

**The Nipissing 2013
Boundary Claim Trust
Financial Statements**
December 31, 2021

**The Nipissing 2013
Boundary Claim Trust
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For the year ended December 31, 2021

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Management's Responsibility

To the Chief and Council and Members of The Nipissing First Nation:

The accompanying financial statements of The Nipissing 2013 Boundary Claim Trust are the responsibility of the Trust's management and have been approved by the Trustee.

Trust management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for private enterprises. 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 financial statements, trust management design and maintain 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 financial statements.

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

MNP LLP is appointed by the Trustee to audit the 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 Trustee and management to discuss their audit findings.

February 21, 2022

Peace Hills Trust Company
Per



Trustee

To the Chief and Council and Members of Nipissing First Nation:

Opinion

We have audited the financial statements of The Nipissing 2013 Boundary Claim Trust (the "Trust"), which comprise the balance sheet as at December 31, 2021, and the statements of income, changes in trust equity 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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 Trust Management and Those Charged with Governance for the Financial Statements

Trust management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as Trust 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, Trust 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 Trust 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.

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 Trust management.
- Conclude on the appropriateness of Trust 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.

Waterloo, Ontario

February 21, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

The Nipissing 2013 Boundary Claim Trust

Balance Sheet

As at December 31, 2021

	2021	2020
Assets		
Current		
Cash and cash equivalents	4,944,371	4,239,041
Accrued investment income receivable	495,888	501,901
Current portion of loans receivable (Note 4)	389,730	375,454
	5,829,989	5,116,396
Investments (Note 5)	98,215,164	91,766,802
Loans receivable (Note 4)	8,589,313	8,979,044
	112,634,466	105,862,242
Liabilities		
Current		
Accounts payable and accrued charges	77,577	100,238
Due to Nipissing First Nation (Note 6)	5,625,771	3,127,540
Per Capita Distribution payable (Note 7)	200,000	300,000
Current portion of due to minors (Note 8)	787,317	871,951
	6,690,665	4,399,729
Due to minors (Note 8)	5,054,991	5,410,568
	11,745,656	9,810,297
Trust Equity		
Unrealized gains	16,178,248	14,817,918
General fund	84,710,562	81,234,027
	100,888,810	96,051,945
	112,634,466	105,862,242

Approved on behalf of Trustees

Trustee

The Nipissing 2013 Boundary Claim Trust

Statement of Income

For the year ended December 31, 2021

	2021	2020
Revenue		
Dividend income	1,056,911	1,254,016
Interest income	1,420,880	1,323,738
Realized gain on disposal of investments	7,376,745	2,073,919
	9,854,536	4,651,673
Expenses		
Honorarium	9,957	9,400
Meetings and other	-	58
Professional fees	13,750	14,862
Trustee and management fees (Note 9)	516,686	462,854
	540,393	487,174
Income before other item	9,314,143	4,164,499
Change in unrealized gains on investments	1,360,330	2,709,392
Net income	10,674,473	6,873,891

The Nipissing 2013 Boundary Claim Trust

Statement of Changes in Trust Equity

For the year ended December 31, 2021

	<i>Unrealized gains</i>	<i>General Fund</i>	<i>Total trust equity</i>
Balance December 31, 2019	12,108,526	80,235,174	92,343,700
Share of net income	2,709,392	4,164,499	6,873,891
Annual income transfer to Nipissing First Nation (Note 6)	-	(3,127,540)	(3,127,540)
Accrued interest on due to minors	-	(58,106)	(58,106)
Reduction to initial per capita distribution	-	20,000	20,000
Balance December 31, 2020	14,817,918	81,234,027	96,051,945
Share of net income	1,360,330	9,314,143	10,674,473
Annual income transfer to Nipissing First Nation (Note 6)	-	(5,625,771)	(5,625,771)
Accrued interest on due to minors	-	(251,837)	(251,837)
Reduction to initial per capita distribution	-	40,000	40,000
Balance December 31, 2021	16,178,248	84,710,562	100,888,810

The Nipissing 2013 Boundary Claim Trust

Statement of Cash Flows

For the year ended December 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating activities		
Net income	10,674,473	6,873,891
Change in unrealized gains on investments	(1,360,330)	(2,709,392)
Realized gain on disposal of investments	(7,376,745)	(2,073,919)
Annual income transfer to Nipissing First Nation	(3,127,540)	(4,713,856)
Accrued interest on due to minors	(251,837)	(58,106)
	(1,441,979)	(2,681,382)
Changes in working capital accounts		
Accrued investment income receivable	6,013	25,189
Accounts payable and accrued charges	(22,661)	47
Per Capita Distribution to minors	(440,211)	(649,285)
Per Capita Distribution payable	(60,000)	(40,000)
	(1,958,838)	(3,345,431)
Investing activities		
Net investments sold	2,288,713	1,693,003
Repayment of loans receivable	375,455	361,701
	2,664,168	2,054,704
Increase (decrease) in cash and cash equivalents	705,330	(1,290,727)
Cash and cash equivalents, beginning of year	4,239,041	5,529,768
Cash and cash equivalents, end of year	4,944,371	4,239,041

The accompanying notes are an integral part of these financial statements

The Nipissing 2013 Boundary Claim Trust

Notes to the Financial Statements

For the year ended December 31, 2021

1. Nature of operations

Nipissing First Nation (the "First Nation") and Her Majesty the Queen in Right of Canada ("Canada") entered into a Settlement Agreement to compensate the First Nation for receiving a smaller reserve than originally agreed upon in the 1850 Robinson Huron Treaty. As compensation for this settlement, Canada paid \$123,674,730 into a Trust Account governed by The Nipissing 2013 Boundary Claim Trust Agreement (the "Trust Agreement") established on May 30, 2013. Members of Nipissing First Nation gave assent and ratification to the terms of the Settlement Agreement and the Trust Agreement on October 2, 2013.

A corporate trustee will administer the Trust in accordance with the Trust Agreement and the Investment Policy for the Trust. The Trustees are responsible to invest the trust funds and pay the annual income to Nipissing First Nation as set out in the Trust Agreement for the long-term benefit of the First Nation.

The Trust Agreement provides specific provisions as to the procedures to be followed in the operation of the Trust.

2. Change in accounting policies

Financial instruments

Financial instruments in a related party transaction, risk disclosures and other amendments

Effective January 1, 2021 (hereafter referred to as the "initial date of application"), the Trust adopted the Accounting Standards Board's revised recommendations for the measurement and disclosure of financial instruments in a related party transaction, as well as revisions to risk disclosures, in Section 3856 *Financial Instruments*. The revised standard provides additional guidance and requirements for the measurement of financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments").

Revised Section 3856 clarifies that an entity must provide relevant entity-specific information to enable users to evaluate the nature and extent of each type of risk arising from financial instruments. The amendments remove the requirement to separately disclose the risks arising from derivatives from the risks arising from other financial instruments.

Revised Section 3856 requires the following related party financial instruments to be initially measured at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

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. If the election is not made, these instruments are subsequently measured at amortized cost. Subsequently investments in equity instruments quoted in an active market and derivatives instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are measured at fair value. All other financial instruments arising in a related party transaction are subsequently measured using the cost method.

Previously, the Trust initially measured related party financial instruments at either the carrying amount or exchange amount in accordance with Section 3840 *Related Party Transactions*. Subsequent to initial recognition, related party financial instruments were measured in accordance with extant Section 3856.

The Nipissing 2013 Boundary Claim Trust

Notes to the Financial Statements

For the year ended December 31, 2021

2. Change in accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Transition

The retrospective application of this change in accounting policy resulting from the adoption of revised Section 3856 did not have an impact on the results of operations and financial condition of the Trust. The following transitional provisions were applied to related party financial instruments that exist at the date of initial application:

- The cost of a financial instrument that has repayment terms is determined using the undiscounted cash flows, excluding interest and dividend payments, of the instrument less any impairment, as at the beginning of the earliest comparative period presented in these financial statements
- The cost of a financial instrument that does not have repayment terms is deemed to be the carrying amount of the instrument in the financial statements of the entity less any impairment, at the beginning of the earliest comparative period presented in these financial statements
- Fair value of a financial instrument that is an investment in debt or equity instruments that are quoted in active market; a debt instrument where inputs significant to the determination of fair value of the instrument are observable; or, a derivative contract, is determined at the beginning of the earliest comparative period presented in these financial statements.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises set out in Part II of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Foreign currency translation

These financial statements have been presented in Canadian dollars, the principal currency of the Trust's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities reflect the exchange rates at the balance sheet date. Gains and losses on translation or settlement are included in the determination of net income for the current year.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a maturity of three months or less.

Investments

Investments with prices quoted in an active market are measured at fair value. Changes in fair value are recorded immediately in net income.

Revenue recognition

Interest and dividend income are recognized by the Trust when they are earned. Changes in market value of the investments subsequent to acquisition are recognized as the market values become known. Realized gains and losses are recorded in net income as they are realized.

Transfers to Nipissing First Nation

The transfer of funds to Nipissing First Nation are recorded as equity transfers.

The Nipissing 2013 Boundary Claim Trust

Notes to the Financial Statements

For the year ended December 31, 2021

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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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 year.

Significant items subject to such estimates and assumptions include the valuation of investments which derive fair values from external sources, the valuation of accrued investment income receivable and accounts payable and accrued charges. Actual results may differ from such estimates.

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

Income taxes

The Trust is classified as a "reversionary inter vivos trust" under the Income Tax Act of Canada. The Trust distributes to its beneficiaries all of the income for Canadian federal income tax purposes derived from the Trust Property with the result that the Trust is not liable for any income taxes.

Financial instruments

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

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

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

The Trust subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or 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. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in net income. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Nipissing 2013 Boundary Claim Trust

Notes to the Financial Statements

For the year ended December 31, 2021

3. 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:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

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 does not currently hold any related party investments or derivative instruments.

Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

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

Financial asset impairment

The Trust assesses impairment of all its financial assets measured at cost or amortized cost. The Trust groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Trust determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Trust reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at 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, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the balance sheet 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 net income.

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 net income in the year the reversal occurs.

The Nipissing 2013 Boundary Claim Trust

Notes to the Financial Statements

For the year ended December 31, 2021

4. Loans receivable

The loans receivable are comprised of the following:

	2021	2020
Nipissing Solar Promissory Note		
Loan receivable bearing interest at 3.70%, payable in annual installments of \$58,517, due August 31, 2037, secured by band council resolution.	697,199	728,753
Community Development Loan #1		
Loan receivable bearing interest at 3.70%, payable in annual installments of \$352,517, due May 24, 2037, secured by band council resolution.	4,200,049	4,390,131
Community Development Loan #2		
Loan receivable bearing interest at 3.95%, payable in annual installments of \$321,126, due April 3, 2039, secured by band council resolution.	4,081,795	4,235,614
	8,979,043	9,354,498
Less: current portion	(389,730)	(375,454)
	8,589,313	8,979,044

5. Investments

The allocation of investments at market value at December 31, 2021 was as follows:

	2021	2020
Fixed income	36,611,073	37,945,189
Canadian equities	21,629,456	19,587,505
US equities	24,875,651	22,073,028
International equities	15,098,984	12,161,080
	98,215,164	91,766,802

6. Due to Nipissing First Nation

Pursuant to the Trust Agreement, the annual income of the Trust generated during each fiscal year shall be transferred to an account established and controlled by Nipissing First Nation. The annual income is calculated as the revenues realized from the Trust, including dividends, interest, and half of the aggregate of realized gains less realized losses carried forward, and authorized expenses.

	2021	2020
Dividend income	1,056,911	1,254,016
Interest income	1,420,880	1,323,738
Add: One-half of realized gains on disposal of investments	3,688,373	1,036,960
Less: Authorized expenses	(540,393)	(487,174)
	5,625,771	3,127,540

Nipissing First Nation is related to the Trust as it is the Settlor of the Trust. The amount due and payable to Nipissing First Nation, is unsecured, non-interest bearing and expected to be paid in the first ninety days of the next fiscal year.

The Nipissing 2013 Boundary Claim Trust

Notes to the Financial Statements

For the year ended December 31, 2021

7. Per Capita Distribution payable

The Per Capita Distribution payable to members of the First Nation totaled \$200,000 as at December 31, 2021 (2020 - \$300,000). Rather than being maintained in a separate account in trust, these unclaimed amounts have been reinvested until such time as the unclaimed amount is claimed by a qualifying member.

As per the Trust Agreement, unpaid Per Capita Distribution amounts remain a liability in trust until at least ten years after a member fails to claim their Per Capita Distribution allocation.

8. Per capita distribution for minors

Per capita distribution for minors is comprised of the Per Capita Distribution for those members who were alive on the date of execution of the Trust but not yet the age of eighteen. Minor's are entitled to \$20,000, adjusted for inflation.

9. Trustee and investment management fees

As at December 31, 2021, accounts payable and accrued charges include \$10,454 (2020 - \$10,087) for corporate trustee fees and \$57,123 (2020 - \$80,151) for investment management fees.

Total trustee and investment management fees paid are comprised of:

	2021	2020
Investment management fee - Lincluden	49,703	155,177
Investment management fee - Mawer	201,738	189,247
Investment management fee - Barrantagh	142,426	-
Corporate trustee fee - Peace Hills Trust	122,819	118,430
	516,686	462,854

10. 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. These risks remain unchanged from the prior year except as otherwise noted.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Trust's exposure to credit risk is related to its cash and certain investments included in investments. The Trust may be exposed to indirect credit risk in the event that the investment funds hold investments in debt securities.

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 Trust does not use derivative instruments to hedge its exposure to fluctuations in foreign currency exchange rates. The following financial assets are denominated in foreign currencies and are thus exposed to foreign currency risk:

	2021	2020
	CAD\$	CAD\$
Equities - US	24,875,651	22,073,028
Equities - International	15,098,984	12,161,080

The Nipissing 2013 Boundary Claim Trust

Notes to the Financial Statements

For the year ended December 31, 2021

10. 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 financial instruments exposing the Trust to interest rate cash flow risk is per capita distribution due to minors, as this item is adjusted for inflation.

Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting obligations associated with financial liabilities. The Trust has a liability to make the per capita distributions to minors, for which payment is required at various future dates. Management mitigates this risk by investing in liquid investments and monitoring upcoming minors distribution requirements.

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 Trust's investments in equities and mutual funds expose the Trust to price risks as these instruments are subject to price changes in an open market for a variety of reasons including, investor sentiment and expectations, changes in market rates of interest, general economic indicators and restrictions of credit markets. The Trust does not employ derivative financial instruments to hedge its exposure to other price risk. Management mitigates this risk by retaining professional investment advisors and adopting an investment policy that specifies the types of investments that can be held by the Trust.

11. Significant event

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders resulting in market volatility that may have had a negative effect on fair market values of certain investments throughout the year. While there has been increased volatility in these fair values, the Trust does not believe there to have been a significant impact to its operations or financial position as a result of the COVID-19 outbreak.