

2022 | ANNUAL REPORT



FISHER RIVER CREE NATION
COMMUNITY TRUST

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TRUST BACKGROUND

Fisher River Cree Nation ("FRCN") and the Federal Government of Canada entered into a Consent Settlement Order, dated April 23, 2021, with respect to the 1896 Alienation Specific Claim. This secured FRCN's long outstanding right to compensation for the failure to ensure that the Southeast Addition and Southwest Addition were set aside as reserve land. FRCN established the Fisher River Cree Nation Community Trust (the "Trust") to receive the monies settled into the Trust Account for purposes of promoting the long-term benefit of FRCN and its Members. The Fisher River Cree Nation Community Trust Agreement was approved by a Ratification Band Council Resolution and signed by a Board of Trustees dated August 6, 2021 to formally establish the Trust. The settlement payment of \$10,500,000 was deposited into the Trust Account on November 16, 2021 which officially creates the Effective Date of the Trust.

Early in 2021, Chief and Council initiated the development of the Community Trust by establishing a Board of Trustees who have a fiduciary duty to act in the best interests of the Beneficiary and whom have legal ownership of the Trust Property. The Trustees hold and invest the Trust Property for the long-term benefit of the FRCN and its Members and will transfer or release Trust Property as directed and authorized by the Trust Agreement through the form of an Annual Payment.

To ensure the goals and objectives of the Trust Agreement for capital growth and protection of the Trust Property, an investment governance structure was established in December 2021. T.E. Wealth was retained as the Trust's Investment Advisor to begin developing this structure. The Trustees and Chief and Council, in consultation with the Investment Advisor, approved a Statement of Investment Policy and Guidelines ("SIP&G") that provides the investment goals, objectives, and rules of the Trust's investments. A competitive interview search was conducted in 2021 to select two Investment Managers to achieve the investment strategy goals. Fiera Capital Corporate and Beutel Goodman Investment Counsel, being two top tier global Investment Managers, were retained to manage the Trust's investments.

Finally, an audit of the Trust's annual financial statements must be carried out by an independent auditor to which MNP LLP was appointed by the Trustees as the Trust's auditor.



"Fisher River Cree Nation has established this Trust for the purpose of promoting the long-term benefit of the FRCN and its Members."

YOUR BOARD OF TRUSTEES



Contributing to the FRCN Community Trust has been a learning journey. Attending the Annual FNB Trust Conference allowed me to meet other First Nations and their experience with their Trust. The most important message I learned was encouraging First Nations Youth to enter the financial industry. This is one of the reasons I wanted to experience a position on the Trust. To learn and encourage Youth to become aware of their Trust, but most importantly to share with them my experience in hopes that one of them will become a member of the Trust.

- Jennifer Garson

Jennifer Garson

(Above Photo) is an on-reserve Community Member Trustee, whom has background in education.



It's been an honour to be one of your On-Reserve Community Trustees. It has always been my interest to see the success and growth of our community for now and future generations. As a Trustee, I want to ensure that the trust continues to grow with smart and strategic investments that will continue to see our community flourish

- Jeremy Neault



Jeremy Neault

(Above Photo) is an on-reserve Community Member Trustee, whom has experience in business administration in different fields and operates his own marketing business.

YOUR BOARD OF TRUSTEES

”

I joined the FRCN Community Trust to stay connected and involved with the community while still pursuing my education and career goals. I value First Nations Sovereignty and self-governance and believe that the Trust affirms this for our community. With good and sustainable caregiving, the Trust can give back to our community in tangible ways for generations. The current Trust team has a diversity of backgrounds and experiences and is a great team to be part of. Not only can we give back to our community by participating, but we also learn about investing and finance; it truly is a reciprocal relationship. I look forward to continuing to learn and grow with the Trust and can't wait to see what the future of it brings! ”

- Taylor Wilson



Taylor Wilson

(Above Photo) is an off-reserve Community Member Trustee, whom has experience in First Nation community & health research and evaluation.

”

Being an off-reserve member of FRCN, I wanted to see how I could contribute to the betterment and advancement of my Nation. Having banking and investment knowledge, I wish to share my knowledge for the advancement through economic development, investment strategy and banking through being on various boards of the entities of FRCN. Being a father and grandfather, I want to ensure that my knowledge is used, not just for present generation, but 7 generations after us. We are a strong Nation which will be independent through the utilization of its members expertise and knowledge to contribute to its goal of an independent Nation with its own laws and regulations. I am glad I could play a part in such a worthy goal. ”

- Edward Kidd



Edward Kidd

(Above Photo) is the off-reserve Community Member Trustee, whom has experience in the finance and banking industry.

YOUR BOARD OF TRUSTEES

FNB Trust is humbled to serve as the Corporate Trustee of the Fisher River Cree Nation Community Trust amongst the talented Community Trustees of the Fisher River Cree Nation Community Trust.

With over 50 years of combined trustee and trust service experience, we provide accounting and administrative services to ensure the Trust Agreement objectives of long-term sustainability and transparency and accountability to the Members are met. We only serve Indigenous trust clients, have only Indigenous employees and are focused on supporting the Fisher River Cree Nation to govern your Trust.



Suzanne Trottier

CFA, MA, ICD.D

Suzanne is the President of FNB Trust and has over 20 years of professional finance and investment experience. She is a proud Métis woman with maternal family ties to the Lake Manitoba First Nation.



Priscille Buors

CPA, CGA, CAFM

Priscille is the Senior Trust Officer of FNB Trust. She has a background in Indigenous Trust Agreements along with 15 years of professional accounting experience. She is a proud member of the Manitoba Métis Federation.

YOUR TRUST INVESTMENT ADVISOR



Jack Jamieson

B.Comm, PFP

Jack is the Vice President and founder of the firm's dedicated Indigenous practice. He brings over 30 years of experience in investment and financial planning services.



Kain Big Canoe

CPA

Kain specializes in working with community leadership and trustees across Canada on planning, development, and implementation of efficient cost-effective trust and wealth-management solutions. Kain is a member of the Chippewas of Georgina Island First Nation.



T.E. Wealth Indigenous Services provides comprehensive investment and trust advisory services to assist in planning and implementation of customized wealth management strategies for Indigenous communities across Canada. Early in 2022, T.E. Wealth was appointed be your Trust Investment Advisor by the Board of Trustees and Chief and Council.

Role of the Investment Advisor

T.E. Wealth is the firm who has individuals working within it whom possess a Chartered Financial Analyst designation. They provide independent financial advice to the Trust, including the development of the Investment Policy, the selection, monitoring and evaluation of the Trust's Investment Managers and quarterly portfolio performance reports.

YOUR TRUST

INVESTMENT ADVISOR

Role of the Investment Managers

Investment Managers directly manage the Trust's investment funds in the stock and bond markets in accordance with the Trust's approved Statement of Investment Policy & Guidelines that outlines the objectives and framework for the invested funds.



Fiera Capital Corporation is your Growth Investment Manager. They invest in high-quality, successful companies that have strong performance and are expected to continue to do well. The firm manage over \$156 billion in assets that services 39 Indigenous groups representing over \$1.8 billion in assets. **Andrew Mitchell** of Fiera Capital is your Investment Manager.

Andrew Mitchell, CFA



Beutel Goodman is your Value Investment Manager. They invest in mid and large companies at bargain prices as they have fallen out of favour but still have strong fundamentals and competitive edge over their peers. The firm is based in Toronto, Ontario and they manage over \$45 billion in assets that service over 37 Indigenous communities representing \$895 million in assets. **Steven Smith** of Beutel Goodman is your Investment Manager.

Steven Smith, CFA

The investment structure for the Trust effectively splits the Trust funds between the Value investment style of Beutel Goodman and the Growth investment style of Fiera under a balanced portfolio. By doing so, the Trust can achieve a degree of manager diversification and minimize the risk of periodic underperformance producing less volatility associated with a structure that allocates all Trust funds to a single style manager.

YOUR TRUST INVESTMENTS

The Investment Policy of your Trust sets out the Trust's investment objectives, constraints, benchmarks and other rules for investing and reporting on the Trust's funds. The Trust's investment objectives are capital protection with modest capital growth. The goal of the Trust investments is to earn an average annual rate of return equal to the Consumer Price Index (CPI) plus 4.0%.

The Board of Trustees approved the target asset class mix of 5% cash, 10% alternatives, 25% fixed income and 60% equities that is mandated to both Fiera and Beutel Goodman.

In January 2022, the Trust invested \$10.5 million equally to both investment managers. Net of quarterly operating expenses, the current Market Value of your Trust Investments is \$10.2 million as of December 31, 2022.

What is a fund benchmark?

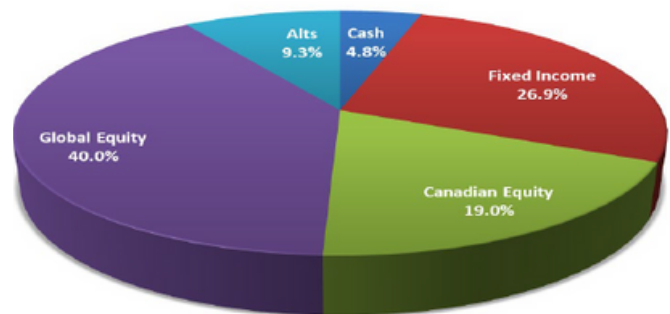
The Trust's investment performance is compared to a standard, called the benchmark. This benchmark is based on broad investment markets and complied to match the Trust's investment strategy.

What are Alternative Investments?

These are non-traditional asset classes that can include infrastructure, real estate, agricultural and diversified lending. They are long-term investments that enhance the diversification in a balanced portfolio to reduce risk and improve performance.

Your Trust Asset Mix at December 31, 2022*

	Market Value	Percentage
Cash & Equivalents	\$ 493,714	4.8%
Alternatives	\$ 946,645	9.3%
Fixed Income	\$ 2,738,705	26.9%
Canadian Equity	\$ 1,938,293	19.0%
Global Equity	\$ 4,063,886	40.0%
Total Investments	\$ 10,181,243	100.0%



Allocation by Investment Manager

	Market Value	Percentage
Fiera	\$ 5,024,214	49.3%
Beutel Goodman	\$ 5,157,029	50.7%
Total	\$ 10,181,243	100%

**Values may differ from those shown in the audited financial statements, however immaterial, due to accruals, foreign exchange conversion rates, and small timing differences in valuations.*

YOUR TRUST INVESTMENTS

In 2022, the Trust's investments returned -1.59% gross of fees. Despite the underperformance, the Investments outperformed the benchmark's performance of -5.8%. The underperformance of the Trust's Investments was primarily due to the first two quarters of 2022, because of rising interest rates and inflation that led to negative returns in the markets for bonds and equities. Despite better performance in the final two quarters of 2022, year-to-date financials show a \$481,995 unrealized (paper) loss on investments.

The Trust Investments experienced an unrealized loss of 6.8% at the end of June 30, 2022; however by the end of the fourth quarter, the Trust's investment performance was up 5.2% and grew by \$574,002 to finish the year at \$10.2 million. The Trust recovered 60% of the initial unrealized (paper) losses. The Trust's multi-manager and multi-style diversification helps to ensure that the portfolio is well-positioned to take advantage of all market environments and enable a smoother pattern of returns.

Trust Investment Values		
	Quarter Q4/2022	Since Inception Q3/2022
Beginning Value	\$ 9,607,241	\$ 10,465,280
Net Flows	\$ -	\$ (80,000)
Total Invested	\$ 9,607,241	\$ 10,385,280
Appreciation	\$ 574,002	\$ (204,037)
Ending Value	\$ 10,181,243	\$ 10,181,243

Trust vs Fund Benchmark		
	Quarter Q4/2022	Since Inception Q3/2022
Fund Performance*	6.14%	-1.59%
Fund Benchmark**	4.56%	-5.80%
Target Return***	N/A	N/A

Investment Manager Performance		
	Quarter Q4/2022	Since Inception Q3/2022
Fiera Capital	3.89%	-2.35%
Beutel Goodman	8.42%	-0.83%
Fund Benchmark**	4.56%	-5.80%

"Net Flows" represents inflow of additional funds invested less outflow from investment accounts into Trust Account for quarterly payment obligations.

*Fund Performance is measured gross of fees.

**Fund Benchmark is comprised of 35% FTSE Universe Bond Index, 40% MSCI WORLD, 20% S&P/TSX, 5% TBILL.

***Target Return represents policy objective of CPI + 4.0%.

YEAR IN REVIEW

2022 represented the first full year of operations for the Community Trust. During 2022 the Trustees were active throughout the year and carried out the following activities:

- With investment governance structure already in place at December 2021 year-end, the Trust funds were fully invested in January 2022 by Fiera Capital and Beutel Goodman.
- The Investment Managers do not physically hold the Trust funds within their account. To provide additional security for the segregation and safekeeping of the Trust funds, RBC Investor and Treasury Services ("RBC ITS") was retained and approved by the Trustees as the Trust's custodian. The custodian carries out the investment transactions made by the Investment Managers in either segregated or pooled investment accounts. Monthly statements by RBC ITS are produced to monitor and report on the investments for the Trust.
- The Board of Trustees held quarterly meetings in January, April, July, and November 2022 to conduct regular Trust business including quarterly investment performance reviews presented by T.E. Wealth, quarterly unaudited financial reviews, budget reporting, and payment approval of Trust operating expenses. Additionally, a member of Council acting as the liaison between Council and the Trustees attended each of the quarterly meetings.
- At the April 2022 quarterly meeting, the Trustees approved the 2021 audited financial statements and 2021 Annual Report and submitted to Chief and Council within the 120 day deadline in accordance with the Trust Agreement. Printed copies were made available at the FRCN administration office for member's request of the reports. The 2022 Trust operating budget was also approved totaling \$174,230 being 1.6% of the total Trust capital of \$10.5 million.
- On May 24, 2022, the first Annual Trust Membership Meeting was held in Fisher River Cree Nation to present the overview of the Trust Agreement and the 2021 Annual Report. Jack Jamieson (T.E. Wealth) as your Investment Advisor presented to Membership on the current state of the Trust's investments. At this meeting, the winner of the Trust Logo contest was announced along with the unveiling of the logo. The logo contest winner was Dustyn Cochrane.
- The accounting firm MNP LLP was reappointed as the independent auditor for the Trust for 2022.
- As part of Trustee professional development, two of the Trustees were able to attend FNB Trust's Annual Conference on September 7th and 8th in Vancouver, BC. Attendance included other Trustees of Indigenous Trusts across Canada who participated in workshops, case studies and discussions with a variety of industry professionals speaking on topics such as sustainable investing, fiduciary duty, ESG regulatory frameworks, and investing of public monies.

LOOKING AHEAD

The 2023 year ahead will be busy for the Board of Trustees as the Trustees must determine the Annual Income amount for 2022 that may be transferred to FRCN. A joint meeting with the Trustees and Chief and Council is planned for February 2023 to assess the Annual Income calculation and the decision that Chief and Council may or may not accept the Annual Income Payment from the Trust at their discretion.

Under the Annual Income Payment process, the Trustees transfer the Annual Income funds into the FRCN Income Bank Account, established by Chief and Council, within 120 days at the fiscal year-end. Expenditures of the Annual Income is governed by the financial policies and by-laws of FRCN under specified uses such as community health and well-being, recreational programs, language and cultural heritage, and infrastructure. It is Chief and Council's intent to use the funds for the short and long term priorities of FRCN.

Over the first and second quarter months of January to June 2023, the 2022 audit of the financial statements will be completed, along with the 2022 Annual Report, for the Trustee's approval within 120 days following the fiscal year end, by April 30th, for release to Chief and Council and Membership. The Trustee's will also develop the 2023 Trust operating budget for approval.

Additionally, the Trustees will plan the Annual General Trust Meeting to Members with Chief and Council to present the 2022 Annual Report that includes the 2022 audited financial statements. This meeting must be held 150 days within the end of the fiscal year, being by May 31st.

The final two quarters will continue with quarterly meetings for regular Trust business and the priority of the Trust remains to be invested to allow the funds to grow and preserve the Trust's purchasing power.



AUDITED FINANCIAL STATEMENTS



Independent Auditor's Report

To the Trustees of Fisher River Cree Nation Community Trust:

Opinion

We have audited the financial statements of Fisher River Cree Nation Community Trust (the "Trust"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

AUDITED 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 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 Trust'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 Trust'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 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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

April 26, 2023

MNP LLP

Chartered Professional Accountants

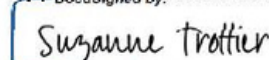
AUDITED FINANCIAL STATEMENTS

Fisher River Cree Nation Community Trust Statement of Financial Position

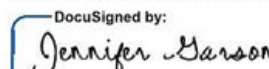
As at December 31, 2022

	Capital Fund	Revenue Fund	2022	2021
Assets				
Cash	427,800	-	427,800	10,503,770
Portfolio Investments	9,787,694	-	9,787,694	-
Due (to) from Fund - Fund rebalancing	284,506	(284,506)	-	-
Due (to) from Fund - Inflation (Note 4)	867,891	(867,891)	-	-
	11,367,891	(1,152,397)	10,215,494	10,503,770
Liabilities				
Accounts payable and accruals	-	43,801	43,801	23,702
Net Assets	11,367,891	(1,196,198)	10,171,693	10,480,068
	11,367,891	(1,152,397)	10,215,494	10,503,770

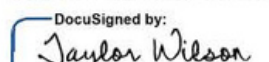
Approved on behalf of the Trustees

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 Suzanne Trotter
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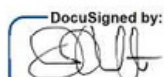
FNB Trust, Corporate Trustee

DocuSigned by:

 Jennifer Garson
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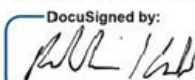
Jennifer Garson, Community Trustee

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 Taylor Wilson
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Taylor Wilson, Community Trustee

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Jeremy Neault, Community Trustee

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Edward Kidd, Community Trustee

AUDITED FINANCIAL STATEMENTS

Fisher River Cree Nation Community Trust Statement of Operations and Changes in Net Assets

For the year ended December 31, 2022

	Capital Fund	Revenue Fund	2022	2021
Revenue				
Settlement	-	-	-	10,500,000
Interest	-	6,037	6,037	9,925
Investment income	-	317,244	317,244	-
Unrealized loss on change in fair value of investments	-	(481,995)	(481,995)	-
	-	(158,714)	(158,714)	10,509,925
Expenses				
Investment management fees	-	83,743	83,743	-
Professional fees	-	41,151	41,151	25,422
Travel and Honoraria	-	15,737	15,737	4,415
Professional development	-	4,160	4,160	-
Trust Membership Meeting	-	2,500	2,500	-
Communications	-	1,736	1,736	-
Bank charges	-	634	634	20
Total expenses	-	149,661	149,661	29,857
Deficiency of revenue over expenses	-	(308,375)	(308,375)	10,480,068
Net assets beginning of year	10,538,836	(58,768)	10,480,068	-
Interfund transfers - inflation protection (Note 4)	829,055	(829,055)	-	-
Net Assets (Deficit), end of year	11,367,891	(1,196,198)	10,171,693	10,480,068

AUDITED FINANCIAL STATEMENTS

Fisher River Cree Nation Community Trust Statement of Cash Flows

For the year ended December 31, 2022

	Capital Fund	Revenue Fund	2022	2021
Cash provided by (used for) the following activities				
Operating				
Excess (deficiency) of revenue over expenses	-	(308,375)	(308,375)	10,480,068
Unrealised loss on investments	481,995	-	481,995	-
Changes in working capital accounts				
Accounts payable and accruals	-	20,100	20,100	23,702
	481,995	(288,275)	193,720	10,503,770
Investing				
Investments purchased during the year	(10,269,690)	-	(10,269,690)	-
Increase (decrease) in cash resources	(9,787,695)	(288,275)	(10,075,970)	10,503,770
Cash resources, beginning of year	10,503,770	-	10,503,770	-
Interfund adjustments	(288,275)	288,275	-	-
Cash resources, end of year	427,800	-	427,800	10,503,770

AUDITED FINANCIAL STATEMENTS

Fisher River Cree Nation Community Trust Notes to the Financial Statements

For the year ended December 31, 2022

1. Purpose and status

Fisher River Cree Nation ("FRCN") and Her Majesty the Queen in Right of Canada ("Canada") executed a Consent Settlement Order, dated April 23, 2021, with respect to the 1896 Alienation Specific Claim SCT-4002-14 (the "Consent Settlement Order") which secured the long outstanding right to compensation for the failure to ensure the Southeast Addition and Southwest Addition were set aside as reserve. FRCN established the Fisher River Cree Nation Community Trust (the "Trust") to receive the monies settled into the Trust Account for purposes of promoting the long-term benefit of FRCN and its Members. The Fisher River Cree Nation Community Trust Agreement was approved by a Ratification Band Council Resolution and signed by a Board of Trustees dated August 6, 2021 to formally establish the Trust.

The Trustees shall hold and invest the Trust Property, as defined in the Trust Agreement, for the benefit of the Fisher River Cree Nation and will transfer or release Trust Property as directed and authorized by the Trust Agreement.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the following significant accounting policies:

Fund accounting

The Trust follows the restricted fund method of accounting for contributions, and maintains 2 funds:

Revenue Fund

The Revenue Fund will pay all operating expenses of the Trust. In addition, each year the Trustees may pay Fisher River Cree Nation the earnings from the Fund, including earnings transferred to the Revenue Fund from the Capital Fund, as the Trustees in their discretion deem appropriate for the Annual Payment, as prescribed in the Trust Agreement.

Capital Fund

The Capital Fund holds the Compensation Balance as defined by the Trust Agreement, plus any other monies that may be invested by or on behalf of the beneficiary less any amounts distributed to the beneficiary subject to the conditions in the Trust Agreement.

The Trust monitors the Capital Fund in accordance with the Trust Agreement and requires Trust Property to be invested and held in accordance with the Investment Policy Statement.

Per Article 14.0 of the Trust Agreement, the Trustees shall provide funds from the Trust to the FRCN, in the form of the Annual Payment. Income generated from the Capital Fund shall be transferred to the Revenue Fund and distributed in the form of an Annual Payment to FRCN Income Account for the Permitted Uses as outlined in the Trust Agreement. For presentation purposes, the income is shown as revenue of the revenue fund rather than a due (to) from fund transfer.

Revenue recognition

The Trust follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue when it is earned and is unrestricted.

Cash

Cash includes balances with banks.

Financial instruments

The Trust recognizes financial instruments when the Trust becomes party to the contractual provisions of the financial instrument.

AUDITED FINANCIAL STATEMENTS

Fisher River Cree Nation Community Trust Notes to the Financial Statements

For the year ended December 31, 2022

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

Related party financial instruments

The Trust initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Trust may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. The Trust has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Trust subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in deficiency of revenue over expenses.

Financial asset impairment

The Trust assesses impairment of all its financial assets measured at cost or amortized cost. The Trust reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses.

The Trust reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenue over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

AUDITED FINANCIAL STATEMENTS

Fisher River Cree Nation Community Trust

Notes to the Financial Statements

For the year ended December 31, 2022

3. Portfolio investments

Portfolio investments consist of funds managed by various investment managers. The portfolio investments are denominated in Canadian funds.

	2022	2021
Cost	10,269,689	-
Cumulative unrealized gain (loss)	(481,995)	-
	9,787,694	-

	2022 Fair value	2022 Cost	2021
Fiera Capital	4,634,717	4,812,152	-
Beutel Goodman	5,152,977	5,457,537	-
	9,787,694	10,269,689	-

4. Due (to) from Fund - Interest & Inflation

The Trust Agreement states that inflation protection will be calculated and accumulated for the calculation of inflation adjusted income regarding Article 19, General Capital Encroachments. Inflation protection should be returned to the Capital Fund from the Revenue Fund in an effort to protect it from impact of inflation on the purchasing power of the Trust Property.

During the year, \$829,055 (2021 - \$38,836) was transferred from the Revenue Fund to the Capital Fund.

	2022	2021
Accumulated inflation protection hedge		
Balance, beginning of year	38,836	-
Current year inflation protection hedge	829,055	38,836
Balance, end of year	867,891	38,836

5. Filing of trust returns

The T3 trust return is filed on a cash basis. These financial statements are prepared on an accrual basis.

6. Financial instruments

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

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), 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 Trust enters into transactions to purchase a diversified selection of funds, for which the market price fluctuates.



FISHER RIVER CREE NATION COMMUNITY TRUST



Fisher River
CREE NATION

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FNB  **TRUST**

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