938	1,252,903
Parcan Developments	641,608	455,573
Samson Tribal Enterprises	197,766	319,152
Bear Hills Industries	1,051,301	1,313,526
Maskwacis Ambulance Authority	1,425,980	2,087,089
Samson Cree Medical Services Inc.	269,492	626,104
Maskwacis Mobile Mental Health	7,137	-
	4,465,222	6,054,347
	9,673,898	7,738,707

6. Inventory for resale

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

	2024	2023
Tobacco (Gas Bar)	76,212	121,389
Confectionary (Gas Bar)	67,800	67,217
Fuel (Gas Bar)	120,802	91,234
Parts (Automotive)	45,808	45,808
Merchandise (Pharmacy)	1,215	1,215
Pharmaceuticals (Pharmacy)	82,120	82,120
Food (Subway)	5,544	5,544
Artwork (Art Gallery)	196,805	196,805
	596,306	611,332

The cost of inventories recognized as an expense and included in expenses amounts to \$9,758,400 (2023 - \$11,274,174).

7. Prepaid expenses and deposits

Prepaid expenses and deposits consists of the following:

- Prepaid deposit of \$nil (2023 - \$1,932,736) to Northplex Ltd. for modular housing units. The units were completed and delivered during the fiscal 2024 year.
- A progress payment of \$nil (2023 - \$706,044) to Truspace for the Samson Medical Clinic. The total cost of the clinic was \$1,307,488 and was completed during the fiscal 2024 year.
- Bear Hills Industries prepaid expenses of \$10,000 (2023 - \$19,199).

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

8. Capital and revenue funds held in trust

Capital and revenue trust monies are transferred to the Nation on the authorization of the Minister of *Indigenous Services Canada*, with the consent of the Nation's Council. Funds held in trust on behalf of Nation members by the Government of Canada are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus.

	2024	2023
Capital Trust		
Indigenous Services Canada capital trust	-	507,330
Suspense account (membership)	156,143	151,001
Share of Four Nations trust accounts	505,922	261,079
	662,065	919,410
Summary of Activity:		
Balance, beginning of year	919,410	905,763
Interest revenue	5,142	4,526
Oil and gas royalties	251,848	434,130
Transfer to revenue funds held in trust	-	(121,891)
Transfer to Kisoniyaminaw Heritage Trust Fund	(514,335)	(303,118)
Balance, end of year	662,065	919,410
Revenue Trust		
Indigenous Services Canada revenue trust account	679,506	1,531,307
Suspense account (oil & gas)	24,475	28,041
	703,981	1,559,348
Summary of Activity:		
Balance, beginning of year	1,559,348	1,208,528
Interest revenue	23,663	403
Oil and gas royalties	600,970	223,065
Rental revenue	-	5,461
Transfer from capital funds held in trust	-	121,891
Transfer to the Nation	(1,480,000)	-
Balance, end of year	703,981	1,559,348

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

9. 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.

	2024	2023
Summary of Activity:		
Net assets, beginning of year	523,273,828	539,135,142
Transfer from capital funds held in trust	514,335	303,118
Investment income and realized gains	28,064,784	17,831,403
Amounts reclassified to operations	(17,006,782)	(3,950,174)
Unrealized gains (losses)	43,688,110	(3,836,956)
Investment management fees	(1,821,406)	(2,083,446)
Trustee honoraria	(241,025)	(240,802)
Professional fees	(110,321)	(140,702)
Custodial	(89,458)	(87,365)
Administration, annual report and bank charges	(55,901)	(56,719)
Commissions	(7,201)	(19,193)
Trustee expenses	(23,338)	(6,804)
Other transfers	-	26,576
Transfers to programs	(23,772,566)	(23,600,250)
Net assets, end of year	552,413,059	523,273,828

10. Nipisihkopahk Iyiniisiwin Trust Fund

The trust was established by the 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.

	2024	2023 (restated - Note 25)
Summary of Activity:		
Net assets, beginning of year	38,471,102	41,024,817
Investment income and realized gains	2,845,268	4,691,489
Amounts reclassified to operations	(1,445,688)	(3,445,273)
Unrealized gains (losses)	4,383,939	(2,051,353)
Transfers to programs	(1,909,258)	(2,756,725)
Change in distribution payable	235,265	1,208,725
Investment management fees	(162,658)	(152,012)
Custodial fees	(37,806)	(44,891)
Audit fees	(12,705)	(11,550)
Change in payable to SCN Trust Grant bank	12,705	11,550
Professional fees	-	(3,675)
Net assets, end of year	42,380,164	38,471,102

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

11. Investments in First Nation partnership and business entities

The Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Loans / advances</i>	<i>Share of earnings</i>	<i>2024 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>Loans / advances</i>	<i>Share of earnings</i>	<i>2023 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. As of March 31, 2024 Peace Hills General Insurance Company declared and paid a dividend in the amount of \$325,000 (2023 - \$325,000) on the preferred shares.

12. Oil and gas properties

	2024	2023
Bear Hills Industries:		
Cost	7,639,505	7,639,505
Accumulated depletion	(6,564,404)	(6,494,284)
	1,075,101	1,145,221

13. Bank indebtedness

Samson Tribal Enterprises:

The company has access to a BMO operating demand loan bearing interest at prime plus 1.25% (2023 - prime plus 1.25%) per annum authorized to a maximum of \$500,000 (2023 - \$500,000) of which \$nil (2023 - \$nil) was drawn at year-end. As at March 31, 2024, the prime interest rate was 7.20% (2023 - 6.70%).

This facility is secured by a general security agreement, a corporate guarantee of \$500,000 (2023 - \$500,000) and a band council resolution from the Nation.

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

14. Accounts payable and accruals

	2024	2023
Nation Departments:		
Nation programs and services	1,822,865	2,582,811
Other Entities:		
Bear Hills Industries	492,940	1,166,703
Samson Tribal Enterprises	230,660	275,712
Parcan Developments	379,789	326,301
Samson Management	1,003,515	914,497
Maskwacis Ambulance Authority	292,596	234,042
Samson Cree Medical Services	132,226	212,835
Samson Recreation Bingo	681,796	323,077
Mikwan Financial Advisory	-	273,641
Maskwacis Mobile Mental Health	10,336	-
Samson Cree Security Services	3,804	-
	3,227,662	3,726,808
	5,050,527	6,309,619

As at March 31, 2024, accounts payable and accruals includes \$299,936 (2023 - \$563,965) in amounts related to capital projects.

15. 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, 2024. 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>Received in year</i>	<i>Recognized in year</i>	<i>Balance, end of year</i>
Nation Departments:				
Indigenous Services Canada:				
Fixed - LEDSP non-block core	216,517	395,119	(183,381)	428,255
Fixed - other protection	425,000	267,788	(267,788)	425,000
Fixed - service delivery	1,405,572	1,632,960	(1,480,544)	1,557,988
Fixed - First Nations and Inuit - Skills Link program	451,766	348,871	(183,967)	616,670
Fixed - client supports	-	605,270	(252,023)	353,247
Fixed - operations - maintenance	467,816	-	(343,786)	124,030
Fixed - income assistance / First Nation youth employment strategy ("IAFNYES")	-	163,875	(23,684)	140,191
Fixed - local roads and bridges	1,000,000	-	(1,000,000)	-
Fixed - post secondary student support program	124,529	3,003,929	(3,128,458)	-
Fixed - construction	664,925	770,000	(1,434,925)	-
Fixed - roads and bridges	1,809,784	1,704,159	(1,131,386)	2,382,557
Fixed - O&M community assets	-	419,003	-	419,003
Fixed - community buildings	748,635	889,276	(471,409)	1,166,502
Fixed - community service	1,075,849	-	(387,076)	688,773
Fixed - drinking water advisories	6,224,521	-	(1,893,425)	4,331,096
Flexible - special needs	350,765	122,213	(240,583)	232,395
Flexible - basic needs	4,305,194	8,663,019	(9,425,183)	3,543,030
Flexible - recovery	201,536	-	(201,536)	-
Fixed - water < 1.5M	36,740	30,000	(35,558)	31,182
Fixed - water > 1.5M	6,550,000	6,031,130	(6,550,000)	6,031,130
Fixed - admin - water and waste water	-	1,100,000	-	1,100,000
Fixed - A&C water	1,324,190	-	(1,324,190)	-
Fixed - capacity enhancement	-	108,000	-	108,000

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

15. Deferred revenue *(Continued from previous page)*

Fixed - FNCFS renovation	-	910,075	-	910,075
Flexible - emergency management assistance	871,381	-	-	871,381
Flexible - CFS prevention	10,317,897	662,800	(2,786,568)	8,194,129
Fixed - CFS prevention	-	11,510,130	-	11,510,130
Flexible - First Nations representative service	1,944,493	115,657	(2,060,150)	-
Fixed - First Nations representative service	-	2,008,496	(1,726,124)	282,372
Fixed - prevention projects	-	100,000	-	100,000
Flexible - operations - CFS	-	932,812	-	932,812
Flexible - CFS - emergency	-	169,602	-	169,602
Flexible - CFS - poverty	-	309,678	-	309,678
Flexible - capacity building	-	34,016	-	34,016
First Nations Development Fund	993,444	1,859,653	(2,649,356)	203,741
Employment and Social Development Canada:				
Daycare (CC)	793,985	265,369	(965,270)	94,084
Daycare (IELCC)	-	1,471,093	(132,844)	1,338,249
CRF and EI	-	1,774,614	(1,508,360)	266,254
First Nations and Inuit Health Branch:				
Community Wellness	602,922	-	(602,922)	-
NEA Headstart	1,742,030	1,716,485	(729,799)	2,728,716
Horizontal Training	139,982	-	(17,568)	122,414
Capital Construction	-	150,000	-	150,000
Minor Projects	259,620	-	(259,620)	-
Canada Mortgage and Housing Corporation	3,936,682	-	(3,501,211)	435,471
Kisoniyaminaw Heritage Trust Fund:				
Band Administration	525,067	2,148,264	(525,067)	2,148,264
Housing	402,100	-	(402,100)	-
Fiscal 2025 first quarter distribution	-	5,500,000	-	5,500,000
Other revenue:				
Parents Place	61,913	-	(61,913)	-
Peace Hills Trust dividend	500,000	1,000,000	(500,000)	1,000,000
Kasohkowew Child Wellness Society rental revenue	3,207,092	-	(168,794)	3,038,298
	53,681,947	58,893,356	(48,556,568)	64,018,735
Other Entities:				
Samson Tribal Enterprises	549,291	-	-	549,291
Maskwacis Ambulance Authority	-	304,167	-	304,167
	549,291	304,167	-	853,458
	54,231,238	59,197,523	(48,556,568)	64,872,193

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

16. Long-term debt and term loans

	2024	2023
Maskwacis Ambulance Authority - First Nations Bank term loan repayable at \$16,748 per month including interest at 6.55% per annum, maturing August 2028, secured by a general security agreement representing a first charge on all the company's assets, assignment of insurance, and \$2,500,000 limited corporate guarantees from Maskwacis Mobile Mental Health and the company.	2,445,798	1,351,617
Samson Cree Nation - BMO term loan bearing interest at 1.84% per annum, repaid during the year.	-	9,877,960
Samson Cree Nation - BMO non-revolving demand loan with monthly interest only payments, repaid during the year.	-	4,750,000
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.	2,056,441	2,143,824
Samson Cree Nation - CMHC Direct Lending financing repayable at \$4,078 per month including interest at 1.01% per annum, maturing August 2026, secured by ISC Ministerial guarantee and CMHC insurance.	782,008	822,868
Samson Cree Nation - CMHC Direct Lending financing repayable at \$9,155 per month including interest at 5.00% per annum, maturing September 2028, secured by ISC Ministerial guarantee and CMHC insurance.	444,214	532,190
Samson Cree Nation - CMHC Direct Lending financing repayable at \$6,186 per month including interest at 1.51% per annum, maturing November 2026, secured by ISC Ministerial guarantee and CMHC insurance.	448,701	515,722
Samson Cree Nation - CMHC Direct Lending financing repayable at \$4,861 per month including interest at 3.06% per annum, maturing May 2027, secured by ISC Ministerial guarantee and CMHC insurance.	411,049	452,625
Samson Cree Nation - CMHC Direct Lending financing repayable at \$3,298 per month including interest at 3.93% per annum, maturing January 2028, secured by ISC Ministerial guarantee and CMHC insurance.	141,137	173,615
Samson Cree Nation - CMHC Direct Lending financing repayable at \$2,178 per month including interest at 4.05% per annum, maturing August 2028, secured by ISC Ministerial guarantee and CMHC insurance.	92,997	114,449
Samson Cree Nation - CMHC Direct Lending financing repayable at \$1,479 per month including interest at 1.53% per annum, maturing May 2026, secured by ISC Ministerial guarantee and CMHC insurance.	37,840	54,534
Samson Cree Nation - CMHC Direct Lending financing repayable at \$1,218 per month including interest at 1.53% per annum, maturing May 2026, secured by ISC Ministerial guarantee and CMHC insurance.	31,169	44,919
Samson Cree Nation - First Nations Bank financing for RCMP building repayable at \$39,152 per month including interest at 3.60%, maturing 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.	2,211,780	2,594,212

Samson Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

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

	2024	2023
Bear Hills Industries - Canadian Emergency Business Account ("CEBA") loan repaid during the year.	-	20,000
Samson Tribal Enterprises - CEBA loan repaid during the year.	-	37,000
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.	1,765,421	1,846,973
Samson Management - ATB Financial mortgage payable bearing interest at 8.45% per annum, payable in monthly instalments of \$9,400 including interest, maturing December 2040, secured by specific real estate properties, a general security agreement, guarantees, and postponement and assignment of claims.	1,056,164	1,053,340
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, \$54,500 (2022 - \$54,500) was recognized in other income - forgiveness of long-term debt with respect to the forgivable loan.	315,646	370,146
Samson Management - Indian Business Corporation loans. During the year, the remaining principal portion of \$120,000 (2023 - \$nil) was forgiven and was recognized in other income - forgiveness of long-term debt.	-	126,667
	12,240,365	26,882,661
Less: current portion of long-term debt and term loans, including balances classified as current due to covenant violation	4,397,926	6,206,139
	7,842,439	20,676,522

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

2025	4,397,926
2026	924,639
2027	927,347
2028	942,282
2029	863,816
Thereafter	3,868,709

Maskwacis Ambulance Authority:

The First Nations Bank term loan is subject to certain financial covenants with respect to maintaining a debt service coverage ratio of no less than 1.10:1. As at March 31, 2024, the company was not in compliance with all such covenants. As a result, the loan balance has been classified as a current liability on the consolidated statement of financial position.

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 property held as security. As at March 31, 2024, the company was not in compliance with all such covenants. As a result, the loan balance has been classified as a current liability on the consolidated statement of financial position.

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 matters 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 consolidated financial position or results of operations.

In addition, 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.

Chief Victor Buffalo et al vs His Majesty the King in Right of Canada ("Canada")

In a prior year, the Nation filed a claim against Canada for breach of its trust and fiduciary obligations to the Nation. On May 24, 2022, the parties reached an Agreement in Principle to settle the claim for an amount of \$134,000,000. A ratification vote was held on November 15, 2022, and 82.4% of Nation members that voted approved the Agreement in Principle. The Federal Court conditionally approved the settlement agreement on September 26, 2023 and the Nation received the settlement funds in January 2024. The Federal Court issued its final unconditional approval on April 30, 2024.

Chevron Canada Resources ("Chevron") vs Canada et al and Samson Indian Band (the "Nation")

In a prior year, a judgment was issued in this ongoing matter. The action was initially 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 was heard on September 14, 2021 and the Court of Appeal's decision was issued on March 23, 2022. The Court of Appeal agreed with the Nation that Chevron did not have a claim against the Nation and that Canada was not entitled to be indemnified by the Nation. Further, the Nation was entitled to costs for both the trial and appeal against Chevron and Canada. Costs against Canada have been resolved as part of the settlement in the matter noted above. The Nation is in negotiation with Chevron in regard to costs that should be payable by Chevron to the Nation. Once resolved, this matter will be discontinued.

18. Distributions to business entities

Distributions have been transferred from Indigenous Services Canada ("ISC") to other business entities. The amount of \$nil (2023 - \$3,160,000) was transferred to Samson Management Ltd. related to Community Opportunity Readiness for the Menaik Project.

19. 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.

19. 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 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.

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

Contractual maturities of long-term debt are disclosed in Note 16.

The Nation manages the liquidity risk resulting from its accounts payable and long-term debt by investing in liquid assets, such as stocks and government bonds.

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 Nation attempts to invest in a manner to protect against any adverse movements in the exchange rate.

20. Budget information

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

21. 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 both companies are subject to their own standalone audits and review by regulatory authorities.

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 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.

22. Economic dependence

The Nation receives a significant portion of its revenue from Indigenous Services Canada as a result of Treaties entered into with the Government of Canada. These treaties are administered by Indigenous Services Canada under the terms and conditions of the *Indian Act*. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

23. Compliance with laws and regulations

The Nation is required by the *First Nations Financial Transparency Act* to submit its consolidated financial statements to ISC, and post its consolidated financial statements on a website, within 120 days of the year-end. As the Nation had not done this, it is not in compliance with this law. The potential effect of the non-compliance is unknown.

24. Comparative figures

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

25. Correction of error

During the year, the Nation determined that the Samson Trust Grant bank account activity was not correctly recorded in the previous year. The Samson Trust Grant bank account receives distributions from NITF and disburses amounts for costs related to attendance incentives and achievement awards among other items.

The impact of this correction of error resulted in an decrease in cash and an increase of Nipisihkopahk Iyiniwin Trust Fund in the amount of \$1,669,116 as at April 1, 2022; an increase in cash of \$147,713 and an increase of Nipisihkopahk Iyiniwin Trust Fund of \$2,889,384 and an increase in accumulated surplus of \$3,037,097 as at March 31, 2023; an increase in revenue of \$2,756,725 and an decrease in expenses of \$280,372 resulting in an increase in accumulated surplus of \$3,037,097.