

NISICHAWAYASIIHK TRUST OFFICE



2007

Narrative Report and Audited
Financial Statements

NFA IMPLEMENTATION AGREEMENT



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PART 1



2007

Narrative Report

NFA IMPLEMENTATION AGREEMENT



PURPOSE OF REPORT

This annual Narrative Report and the attached Financial Report and Opinion have been provided to the Trustees in compliance with the annual report requirements of the Trust Indenture. Under Article 19.3 of the Trust Indenture, Chief and Council and the Trustees of the Nisichawayasihk Trust are required to call a Meeting of Members for each of their respective reports, and address questions and concerns from community members. All members are strongly encouraged to attend these annual meetings as they form an integral part of the Community Approval Process (CAP). Under the disclosure provisions of the Trust Indenture, the Trustee's Annual Report – and the Chief and Council's Annual Narrative Report and Audited Financial Report and Opinion – are available to any community member upon request.

The Nisichawayasihk Cree Nation Trust Office administers all programs and projects unless indicated otherwise.

ANNUAL REPORTING REQUIREMENTS

Under 18.1 of the Trust Indenture, Trustees of the Nisichawayasihk Trust are required to provide Chief and Council with an annual report on the financial operations of the Trust within 90 days after the end of each fiscal year.

This report is to cover the period from January 1 to December 31, 2007, and is to include an Auditor's Report and Opinion, as well as any other special audit reports and opinions requested by the Trustees.

Under Article 19.1 of the Trust Indenture, Chief and Council are required to provide the Trustees with an annual Narrative report, which explains how all Trust moneys were managed and administered during the same January 1 to December 31 time period. In addition, Chief and Council must also provide an audited Financial Report of the previous fiscal year, which includes a financial statement of Trust moneys received and an Auditor's Opinion.

APPROVAL OF NARRATIVE & AUDITED FINANCIAL REPORT

We, the duly elected Chief and Council for the Nisichawayasihk Cree Nation do hereby approve this year's Narrative and Audited Financial Report in compliance with Article 19.2 of the Trust Indenture, which forms part of the NFA Implementation Agreement ("1996 Agreement") signed by the Nisichawayasihk Cree Nation, Canada, the Province of Manitoba and Manitoba Hydro on March 18, 1996.

In compliance with Articles 19.1 and 19.2 of the Trust Indenture, this year's approved Narrative and Audited Financial Report has been forwarded to the Trustee's of the Nisichawayasihk Trust and made available to members at both the Nisichawayasihk Trust Office and Nisichawayasihk Chief and Council's office. In compliance with Article 19.1 of the Trust Indenture, the 2007 fourth quarter report is attached to this year's Narrative and Audited Financial Statement.

In compliance with Article 19.2 of the Trust Indenture, Notice of the Availability of this year's annual Narrative and Audited Financial Report has been given in the same manner as for a meeting of members.

In compliance with Article 19.3 of the Trust Indenture, a Meeting of Members shall be held within 120 days after the fiscal year end to discuss this year's Narrative, Audited Financial Report by Chief and Council and this year's Trustee's Annual Report on the Financial Operations of the Nisichawayasihk Trust. Notice of this meeting shall be given in accordance with Article 8.2 of the Trust Indenture.

NCN Chief and Council

Chief Jim Moore

Councillor D'Arcy Linklater

Councillor Patrick Linklater

Councillor Shirley Linklater

Councillor Marcel Moody

Councillor Agnes M. Spence

Councillor Ron D. Spence

TRUSTEES FINANCIAL OPERATIONS REPORT FOR 2007

NELSON HOUSE TRUSTEES

Chief Jim Moore

Councillor Shirley Linklater

Alvin Yetman

David Kobliski

CORPORATE TRUSTEE

Royal Trust Corporation of Canada

BACKGROUND

The Nisichawayasihk Trust was created in March 1996. The duties and responsibilities of the Trustees are contained in the Trust Indenture that is part of the Implementation Agreement between NCN and Manitoba Hydro.

Each year the Trustees are required to provide the Chief and Council and upon request, any member of NCN with an annual report on the financial operations of the Trust. The report must cover the period from January 1 to December 31 of the previous year, and must include the Trust Auditor's report and opinion and any other special audit report and opinions which may have been requested by the Trustees during the reporting period.

FUNDS AVAILABLE FOR 2007

As determined by the Trust Indenture and the Community Approval Process, the amount available for expenditure from the Trust ("Funds Available") for 2007 was \$3,982,800.00. Of this amount, \$3,947,800.00 was transferred out of the Trust for the purposes set out in the 2007 CAP Budget and \$45,000.00 was for the claims account (\$1,626,430.00 from the Main Trust and \$2,356,370.00 from the Investment and Heritage account). As at December 31, 2007, there were no further payments due for programs, services and projects by CAP for 2007.

THE RECREATIONAL FACILITIES AND PROGRAMS SUB-ACCOUNT

The Recreational Facilities and Programs Sub-account is part of the Nisichawayasihk Trust. Funds have been accumulated in the Recreational Facilities and Programs Sub-account. As per the terms of the Trust Indenture, funds held in Recreational Facilities and Programs Sub-account must be used "to build or develop recreational facilities on Reserve and for recreation programs for Nelson House". There are no powers to encroach on capital of this account. In 2007, the Community through the Community Approval Process approved proposals totaling \$303,310.00.

THE PURCHASE OF A NEW MANITOBA HYDRO BOND

The Nisichawayasihk Trust held a \$40,000,000.00 Manitoba Hydro-Electric Board Bond, 9.762% due June 30, 2013 (“The Bond”), which generated an income of \$3,904,800.00. This income was paid to Nelson House (“The Community”) for Nelson House projects, programs and services.

The Bond was sold in 2001 for approximately \$52,000,000.00 and the realized capital gain of approximately \$12,000,000.00 was transferred to the Investment and Heritage account. Based on anticipated returns from the reinvestment of the sale proceeds, the Community was advised that CAP Budgets may remain the same until 2013 and the value of the Trust may be greater if the Bond was simply held to maturity.

As the income from the Trust would be insufficient to cover future CAP Budgets, it was understood that any shortfall would be paid from the capital of the Investment and Heritage Account. The Community, through the Community Approval Process, each year approved payments from the Investment and Heritage Account to cover the shortfall in the CAP Budget.

The income generated by the Trust was less than what was anticipated. As a result, there was a greater need to encroach on the capital of the Investment and Heritage account. Based on the rate of encroachments, it was felt that the Investment and Heritage Account could be exhausted by June of 2011. Once the Investment and Heritage account was exhausted, then the Community would only have the income from the Nisichawayasihk Trust to provide for Community projects, programs and services. Based on current interest rates, this income from the Nisichawayasihk Trust would be considerably less than the CAP Budget.

As a result, Chief and Council and the Trustees negotiated with Manitoba Hydro to issue new Hydro Bonds that would:

- Offer a higher rate of income
- Ensure the Minimum Capital Amount of \$40,000,000.00 is maintained
- Provide sufficient funds to meet the CAP Budgets until the year 2013, when the original Manitoba Hydro bonds would mature.

All assets held in both the Nisichawayasihk Trust and the Investment and Heritage account were sold and the proceeds were used to purchase the following bonds:

Nisichawayasihk Trust – Account Number: 101052001

\$40,000,000.00 Manitoba Hydro Bond, 5.75% due June 30, 2013

Nisichawayasihk Trust – Investment and Heritage Account – Account Numbers: 101052003

\$6,380,730.42. Manitoba Hydro Bond, 5.75% due June 30, 2013

To provide for future CAP Budgets, the new Hydro bond held in the Investment and Heritage account will be partially redeemed each year. Interest and capital payments on this bond total \$1,369,694.26. These funds will be used to help cover future CAP Budgets, which coupled with administrative savings, will ensure that the Community will continue to receive its customary funds from the Trust.

REDUCED ADMINISTRATIVE EXPENSES

As a result of the purchase of the new Hydro Bond, the Trust saves approximately \$91,100.00 a year in Investment Management fees. In addition, Chief and Council and the Nelson House Trustees negotiated a reduction in the Corporate Trustee's fee of \$44,450.00. In total, there is an overall savings of approximately \$136,650.00 to the Trust.

FINANCIAL OPERATIONS REPORT

Capital Payments Received by the Trust

The Trust earned a net realized capital gain of \$921,145.00 during the course of the year through sales of various investments.

In accordance with Schedule 2.2 and Article 2.51 of the Nelson House First Nation NFA Implementation Agreement, we confirm that there were no payments made from Manitoba Hydro to Chief and Council for excursions from the compensated range.

Revenue Received and Generated by the Trust

Total revenues generated in 2007 from the Trust Investments were \$1,875,589.00

The revenues (interest and dividends) were recorded in each account as follows:

- Main Trust Account - \$1,586,893
- Investment & Heritage Account - \$271,030.00
- Claims Account - \$0.00
- Recreation & Program Facilities Account - \$47,540.00

Investment Commentary

The assets of the Nisichawayasihk Trust and the Investment and Heritage account are preliminary invested in the new Manitoba Hydro bond. The Recreation and Facilities Sub-account is invested exclusively in Bonds and short term fixed income investments. The following is a general commentary on the interest rates and bonds.

A year ago there was little difference in the yield of the bond that matured in 2 years from the yield of a bond that matured in 30 years. An investor wanting to purchase a bond would get only a small pick up in the yield for buying a bond with a longer maturity.

The story is much different today. The yield of bonds with longer maturities has not changed much but the yields of shorter-term bonds have dropped significantly.

Canadian Bond Yields			
	March 7th	6 months ago	One year ago
2 Year bond	2.57%	4.14%	3.90%
5 Year bond	2.98%	4.19%	3.88%
10 Year bond	3.56%	4.27%	3.98%
30 Year bond	4.07%	4.32%	4.06%

There are a couple of reasons for a drop in the short-term bond yields.

1. The Bank of Canada has reduced the bank rate (overnight rate).

The Bank of Canada has decreased the overnight rate by 0.75% in the past year (from 4.25% to 3.5% today). The overnight rate is the interest rate at which major financial institutions borrow and lend one-day (or "overnight") funds among themselves. Changes in the overnight rate influence other interest rates, such as short-term bond yields

The Bank of Canada reduced the bank rate in an attempt to keep the Canadian economy running smoothly. There is risk the economy will slow as result of slowing activity in the U.S. and a stronger Canadian dollar (that could hurt the exports for Canadian companies).

2. Investors have moved to the safety of short-term bonds.

Investors have become concerned about sub-prime loans and the availability of credit in the U.S. There is concern the U.S. economy is entering a recession. As a result, some investors have been moving out of the stock market to the safety of short-term bonds. As the demand for the bonds increased, the price increased and the yield decreased.

The yield of short term bonds will remain low until investors feel comfortable moving back into stocks or until concerns about increasing inflation arise.

INVESTMENTS HELD AT DECEMBER 31, 2007:

As at December 31, 2007 the total value of all Trust accounts was \$48,252,280. This amount was held in the following accounts and in the following proportions:

Main Trust Account: Total Value - \$40,156,040

- \$40,000,000. Manitoba Hydro Bonds, due 30/06/2013 earning an interest rate of 5.75%
- \$156,040. held in Cash earning an average 30-day Canada Treasury Bill rate of 3.8 %.

Investment and Heritage Account: Total Value - \$7,066,463.

- \$6,380,730. Manitoba Hydro Bonds, due 30/06/2013 earning an interest rate of 5.75%
- \$685,733. held in Cash earning an average 30-day Canada Treasury Bill rate of 3.8%

Claims Account: Total Value - \$109.

- \$109. held in Cash earning an average 30-day Canada Treasury Bill rate of 3.8%.

Recreation and Program Facilities Account: Total Value - \$1,029,668.

- \$871,534. held in Fixed Income Securities earning an average interest rate of 4.1%
- \$158,134. held in Cash earning an average 30-day Canada Treasury Bill rate of 3.8%

MANITOBA HYDRO'S ONGOING OBLIGATIONS

The 1996 NFA Implementation Agreement is a complex document that requires careful and constant attention to ensure the Agreement's provisions are fulfilled. Under the Agreement, Manitoba Hydro fulfilled several on-going commitments in 2007:

IMPLEMENTATION OF SAFETY MEASURES

Under Article 2.7.2 of the Comprehensive Implementation Agreement, Manitoba Hydro implemented several measures in relation to safe ice trails, navigational aids and warning signs to the satisfaction of the Trust Office and the resource users. Manitoba Hydro went beyond the obligations by extending a few of its safe ice trails within the NCN's resource management area.

The Operations and Maintenance (O & M) Committee at their regular Board Meetings reviews the effectiveness of the safety measures regularly. NCN has two representatives at these meetings – Councillor Marcel Moody and Norman Linklater. Any concerns or problems with respect to safety measures identified by the Agreement can be forwarded to these representatives.

WATER REGIME PREDETERMINE COMPENSATION

Under Article 2.4.1 & 2.5.1 of the Agreement, the Water Levels or Rates of Changes did not exceed the parameters of the compensated range. The reports provided by Manitoba Hydro showed no deviation for the compensated range in both seasons in 2007.

Manitoba Hydro was not required to pay NCN any additional compensation; this means the provisions are working as they were intended to encourage Manitoba Hydro to maintain a steady operating regime.

OPERATION, MAINTENANCE & REPLACEMENT

Under Article 11.4.4 of the Agreement, Manitoba Hydro fulfilled its obligation by paying 90 percent of the Arena O & M costs. The Gilbert McDonald Arena fiscal year runs from September 1 through August 31 each year. During the 2006-2007 fiscal years, the O & M Board approved the Arena budget for \$40,000. In accordance with Article 11.7.2, Manitoba Hydro contributes 90 percent of the budget and NCN contributes the remaining 10 percent. The NCN's contributing portion of 10 percent was obtained from regular band funds.

One of the major projects that were done was to replace the entire players benches. Over the years condensation and water seepage would occur on the north side of the walls of the arena this project included new material to be purchased from Meetah Building Supplies. Since the building is getting older you anticipate breakdowns, especially in the electrical and plumbing components. Once example is the water heaters that had to be replaced, the life span of a water heater is about 15 years so we will anticipate more breakdowns on these materials.

All sinks and vanities in the mezzanine washrooms had to be replaced, this included tear down and material. Extensive painting was done throughout the building including the major areas, lobby, mezzanine, locker rooms and washrooms.

Some of the funding will be utilized in wages for staff and contractors that do various jobs at the arena. We also use the funding in utilities in both the arena and Duncan Wood Memorial Hall; the funding is used quite extensively in all areas. Funding is also utilized towards projects that arise and replacements where they occur; it is never determined where the funding might end up.

OTHER IMPLEMENTATION ISSUES

COMPENSATION LANDS

The 1996 NFA Implementation Agreement provided that six parcels of provincial Crown lands (at Suwanee Lake, Wapisi Lake, The Junction, Leftrook Lake, Baldock Lake and Odei River) will be made into NCN reserve lands. Manitoba has already granted NCN an exclusive use permit, and the lands have been surveyed.

NCN and Canada are still discussing the mechanics of finalizing the process. Some documents must be completed. It is hoped that at least three of the parcels will become reserve land in 2007.

ENVIRONMENTAL MONITORING

Article 7 establishes and describes arrangements to coordinate environmental monitoring and share the information developed. Other than the environmental studies that are being conducted as a result of the proposed Wuskwatim project, there has been no other activity associated with Article 7. Canada is responsible for scheduling and convening meetings in accordance with Article 7.2, but again there is no activity in this area.

FUTURE DEVELOPMENTS BY HYDRO

WUSKWATIM IMPLEMENTATION OFFICE

Norman Linklater, Wuskwatim Implementation Coordinator, manages the office. He and Councillor Moody were former co-managers of the Future Development Office, which was responsible for negotiating the PDA and other matters related to the project. Their appointments ensure continuity in the management of the project throughout the six-year Wuskwatim construction period.

Alvin Yetman works closely with Norman as Associate Coordinator. Completing the team is a cultural awareness coordinator, two on-site counselors, a contract & finance administrator and office support staff.

ROLE OF THE WUSKWATIM IMPLEMENTATION OFFICE

The main function of the Implementation Office is to ensure the terms of the PDA are being met and benefits associated with the project are being used to best advantage by NCN Members.

Responsibilities of the Office include:

Ensuring effective Implementation of all agreed-to-components of the PDA

Ensuring that the PDA commitments in contracts are honoured as specified

Ensuring all parties fulfill responsibilities to NCN

Gathering information on project progress and communicating with NCN Members

Maintaining ongoing discussion and liaison with Manitoba Hydro

RESULTS OF THE 2006 COMMUNITY APPROVAL PROCESS (CAP)

In accordance with Article 3.5 and 8.0 of the Trust Indenture, meetings and consultations were held with community members to determine their views on how moneys from the Nisichawayasihk Trust should be spent during the 2007 fiscal year.

The CAP Review Committee had a preliminary review meeting on September 12 & 13, 2007 at the Ma-mow-we-tak Friendship Center in Thompson. CAP Committee Members reviewed the Funding Application Summary for 2008 and all-individual applications. The Committee formed into groups and was assigned several applications to review, assess and prepare questions to ask applicants at the Community Meeting. All questions were reviewed by the group and distributed to applicants prior to community meeting.

The Cap Committee held a 2 day Community Meeting on September 26 & 27, 2007 @ Duncan Wood Memorial Hall, all applicants were expected to present their applications to the CAP Committee and NCN Membership. A criterion for Assessing Applicant Presentation was utilized to ensure that each applicant was processed and weighed fairly.

On October 10 & 11, 2007 the CAP Committee reconvened at the Place Louis Riel in Winnipeg to review the applications, thoroughly and prepare a recommended budget for Chief & Council's approval. The decisive factors that contributed to the CAP Committee's recommendations included the following:

- The Score Card Assessment was utilized to ensure that each application was processed and weighed fairly.
- The Cap Committee reassessed the Score Card Assessments and then made adjustments to the assessments, in retrospect to prioritizing which program/project should be funded.
- The CAP Committee reviewed some of the programs financial statements and cash flows to help with making a decision on which programs to fund.
- Based on all three assessments the CAP Committee prepared a draft recommended budget.

On November 19, 2007 the CAP Committee reconvened at the Ma-ma-we-tak Friendship Centre in Thompson to have a final review of the recommended budget and prepared a brief annotation summary to justify their decisions on the allocation of funds.

After Chief & Council review and approve the 2008 CAP Committee's recommended Budget Notice for a meeting with the membership must be publicized at least 7 days before the proposed meeting.

A total of \$3,992,800.00 was budgeted and allocated to fund a wide variety of programs, which are listed with their respective budgets in Figure 1 on page 15.

In addition to these programs and projects funded during the 2007 fiscal year, there were also programs carried over from the 2006 Community Approval Process (CAP) under Article 10.5 of the Trust Indenture. For a complete list of all programs carried over from 2006 to 2007, please see Figure 2 on page 16.

FIGURE 1 CAP BUDGET 2007

		Budget in Dollars
Administration	Administration	400,000.00
Mandatory As Per Agreement	Professional Services	36,000.00
	Community Approval Process	32,000.00
	Claims Program	45,000.00
	Corporate Trustee	190,985.00
	NCN Trustees	25,000.00
	Arena O&M	40,000.00
	Personal Care Home	200,000.00
Capital Projects	Paving NCN Roads	65,000.00
Economic Development	NCN Achimowin Radio	116,000.00
	Wuskwatim Equity	650,000.00
Education	Breakfast Program	45,000.00
	Nutrition Program	5,000.00
	Special Education Program	50,000.00
Health	PCH Emergency Generator	50,000.00
Housing	Housing Renovations	100,000.00
Justice	Justice Program	32,600.00
	Policing Service	150,000.00
Resource & Land Use	Country Foods Program	175,000.00
	Fisherman Association	100,000.00
	Resource Management	71,000.00
	Trappers Association	75,000.00
Public Works	NCN Emergency Services	275,000.00
Social Development	Elders Traditional	100,000.00
	Kanithim Waskikan (Caring House)	118,000.00
	NCN Minor Hockey Association	100,000.00
	NCN Tae Kwon Do Program	25,000.00
	NCN Youth Initiative	157,000.00
	NHML 2nd Annual Round Dance	10,000.00
	Parks & Recreation	252,115.00
	Rediscoveries of Families	100,000.00
	Zummer Adventure Camp	67,000.00
Other	Elders Subsidy	105,100.00
	NCN Christmas Cheerboard	30,000.00
TOTAL BUDGET		\$3,992,800.00

FIGURE 2 DEFERRED REVENUE 2007

Carry Over From Previous Years in Dollars		
Mandatory As Per Agreement	Administration	224,003
	Professional Services	10,795
	Nelson House Trustees	15,239
	Corporate Trustee	134,144
	Claims Account	21,873
Community Infrastructure	Community Aesthetics. & Improvements	6,311
Economic Development	NCN Achimowin Radio	81,906
	Wuskwatim Equity	1,860,812
	Business, Marketing Development	4,315
	NCN Investment Savings	422,736
	Community Development Plan	35,000
	Recycling Program	2,895
	Summer Student Employment	3,750
Housing	Housing Renovations	197,789
	Home Opportunity Program	50,843
	R.C. Church Renovation	163
Justice	Justice Committee	5,800
	Governance	924
Resource & Land Use	Country Foods	10,653
	Resource Management	18,143
	Trappers Association	107,477
Shoreline Clearing	Debris Management	23,261
Social Development	Powwow	20,610
	Minor Hockey Association	10,147
	Indigenous Games	84,742
	Recreation Programming	98,157
	Youth Initiative	34,341
	Fitness Trail	1,580
	Senior Hockey Club	6,891
Other	Elders Subsidy	5,250
	NCN Christmas Cheerboard	424
TOTAL DEFERRED REVENUE		\$3,500,974.00

IMPLEMENTATION AGREEMENT

ADMINISTRATION

In 2007, \$400,000 was allocated for the purpose of administering and implementing programs funded under the Nisichawayasihk Trust, as well as to ensure that the provisions of the Implementation Agreement were properly fulfilled.

A total of 8 full-time staff was employed with the Trust Office to assist in this work.

With the surplus from previous year, funds were used to cover the following programs deficits; Community Approval Process, Christmas Cheerboard, Elders Cultural Program, Nelson House Minor Hockey Association and the Fishers Association.

PROFESSIONAL SERVICES

In 2007, the Trust Office primarily used funds to retain chartered accounting firm, Hemenway Silver, to prepare and audit the Nisichawayasihk Trust and Trust Office, and to assist the Trust Office Finance Department when required.

The Trust Office also retained Myers Weinberg LLP; to assist in understanding the technical aspects of the 1996 Implementation Agreement to ensure its provisions are met.

Communications services company, Lewis Communications, was retained to assist with the preparation of the narrative reports and annual year-end review.

NCN PERSONAL CARE HOME

To meet the requirement of Article 8.3 (b) (I & ii) c (I & ii) of the 1996 NFA Agreement, \$200,000.00 was allocated for the operation and maintenance of the NCN Personal Care Home.

The NCN Personal Care Home continues to provide quality health care for all its residents at its first class facility. This care home provides care to meet the physical, social, emotional and spiritual needs to its residents.

During 2006-07, the 24-bed facility had reached its full capacity. The Trust funds are transferred to the NCN Finance Department on a quarterly basis. All written, financial and audits are part of NCN's reports.

Please review NCN's 2006-2007 Year-In-Review report for NCN Personal Care Home's annual report.

CLAIMS

To ensure that a minimum yearly balance of \$50,000 is maintained as per Article 12.2 of the Trust Indenture, funds are allocated on an annual basis to the Claims Account, including any carry over from the previous year. This adjustment takes place after the annual audit for the Trust Office is completed.

The intent of the Claims Account is to compensate individual or group members of NCN for damages, caused by the Churchill River Diversion (CRD) Project. This consent was ratified through the 1996 Agreement.

Manitoba Hydro remains responsible for certain types of claims such as, personal injury or death, illness caused by mercury contamination, any natural or manmade poisonous chemicals created by the CRD.

Winter incidental claims again have been minimal, largely being snowmobile claims, possibly due to little precipitation for the earlier part of winter. There is always a threat of winter fluctuation, for NCN members and resource users. A total of 11 open water claims were confirmed during the spring, summer and fall. In relation to domestic fishing, hunting and gathering activities, there are other active and ongoing related claims till thorough investigation and who's primary responsible for the Claim.

Bill Yetman has since left the position of Claims Officer leaving Morley Moore and Alan Linklater as Claims Officers.

A total of \$27,445.29 was paid out from the claims account.

CAPITAL PROJECTS

PAVING NCN ROADS

In 2007, \$65,000.00 was allocated to paving NCN roads.

To date there has been no activity on this project as NCN Chief and Council, and Administration has to yet decide what course of action to take on the project.

ECONOMIC DEVELOPMENT

COMMUNITY DEVELOPMENT PLAN

In 2004, \$35,000.00 was allocated to NCN and NCN Development Group to complete phase I of NCN's Community Development Plan, and to prepare for phase II. This Community Development Plan was considered high priority for the community and Chief & Council.

To date there has been no activity on this project as the NCN Development Group and Chief & Council have yet to decide what course of action to take on the project.

HIGH SPEED INTERNET & CELL PHONE SERVICE

In 2006, a total of \$93,208.00 was carried over from the 2005 CAP Budget and transferred to NCN. The project is near completion with the anticipation of having high speed Internet and cell phone service in the community

NCN ACHIMOWIN RADIO

In a continued effort to be a vital communication service through radio for the NCN membership funding of \$116,000.00 was allocated to the NCN Achimowin Radio Station.

With great effort the program continues to stay up to date with the many technological advances, and challenges that will no doubt continue to over-shadow the program until it is possible at such a time as to integrate the new changes that are planned for the 2007 budget year.

Management has achieved most of its objectives set out in the operational plan for 2007, although there had been a number of sacrifices made to ensure the program continued to stay on track.

Some of the objectives that were achieved were providing communication services to NCN Members and local organizations via radio, a new computerized system was purchased for the radio station to improve the on air delivery of music and studio was upgraded with new audio equipment including soundproofing and the Program started holding Bingos' twice per month in an effort to generate much needed revenue

Plans for 2008

- To provide communication services to NCN members and local organizations via radio
- To provide daily entertainment and music programs to the community
- To upgrade the current radio and attempt to keep up with the technological challenges
- To become economically sustainable
- All other thoughts and wishes needed to provide further advancement of the program in the immediate future

NCN INVESTMENT SAVINGS

A total of \$406,320 was carried over from the 2001 CAP Budget. The funds were set aside to develop the casino project, though it is on hold until the selected land is converted to reserve land, or the Casino is constructed.

Conversion to Reserve Land – Mystery Lake Hotel

In March 1998, NCN acquired four parcels of land in Thompson, registered in the name of 3547958 Manitoba Ltd., a wholly owned NCN Corporation. NCN's membership approved the purchase as part of NCN's economic development initiative.

The Mystery Lake Motor Hotel is located on this land. Although NCN has been successful in operating the hotel, upgrades and expansion are necessary to ensure the property continues as a viable business. NCN seeks to have the land converted to a Reserve pursuant to the Department of Indian and Northern Affairs Canada "Additions to Reserve Policy", as an economic initiative.

NCN has been working for several years on the creation of an urban reserve for this land. Chief and Council, together with the Mayor and Council of the City of Thompson, have reached an agreement and signed a Municipal Services Agreement and Development Agreement.

The approach taken by NCN in developing these Agreements is the creation of a Reserve to benefit the NCN, while not creating a disadvantage to anyone, including the city. NCN believes it is important that economic benefits flow not only to our people, but also to the communities in which we work. Accordingly, the draft Municipal Services Agreement states NCN will pay services charges, which are calculated and paid in the same way taxes are calculated and paid by other businesses in Thompson. As well, NCN agrees to adopt land use and development bylaws to ensure the Mystery Lake lands comply with standard municipal requirements and are operated to the standard expected of other properties in the City.

WUSKWATIM EQUITY

Funding had been allocated to the Wuskwatim Generating Station Project in attempt to achieve the 33 percent equity participation.

At the beginning of 2007, deferred revenue of \$1,860,812 had been invested in short term redeemable guaranteed investments certificates issued by Royal Bank of Canada bearing interest at 3.25 percent per annum. This GIC was redeemed in late June, two wire transfers were made to Fillmore Riley LLP, one in the amount of \$1,000.00 for the Settlement of Taskinigahp Trust, and the second wire transfer for the Subscription Price; Class D Shares in Taskinigahp Power Corporation in the amount of \$1,000,000.00.

EDUCATION

BREAKFAST (NUTRITION) PROGRAM

In 2007, \$45,000.00 was allocated to the Nutrition Program. These funds are available for the use of its initial purpose, which is to provide a healthy nutritious breakfast and lunch for students enrolled in Nursery to Grade 8 at the local elementary school. Students from the Local High School are also provided with a healthy, nutritious supper from this program. All funds were transferred to the Nelson House Education Authority.

POST-SECONDARY EDUCATION

A total of \$114,780.00 was carried over from 2006 to the Post-secondary Program. These funds are available to provide funding support to NCN members who wish to pursue a post-secondary education.

These funds were transferred to the Nelson House Education Authority.

In accordance to the Financial Reports submitted to the Nisichawayasihk Trust Office, funds were expended to assisting Post-secondary students at the College Level, to assist students who will not normally meet post-secondary criteria and to assist students with paying for text books, supplies, tuition and travel costs.

SPECIAL EDUCATION SERVICES

In 2007, \$15,424.00 was carried over to the Breakfast Program. These funds are available to improve the quality of education and level of support services for special needs students.

In accordance with the Financial Reports submitted to the Nisichawayasihk Trust Office, funds were expended towards classroom supplies and material for special needs students.

HOUSING

HOUSING DEVELOPMENT

The NCN Housing Authority received \$300,000 as equity towards a proposal submitted to CMHC, however, due to lack of adequate resources, the proposal was rejected by CMHC.

Chief and Council re-disclosed these funds to the community membership in November 2007 and reallocated the funds toward Housing Renovations.

HOME OWNERSHIP PROGRAM

The original proposal submitted to CAP was for \$1.5 million, however only \$400,000 was allocated for the project. The funds allocated were not sufficient to construct the 10-unit housing project.

The Nisichawayasihk Housing Authority requested that Chief & Council implement a fresh disclosure on the funds as per article 8.6 of the Trust Agreement.

Chief & Council re-disclosed these funds to the community membership in November 2007 and reallocated the funds toward Housing Renovations.

HOUSING RENOVATIONS

In 2007, \$100,000.00 was allocated towards housing renovations. The Nisichawayasihk Housing Authority purchased and installed 80 exterior doors. The NHA board of directors approved selections for this program. These selections were approved based on written requests from NCN Members. NHA staff installed most doors. The NHA utilized local contractors when NHA staff was not available.

This year Norman Glass provided services for window restorations. Replacement glass was purchased and installed by qualified technicians. Windows were repaired in approximately 50 NCN residences and approximately 180-200 were repaired.

RC CHURCH RENOVATIONS

Revenue of \$162.69 has been deferred from previous years to complete the renovation of the RC Church Residence.

JUSTICE

COMMUNITY CONSULTATIVE GROUP

In 2007, \$32,600.00 was allocated for the purpose of financially assisting the local consultative group with travel to and from meetings out of community. The local consultative group acts as a liaison between Chief and Council, Manitoba Keewatinowi Okimakanak (MKO) Regional Consultative Group and the RCMP.

The aforementioned groups' purpose is to identify a process to establish the MKO Regional Policing Initiative with the support of the RCMP and to identify policing service options and a process for establishing policing service agreements in the MKO First Nation-member communities.

The Justice Committee has been given a new mandate to deal with Policies and By-Laws by Chief & Council. This mandate has been in process since the beginning of the year. The Committee has also been given the task of dealing with Section 84 applications. Whereas, a community member serving a lengthy sentence in the Federal Institution is eligible to submit an application with the Justice Committee for early parole. The Justice Committee makes recommendations whether we should allow an inmate to serve time in the community and the Committee's responsibility is to set out conditions if approved.

The Justice Committee is responsible to look at safety, compliance and criminal history on an individual seeking this process. This year we were able to look at 3 possible Section 84 applications. The Justice Committee has been helpful and dedicated with their experience and knowledge with the Justice System.

GOVERNANCE

Revenue of \$924 has been deferred from previous years 1996 CAP Budget. These funds are available for the purpose disclosed in 1996.

JUSTICE COMMITTEE

Community Justice Worker Program is funded from the Manitoba Keewatinowi Okimakanak Inc. through the Aboriginal Justice Inquiry and subsidized by the CAP project. The justice worker's role in the community is to assist in the development of crime prevention and restoration to victim and offender in the community. This process is to accept referrals from the provincial and magistrate court, Chief and Council, RCMP and community members by way of pre-charge and post-charge diversions. The overall operation is to assist community members in dealing with their offences in the community. It is an alternative from having to go to court and having a criminal record. This process also assists community members in dealing with the issue in the community and bring healing to victim and offender.

It is the intention to bring all parties involved to participate in the process. Parties may include offender, victim, families, support groups, police, local resources and/or individuals affected by the offence. This process gives the offender an opportunity to admit his/her criminal behavior and demonstrate a willingness to bring restoration and healing to the victim. A healing circle is arranged in a neutral setting, for individuals to explain the motivation for their offence. Victims are able to explain the impact of the offence and offenders are given the opportunity to bring reparation to the harm that was inflicted on the victim. The purpose is to come to a consensus with both parties.

The outcome may include the imposition of appropriate measures and include monitoring to ensure compliance. The community justice worker also attends regular court sittings and ensures that all court proceedings are prearranged and all individuals attend court.

The justice worker is assisted by a six-member committee that consists of individuals with a willingness to help others and offer their time to assist in the development of crime intervention and prevention. The justice committee aims to work with NCN Chief and Council, RCMP, Elders, NCN Constables and members to stop illegal activity in our community. Committee members receive an honorarium of \$200/mth. The committee members are selected according to the experience, honesty, trust and integrity. They are committed individuals that take the initiative and support our community members and the law enforcement team. Their dedication and hard work have inspired individuals to live a crime-free lifestyle.

The committee's protocol for referral is as follows:

Victim involvement

Is there a need to repair the harm

Has the offender admitted to responsibility

Is the victim willing to participate

Would this be appropriate for the Restorative Justice Process

Would this process benefit both parties

Criminal record

POLICE SERVICES

This funding is transferred to the NCN Finance Department on a quarterly basis. All written, financial and audits are part of the NCN annual reports.

Based on the files and incidents reported and collected by the NCN Police the following are statistics for the 2007-year. These statistics do not include files and calls reported directly to the RCMP. A greater number of cases are directly handled by the RCMP..

Offence	Jan–Apr	May- Aug	Sep-Dec	TOTAL
Assault	17	36	39	92
Assault (Aggravated)	2	7	3	12
Assault (causing bodily harm)	2	1	1	4
Assault (P.O)		3		3
Assault (Sexual)	0	4		4
Assault (Spousal)	17	34	18	69
Assault (Weapon)	6	27	7	40
Arson		2		2
Break & Enter	1		18	19
Breach Of Conditional Sentence	11	1	15	27
Breach Of Probation	0	4	3	7
Breach of Recog.		1	1	2
Breach Of Under Taking	10	2	10	22
C.D.S.A.	1	1	1	3
Fire Arms Offense	2	1		3
Highway Traffic Act		5	3	8
Impaired Driver	1	4	6	11
Immigration	1			1
Minor Consumption	16	11	13	40
Mischief Under/Over \$5,000	4	19	12	35
Mental Health Act	24	20	18	62
Motor Vehicle Accident	1	1	1	3
Obstruction Investigation	1		6	7
Sexual Exploitation	1			1
Theft Under/Over	3	4	4	11
Vandalism		2		2
Utter threats	4	3	4	11
TOTAL	125	193	183	501
Total Persons Lodged In Cells	504	659	638	1801
Breach Of Peace	222	240	265	727
I.P.D.A.	75	126	123	324
Causing A Disturbance	108	106	88	302

PUBLIC WORKS

ANIMAL CONTROL

In 2006, \$20,000.00 was allocated to NCN to provide a humane way to control the community's animal population.

To date there has been no activity on this project, these funds will remain available for the use of its initial purpose.

NCN EMERGENCY SERVICES

The Nisichawayasihk Emergency Services received \$275,000 from the community approval process for 2007.

The NCN Emergency Services plays a dual role in the community as both fire and emergency and medical services provider, it has been a difficult year in making sure services are delivered both professionally and timely. Some challenges endured are wide ranging from the staff from outside of the community to ensure that ambulance services continue. It is planned that staff will be trained in key positions to go out for training for instructor's status. We would be able to maintain the required levels needed to operate the services we do. With an in house instructor it would be open the door for other interested community members to take the training and help out in our organization and possibly help members to choose this profession. It is also our plan in this next fiscal year to enroll two members into a primary care paramedic program, to make sure there is an opportunity to grow as a paramedic and our organization equally.

The EMS responded to a combined total of 962 calls a break down, which sides are: EMS 697 and Fire 265

RESOURCE & LAND USE

RESOURCE MANAGEMENT

Management & Administration

In 2007, \$71,000 plus previous year surpluses were allocated to the Resource Management Program. The board members from NCN are co-chair Charlie Joe Hart, Henry Linklater, Wilson Moore and Mark Linklater. The administration of the funds is handled by the Nisichawayasihk Trust Office Finance Department.

Meetings & Workshops

The Resource Management Board met the required four times per year in 2007, meetings were held in Thompson and Nelson House. The board reviewed all license/permit applications made within the NCN Resource Management area.

The Resource Management Program is a vital program that benefits NCN as a whole with respect to applying its values, principles and aspirations.

January NCN Resource Management Board Meetings - Objectives & Issues

- Tolko's harvesting plans
- NCN gravel
- First networks communications tower
- Ice fishing concerns at Leftrook Lake
- Budget considerations
- Recycle at Wuskwatim

March NCN Resource Management Board Meetings - Objectives & Issues

- Manitoba Hydro's application for stockpile permit on TLE selection
- Sweat lodge permit, this was approved by RMB
- Cabin request by Lamont Bonner, approved by RMB
- Bear hunting to Sunset Eagle Outfitting submitted by Leslie Baker, has to be reviewed by Chief & Council
- Mining presentation a new approach
- Fire fighting concerns building needed to shower and do laundry, Lane Boles addressed this to NCN CEO
- Interprovincial fire fighting contracts, needs training standards

September NCN Resource Management Board Meetings - Objectives & Issues

- Manitoba Hydro Permit TLE land, referred this to NCN Council
- Commercial fishing request at Little Footprint Lake, not permitted right now
- Cutting Christmas tree tops, employ NCN members where appropriate
- Bear outfitters licence at suwanee
- Mining exploration, moratorium until TLE is settled
- Hall Lake illegal cabin
- Forest Fire EMO
- Emissions from Inco smelter
- Leftrook Lake enforcement
- Bait fishing and Leslie Baker, ask Mr. Baker if he is and NCN Member
- Charlie Joe Hart is to do reporting and tasks in the absence of the Program Coordinator, this is agreed by all in attendance

November NCN Resource Management Board Meetings – Objectives & Issues

- Wapisu Caribou monitoring Vicki Trim
- Cabin policy task list revised
- Kria Resources work permit
- Staking regulations in Manitoba
- Updated board members list
- Manitoba Hydro winter road deviations for transmission line

These are some of the activities the RMB has done with NCN members. The objectives of article six are not fully implemented; THE RMB has succeeded in having meetings with the province. We (RMB) have given out permits for mineral exploration, we advised the government of Manitoba on how to approach resource harvesters but the follow up for actions is hindered by unilateral decision to remove our Program Manager. If our endeavors are to succeed in managing our lands and resources, we have to consider in paying the people who sit on the NHRMB for services rendered. The NCN Resource Management Board now has been without a vehicle for over a year, Charlie has been using his own truck and gas all this time; request for maintenance has been ignored.

Other documents that were reviewed by the Resource Management Board are as follows:

1. Sign at Niwunetan Creek to protect pickerel spawning
2. Manitoba geological field report requested
3. Bait fishing licenses and any interests from NCN members
4. Transmission line deviation
5. Winter road in NCN RMA

6. Trapper education disk
7. Safe trails to Wuskwatim
8. Environmental monitoring

COUNTRY FOODS

The Country Food Program operated on \$175,000.00 budget for the year 2007. The following is a summary of work activities that were performed by the program personnel.

Operations

The program operates year round and consists of a Manager, Field Technician, and five casual employees. They provide all the expertise to ensure traditional food is available at the centre and also maintain the Leftrook Lake camping facility that has five cabins, communal teepee, and a cook shack. Two other people worked temporarily and two others worked through the fine option program.

Distribution

The program distributed 6,562.47 pounds of wild food and served 1,386 people. Wild food consisted white fish, jack fish, pickerel, sucker heads, moose meat, caribou meat, elk meat, rabbit, geese, and ducks. No berries were distributed due to the drought.

Harvest

The crew attended training sessions and received certificates in Boat Safety, Fire Arms Safety, Food Handling, and Winter Survival. Certified and experienced personnel provided these courses. Seven crewmembers received boat safety certificates, five received food handling certificates and five in firearms safety.

Equipment Purchase

The following organizations that utilized the camping facility are as follows: Medicine Lodge, Family & Community Wellness Centre, OK School, and community members. They used the facility for healing and ceremonial purposes, fasting and vision ceremonies, family, children/youth gatherings, outdoor education and weekend excursions. Approximately 200 children/youth and 30 families participated.

Wild Food Distribution and # of Members receiving wild food.

2007 Wild Food Distribution	Pounds of Wild Food Distributed to NCN Members	Number NCN Members Receiving Wild Food
1st Quarter	1,012.12	156
2nd Quarter	1,537.34	344
3rd Quarter	1,953.91	503
4th Quarter	2,059.1	383
Total	6,562.47 lbs	1,386 Members

Country Foods Program Harvest

Species	Weight
Fish	3,811.27
Ungulate	5,053.24
Beaver	165.88
Rabbits	246.14
Waterfowl	30.9
Total	8,864.51 lbs

COMMERCIAL FISHERMAN'S ASSOCIATION

Management & Administration

The Nelson House Fisherman's Association (NHFA) consists of a manager, six board members, grader, packer and runner.

Program management and administration remains the same for the funds held in Trust allocated during annual budgeting and management planning. Management payroll, subsidy, equipment inventory and distributions and fisherman mobility (truck, gas and operation) remain.

Operating Periods

The commercial harvest of the Nelson House Fisherman's Association runs during two main seasons per year. The spring harvest runs five-to-eight weeks from June 1 to mid-July with the fall harvest in operation for eight-to-nine weeks from late August to October 20 each year, depending on weather conditions.

Field Operations

Traditionally, the fishers require assistance in getting started. Boat, equipment, men and supplies are transported to field locations utilizing the NHFA truck.

Production

Production varies from lake-to-lake and species-to-species. The main species is Walleye (Pickerel) at \$5/kg, Whitefish at either \$1.91/kg (stand or export) or \$2/kg (other or cutter), pending classification, and Northern Pike at \$.86/kg. Factors include high amounts of mercury levels and debris found on the CRD, and the high cost of transportation to and from inland lakes. The total harvest was 50,116 kilograms, with a total value of \$97,225.04 for 2007.

Meetings/Workshops

The NHFA Board, Management, and Portfolio Holder, Councilor Ron D. Spence continue to have regular meetings with the fishers most of the meetings were focused on how to improve the fishery. Representatives from the Department of Conservation continue to attend our meetings to discuss their findings during regular patrols after the fishing seasons. The fishers have an opportunity to ask general questions and to address concerns to conservation. The fishermen have also been involved with the Commercial Inland Fisheries Federation.

Plans for 2008

- To provide viable employment opportunity to NCN members through the fishing industry.
- To mitigate and subsidize NCN Fishers as compensation from the 1996
- NFA Implementation Agreement.
- To encourage members to achieve an income through traditional and sustainable practice.
- To assist in expanding in the international and global economy.

- To continue using our renewable resources through traditional and sustainable practice.
- The NHFA to be more aware of the needs of the fishermen.
- Promote fishing industry, to have more fishermen licensed.

TRAPPERS PROGRAM

Management & Administration

The Nelson House Trapper's Association is comprised of a manager and local Fur Council who oversee the operation of the program.

Operating Period

The operation runs throughout the year with the active trapping season opening in early October until late May of each year.

Accomplishments

There are approximately 220 trappers who utilize the NCN Resource Area.

The association subscribes to the Trappers Magazine for all trappers, so they can get information on upcoming activities or any new regulations concerning the trapping industry.

During February, the Local Fur Council, community members and some active trappers along with their families attended the annual general meeting and convention in Asher, Manitoba. During this meeting/convention there are various competitions and displays as well sharing knowledge with each other.

The Local Fur Council was involved in the fur display and promotion of the trapping industry during the Nickel Days festivities in Thompson.

Representatives from the Department of Natural Resources continue to do presentations on enforcement regulations, humane trapping, First Nation Initiatives and general information on trapping and they also answer any questions the trappers have.

The start-up program continues to be a success for trappers/youth during initial, primary and spring seasons. The maximum amount per trapper is \$600 per year plus \$3,000.00 for cabin repairs to trap line holders. The Trapping Program also continues to provide the 50/50 snowmobile program, this has also been a success in preparing trappers to go out and trap.

An open loans account depends on the previous years fur production and account balance. Payments toward start-up by trappers are made either directly to the Trust Office Finance Department or deducted from subsidy payments.

Equipment plays a major role in trapping. The Trappers Association keeps a stock of assorted trapping equipment such as traps, snares, knives, toboggans, chisels, etc. each trapper is entitled to equipment with a maximum of \$300.00/year.

Plans for 2008

- To mitigate and subsidize NCN Trappers as a way to compensate for the adverse affects of the 1996 NFA Implementation Agreement.
- To establish terms of reference for Fur Council.
- To offer NCN an alternate buyer on furs other than the Northern Store.
- To keep updated on standards and changes in the Trapping Industry for NCN.
- To expand the local economy internationally and globally.
- To continue using our renewable resources such as wild fur species through traditional and cultural practices.
- To establish a fur buying market.
- Promote trapping industry by having more trappers licensed.
- Educate youth on trapping standards.

SOCIAL DEVELOPMENT

BAY ROAD BASEBALL FIELD UPGRADE

Funding in the amount of \$2,100 was allocated from the 2003 CAP Budget to upgrade the existing baseball field in the Bay Road Area; to date there has been no activity on the project.

These funds have been deferred year after year with no activity or transaction on the project. Moreover, there has been no reporting or reply from the contact person responsible for the project.

ELDERS TRADITIONAL PROGRAM

In 2007, the Elders Traditional Program received \$100,000.00 from the Community Approval Process. With that salaries and honorariums and the cost to run the program is inclusive.

The program suffered a delay due to the arson and vandalism, we had to wait until renovations were done to the cabins as well and we didn't have any tools to work with. In the meantime, a cabin on the Footprint River was given in-kind to the program, which we had to renovate, and was completed to be utilized in educating the youth and students for outdoor educational purposes. After a considerable wait, the insurance money from Ranger Insurance came in and finally we were able to replenish our tools and supplies with the program. The elders were back at work continuing with their crafts and the resource personnel were busy putting together the power tools that were purchased. As well, they were stockpiling raw material that was needed for teaching and making crafts.

Although the program was being attended by other entities such as the Headstart Program and Daycare it still had a shortfall from its mandate, which is to serve our school as well. This is largely due to the schedule change by the school to split the Elementary and High School so we can have regular programming with the Outdoor Education Program.

In conclusion, although the program has had its setbacks and obstacles its still a vehicle for addressing social needs for our Elders and Youth of our community.

FITNESS TRAIL

In 2007, revenue of \$1,580 was deferred from the previous year. There was no activity in this project throughout the year.

The NCN Trust Office in conjunction with the Project Coordinator will continue to use the remaining funds for initial purpose.

INDIGENOUS GAMES

In 2007, \$266.00 was carried over from previous years and allocated to offset costs associated with youth participating in the National Aboriginal Indigenous Games. The remaining funds will be used for the initial purpose.

MINOR HOCKEY ASSOCIATION

In 2007, \$100,000.00 was allocated to the Minor Hockey Association. Funds were expended towards canteen rental, equipment purchase, telephone service, banquet and purchase of trophies and medals for players and coaches, operation & maintenance of vans, and travel to evaluation camps and tournaments. Board travel was also undertaken to attend regional meetings held by the Norman region for Hockey Manitoba and mandatory attendance was required.

Minor Hockey has touched many members of NCN through the opportunity to play hockey, visit new places, participate in hockey school, and learn team spirit and fair play. Minor Hockey has also provided several people the opportunity to gain employment that they would have not found otherwise. NCN Minor Hockey began the year 2007 with over 150 children between the ages of five to 17 participating in the program. This was a significant increase in participation not seen in many years. This can be attributed to the vision of the board of directors who saw the need to purchase equipment in the previous fiscal year. This afforded close to 70 youth the opportunity to play hockey they otherwise would not have had.

NHML 2ND ANNUAL ROUND DANCE

A total of \$10,000.00 was allocated toward the NHML 2nd Annual Round Dance. These funds were expended towards honorariums for drum groups & MC, tobacco, cloth, give away, P.A. system, cleaning contract, and helper honorariums.

PLAYGROUND

Funds were allocated in 1999 to install additional playground and landscape the school area; funds of \$2,260.00 have been deferred year after year with no activity or transaction on the project. Moreover, there has been no reporting or reply from the contact person responsible for the project.

POWOW ARBOR

In 2001, \$25,000.00 was allocated to construct a permanent arbor within the community. As of December 31, 2007, the project has not been constructed; however, there have been some expenditure for clearing of brush and landscaping on the selected site for the arbor. Furthermore, hydro poles have been donated from Manitoba Hydro. It is anticipated that the construction of the arbor will commence in the summer of 2008.

PARKS & RECREATION PROGRAMMING

In 2007, \$252,115.00 was allocated to the Recreation Program to continue to meet the needs of the community in various recreational program designs and to provide opportunities for all ages. Funds were expended towards accommodations/travel, advertising, donations, O&M of vehicles, phone, training and upgrading, summer student employment, festivals, and all other recreational activities.

The goals of the Parks and Recreation Department are to:

1. To improve the quality of life (personal, social, environmental, economic benefits).
2. To provide recreation and leisure for all.
3. To help satisfy the leisure needs of customers.
4. To contribute to the overall recreation and leisure functioning of individuals.
5. To provide programs for all community members.
6. To provide a safe environment, i.e. Parks and Recreation facilities.

At the beginning of October the Recreation Department scheduled the Annual Desmond Spence Memorial Home Run and Pitching Competition. This event took place at the Desmond Spence Memorial ball diamond, where we had a total of 40 participants between the ages of 15-50 years. We also posted advertisements for the following programs, broomball for ages 16 & up, Goodtime Hockey for 16 & up and minor for 6 & up. Programs that were implemented are: Broomball @ 40 participants, Volleyball @ 30 participants, Goodtime Hockey @ 30 participants, and minor hockey @ 20 participants. These programs are on going and the participation rate rising.

For November, the recreation department scheduled a co-ed youth sponge hockey tournament, where we had 40 participants from ages 7-17 years. Again this event was a success. On the weekend of November 16 we scheduled a local broomball tournament in NCN and our Annual Men & Women's volleyball tournament in Thompson. Both tournaments were successful, where we had 50 participants for broomball ages 16 & up and over 200 participants for our annual volleyball tournament. Another tournament we initiated was a youth co-ed broomball tournament, where we had 40 participants from ages 10 & up. This tournament was also a success and enjoyed by all. Afternoon and evening programs were running on a daily basis, with the participation rate rising.

For the month of December the recreation department scheduled a Goodtime Hockey Tournament, where we had 50 participants from ages 16 & up. This event was also a success. This month was also very exciting; we had 23 artists from our community go to Winnipeg. These artists had the opportunity to go into a recording studio and record their music. This project was enjoyed by all and we are looking forward to the next recording.

REDISCOVERIES OF FAMILIES PROJECT

Purpose

The Rediscovery of Families (RDF) project is an integral part of the coordinated service delivery model of the NCN Trust Office CAP Budget 2006 and the Family and Community Wellness Centre, which provide continuous funding for this project.

The RDF project has been operating for five years, which consists of a one-week stay at the Leftrook Lake Facility.

The purpose of the Rediscovery of Families Project is to support families, with the guidance and teachings of Elders and support workers, to find practical ways to care for families in a manner that is consistent with our community values, beliefs and traditions.

This includes opportunities to reconnect with the land as a source for food, medicine, and spirituality.

Objectives

The Rediscovery of Families project is designed to:

- Raise awareness of our values, beliefs and traditions as these relate to relationships in our families
- Provide families with the support required to identify family strengths and other issues that have had a negative impact on family functioning and find practical solutions that can be used in every day life
- Reconnecting with the land as a source of food, medicine and spirituality
- Identify family service and resource needs, and
- Use a coordinated service approach at the community level, when families return from Leftrook.

Activities

The Rediscovery of Families project was held from June to October 2007, which included the following activities:

- On February 11 to 17, 2007 the Rediscovery of Families Project financially contributed to “Nehethawe Mithawayawin”. Traditional Cree Gathering hosted by the FCWC, Medicine Lodge, and Youth Initiative Project. The gathering and activities were designed to stimulate a sense of pride and appreciation for our Cree language and heritage. The

planning committee had brought together a unique group of performers and traditional facilitators that share a common bond.

- In addition, we hosted a three-day elders gathering at mile 34 to honor the renewal of spring life through sweat-lodge ceremonies. There were at least 20 people and 7 elders who commuted back and forth daily. There were 3 children and 1 adult who received a spiritual name.
- We hosted a visioning ceremony at Leftrook Lake's Dancing Circle Heritage site. Shortly after families were taken out to Leftrook Lake camp to participate in cultural and ceremonial activities. Although we had scheduled to have 5 family retreats, we had to cancel 2 of the family retreats because of forest fires at Leftrook Lake. We were able to accommodate 12 families. The community benefited when we had our community activities.
- On September 24, 2007, we had our yearly men's hunting retreat out of Baldock Lake, however, there were more women interested in going out, so genders were combined on this trip. In addition, there was a lot of sharing around grief and loss. All moose meat was distributed out to the community members and also to the Country Foods Programs to distribute to the community.
- In addition cost involved finally replacing the dock at Leftrook Lake, as each year, we had to repair it. Debris was also cleaned at the Leftrook Lake sites, especially cleaning up after people who leave their winter fish nets and ice fishing wreckage. Our guides were vigorously involved in spring cleaning and maintaining that area throughout the summer months.
- In addition, our guides assisted in community food's guides with fishing. They would help clean and fillet the fish. At the RDF cost, we would fly out the fish to the community to ensure our members had access to wild game.

Despite all the challenges our community encountered, the project ran as usual and the RDF project continues to play a significant role in improving the wellness status of our community by reconnecting and rediscovering our cultural and community values, beliefs and norms. Overall, we are keeping our culture strong and alive for not only today's generation but also our future generations.

SENIOR MEN'S HOCKEY CLUB

In 2007, \$75,000.00 was allocated to the NCN Senior Men's Hockey Club to entertain NCN members in the game of hockey and to influence minor hockey children to develop their skills and be more involved in the sport.

The Senior Hockey Club established a board and hired a manager to oversee the implementation of the program.

The Senior Men's Hockey Club benefited the community with full participation from adults of all ages and also partnered with Minor Hockey. The arena was busy throughout the hockey season, and well attended by players, cheerleaders and spectators at all practices and games.

The Senior Hockey team participated in out of town tournaments and hosted local tournaments.

TAE KWON DO PROGRAM

IN 2007, \$25,000 was allocated to the Tae Kwon Do Program to provide opportunities for community members to take their well being into their own hands and create a positive influence in their lives through the development of physical fitness skills.

The TKD program provides an excellent, intense physical workout and develops the mind along with the body. TKD training helps people of all ages to develop a strong spirit, increase their self-confidence and create a positive attitude. It also reminds people of important values, such as respect for oneself, elders and peers.

The TKD program is especially beneficial for at-risk youth, as it improves self-esteem as they overcome the challenges of an intense physical workout and as they develop a strong awareness of their physical and mental abilities.

We have witnessed first hand the positive effects and benefits of TKD in many students' lives and in their bodies.

All funds for this program were transferred to the Family & Community Wellness Centre.

TOW ROPE

Funds were allocated in 1996 for the purpose of upgrading the sliding hill by installing a powered towrope. Funds of \$20,000.00, plus interest earned, have been deferred year-after-year with no activity or transaction on the project.

The towrope was purchased for the project, however, the Forest Industries used the rope for other purposes, and therefore the project did not proceed as planned.

YOUTH INITIATIVE PROGRAM

In 2007, \$157,000.00 was allocated to the Youth Initiative Program (YIP) to provide effective programs for our youth population and promote holistic wellness and empowerment.

Activities

- Programs that were delivered during the month of January to April were:
- Basketball Program
- Fresh E.I (presenter) to talk to our Youth and live concert
- Peer support training (teen health)
- Health facts at the Family & Community Wellness Centre
- Youth conference in Winnipeg

April to July:

Peer support training program, two presenters were brought in to talk to youth and also provide training. The topic was “teen health” the outcome of this event was quite unique because the presenters gave a lot of information about our health and how to get routine check ups ever two years or so. Health care is a priority for our children and youth.

Summer student employment, five students were hired and we had a busy schedule ahead for the students. The first day of work was an orientation where students could give their thoughts and ideas on what they wanted to see during the summer period. Beautification was the major task for the students, we went around the community and did a lot of cleaning by picking up garbage, cutting grass, painting our youth center, and cleaning around public areas where safety was a factor for children and youth.

Torch run, this first annual was from Opaskwayak Cree Nation to Thompson. This journey was dedicated to promote the spirit of Unity by proclaiming our nationhood and to reconnect and claim our inherent rights as First Nation People of Canada. There were about five of our youth that joined this year’s torch run.

Youth council was developed; all youth from the ages 14 – 24 had an opportunity to sign up for membership with no election code or votes. It was felt that every youth should be treated equally to share ideas and thoughts on what they would like to see in our community with programming, trips, etc. However, there were only 13 members showed up for the first meeting that was held.

July to October:

Court Agreement, an agreement was made by Keith Davidson, facilities coordinator that provincial court would use the center for court purposes on a monthly basis at a rate of \$150.00 per sitting. These fees would produce revenue for the youth program.

Arctic Beverages provided a drink machine at no cost as long as we continue to do business with them by purchasing drinks.

Unity Run plays an important role in our programs. Chief & Council supported this event since it all started and Nelson House was one of the communities that started this event along with Grand Rapids and Alberta. I was given the privilege to coordinate this years run. An advertisement was posted in the community to see if members wanted to join the run. Fundraising was done to offset costs for the run, meetings were also held till we departed from NCN. Only fourteen members dedicated their time throughout the month of July, these members were the ones chosen to go on the trip. The Unity Run started from Cochrane, Ontario to Grand Rapids, MB where they were the hosts for this year’s Cree Nation Gathering.

October – December

Youth Initiative Strategic Planning Session, this took place in Winnipeg in October and was focused on the goals and objectives of the Youth Initiative Program, where it sits today and what needs improvement to better our community with information and provide to better our community. Our long-term goal is to get a Recreation complex in our community where it will create more employment for our youth and community members.

Leading from within Conference, this conference gave us an opportunity on how to start our own business and get our youth off social assistance and move them into the work force.

Arts & Crafts, during the Christmas holidays the youth center stayed open and we had arts & crafts for youth to come and make their own Christmas ornaments for their loved ones and for themselves. The outcome was good and this was also an opportunity for youth to keep coming back to the center and give ideas on what they want to see in the future.

The NCN Youth Initiative program looks forward to continuing to move forward to meet the needs of our local youth.

ZUMMER ADVENTURE CAMP

Schedule

The Zummer Adventure Camp (ZAC) is delivered during the months of June, July & August. ZAC has a dual purpose. One of its intentions is to provide meaningful employment skills for our youth, to be positive role models and mentors to their peers, particularly the children they provide a service to. Our second purpose is to expose children and youth with extra curricular activities and cultural teachings to nurture the growth of each child and youth's intellectual, emotional, physical and spiritual well-being.

Funding

Once again we were fortunate to be granted \$67,000.00 from the 2007 CAP budget to deliver a prestigious and must needed project to improve the overall health and well-being of our community. With the funds and cost shared initiative of HRDA we were able to hire 14 students to deliver both day camps and long excursion camps for children and youth of NCN.

Summer Students

We provided a three day orientation to the summer students which including reviewing the ZAC manual, ZAC curriculum and to empower and develop their skills, the summer students were responsible to coordinate daily activities based on their own lesson plans. In addition, the summer students were provided with teen talk training by Winnipeg Clinic Community Health Centre, as youth are viewed as mentors to their peers and a lot of times youth go to their peers for support, advise and or guidance. The teen talk program is designed to provide young people with accurate, non-judge mental information with their peers. The students gain knowledge in areas of

sexuality, reproductive health, anti-violence and mental health. Overall, there are 28 trained and certified peer helpers in our community.

Activities & Participation

A total of 188 children and youth participated in the Zummer Adventure Camp. Of the 188 participants, 124 children sporadically attended the camps, aside from the 13 summer students trained, there were additional 16 youth trained for teen talk, and 48 youth participated in a 3 week long-excursion canoe trip to Leftrook Lake.

The day camps involved activities such as arts & crafts, cooking classes, fiddle classes, fund & games, and outdoor classes like swimming, nature walks, and games. In addition, a group of children were taken to Leftrook Lake.

Day camp Age	Male	Female
4 years old	0	1
5 years old	2	4
6 years old	10	4
7 years old	7	13
8 years old	8	4
9 years old	5	10
10 years old	5	10
11 years old	7	8
12 years old	4	11
13 years old	4	2
14 years old	2	0
15 years old	2	0
16 years old	0	1
GRAND TOTAL	124	

Youth weeklong excursion canoe trips involve youth paddling out to Leftrook Lake. They learn the basic technique of paddling, balancing canoe and working together as a team to reach their destination.

Date	# Of Participants	Total
July 12 – 18	8 paddlers, 2 students & 2 guides	12
July 31-Aug. 6	8 paddlers, 3 students & 3 guides	14
Aug, 13 – 17	12 paddlers, 6 students & 4 guides	22
TOTAL		48

Evaluation

The camps provided positive development experiences for both the children and youth. The Zummer Adventure Camp not only provided an opportunity for fun and adventure it also promotes children social and moral growth. Children learn to interact with their peers, and build positive relationships. Most importantly their skills are brought out in a creative and artistic way through playing the fiddle, cooking and arts and crafts. Children and youth come to the camps with a variety of talent and skills, which they share with their peers. On the lighter side of the camps, there are challenges we encounter such as the following:

- Some summer students' unwillingness to put their full effort into the camps, which is required when working with children who sometimes, have a low attention span.
- We had a shortage of space within the Wellness centre. To temporary alleviate the problem, we used the Church, however there were safety concerns such as no running water and is a fire hazard. Instead, we did what we could at the Wellness Centre.
- In one of the weeklong camping trips to Leftrook Lake, the children and youth were evacuated because of a forest fire within the area.
- Overall the camps were still a success; we met our objectives. Definitely we learned to always have a back up plan, particularly in a situation where there was a forest fire and when employees leave their position while programs are operating.

Establishment

The establishment of the Zummer Adventure Camp was in response to identifiable social needs in our community. By keeping the children and youth busy, there was a direct reduction in the suicide rate, alcohol and drug abuse rate and criminal activities.

To improve the outcome of the projects, we would need to go down on our hands and knees and pray for no forest fires. The hiring of summer students need to be well suited for the positions. We would need summer students who are highly motivated, committed, optimistic and have an understanding of work ethics. Parents need to be more actively involved in their children's activities, as they are the major influence in their children's lives and how they behave in activities provided for them.

KANITHIM WASKIKAN (CARING HOUSE)

The FCWC Counseling Service Program was able to secure funding through the 2007 CAP Trust Office in the amount of \$118,000.00 to operate a community-based caring home setting for young women with cognitive and physical disabilities and who are homeless. With the allotted funding we were able to hire four full-time direct support workers to provide supervised care and security. To better improve the direct support workers' professional skills, we offered a variety of training initiatives to ensure best practice and quality of care for the women living in the caring house. These training initiatives include:

- Conflict Resolution
- Anger Management
- Applied Suicide Intervention Skills
- Behavior Modification
- Teen Talk
- Interpersonal Skills

These training initiatives were open to community members to be a part of the training. There were five people who benefited from the training.

On May 9, 2007, we had a grand opening for the Kanithim Waskihikan. We had a lot of community members and organizations in attendance and representatives from MKOI Chiefs organizations, Steve Ashton, MLA and Tina Keeper, MP sent her regrets, however, forwarded her congratulations to our community for our Community's progressive actions on taking care of our own.

We work in collaboration with the FCWC program services to administer helpful services to the women staying at the Kanithim Waskihikan. These program services include Home & Community Care Nurses, Child & Family Service and FNIB therapist. On a daily basis the women are taught basic life skills such as personal hygiene, cooking, cleaning and budgeting.

In addition, the women are taken to their scheduled medical appointments in the community; usually family members are called upon to assist with escorting them to their medical appointments outside of the community. The women receive bi-weekly therapeutic and counseling services. They are also provided with sharing circles to address conflicts that arise. The women are encouraged to participate in community events and activities.

Although we provide a secure and supervised caring environment for these women, their health needs are greater than what we could deliver at a community-based level. We are continually looking for services outside the community that would better suit the needs of these women.

Respectfully with the women's disabilities, they have life long complex medical health issues such as cerebral palsy, blindness and severe life threatening allergies for which they all require medical care.

Consequently the difficulty of placing them in facilities suitable to their needs became difficult, because of federal and provincial jurisdictional issues.

With the grand opening of the trailer we created awareness nationally both on reserve and rural communities for the lack and/or no services for people with cognitive and physical disabilities. I believe our community is the only Northern First Nation Community in Canada that has taken the responsibility to develop a program such as the Kanithim Waskihikan to care for people with cognitive and physical disabilities.

The women staying in the home are given individual attention, therapeutic (mental and emotional) services and reduced potential of negative influences from their peers such as alcohol and drug misuse and abuse.

In order to improve the outcome of services, our community leaders need to take a stand and strongly advocate to the governments to fund programs such as this one.

The Kanithim Waskikan has not even touched the surfaces of providing quality care to all community members, as there are more children and youth who are experiencing cognitive and physical disabilities. Some of these youth will be reaching the age of majority in which some parents do not want to place their children in care of Child and Family Services to get access to services and they shouldn't. We require more funding to start addressing the needs of our most vulnerable people. If we as a community do not start addressing their needs, there is potential for more homelessness. We already have 2 men with cognitive disorder wandering the community. In addition, with the increase of substance induced psychosis then our community is in greater risk for more violent crimes.

TRANSPORTATION

OTETISKIWIN TRANSIT

Funds for the purpose of purchasing a transit bus for the Personal Care Home were allocated and the transit bus was purchased.

Funds of \$100.00 have been deferred since 2004 and deferred year after year with no activity or transaction on the project.

OTHER

ELDERS SUBSIDY PROGRAM

In addition to the surplus of \$2,950.00, \$105,000.00 was allocated to provide community elders with a monthly subsidy of \$100.00 to supplement their pensions and other benefits, a total of 88 elders were subsidized in 2007.

NCN CHRISTMAS CHEERBOARD

2007 was a very busy year for the NCN Christmas Cheerboard. With the funds received of \$30,000.00 from the 2007 CAP Budget, we were able to meet our two main objectives, which are to provide gifts and food hampers to NCN residents. We ensure each child has something to look forward to on Christmas morning and each family has a hot meal on Christmas Day. In December 2007, the NCN Christmas Cheerboard provided gifts for 914 children, newborn to 14 years of age in the community and 437 food hampers to each household. Stats are as follows:

Location	NB-1yr		2-5 yrs		6-8 yrs		9-11 yrs		12-14 yrs		# Of Gifts	Food Hampers
	F	M	F	M	F	M	F	M	F	M		
Bayroad	12	11	28	27	22	24	22	21	13	24	204	98
Dog Point	7	6	8	17	6	8	3	5	6	9	75	50
Hart's Point	1	1	1	2	0	3	2	3	2	2	17	11
Hillside	6	11	17	16	6	17	13	13	11	5	115	61
Little R.C.	2	3	3	0	3	2	2	0	0	1	16	9
Medicine Lodge	1	0	2	0	1	0	0	1	0	0	5	4
Michelle Point	0	0	3	3	1	4	1	2	2	2	18	5
New Area	12	15	34	34	21	32	31	31	26	28	264	90
Nursing Station	0	0	1	1	1	0	1	0	0	0	4	4
R.C. Point	10	8	21	13	12	18	13	13	12	14	134	66
School Area	0	0	1	0	0	0	1	0	0	0	2	8
Wasasihk	0	1	4	0	0	2	1	0	2	1	11	5
Westwood	1	0	6	7	3	9	8	2	7	6	49	26
Total	52	56	129	120	76	119	98	91	81	92	914	437

Through countless hours of volunteer work, the NCN Christmas Cheerboard that are comprised of community members and NCN employees have strived to ensure that each child has a Christmas to look forward to.

PART 2



2007

Nisichawayasihk Trust

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007



NISICHA WASIHK TRUST

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W.J. Hemenway, B.A. C.A. - Partner (ret.)
A.M. (Arnie) Silver, B.A., C.A. - Principal
Jerrod A. Griffiths, B. COMM. (HONS.), C.A. - Principal
R.W. Malanchuk, C.M.A. - Associate

AUDITORS' REPORT

To the Trustees
Nisichawasihk Trust

We have audited the statement of financial position of Nisichawasihk Trust as at December 31, 2007 and the statements of unrestricted capital, restricted capital and cash flows for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
March 14, 2008

A handwritten signature in blue ink, appearing to read "Hemenway Silver".

CHARTERED ACCOUNTANTS



Member of
The Institute of
Chartered Accountants
of Manitoba



NISICHAWASIIHK TRUST

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2007

	General Fund	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2007	Total 2006
ASSETS						
CURRENT ASSETS						
Cash	\$ 156,041	\$ 158,177	\$ 109	\$ 685,733	\$ 1,000,060	\$21,982,117
Accrued interest	-	-	-	-	-	93,954
Due from Nisichawayasihk Trust Office	4,212	-	-	-	4,212	4,212
Due from General Fund	-	-	1,800	-	1,800	1,800
	<u>160,253</u>	<u>158,177</u>	<u>1,909</u>	<u>685,733</u>	<u>1,006,072</u>	<u>22,082,083</u>
INVESTMENTS (NOTE 8)	40,000,000	871,534	-	6,380,730	47,252,264	27,645,755
	<u>\$40,160,253</u>	<u>\$ 1,029,711</u>	<u>\$ 1,909</u>	<u>\$7,066,463</u>	<u>\$48,258,336</u>	<u>\$49,727,838</u>
LIABILITIES						
CURRENT LIABILITY						
Due to Claims Fund	\$ 1,800	\$ -	\$ -	\$ -	\$ 1,800	\$ 1,800
RESTRICTED CAPITAL						
(PAGES 5, 7 AND 8)	40,158,453	1,029,711	1,909	7,066,463	48,256,536	49,726,038
	<u>\$40,160,253</u>	<u>\$ 1,029,711</u>	<u>\$ 1,909</u>	<u>\$7,066,463</u>	<u>\$48,258,336</u>	<u>\$49,727,838</u>

APPROVED

NISICHAWASIIHK TRUST

**STATEMENT OF RESTRICTED CAPITAL
GENERAL FUND**

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$40,207,990	\$39,951,639
Income on Trust assets	<u>1,586,893</u>	<u>1,582,819</u>
	41,794,883	41,534,458
Transferred to Unrestricted Capital - Community Development Fund	1,636,430	1,326,468
BALANCE, END OF YEAR	<u>\$40,158,453</u>	<u>\$40,207,990</u>

NISICAWASIIHK TRUST

**STATEMENT OF UNRESTRICTED CAPITAL
COMMUNITY DEVELOPMENT FUND**

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$ -	\$ -
Transfer from Restricted Capital - General Fund	<u>1,636,430</u>	<u>1,326,468</u>
FUNDS AVAILABLE FOR THE YEAR	1,636,430	1,326,468
Transfer from Restricted Capital - Investment and Heritage Fund	2,356,370	2,666,332
Program Funding (SCHEDULE)	(3,947,800)	(3,982,800)
Transfer to Restricted Capital - Claims Fund (PAGE 7)	(45,000)	(10,000)
BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

NISICHAWASIIHK TRUST

**STATEMENT OF RESTRICTED CAPITAL
COMMUNITY DEVELOPMENT FUND**

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$ 1,285,481	\$ 1,232,881
Interest income	47,540	52,600
Transfer to Nisichawayasihk Trust Office	(303,310)	-
BALANCE, END OF YEAR	\$ 1,029,711	\$ 1,285,481

NISICHAWASIIHK TRUST

**STATEMENT OF RESTRICTED CAPITAL
CLAIMS FUND**

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$ 1,909	\$ 1,889
Transfer from Unrestricted Capital		
- Community Development Fund (PAGE 6)	45,000	10,000
Interest income	-	20
	<u>46,909</u>	<u>11,909</u>
Transfer to Nisichawayasihk Trust Office	45,000	10,000
BALANCE, END OF YEAR	\$ 1,909	\$ 1,909

NISICHAWASIIHK TRUST

**STATEMENT OF RESTRICTED CAPITAL
INVESTMENT AND HERITAGE FUND**

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$ 8,230,658	\$ 10,055,126
Transfer to Unrestricted Capital		
- Community Development Fund (NOTE 8)	(2,356,370)	(2,666,332)
Income on restricted funds	271,030	383,625
Gain (loss) on investment dispositions	921,145	458,239
BALANCE, END OF YEAR	\$ 7,066,463	\$ 8,230,658

NISICAWASIIHK TRUST

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2007

	General Fund	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2007	Total 2006
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash from interest income	\$ 1,586,893	\$ 39,641	\$ -	\$ 298,403	\$ 1,924,937	\$ 1,917,386
Cash transferred to Trust Office	(3,992,800)	(303,310)	(45,000)	-	(4,341,110)	(4,005,774)
Cash transferred from Trust Office	-	-	45,000	-	45,000	11,262
Cash transferred to/(from) General Account	2,356,370	-	-	(2,356,370)	-	-
Cash transferred from Claims Account	-	-	-	-	-	(2,500)
Net cash received from (paid for) operating activities	<u>(49,537)</u>	<u>(263,669)</u>	<u>-</u>	<u>(2,057,967)</u>	<u>(2,371,173)</u>	<u>(2,079,626)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	194,344,557	732,986	-	18,104,358	213,181,901	237,152,619
Purchase of investment	<u>(215,414,287)</u>	<u>(631,793)</u>	<u>-</u>	<u>(15,840,659)</u>	<u>(231,886,739)</u>	<u>(219,459,333)</u>
Net cash received from (paid for) investing activities	<u>(21,069,730)</u>	<u>101,193</u>	<u>-</u>	<u>2,263,699</u>	<u>(18,704,838)</u>	<u>17,693,286</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	(21,119,267)	(162,476)	-	205,732	(21,076,011)	15,613,660
Cash, beginning of year	21,275,308	320,653	109	480,001	22,076,071	6,462,411
CASH, END OF YEAR	<u>\$ 156,041</u>	<u>\$ 158,177</u>	<u>\$ 109</u>	<u>\$ 685,733</u>	<u>\$ 1,000,060</u>	<u>\$ 22,076,071</u>

NISICHAWASIIHK TRUST

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

1. NISICHAWASIIHK TRUST

Nisichawasihk Trust was created on March 15, 1996 pursuant to an agreement between Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of the Province of Manitoba, Nisichawayasihk Cree Nation and the Manitoba Hydro-Electric Board to settle obligations under the Northern Flood Settlement Agreement.

Proceeds of Settlement

In accordance with the terms of the agreement, the financial obligations of the various parties have been settled according to schedule 1.1 of the Agreement.

Funds Available

The Funds Available for any year are the amounts approved through the Community Approval Process for administering the Trust and the amounts paid to Chief and Council to fund the various programs.

Funds Available is defined as the greater of the income earned in the Trust Assets and whichever of the following applies:

- i) pending receipt by the Trust of interest on the Hydro Bond, an amount determined by the Community Approval Process, not to exceed four million (\$4,000,000) dollars, or;
- ii) during the period when the Trust, either directly or through Canada, received the interest on the Hydro Bond, the interest paid on the bond, and;
- iii) in any other circumstances, the amount by which the Net Value of the Assets as determined by the Corporate Trustee at the close of the prior fiscal year, excluding the Arena funds, Assets held in the Investment and Heritage Account, and the principal amounts in the Operation and Maintenance Sub-Account and the Recreational Facilities and Programs Sub-Account, exceed forty million

All Funds Available are to be allocated firstly out of income of the Trust and then out of the balance of Trust Capital.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using fund accounting concepts.

NISICHAWASIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

2. BASIS OF PRESENTATION - CONTINUED

General Fund

The General Fund includes transactions related to the Trust Assets which are managed by the Trustees, which includes the Corporate Trustees - Royal Trust Corporation of Canada, and four members of Nisichawayasihk Cree Nation.

Community Development Fund

The Community Development Fund includes transactions related to implementing the Agreement, administering the Trust, and conducting the Community Approval Process.

Claims Fund

The Claims Fund includes transactions related to settling compensation claims of:

- the Cree Nation,
- its Members, and,
- any group, unincorporated association, or corporation whose membership or shareholding is wholly or substantially comprised and controlled by the Cree Nation or its Members,

for damages and losses suffered resulting from or attributable to the adverse effects of the Projects of the Manitoba Hydro-Electric Board.

Investment and Heritage Fund

The Investment and Heritage Fund includes funds which have been approved by the Community Approval Process for business and investment purposes.

All monies that were held in the Trust cash account of each fund at December 31, 2007 earned interest at 5.75%

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered significant for the Trust.

a) **Basis of Accounting**

The Nisichawayasihk Trust follows the restricted fund method of accounting.

b) **Accrued Interest**

Accrued interest represents interest earned on the investments that will not be received until after year end.

NISICHAWASIIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) **Investments**

Under the provisions of Canadian Institute of Chartered Accountants (CICA) 3855 Financial Instruments-Recognition and Measurement, the financial assets of the Trust Investment portfolio are designated as held for trading, and carried at fair value. Gains and losses arising from the change in fair value that occurred during the year are recorded in net income. Income from interest is recognized in the period earned and presented net of investment expenses.

d) **Fair Value of Investments**

Investments are stated at fair value, which is the amount of consideration that would be agreed upon in arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Publicly traded investments are stated at year-end market prices, as listed on the appropriate stock exchange, or as provided by the custodian from independent

Pooled fund investments are valued at the most recent unit values supplied by the pooled fund administrator at year end.

e) **Fair Value of Other Financial Assets and Liabilities**

Other financial assets consist of cash, cash equivalents, accounts receivable and accounts payable. The carrying value of these items approximates their fair value, consistent with the short-term nature of these items.

f) **Management Estimates and Assumptions**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

4. RESTRICTED ASSETS - GENERAL FUND

Trust assets are managed by the Trustees, which includes the Corporate Trustees - Royal Trust Corporation of Canada and four members of Nisichawayasihk Cree Nation.

All trust assets are restricted and can only be accessed through the Community Approval Process, subject to the restrictions disclosed in Note 1.

NISICHAWASIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

5. FUNDS AVAILABLE - UNALLOCATED

Unallocated Funds Available are paid to Chief and Council who can either deposit such funds in the Investment and Heritage Account or the Community Development Account. If the funds are deposited in the Community Development Account, they are subject to the Community Approval Process and will be spent in the subsequent fiscal year in addition to the Funds Available for that year.

6. RESTRICTED ASSETS - COMMUNITY DEVELOPMENT FUND

Compensation of \$1,000,000 was received in the past as part of the Northern Flood Agreement and was used as a loan guarantee for the Northern Flood Committee.

The interest on the \$1,000,000 is to be used to build and develop recreational facilities and to provide recreational programs to the Cree Nation and its Members and can only be accessed through the Community Approval Process. The capital account of \$1,000,000 in the Recreational Facilities and Programs sub-account cannot be encroached upon.

7. RESTRICTED ASSETS - CLAIMS FUND

The monies in the claims account can only be used to compensate:

- the Cree Nation,
- its Members, and,
- any group, unincorporated association, or corporation whose membership or shareholding is wholly or substantially comprised and controlled by the Cree Nation or its Members,

for damages and losses suffered resulting from or attributable to the adverse effects of the Projects of the Manitoba Hydro-Electric Board. Monies may also be used for the reasonable costs of the Arbitrator arising out of such claims, the reasonable costs to investigate such claims, and payment of costs awarded to a Claimant.

At the beginning of each fiscal year, an amount will be allocated as a first priority from the Funds Available to ensure that a minimum balance of \$50,000 (the aggregate of funds both at the Nisichawayasihk Trust Office and at the Nisichawayasihk Trust) is maintained in the Claims Fund. Funds in excess of \$50,000 on the last business day of any fiscal year (nil at December 31, 2007) will be transferred to the Investment and Heritage Fund.

NISICAWASIIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

8. INVESTMENTS

The investments are accounted for using the market value at year end and consist of the following:

	<u>2007</u>		<u>2006</u>	
	<u>COST</u>	<u>MARKET</u>	<u>COST</u>	<u>MARKET</u>
General Fund				
Bank of Nova Scotia	\$ -	\$ -	\$ -	\$ -
Bank of Nova Scotia	-	-	-	-
Bank of Nova Scotia	-	-	-	-
Bank of Nova Scotia	-	-	3,985,920	3,985,920
CIBC	-	-	3,984,960	3,984,960
CIBC	-	-	2,988,390	2,988,390
Firstbank	-	-	-	-
National Bank	-	-	3,984,560	3,984,560
Manitoba Hydro 5.750%	40,000,000	40,000,000	-	-
TD Bank	-	-	3,986,440	3,986,440
TD Bank	-	-	-	-
Subtotal - General Fund	<u>40,000,000</u>	<u>40,000,000</u>	<u>18,930,270</u>	<u>18,930,270</u>
Community Development Fund				
Can Capital Auto 3.54%	-	-	100,000	99,967
Canada Housing 3.55%	113,381	114,420	113,381	113,682
Canada Housing 3.70%	114,776	114,724	114,776	114,208
Canada Housing 3.75%	109,021	109,306	109,021	108,877
Farm Credit Canada Corp. 3.80%	113,749	112,884	113,749	112,461
Ontario 4.00%	99,980	99,908	99,980	99,753
Ontario 4.50%	113,942	115,781	113,942	116,537
Ontario 4.75%	99,979	102,144	99,979	103,073
Toronto Municipal 4.90%	100,000	102,367	100,000	103,296
Subtotal - Community Development Fund	<u>864,828</u>	<u>871,534</u>	<u>964,828</u>	<u>971,854</u>

NISICHAWASIIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

8. INVESTMENTS - CONTINUED

	2007		2006	
	<u>COST</u>	<u>MARKET</u>	<u>COST</u>	<u>MARKET</u>
Investment and Heritage Fund				
Manitoba Hydro-Electric Board	\$6,380,730	\$6,380,730	\$ -	\$ -
Alcan	-	-	16,890	19,021
Altria Group Inc.	-	-	4,967	5,500
Air Prod Chemical	-	-	5,255	5,733
Apple Computer	-	-	5,353	6,920
AT&T Inc.	-	-	4,010	5,624
Aviva Ord	-	-	5,068	6,308
Bank of America Corporation	-	-	12,931	14,621
Banca Intensa Spa	-	-	4,892	7,072
Banco Santander	-	-	4,621	6,632
Bank of Montreal	-	-	26,343	31,050
Bank of Nova Scotia	-	-	29,729	38,815
Bayer AG	-	-	4,683	6,906
Baxter International Inc.	-	-	4,769	5,676
BCE Inc. Common New	-	-	20,872	21,038
Boeing Company	-	-	2,714	3,106
BP PLC	-	-	6,049	6,282
Canadian National Railway	-	-	15,827	22,782
Canadian Pacific Railway	-	-	12,891	14,122
Canon Inc.	-	-	4,711	7,051
CIBC	-	-	23,907	31,456
Cie de Saint Gobain	-	-	2,609	3,426
Coles Meyer	-	-	1,507	2,187
Colgate Palmolive	-	-	5,264	6,082
CVS Corp Com	-	-	2,560	2,701
Dean Foods	-	-	2,414	2,710
Encana Corp.	-	-	13,550	22,269
Exxon Mobile Corp.	-	-	9,846	12,055
ING Group	-	-	4,798	6,669
Ipsco	-	-	5,702	14,793
Ishares Trust MSCI EAFE Fnd	-	-	282,968	405,712
Ishares Cdn S&P/TSX Cap'd	-	-	442,250	471,540
Ishares Cdn S&P/TSX Midcap	-	-	221,956	278,112
Ishares Cdn S&P/TSX CAP Fin	-	-	195,929	273,980
JP Morgan Chase & Co.	-	-	12,606	14,071
Lincoln National Corp.	-	-	5,098	5,416
Subtotal	6,380,730	6,380,730	1,425,539	1,787,438

NISICAWASIIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

8. INVESTMENTS - CONTINUED

	2007		2006	
	<u>COST</u>	<u>MARKET</u>	<u>COST</u>	<u>MARKET</u>
Investment and Heritage Fund				
- Continued				
Subtotal from previous page	\$ 6,380,730	\$ 6,380,730	\$ 1,425,539	\$ 1,787,438
National Australia Bank	-	-	4,502	6,124
National Bank	-	-	18,657	24,361
National Bank BA	-	-	996,130	996,130
Nexen	-	-	10,447	26,001
Oracle Corporation	-	-	5,553	5,393
Oversea Chinese Bank	-	-	2,817	3,580
Potash Corp. of Sask.	-	-	15,889	16,700
Precision Castparts Corp.	-	-	5,329	6,841
RBC Private Cdn Growth	-	-	186,806	260,074
RBC Pvte Cdn Mid Cap	-	-	205,710	273,031
RBC Pvte Int'l Equity	-	-	60,000	82,945
RBC Pvte US Growth Equity	-	-	163,039	190,388
RBC Pvte US Value Equity	-	-	176,597	203,753
RBC Pvte US Val Small Cap	-	-	114,808	137,747
Rockwell Automation Inc.	-	-	5,274	4,626
Royal Bank of Scotland	-	-	5,271	6,522
Royal Dutch Shell	-	-	6,115	6,977
RWE AG	-	-	3,382	6,417
Societe General Paris	-	-	3,713	5,933
Takeda Pharmaceutical	-	-	4,299	5,599
TD Bank	-	-	27,434	37,997
Telefonica	-	-	6,351	7,303
Telstra Corp.	-	-	7,863	7,170
Telus Corp.	-	-	13,856	22,211
Texas Instruments Inc.	-	-	5,442	5,370
Textron Inc.	-	-	5,297	6,010
Total SA	-	-	4,689	5,883
Toyota Motor Corp.	-	-	4,643	7,403
Transcanada Corp.	-	-	15,542	16,244
Unilever PLC	-	-	6,288	7,659
Westfarmers Ltd.	-	-	2,223	2,242
Windstream Corp.	-	-	5,128	6,048
Barrick Gold Corp.	-	-	19,948	20,614
Subtotal	6,380,730	6,380,730	3,544,581	4,208,734

NISICHAWASIIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

8. INVESTMENTS - CONTINUED

	2007		2006	
	<u>COST</u>	<u>MARKET</u>	<u>COST</u>	<u>MARKET</u>
Investment and Heritage Fund				
- Continued				
Subtotal from previous page	\$ 6,380,730	\$ 6,380,730	\$ 3,544,581	\$ 4,208,734
Citi Group Inc.	-	-	2,166	2,596
Firstbank BA	-	-	797,376	797,376
France Telecom	-	-	1,530	2,094
General Electric	-	-	8,380	8,889
Great West Life Co Inc.	-	-	12,042	15,548
Imperial Oil Ltd.	-	-	18,543	19,533
Kellogg Co.	-	-	5,113	5,833
Kinross Gold Corp.	-	-	11,389	11,540
Manulife Financial Corp	-	-	26,819	37,579
Merrill Lynch & Co.	-	-	5,233	5,424
Metlife Inc.	-	-	7,465	8,596
Microsoft Corp	-	-	5,265	5,741
Midcap Spdr	-	-	167,951	195,270
Morgan Stanley	-	-	4,983	5,219
Federated Department Stores	-	-	5,134	4,888
Fortis	-	-	3,886	5,714
Glaxosmithkline PLC	-	-	5,770	6,135
HBOS PLC	-	-	5,227	6,717
Hewlett Packard Co.	-	-	7,919	8,400
Hong Kong Electric	-	-	2,131	2,198
Husky Energy	-	-	18,157	18,730
Iberdrola	-	-	2,628	4,329
Reed Elsevier	-	-	2,569	2,980
Renault SA	-	-	5,486	6,297
Research in Motion	-	-	23,861	26,075
Canadian Tire Corp.	-	-	10,856	14,176
Cardinal Health Inc.	-	-	7,711	7,883
Caremark Rx Inc.	-	-	11,583	12,645
Carre Four Supermarche	-	-	2,637	2,825
Cisco Systems	-	-	5,196	5,733
Motorola Inc.	-	-	7,132	6,948
Posco Spon Adr	-	-	1,377	2,408
Quest Diagnostics	-	-	10,143	10,191
Subtotal	6,380,730	6,380,730	4,758,239	5,485,244

NISICAWASIIHK TRUST

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

8. INVESTMENTS - CONTINUED

	<u>2007</u>		<u>2006</u>	
	<u>COST</u>	<u>MARKET</u>	<u>COST</u>	<u>MARKET</u>
Investment and Heritage Fund				
- Continued				
Subtotal from previous page	\$ 6,380,730	\$ 6,380,730	\$ 4,758,239	\$ 5,485,244
Roger's Communications Inc.	-	-	22,005	13,360
SPDR Trust Unit Ser 1	-	-	611,285	694,775
Suncor	-	-	30,036	33,044
Sun Life Financial	-	-	11,916	14,549
Starwood Hotels & Resorts	-	-	9,592	10,925
Teck Cominco Limited	-	-	8,913	23,733
United States Treasury Bills	-	-	288,139	288,139
United Techs	-	-	4,467	5,100
UPM - Kymmene	-	-	2,106	2,493
Valero Energy Corp.	-	-	7,950	8,346
Zimmer Holdings	-	-	5,084	5,480
Farm Credit Corp. 2.50%	-	-	493,850	494,270
Farm Credit Corp. 3.25%	-	-	499,900	493,272
Canada Housing 3.55%	-	-	248,300	247,135
Canada Housing 3.75%	-	-	248,875	247,447
Can Capital Auto	-	-	500,000	499,835
Subtotal - Investment and Heritage Fund	6,380,730	6,380,730	7,750,657	8,567,147
Total Investments - All Funds	\$47,245,558	\$47,252,264	\$27,645,755	\$28,469,271

9. RESTRICTED ASSETS - INVESTMENT AND HERITAGE FUND

Upon settlement of the Trust, \$250,000 was transferred to the Investment and Heritage sub-account in 1996. The \$250,000 and the interest earned on it (totalling \$460,174 at December 31, 2007) cannot be encroached upon until certain Trust conditions are met. The restriction is intended to minimize the effects of inflation on the \$40,000,000 Capital Investment in the General Fund. Additional monies deposited to this account cannot be withdrawn in the fiscal year in which they were deposited.

A further \$12,198,400 was settled on the Investment and Heritage sub-account in 2001. This amount represented the premium received by the Trust upon redemption of the Hydro Bond, and is to be invested until 2013 unless the members instruct otherwise. During the year, \$2,356,370 was transferred to the General Fund to supplement the 2007 Funds Available amount.

SCHEDULE**NISICHA WASIHK TRUST****SCHEDULE OF 2007 PROGRAM FUNDING**

YEAR ENDED DECEMBER 31, 2007

	2007	2006
Housing Renovations Program	\$ -	\$ 400,000
Administration Centre	-	30,000
Animal Control Department	-	20,000
Breakfast Program	50,000	50,000
Community Consultive Group	-	15,000
Country Foods	175,000	225,000
Elders Traditional Programs	100,000	100,000
Elders' Subsidy	105,100	98,700
Fisherman Association	100,000	200,000
Gilbert McDonald Arena - O & M	40,000	-
Housing Renovations	100,000	-
Implementation Agreement	683,985	826,400
Justice Program	32,600	20,000
Kanithim Waskikan	118,000	-
NHML 2nd Annual Round Dance	10,000	-
NCN Achimowin Radio Station	116,000	130,000
NCN Christmas Cheer Board	30,000	-
NCN Emergency Services	275,000	160,000
NCN Minor Hockey Association	100,000	200,000
NCN Tae Kwan Do Program	25,000	25,000
NCN Youth Initiative	157,000	60,000
Parks and Recreation	252,115	240,000
Paving NCN Roads	65,000	-
Personal Care Home	200,000	-
Personal Care Home Emergency Generator	50,000	200,000
Policing Services	150,000	269,000
Post Secondary Funds	-	200,000
Recycling Program	-	8,200
Rediscoveries of Families Project	100,000	100,000
Resource Management	71,000	95,000
Senior AAA Hockey Program	-	75,000
Special Education Program	50,000	50,000
Stanely Park Project	-	3,000
Summer Student Employment Program	-	15,000
Trappers Association	75,000	100,000
Wuskwatim Project Equity	650,000	-
Zummer Adventure Camp	67,000	67,500
	\$3,947,800	\$3,982,800

PART 3



2007

Nisichawayasihk Trust Office

FINANCIAL STATEMENTS
(NOTE 1)
YEAR ENDED DECEMBER 31, 2007



NISICHAWAYASIHK TRUST OFFICE

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W.J. Hemenway, B.A. C.A. - Partner (ret.)
A.M. (Arnie) Silver, B.A., C.A. - Principal
Jerrod A. Griffiths, B. COMM. (HONS.), C.A. - Principal
R.W. Malanchuk, C.M.A. - Associate

AUDITORS' REPORT

To Chief and Council
Nisichawayasihk Cree Nation

We have audited the statement of financial position of Nisichawayasihk Trust Office as at December 31, 2007 and the statements of funding, expenditures and surplus, unrestricted net assets, restricted net assets, net assets invested in property and equipment, and cash flows for the year then ended. These financial statements are the responsibility of the Trust Office's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nisichawayasihk Trust Office as at December 31, 2007 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in blue ink, appearing to read "Hemenway Silver".

Winnipeg, Manitoba
March 14, 2008

CHARTERED ACCOUNTANTS



Member of
The Institute of
Chartered Accountants
of Manitoba



NISICHAWAYASIIHK TRUST OFFICE

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2007

	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2007	Total 2006
ASSETS					
CURRENT ASSETS					
Unrestricted cash	\$3,778,896	\$ -	\$ -	\$3,778,896	\$2,544,942
Restricted cash (NOTE 7)	-	37,723	-	37,723	22,003
Interest receivable	11,153	-	-	11,153	9,399
Advances receivable (NOTE 3)	14,072	-	-	14,072	15,883
Short-term investments (NOTE 3)	430,427	-	-	430,427	415,078
Due from Claims Fund	11,638	-	-	11,638	11,638
	<u>4,246,186</u>	<u>37,723</u>	<u>-</u>	<u>4,283,909</u>	<u>3,018,943</u>
RESTRICTED CASH (NOTE 4)	51,292	-	-	51,292	49,967
PROPERTY AND EQUIPMENT (NOTES 3 AND 5)	79,625	-	-	79,625	84,535
	<u>\$4,377,103</u>	<u>\$37,723</u>	<u>\$ -</u>	<u>\$4,414,826</u>	<u>\$3,153,445</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 818,377	\$ -	\$ -	\$ 818,377	\$ 102,559
Due to Nisichawasihk Trust	-	4,212	-	4,212	4,212
Due to Community Development Fund	-	11,638	-	11,638	11,638
	<u>818,377</u>	<u>15,850</u>	<u>-</u>	<u>834,227</u>	<u>118,409</u>
DEFERRED FUNDING (PAGES 7, 27 AND 36)	<u>3,479,101</u>	<u>21,873</u>	<u>-</u>	<u>3,500,974</u>	<u>2,950,501</u>
	<u>4,297,478</u>	<u>37,723</u>	<u>-</u>	<u>4,335,201</u>	<u>3,068,910</u>
NET ASSETS					
Invested in property and equipment (PAGE 26)	79,625	-	-	79,625	84,535
Unrestricted (PAGE 5)	-	-	-	-	-
Restricted (PAGES 27 AND 28)	-	-	-	-	-
	<u>79,625</u>	<u>-</u>	<u>-</u>	<u>79,625</u>	<u>84,535</u>
	<u>\$4,377,103</u>	<u>\$37,723</u>	<u>\$ -</u>	<u>\$4,414,826</u>	<u>\$3,153,445</u>

APPROVED

TRUSTEE _____

TRUSTEE _____ TRUSTEE _____

TRUSTEE _____ TRUSTEE _____

NISICHAWAYASIIHK TRUST OFFICE

STATEMENT OF UNRESTRICTED NET ASSETS

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$ -	\$ -
Surplus (deficit) for the year	-	-
BALANCE, END OF YEAR	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE**SUMMARY STATEMENT OF FUNDING, EXPENDITURES AND SURPLUS
COMMUNITY DEVELOPMENT FUND****YEAR ENDED DECEMBER 31, 2007**

<u>PROGRAM</u>	<u>NISICHAWASIIHK TRUST FUNDING</u>	<u>OTHER REVENUE</u>
Implementation Agreement (PAGE 8)	\$ 683,985	\$ 34,019
Habitation (PAGE 9)	300,000	2,969
Safety Measures (PAGE 10)	275,000	-
Aboriginal Heritage (PAGE 11)	335,100	29,875
Governance (PAGE 12)	-	-
Justice (PAGE 13)	182,600	-
Economic Development (PAGE 14)	650,000	78,610
Recreation (PAGE 15)	484,115	383,627
Community Infrastructure (PAGE 16)	-	-
Resource and Land Use Planning (PAGE 17)	421,000	90,233
Radio Station Announcer and Upgrade (PAGE 18)	116,000	52,751
Transportation (PAGE 19)	-	-
Youth (PAGE 20)	157,000	6,152
Education (PAGE 21)	100,000	-
Shoreline Debris Clean-up (PAGE 22)	-	10,976
Capital Projects (PAGE 23)	65,000	-
Social Development (PAGE 24)	128,000	-
Health (PAGE 25)	50,000	-
	<hr/>	<hr/>
	\$3,947,800	\$689,212

DEFERRED FUNDING <u>2006</u>	DEFERRED FUNDING <u>2007</u>	<u>TOTAL REVENUES</u>	<u>TOTAL EXPENDITURES</u>	<u>SURPLUS</u>
\$ 310,506	\$ (384,181)	\$ 644,329	\$ 644,329	\$ -
401,150	(248,795)	455,324	455,324	-
-	-	275,000	275,000	-
79,025	(26,284)	417,716	417,716	-
924	(924)	-	-	-
5,800	(5,800)	182,600	182,600	-
1,600,898	(2,329,508)	-	-	-
161,756	(201,517)	827,981	827,981	-
6,311	(6,311)	-	-	-
314,891	(136,273)	689,851	689,851	-
50,300	(81,906)	137,145	137,145	-
-	-	-	-	-
-	(34,341)	128,811	128,811	-
-	-	100,000	100,000	-
12,787	(23,261)	502	502	-
-	-	65,000	65,000	-
-	-	128,000	128,000	-
-	-	50,000	50,000	-
<u>\$2,944,348</u>	<u>\$(3,479,101)</u>	<u>\$4,102,259</u>	<u>\$4,102,259</u>	<u>\$ -</u>

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
IMPLEMENTATION AGREEMENT PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$683,985	\$ 683,985	\$ 826,400
INTEREST REVENUE	-	51,085	58,842
TRANSFER TO SUB-PROGRAMS (NOTE 9)	-	(25,051)	-
TRANSFER TO IMPLEMENTATION AGREEMENT PROGRAM (NOTE 10)	-	-	28,333
OTHER REVENUE	-	7,985	50,595
DEFERRED FUNDING - 2005	-	-	93,072
DEFERRED FUNDING - 2006	310,506	310,506	(310,506)
DEFERRED FUNDING - 2007	-	(384,181)	-
	<u>994,491</u>	<u>644,329</u>	<u>746,736</u>
EXPENDITURES			
Administration (SCHEDULE 1)	590,635	393,597	393,249
Community approval process	32,000	39,054	50,458
Corporate trustee	269,884	135,740	242,094
Nelson House trustees	49,814	34,575	21,583
Professional services	52,158	41,363	39,352
	<u>994,491</u>	<u>644,329</u>	<u>746,736</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

STATEMENT OF FUNDING AND EXPENDITURES HABITATION PROGRAM

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$300,000	\$ 300,000	\$ 600,000
INTEREST REVENUE	-	2,969	2,189
TRANSFER BETWEEN HABITATION SUB-PROGRAMS	-	-	349,148
TRANSFER BETWEEN HABITATION SUB-PROGRAMS	-	-	(349,148)
DEFERRED FUNDING - 2005	-	-	514,123
DEFERRED FUNDING - 2006	401,150	401,150	(401,150)
DEFERRED FUNDING - 2007	-	(248,795)	-
	<u>701,150</u>	<u>455,324</u>	<u>715,162</u>
EXPENDITURES			
Home opportunity	47,874	-	-
Housing development	-	-	119,127
Housing renovations	453,113	255,324	396,035
Nisichawayasihk Personal Care Home Inc.	200,000	200,000	200,000
R.C. church renovations	163	-	-
	<u>701,150</u>	<u>455,324</u>	<u>715,162</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
SAFETY MEASURES PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$275,000	\$275,000	\$180,000
DEFERRED FUNDING - 2005	-	-	7,197
	<u>275,000</u>	<u>275,000</u>	<u>187,197</u>
EXPENDITURES			
Dog control	-	-	20,000
NCN emergency services	<u>275,000</u>	<u>275,000</u>	<u>167,197</u>
	<u>275,000</u>	<u>275,000</u>	<u>187,197</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
ABORIGINAL HERITAGE PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$335,100	\$335,100	\$298,700
TRANSFER TO SUB-PROGRAMS (NOTE 9)	-	15,213	-
OTHER REVENUE	-	14,662	-
DEFERRED FUNDING - 2005	-	-	36,446
DEFERRED FUNDING - 2006	79,025	79,025	(79,025)
DEFERRED FUNDING - 2007	-	(26,284)	-
	<u>414,125</u>	<u>417,716</u>	<u>256,121</u>
EXPENDITURES			
Elders subsidy	108,050	102,800	99,050
Elders traditional	155,465	183,081	52,681
NCN Christmas cheer board	30,000	31,835	-
Pow wow	20,610	-	4,390
Rediscoveries of families project	100,000	100,000	100,000
	<u>414,125</u>	<u>417,716</u>	<u>256,121</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
GOVERNANCE PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
DEFERRED FUNDING - 2005	\$ -	\$ -	\$ 924
DEFERRED FUNDING - 2006	924	924	(924)
DEFERRED FUNDING - 2007	<u>-</u>	<u>(924)</u>	<u>-</u>
	924	-	-
EXPENDITURES	924	-	-
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
JUSTICE PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$182,600	\$182,600	\$304,000
DEFERRED FUNDING - 2005	-	-	11,960
DEFERRED FUNDING - 2006	5,800	5,800	(5,800)
DEFERRED FUNDING - 2007	-	(5,800)	-
	<u>188,400</u>	<u>182,600</u>	<u>310,160</u>
EXPENDITURES			
Community consultive group	-	-	15,000
Justice	38,400	32,600	26,160
Police services	150,000	150,000	269,000
	<u>188,400</u>	<u>182,600</u>	<u>310,160</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
ECONOMIC DEVELOPMENT PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 650,000	\$ 650,000	\$ 23,200
INTEREST REVENUE	-	78,610	35,999
DEFERRED FUNDING - 2005	-	-	2,654,842
DEFERRED FUNDING - 2006	1,600,898	1,600,898	(1,600,898)
DEFERRED FUNDING - 2007	-	(2,329,508)	-
	<u>2,250,898</u>	<u>-</u>	<u>1,113,143</u>
EXPENDITURES			
Business Marketing Development Corp.	4,315	-	-
Community development plan	35,000	-	-
High speed internet and cell phone service	-	-	93,208
NCN investment savings	406,320	-	-
NCN recycling	2,895	-	7,685
Summer student employment	3,750	-	11,250
Wuskwatim equity	1,798,618	-	1,001,000
	<u>2,250,898</u>	<u>-</u>	<u>1,113,143</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
RECREATION PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$484,115	\$ 484,115	\$ 607,500
TRANSFER FROM			
NISICHAWASIIHK TRUST (NOTE 12)	-	303,310	-
INTEREST REVENUE	-	8,536	4,132
TRANSFER TO IMPLEMENTATION			
AGREEMENT PROGRAM (NOTE 10)	-	-	(25,844)
OTHER REVENUE	-	71,781	8,990
DEFERRED FUNDING - 2005	-	-	59,132
DEFERRED FUNDING - 2006	161,756	161,756	(161,756)
DEFERRED FUNDING - 2007	-	(201,517)	-
	<u>645,871</u>	<u>827,981</u>	<u>492,154</u>
EXPENDITURES			
Fitness trail	1,580	-	-
Gilbert McDonald Arena O&M	40,000	40,000	-
NCN Minor Hockey Association	155,980	200,278	159,080
North American indigenous games	266	42,101	-
Parks and recreation	256,059	360,221	245,492
Senior men's hockey	47,486	40,881	47,582
Tae kwan do	25,000	25,000	25,000
Zummer adventure camp	119,500	119,500	15,000
	<u>645,871</u>	<u>827,981</u>	<u>492,154</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
COMMUNITY INFRASTRUCTURE PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
TRANSFER TO IMPLEMENTATION			
AGREEMENT PROGRAM (NOTE 10)	\$ -	\$ -	\$(1,069)
DEFERRED FUNDING - 2005	-	-	8,380
DEFERRED FUNDING - 2006	6,311	6,311	(6,311)
DEFERRED FUNDING - 2007	-	(6,311)	-
	<u>6,311</u>	<u>-</u>	<u>1,000</u>
EXPENDITURES			
Community aesthetics and improvements	6,311	-	1,000
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

STATEMENT OF FUNDING AND EXPENDITURES RESOURCE AND LAND USE PLANNING PROGRAM

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$421,000	\$ 421,000	\$ 620,000
TRANSFER TO SUB-PROGRAMS (NOTE 9)	-	9,838	-
LOAN RECOVERIES	-	38,274	24,033
EQUIPMENT SALES	-	24,809	14,580
OTHER REVENUE	-	17,312	12,658
DEFERRED FUNDING - 2005	-	-	93,957
DEFERRED FUNDING - 2006	314,891	314,891	(314,891)
DEFERRED FUNDING - 2007	-	(136,273)	-
	<u>735,891</u>	<u>689,851</u>	<u>450,337</u>
EXPENDITURES			
Country foods	252,758	247,935	148,449
Fishermen Association	205,517	274,157	148,703
Resource management	88,983	74,711	81,906
Trappers Association	188,633	93,048	71,279
	<u>735,891</u>	<u>689,851</u>	<u>450,337</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICAWAYASIIHK TRUST OFFICE

STATEMENT OF FUNDING AND EXPENDITURES RADIO STATION ANNOUNCER AND UPGRADE PROGRAM

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICAWASIIHK TRUST	\$116,000	\$116,000	\$130,000
OTHER REVENUE	-	52,751	28,905
DEFERRED FUNDING - 2005	-	-	12,135
DEFERRED FUNDING - 2006	50,300	50,300	(50,300)
DEFERRED FUNDING - 2007	-	(81,906)	-
	<u>166,300</u>	<u>137,145</u>	<u>120,740</u>
EXPENDITURES			
NCN Achimowin radio station	166,300	137,145	120,740
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
TRANSPORTATION PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
TRANSFER TO IMPLEMENTATION AGREEMENT PROGRAM (NOTE 10)	\$ -	\$ -	\$(100)
DEFERRED FUNDING - 2005	<u>-</u>	<u>-</u>	<u>100</u>
	-	-	-
EXPENDITURES	-	-	-
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
YOUTH PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$157,000	\$157,000	\$60,000
OTHER REVENUE	-	6,152	-
DEFERRED FUNDING - 2007	-	(34,341)	-
	<u>157,000</u>	<u>128,811</u>	<u>60,000</u>
EXPENDITURES			
NCN youth initiative	157,000	128,811	60,000
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
EDUCATION PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$100,000	\$100,000	\$300,000
TRANSFER TO IMPLEMENTATION			
AGREEMENT PROGRAM (NOTE 10)	-	-	(1,320)
DEFERRED FUNDING - 2005	-	-	2,039
	<u>100,000</u>	<u>100,000</u>	<u>300,719</u>
EXPENDITURES			
Hot lunch/breakfast	5,000	5,000	-
Post secondary funds	-	-	200,000
School breakfast	45,000	45,000	50,219
Special education	<u>50,000</u>	<u>50,000</u>	<u>50,500</u>
	100,000	100,000	300,719
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
SHORELINE DEBRIS CLEAN-UP PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
INTEREST REVENUE	\$ -	\$ 10,976	\$ 9,774
DEFERRED FUNDING - 2005	-	-	26,396
DEFERRED FUNDING - 2006	12,787	12,787	(12,787)
DEFERRED FUNDING - 2007	<u>12,787</u>	<u>(23,261)</u> 502	<u>-</u> 23,383
EXPENDITURES			
Debris management	12,787	502	23,383
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
CAPITAL PROJECTS PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$65,000	\$65,000	\$30,000
EXPENDITURES			
Administration centre	-	-	30,000
Saving NCN roads	65,000	65,000	-
	<u>65,000</u>	<u>65,000</u>	<u>30,000</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
SOCIAL DEVELOPMENT PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	<u>\$128,000</u>	<u>\$128,000</u>	<u>\$3,000</u>
EXPENDITURES			
Kanithim Waskikan (Caring House)	118,000	118,000	-
NHML second annual round dance	10,000	10,000	-
Stanley Park project	<u>-</u>	<u>-</u>	<u>3,000</u>
	<u>128,000</u>	<u>128,000</u>	<u>3,000</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF FUNDING AND EXPENDITURES
HEALTH PROGRAM**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$50,000	\$50,000	\$ -
EXPENDITURES			
Commercial washer/dryer replacement	50,000	50,000	-
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

STATEMENT OF NET ASSETS INVESTED IN PROPERTY AND EQUIPMENT

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$ 84,535	\$ 99,140
Property and equipment purchased during the year	11,948	5,959
Amortization for the year (NOTE 3)	(16,858)	(20,564)
BALANCE, END OF YEAR	\$ 79,625	\$ 84,535

NISICHAWAYASIIHK TRUST OFFICE**STATEMENT OF FUNDING AND EXPENDITURES
CLAIMS FUND**

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
TRANSFER FROM NISICHAWASIIHK TRUST	\$45,000	\$ 45,000	\$10,000
INTEREST	-	1,253	1,421
DEFERRED FUNDING - 2005	-	-	36,153
DEFERRED FUNDING - 2006	6,153	6,153	(6,153)
DEFERRED FUNDING - 2007	<u>-</u>	<u>(21,873)</u>	<u>-</u>
	51,153	30,533	41,421
EXPENDITURES			
Claims account	51,153	30,533	41,421
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NISICHAWAYASIIHK TRUST OFFICE

**STATEMENT OF RESTRICTED NET ASSETS
INVESTMENT AND HERITAGE FUND**

YEAR ENDED DECEMBER 31, 2007

	2007	2006
BALANCE, BEGINNING OF YEAR	\$ -	\$ -
BALANCE, END OF YEAR	\$ -	\$ -

NISICHAWAYASIIHK TRUST OFFICE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2007

	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2007	Total 2006
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from Nisichawasihk Trust	\$ 4,251,110	\$ 45,000	\$ -	\$ 4,296,110	\$ 3,997,012
Interest income received	135,073	1,253	-	136,326	143,306
Cash from other sources	235,537	-	-	235,537	141,715
Cash paid for program expenses	(3,386,441)	-	-	(3,386,441)	(4,837,666)
Cash paid for claims	-	(30,533)	-	(30,533)	(41,421)
Net cash received from (paid for) operating activities	<u>1,235,279</u>	<u>15,720</u>	<u>-</u>	<u>1,250,999</u>	<u>(597,054)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Redemption of short-term investments	-	-	-	-	1,550,106
Net cash received from (paid for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,550,106</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	1,235,279	15,720	-	1,250,999	953,052
Cash, beginning of year	2,594,909	22,003	-	2,616,912	1,663,860
CASH, END OF YEAR	<u>\$ 3,830,188</u>	<u>\$ 37,723</u>	<u>\$ -</u>	<u>\$ 3,867,911</u>	<u>\$ 2,616,912</u>
Cash consists of:					
Unrestricted cash	\$ 3,778,896	\$ -	\$ -	\$ 3,778,896	\$ 2,544,942
Restricted cash	51,292	37,723	-	89,015	71,970
	<u>\$ 3,830,188</u>	<u>\$ 37,723</u>	<u>\$ -</u>	<u>\$ 3,867,911</u>	<u>\$ 2,616,912</u>

NISICHAWAYASIIHK TRUST OFFICE

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

1. NISICHAWAYASIIHK TRUST OFFICE

The Nisichawayasihk Trust Office was established in May 1996 to administer, on behalf of Chief and Council, the Program Funding received from the Nisichawayasihk Trust.

These financial statements present the assets, liabilities, revenues, expenditures and surpluses of the various programs only insofar as they relate to the Nisichawayasihk Trust funding. As a result, these statements do not include all the revenues and expenses of the various programs.

Funds Available

The Program funding for any year are the amounts approved through the Community Approval Process for administering the Trust Office and funding the various programs, not to exceed the approved budget for that year (\$3,992,800 for the year ended December 31, 2007).

Funds for the Claims Fund have a first priority over other programs.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using fund accounting concepts.

Community Development Fund

The Community Development Fund includes transactions related to implementing the Agreement, administering the Trust Office and various programs, and conducting the Community Approval Process.

Claims Fund

The Claims Fund includes transactions related to settling compensation claims of:

- the Cree Nation,
- its Members, and
- any group, unincorporated association, or corporation whose membership or shareholding is wholly or substantially comprised and controlled by the Cree Nation or its Members,

for damages and losses suffered resulting from, or attributable to the adverse effects of the Projects of the Manitoba Hydro-Electric Board.

Investment and Heritage Fund

The Investment and Heritage Fund includes funds which have been approved by the Community Approval Process for business and investment purposes.

NISICHAWAYASIHK TRUST OFFICE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered significant for the Trust Office:

a) **Basis of Accounting**

These financial statements are prepared on the accrual basis of accounting.

b) **Property and Equipment and Amortization**

Property and equipment are expensed against related funding. Amounts are recorded at cost in the Community Development Fund with the offset to the Net Assets Invested in Property and Equipment account. Amortization is provided for at the following rates and is charged against the Net Assets Invested in Property and Equipment account.

	<u>RATE</u>	<u>METHOD</u>
Office equipment	20%	Declining balance
Trailer improvements	4%	Declining balance
Vehicle	30%	Declining balance

c) **Advances Receivable**

Advances receivable are recorded net of an allowance for doubtful accounts.

d) **Short-Term Investments**

Short-term investments consist of two redeemable guaranteed investment certificates issued by Royal Bank of Canada (one purchase in the amount of \$42,653 and another purchase in the amount of \$387,774) both of which bear interest at variable rates and mature April 28, 2008. These investments are recorded at cost.

e) **Revenue Recognition**

The Trust Office follows the restricted fund method of accounting for program funding.

f) **Management Estimates and Assumptions**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

NISICHAWAYASIIHK TRUST OFFICE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

4. RESTRICTED CASH - COMMUNITY DEVELOPMENT FUND

The Trust Office has deposited monies in trust at the Peguis First Nations branch of the Royal Bank of Canada to guarantee loans taken by Home Ownership Program applicants.

5. PROPERTY AND EQUIPMENT

		2007		2006
	<u>COST</u>	<u>ACCUMULATED AMORTIZATION</u>	<u>NET BOOK VALUE</u>	<u>NET BOOK VALUE</u>
Office equipment	\$163,033	\$126,475	\$36,558	\$38,429
Trailer improvements	30,509	5,138	25,371	20,827
Vehicle	185,431	167,735	17,696	25,279
	<u>\$378,973</u>	<u>\$299,348</u>	<u>\$79,625</u>	<u>\$84,535</u>

6. RESTRICTED CASH - COMMUNITY DEVELOPMENT FUND

Compensation of \$1,000,000 was received in the past as part of the Northern Flood Agreement and was used as a loan guarantee for the Northern Flood Committee.

This amount has since been recovered and was deposited in the Recreational Facilities and Programs sub-account of Nisichawasihk Trust which, at December 31, 2007, consisted of \$1,029,668 in a cash account.

The interest on the \$1,000,000 is to be used to build and develop recreational facilities and to provide recreational programs to the Cree Nation and its Members and can only be accessed through the Community Approval Process. The capital account of \$1,000,000 in the Recreational Facilities and Programs sub-account cannot be

7. RESTRICTED CASH - CLAIMS FUND

The monies in the Claims Account can only be used to compensate:

- the Cree Nation,
- its Members, and
- any group, unincorporated association, or corporation whose membership or shareholding is wholly or substantially comprised and controlled by the Cree Nation or its Members,

for damages and losses suffered resulting from or attributable to the adverse effects of the Projects of the Manitoba Hydro-Electric Board. Monies may also be used for the reasonable costs of the Arbitrator arising out of such claims, the reasonable costs to investigate such claims, and payment of costs awarded to a Claimant.

NISICHAWAYASIIHK TRUST OFFICE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

7. RESTRICTED CASH - CLAIMS FUND - CONTINUED

At the beginning of each fiscal year, an amount will be allocated as a first priority from the Funds Available to ensure that a minimum balance of \$50,000 (the aggregate of funds both at the Nisichawayasihk Trust Office and at the Nisichawayasihk Trust) is maintained in the Claims Fund. Funds in excess of \$50,000 on the last business day of any fiscal year will be transferred to the Investment and Heritage Fund.

Funds at December 31, consisted of the following:

	<u>2007</u>	<u>2006</u>
Nisichawayasihk Trust	\$ 1,909	\$1,909
Nisichawayasihk Trust Office	21,873	6,153
	<u>\$23,782</u>	<u>\$8,062</u>

8. RESTRICTED CASH - INVESTMENT AND HERITAGE FUND

The Investment and Heritage account monies can only be used for business and investment purposes.

9. TRANSFER TO SUB-PROGRAMS

During the year, funds (from interest income) were transferred from the Implementation Agreement Program to the following programs:

	<u>2007</u>	<u>2006</u>
Aboriginal Heritage Program		
- Elders' traditional sub-program	\$15,213	\$ -
Resource and Land Use Planning Program		
- Fishermen Association sub-program	9,838	-
	<u>\$25,051</u>	<u>\$ -</u>

NISICHAWAYASIIHK TRUST OFFICE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2007

10. TRANSFER TO IMPLEMENTATION AGREEMENT PROGRAM

As part of the Community Approval Process, redisclosures of deferred revenue were made to reallocate funds available from various sub-programs to the Implementation Agreement Program as follows:

	2007	2006
Recreation Program		
- Baseball Field sub-program	\$ -	\$ 2,100
- Tow Rope sub-program	-	21,484
- Playground sub-program	-	2,260
Subtotal	-	25,844
Community Infrastructure Program		
- Road Improvements sub-program	-	1,069
Education		
- Encounters with Canada sub-program	-	1,320
Transportation		
- Otetiskiwin Transit sub-program	-	100
	\$ -	\$28,333

11. TRANSFER BETWEEN HABITATION SUB-PROGRAMS

As part of the Community Approval Process, a redisclosure of deferred revenue under the Habitation Program was made during the year ended December 31, 2006 to reallocate funds available of \$349,148 from the Housing Development sub-program to the Housing Renovations sub-program.

12. TRANSFER FROM NISICHAWASIIHK TRUST

During the year, funding totalling \$303,310 was transferred from the Recreation Facilities and Programs sub-account of Nisichawasihk Trust to the following subprograms in the Recreation program of Nisichawayasihk Trust Office:

	2007	2006
Parks and Recreation	\$176,733	\$ -
North American Indigenous Games	126,577	-
	\$303,310	\$ -

NISICHAWAYASIIK TRUST OFFICE

SCHEDULE OF ADMINISTRATION EXPENDITURES

YEAR ENDED DECEMBER 31, 2007

	BUDGET	2007	2006
	(unaudited)		
Salaries, wages and benefits:			
Acting Director Trust Operations	\$ -	\$ 55,000	
Administrative Clerk	20,787	15,347	
Assistant Director/Claims Officer	13,284	14,711	
Casual help	6,470	2,306	
Compliance Officer	7,463	24,977	
Director Trust Operations	54,894	46,034	
Finance Clerks	33,672	18,243	
Finance Controller	48,754	42,578	
Janitor	10,061	4,854	
Resource and Land Use Planning Co-ordinator	3,548	32,464	
Summer student employment	4,739	3,894	
Employer's share of statutory deductions	4,781	7,425	
Employee benefits package	13,228	23,000	
Christmas gifts and awards	3,106	-	
Advertising and promotion	9,706	3,128	
Bank charges and payroll/administration fees	3,499	2,900	
CPA membership fee	165	165	
Donations	12,285	8,159	
Hydro	2,856	2,167	
Office equipment and furniture (non-capital)	9,714	6,046	
Office supplies	15,354	16,001	
Postage and freight	10,622	2,242	
Software upgrade	18,085	-	
Technical support	-	754	
Telephone, satellite and internet charges	14,343	10,390	
Trailer improvements (non-capital)	8,647	-	
Trailer insurance	1,046	1,001	
Training and development	2,475	335	
Transfers to net assets			
invested in property and equipment	11,948	5,959	
Travel	40,225	36,153	
Vehicle maintenance and insurance	6,940	5,616	
Water and sewer	900	1,400	
	\$590,635	\$393,597	\$393,249

NISICHAWAYASIHK TRUST OFFICE

SCHEDULE OF DEFERRED REVENUE

YEAR ENDED DECEMBER 31, 2007

<u>PROGRAM</u>	<u>SUB-PROGRAM</u>	<u>2007</u>	<u>2006</u>
IMPLEMENTATION AGREEMENT	Administration	\$ 224,003	\$ 190,635
	Corporate Trustee	134,144	78,899
	Nelson House Trustees	15,239	24,814
	Professional Services	10,795	16,158
HABITATION	Home Opportunity	50,843	47,874
	Housing Renovations	197,789	353,113
	R.C. Church Renovations	163	163
ABORIGINAL HERITAGE	Elders Subsidy	5,250	2,950
	Elders Traditional	-	55,465
	NCN Christmas Cheerboard	424	-
	Pow Wow	20,610	20,610
GOVERNANCE	Governance	924	924
JUSTICE	Justice	5,800	5,800
ECONOMIC DEVELOPMENT	Business Marketing Development Corporation	4,315	4,315
	Community Development Plan	35,000	35,000
	NCN Investment Savings	422,736	406,320
	NCN Recycling	2,895	2,895
	Summer Student Employment	3,750	3,750
	Wuskwatim Equity	1,860,812	1,148,618
RECREATION	Fitness Trail	1,580	1,580
	North American Indigenous Games	84,742	266
	NCN Minor Hockey Association	10,147	55,980
	Parks and Recreation	98,157	3,944
	Senior Men's Hockey	6,891	47,486
	Zummer Adventure Camp	-	52,500
COMMUNITY INFRASTRUCTURE	Community Aesthetics and Improvements	6,311	6,311
RESOURCE AND LAND USE PLANNING	Country Foods	10,653	77,758
	Fishermen Association	-	105,517
	Resource Management	18,143	17,983
	Trappers Association	107,477	113,633
COMMUNICATION	NCN Achimowin Radio Station	81,906	50,300
YOUTH	NCN Youth Initiative	34,341	-
SHORELINE DEBRIS CLEAN-UP	Debris Management	23,261	12,787
		3,479,101	2,944,348
CLAIMS FUND	Claims Account	21,873	6,153
		\$3,500,974	\$2,950,501



NISICHAWAYASIHK
TRUST OFFICE

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