



2008

Annual Report

NISICHAWAYASIIHK TRUST & TRUST OFFICE

Northern Flood Agreement

Nisichawayasihk Cree Nation

Implementation Agreement



NISICHAWAYASIIHK
TRUST OFFICE



2008

TABLE OF CONTENTS

Introduction	2
Trustees Financial Operations Report for 2008	4
Manitoba Hydro's Ongoing Obligations	9
Other Implementation Issues	12
Wuskwatim Implementation Office	13
Results of the 2008 Community Approval Process (CAP)	22
Implementation Agreement	25
Claims	26
Capital Projects	27
Community Infrastructure	27
Economic Development	28
Education	30
Housing	31
Justice	32
Public Works	33
Resource and Land Use	34
Social Development	39
Other	51
NISICAWAYASIIHK TRUST 2008 Audited Financial Statements	53
NISICAWAYASIIHK TRUST OFFICE 2008 Audited Financial Statements	63

Introduction

PURPOSE OF REPORT

This annual report has been provided to the Trustees in compliance with the 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, since they are 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 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 Article 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, and includes 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 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.

2008 Annual Report

NISICHAWAYASIHK TRUST & TRUST OFFICE

APPROVAL OF ANNUAL AND AUDITED FINANCIAL REPORT

We, the duly elected Chief and Council for the Nisichawayasihk Cree Nation do hereby approve this year's Annual 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 Annual and Audited Financial Report has been forwarded to the Trustees 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 2008 fourth quarter report is attached to this year's Annual and Audited Financial Statement.

In compliance with Article 19.2 of the Trust Indenture, Notice of the Availability of this year's Annual 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 (April 30, 2009) to discuss this year's Annual, 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



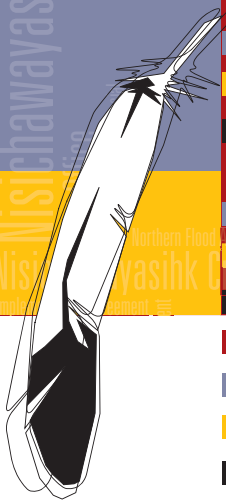
NCN Chief and Council, Chief Jim Moore and Councillors D'Arcy Linklater, Marcel Moody, Patrick Linklater, Shirley Linklater, Agnes M. Spence and Ron D. Spence

Trust, there are no powers to encroach on the capital of the Recreational account; therefore the \$459,632.42 will remain in capital of the account. The accumulated income is paid out in accordance with the terms of the Trust.

THE PROPOSALS APPROVED BY CAP FOR THE RECREATIONAL FACILITIES AND PROGRAMS SUB-ACCOUNT WERE AS FOLLOWS:

Maintenance Person	\$4,000.
Facilitators	\$5,000.
Swim/Bowl Program	\$15,000.
Recreation Retreat/Planning	\$5,000.
NCN Members Golf Tournament	\$5,000.
High Performance	\$4,000.
N.A.I.G.	\$25,000.
Maintenance Truck	\$25,000.
Softball	\$6,000.
Trophy Case	\$10,000.
Early Childhood Recreation Programs	\$8,000.
Sound System	\$15,000.
Special Events (NCN Day, Mothers, Fathers, Children Events)	\$15,498.
World International Broomball Championship in BC	\$25,000.
Minor Hockey	\$15,000.
NCN Recreational Salaries	\$6,600.
Total Proposals	\$189,098.





2008

THE PURCHASE OF A NEW MANITOBA BOND

The Nisichawayasihk Trust held a \$40,000,000 Manitoba Hydro-Electric Board Bond, paying 9.762% annual interest due June 30, 2013 ("The Bond"), which generated an income of \$3,904,800. 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 and the realized capital gain of approximately \$12,000,000 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 than 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 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, the income from the Nisichawayasihk Trust in 2011 would be considerably less than the current 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 is maintained
- Provide sufficient funds to meet 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. 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 per year. The face value of the serial bond decreases with each payment and ultimately the funds in the account decline to \$0.00 at maturity. In essence the serial bond can be viewed as a \$1,369,694.26 annual annuity that will end after June 30th, 2013. These funds will be used to help cover future CAP Budgets, which, coupled with administrative savings, will ensure 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 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 approximately \$45,550 in total, providing an overall savings of approximately \$136,650 to the Trust.

FINANCIAL OPERATIONS REPORT

Capital Payments Received by the Trust

The Trust earned net realized capital gains of \$224 during the course of the year through the sale of various investments. The capital gain realized was in the Recreation and Program Facilities Account.

In accordance with Schedule 2.2 and Article 2.51 of the Nelson House First Nation NFA Implementation Agreement, we confirm that the Trustees received a payment of \$268.76 from Manitoba Hydro for excursions from the compensated range. These funds were deposited to the Investment and Heritage Account as required by the Trust Agreement.

Revenue Received and Generated by the Trust

Total revenues generated in 2008 from Trust Investments were \$2,716,156.

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

Main Trust Account	\$2,303,899.
Investment and Heritage Account	\$366,370.
Claims Account	\$0.
*Recreation and Program Facilities Account	\$45,887.

*The Financial Statements show income of \$56,488 which includes income that has accrued on the investments to December 31, 2008. This accrued income will be paid in 2009.

Investment Commentary

The assets of the Nisichawayasihk Trust and the Investment and Heritage Account are invested in Manitoba Hydro bonds. The intention is to hold these bonds until maturity in 2013. The cash flow in these accounts up to June 30th, 2013 is known and is not affected by changing yields in the bond market.

The Recreation and Facilities Sub-account is invested exclusively in Bonds and short term fixed income investments. The maturity dates on the bonds is spread over a number of years to reduce the risk of having to reinvest all the funds at once when bond yields may be low.

The following is a general commentary on interest rates and bonds.

Demand for government bonds increased in 2008 as investors, wary of the stock markets, moved to the safety of government bonds. This increased the cost of a government bond and reduced the return an investor would receive if held till maturity.



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 2008 as follows.

IMPLEMENTATION OF SAFETY MEASURES, OPERATION, MAINTENANCE AND REPLACEMENT OF SPECIFIED REMEDIAL WORKS AND THE ARENA

The 1996 Comprehensive Implementation Agreement ('96 Agreement), Article 11.1, establishes and describes procedures for addressing issues related to Operation, Maintenance and Replacement of Specified Remedial Works and the Arena.

O & M BOARD

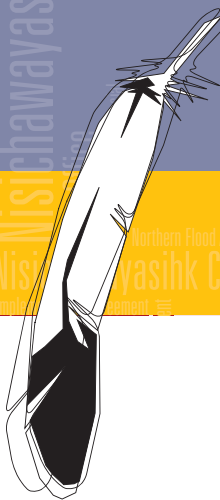
Article 11.2.1 addresses the establishment of an Operations and Maintenance Board as follows: *"Nelson House and Hydro shall, no later than thirty (30) days following the date of this Agreement, each appoint two (2) Members and one (1) alternate Member to constitute the O & M Board"*.

The Board membership currently consists of two Members from Hydro, Jack Dysart and Mark Sweeny, alternate Dale Hutchison, and two Members appointed by NCN Chief and Council, Norman Linklater and Curtis Lobster, alternate David Spence.

Duties of the Board: Article 11.3 of the '96 agreement outlines the duties as follows:

- (a). Carry out, at a minimum, annual inspections of the specified remedial works and Arena
- (b). Report and recommend to Nelson House and Hydro on:
 - (i). Whether the specified remedial works and the Arena are being properly maintained, operated and safeguarded
 - (ii). Whether work scheduled to be carried out is being carried, or has been, carried out in good and skilful manner
 - (iii). The appropriateness of plans for use, and hours for operation of the Arena
 - (iv). The maintenance program to be carried out during the fiscal year
 - (v). Whether maintenance, repair or replacement additional to the original recommendations is desirable
 - (vi). Capital repairs or improvements that could reduce the annual cost of operation, maintenance and replacement
 - (vii). Appropriate insurance coverage for the specified remedial works and the Arena,
 - (viii). Policing, security or programs to address vandalism against specified remedial works and the Arena and
 - (ix). Any other matter of relevance to the operation, maintenance and replacement of specified remedial works and the Arena.





(c). David Odaisky, a Professional Engineer, submitted an Annual Review and Inspection Report based on his inspection with the following recommendations:

- Repair and maintain emergency doors, threshold, panic door covers and fire extinguishers
- Remove partition walls in skate sharpening room
- Repair drainage from downspouts and develop positive drainage to minimize foundation damage
- Repair interior panel, roof gutters, damaged metal siding, bent metal siding base flashing,
- Replace ceiling access panel in Canteen area
- Remove clutter from mezzanine and hall
- Have fire inspector review and comment on equipment storage space on bleachers,
- Ensure maintenance and adjustments of all mechanical units are continued regularly
- Engage a contractor/consultant to balance the duct work in the heated portions of the building and develop an operations and maintenance manual
- Replace heater in the mechanical room should be replaced, and
- Engage an appropriate ice plant contractor/consultant to review the condition and operation of the ice plant units
- Operation Maintenance and Replacement/Gilbert McDonald Arena Budget.

Under Article 11.4.4 of the Agreement, Manitoba Hydro fulfilled its obligation by paying 90 percent of the Arena Operation and Maintenance costs. The Gilbert McDonald Arena fiscal year runs from September 1 through August 31 each year. During the 2008/2009 fiscal years, the Operation and Maintenance Board approved the Arena budget for \$482,291. In accordance with Article 11.7.2, Manitoba Hydro contributes 90 percent of the budget and NCN contributes the remaining 10 percent. NCN's contributing portion of 10 percent was obtained from the NCN Trust Office (CAP) funds. These funds were transferred to the Gilbert McDonald Arena in accordance with the disclosure requirement.

CAPITAL REPLACEMENT

The total expenditures for Capital Replacement in the 2008/2009 fiscal year was \$118,500 which included the following:

- Zamboni ice re-surface
- Interior metal siding
- Fire panel
- Parking Lot Paving – Only a portion of the parking lot could be paved in 2008 due to hydrocarbon contamination. The extent of the plume is not yet evident, but INAC has plans in place to address the situation this coming year.
- Storage shed
- High-speed Internet

SPECIFIED REMEDIAL WORKS

Schedule 11.1 of the '96 Agreement lists the following Specified Remedial Works:

Docks – Twenty-six floating docks. This number has decreased over the years due to vandalism. The docks are being stored in Hydro's Notigi yard to address this problem.



2008 Annual Report

NISICAWAYASIIK TRUST & TRUST OFFICE

Boat Skids – Twenty-four boat skids. Again this number has decreased over the years due to vandalism and the boat skids floating away.

About two years ago Council made a request to swap some boat skids for floating docks since hardly anyone used the boat skids. Hydro initially gave verbal agreement that this could be achieved on a basis of two boat skids for one dock. Our lawyer recommended we amend the '96 agreement because of the fundamental change in what was agreed to and the fact that the agreement is a four-party agreement (NCN, Hydro, Manitoba and Canada).

Marina Dock – The community dock was originally located in the bay adjacent to the United Church but, since it was not used enough, all parties agreed to have it moved to R.C Point. The agreement covers operations and maintenance.

Causeways – Four causeways are located within the community. Plans are in place to upgrade and pave them this year. Surveying, culvert replacement and post replacement has been completed to a certain extent.

A meeting has been called for April 2009 to begin discussions on the causeway repair plans.

Cemeteries – A request was made to Hydro for funding to have the cemeteries cleaned and maintained annually.

Shoreline Protection – Following an inspection of the shorelines in the community last fall, Hydro and NCN agreed on a riprap program to protect shorelines around Buck's Island and Otohewinihk, as well as some fill-in areas within the community. The budget for this work was set at \$80,000 with a majority of the work being completed on time. The fill-in spots will be done later.

Ceremonies of purification, blessing and others were performed in a manner consistent with the Wuskwatim Heritage Resource procedures. This was important since it is the first time Heritage Resource procedures have been followed in other areas of our RMA.

Boat Launch – Agreement was reached many years ago when the community dock was moved to locate the boat launch next to the community dock with Manitoba Hydro maintaining the boat launch.

Second Boat Launch – Agreement could not be reached last year on a location for a second boat launch. It is understood from Hydro that the funds are in place to proceed once a location has been determined.

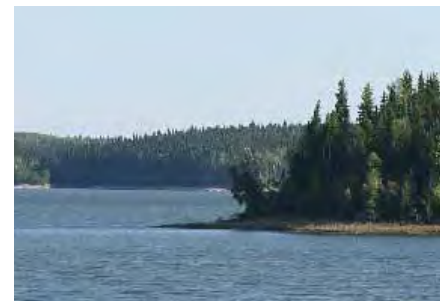
Safe Ice Trails – The Safe Ice Trails Initiative was established through a collaboration process between Hydro and NCN. Locations were determined based on advice from local Resource Users. Hydro continues to fund trail marking every year after thickness testing has been completed. NCN Members are contracted to mark the trails.

WATER REGIME PREDETERMINED COMPENSATION

Under Article 2.4.1 and 2.5.1 of the Agreement, the report for the period November 1, 2007 to March 31, 2008, provided by Manitoba Hydro, showed no deviation for the compensated range.

In January 2009, Manitoba Hydro paid the Nisichawayasihk Trust approximately \$271.52 for exceeding the parameters of the compensated range for the period from April 1, 2008 to October 31, 2008.

The funds were deposited into the Investment and Heritage Account and can only be accessed through the community approval process in a subsequent year, in addition to the \$3,700,000 that is currently available each year.





2008

Other Implementation Issues

COMPENSATION LANDS

The 1996 NFA Implementation Agreement provided for six parcels of provincial Crown lands (at Suwanee Lake, Wapisu Lake, The Junction, Leftbrook Lake, Baldock Lake and Odei River) to be transferred to 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. In 2008, two of the parcels (Suwanee Lake and Baldock Lake) became reserve land.

ENVIRONMENTAL MONITORING

Article 7 establishes and describes arrangements to coordinate environmental monitoring and share the information prepared. 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 has been no activity in this area.



Wuskwatim Implementation Office

Establishment of the Wuskwatim Implementation Office is a provision of the Wuskwatim Implementation Agreement (PDA). Operations began in August 2006 following the June ratification of the PDA by NCN Members and will operate throughout the Wuskwatim construction period, which is scheduled to take about five years.

Because the Wuskwatim project is a partnership between NCN and Manitoba Hydro, the role of the Implementation Office is:

- To ensure effective implementation of all agreed-to components of the PDA
- To ensure that the PDA commitments in contracts are honoured as specified
- To ensure all parties fulfil responsibilities to NCN
- To gather information on project progress and communicate with NCN Members
- To maintain ongoing discussion and liaison with Manitoba Hydro.

IMPLEMENTATION OFFICE SUPPORT TO MEMBERS AND THE COMMUNITY

Because of the Implementation Office's in-depth knowledge of the PDA, other agreements and generally "how things work", the office is able to provide a valuable support and advocacy role for Members and the Community. WIO support included:

- Advising members of the job application process and directing them to ATEC or the Job Referral Service in Thompson
- Advertising/promoting internal job postings with an NCN Member preference
- Seeking out training opportunities and assisting/referring NCN members in the application process
- Raising awareness and concern about the lack of background orientation and familiarization provided to NCN Members related to working under the Burntwood-Nelson Agreement. Many members are working under a collective agreement for the first time and their lack of familiarity with its requirements and provisions continues to be a source of frustration for many NCN workers
- Assisting NCN and NCN Members become aware of and access new Wuskwatim business opportunities
- Assisting NCN in prompting Manitoba Hydro action to protect shorelines from flood-related erosion. A key focus is the Oto-who-win-nihk area with historic significance as one of the first trading posts and settlements.

WUSKWATIM SAFETY MEASURES

As specified in the Project Development Agreement, Nisichawayasihk Cree Nation (NCN) and Manitoba Hydro have agreed to implement safety measures in the Wuskwatim area. The measures are to assist resource users in reaching their trap lines safely.

Winter Safety Trails

Five safety trails were originally identified for development, but only two are in use (Trails 1 and 5). Trail 3 was built, but because it runs through a Caribou Breeding Ground with related conservation concerns by both Hydro and NCN, it has been decommissioned and was not opened this past winter.



WUSKWATIM IMPLEMENTATION OFFICE

Implementation Office staff comprise:

- Norman Linklater, *Implementation Coordinator*
- Alvin Yetman, *Associate Implementation Coordinator*
- Mark Linklater, *Socio-Economic and Environmental Coordinator*
- Susan Kobliski, *Cross-cultural Coordinator*
- Darcy Linklater Jr., *Contract and Finance Administrator*
- Crystal Wood, *Finance and Administrative Assistant*
- Joe Moose, *On-site Counsellor*
- Christine Sawatsky, *On-site Counsellor*





NCN Members or trappers have been hired to undertake all trail development and Manitoba Hydro is responsible for ongoing maintenance.

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A site plan defining all components of the interpretive centre needs to be prepared and NCN has identified a work plan schedule for addressing the Footprints issue.

Wuskwatim Village

Wuskwatim Village, located on the Northeast side of Wuskwatim Lake, was home to some of our Members in the past (NCN Member Jimmy D. Spence was born at Wuskwatim Village, which is listed on his birth certificate as his birthplace). The Socio-cultural and Spiritual Issues section of the Adverse Effects Agreement has allocated \$125,000 to restore the campsite, which will include constructing a ceremonial tepee and cabins for use during ceremonies, retreats, gatherings, etc.

The Socio-cultural and Spiritual Committee addressing the Footprints situation is also responsible for the Wuskwatim Village project. They are working with representatives from Manitoba Hydro, partnership coordination along with WPLP to finalize the project, which is expected to be completed in 2009. A tepee structure, cook shack and storage area were to be built but more discussions are needed to address quantity, design, contracting and cost concerns.

ADVERSE EFFECTS PAYMENTS

NCN has been paid a total of \$5.7 million in compensation through the Taskinigahp Trust for disturbance of land related to the Wuskwatim Project.

Payments were keyed to important project milestones, i.e. signing of the PDA, start of the access road, site preparations and substantial completions of the access road, etc. The entire \$5.7 million has now been paid to the Taskinigahp Trust. The Transmission Line Project has a separate fund that is directly geared to funding resource programs and has a savings account within the Resource Account. Over \$180,000 has been allocated for programming in 2009.

WOODLAND CARIBOU COMMITTEE

The Woodland Caribou, for which NCN has expressed serious concerns, have been registered as a species at risk in the NCN Resource Management Area. NCN has two Members representing the First Nation on the Woodland Caribou Committee: retired commercial fisherman and trapper, Elder Sam Dysart, and retired Conservation Officer, Councillor Ron D. Spence. Manitoba Hydro and Manitoba also have representatives on the committee.

ADVISORY COMMITTEES

The PDA established a monitoring process for various aspects of the Wuskwatim project to ensure ongoing consultation with NCN Members.

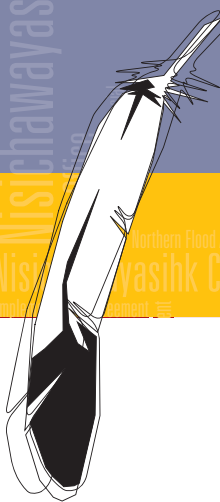
Three committees were created: the Advisory Committee on Employment (ACE), the Construction Advisory Committee (CAC) and the Monitoring Advisory Committee (MAC).

Advisory Committee on Employment, (ACE)

ACE hears and considers employment-related issues and complaints. The committee reviews complaints, grievances and tables referrals issues. It also provides advice to the Wuskwatim project manager about the appropriateness of job-order qualifications as well as advice on implementation of the on-the-job referral process, strategies, materials and processes for cross-cultural awareness training for project workers.

NCN Chief and Council have appointed two committee Members to ACE: Alvin Yetman and Terry Linklater.





2008

Monitoring Advisory Committee (MAC)

The MAC is consultative and advisory to the partnership. NCN's Members on the MAC receive regular updates regarding ongoing Wuskwatim Generation Project monitoring activities.

Through their participation on the committee, NCN's Members gain an understanding of economic, social and environmental project monitoring. The members' responsibilities include:

- Receiving regular project updates
- Providing input on monitoring activities and planning
- Reviewing public and regulatory reports.

NCN Chief and Council have appointed three NCN Members to the committee: Alvin Yetman, Allan Linklater and Jimmy Hunter-Spence representing the General Partner. The committee reviews socio-economic data, environmental data, physical environmental data, and ongoing environmental data during and after the project.

Construction Advisory Committee (CAC)

The CAC is responsible to WPLP and serves to provide accurate and pertinent project information to the limited partners as construction progresses. The committee is consultative and advisory to the partnership. NCN's Members on the CAC receive regular updates on:

- Engineering activity
- Number of contracts awarded to date
- Current and foreseeable environmental and regulatory issues
- Current and upcoming cultural events
- Current and upcoming on-site training activities
- Relevant project issues identified by Elders, community leadership, NCN Members, project managers and staff.

Through the CAC, NCN's concerns related to construction activities and management can be forwarded to the General Partner Board.

NCN Chief and Council appointed four NCN Members: Burnell Anderson, Ed Primrose, Dennis Linklater and Jimmy Hunter-Spence representing the General Partner to the committee. The committee reports directly to the partnership.

BUSINESS CONTRACTS

Direct Negotiated Contracts

At the outset of the project, NCN negotiated an estimated \$100 million in direct negotiated contracts.

NCLP in partnership with Strikiwski Ltd undertook and completed the 48-kilometre access road. The partnership also completed the work camp site including water and sewer installation and lagoon development.

NCN in partnership with Sodexo has an agreement to supply catering and security contracts, facility maintenance, recreation programming, and the WPLP convenience store, the profits from which fund annual scholarships for students in environmental studies.



Following the initial round of direct negotiated contracts for road construction and site preparation that have now concluded, NCN has initiated negotiations for new contracts that could include: sand hauling, boat landing shelter construction, courier services, waste disposal and laundry services.

In addition, a proposal has been submitted for NCN to conduct required monitoring activities identified in the PDA through a new business venture NCN has created.

Cross Cultural Program

As part of the PDA, NCN negotiated a cross-cultural component, a first of its kind in any major construction project. Susan Kobliski runs the program along with the other staff.

The program is designed to recognize and integrate traditional Aboriginal knowledge, teachings and practices to promote understanding and harmony between Aboriginal and non-Aboriginal workers and to acknowledge the importance of the land, water and living things in developing the Wuskwatim Hydroelectric project.

The program has three major responsibilities: Cross-cultural Awareness Training, Ceremonies, and On-site Counselling.

Cross-cultural Awareness Training – Cultural Awareness is a mandatory half-day program for all workers on site, which incorporates ceremonial, interactive and educational components to help Aboriginal and non-Aboriginal workers understand each others' cultures and perspectives. Each session includes such elements as: a smudging, an opening prayer, a presentation honouring our cultures; a short video on NCN history; discussion of Aboriginal perspectives on Medicines, Drums and Pipes and a closing prayer. Separate mandatory full-day sessions are designed for project managers with additional components.

The Cultural Program office schedules 16 sessions per year to provide frequent opportunities to attend, recognizing that new workers are starting on the project at different times. Ten NCN Members have been trained to present NCN history and traditions, with people hired for the event. Elders and youth also participate in the programs.

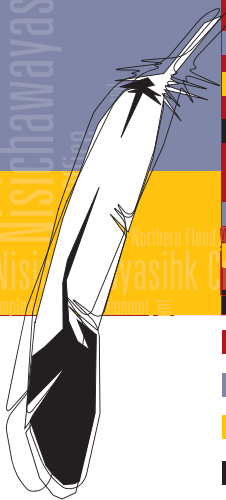
Ceremonies – Ceremonies are an ongoing part of the Wuskwatim project and required for major project components like the access road survey, access road and project transmission line construction, stream crossings, borrow pit openings, and discovery of human artefacts or remains.

Onsite Counselling – The Cultural Program delivers voluntary on-site counselling services available to all project workers using two staff: a traditional counsellor and a workplace counsellor. The traditional counsellor helps workers who may have difficulties adapting to the demands of the project. The workplace counsellor helps with such things as interpersonal problems on the job.

KEEYASK PUBLIC INVOLVEMENT PROCESS (PIP)

InterGroup, a Manitoba Hydro consultant, has submitted a request to NCN asking for NCN participation in the PIP process for the Joint Keeyask Development Agreement. NCN Chief and Council have not confirmed whether the First Nation is willing to participate. However, if participation does occur, the Wuskwatim Implementation Office will coordinate that activity.





2008

NCN/MANITOBA HYDRO COORDINATION MEETINGS

NCN representatives Chief Jim Moore and Councillor Marcel Moody, Financial Advisor Bruce Hickey and Wuskwatim Implementation Office representative Norman Linklater (or alternate Alvin Yetman) regularly meet with Manitoba Hydro representatives to address issues between NCN and Manitoba Hydro.

PROJECT DEVELOPMENT AGREEMENT (PDA) REVIEW

Since the Wuskwatim PDA negotiations began over five years ago, the global financial and economic environment has experienced dramatic fluctuations. Chief and Council began raising concerns with Manitoba Hydro late in 2007 when the value of the Canadian dollar soared along with Wuskwatim construction costs. They wanted to ensure that NCN will receive the maximum benefits possible from the Wuskwatim project.

To address concerns, Manitoba Hydro and NCN have agreed to undertake a review process to ensure the PDA remains fair. The review will try to ensure the benefits NCN receives are as good as, or better than, those projected at the time the PDA was signed. The review will include an analysis of the Joint Keeyask Development Agreement, which was negotiated in the recent economic climate, keeping in mind there are differences in the scale and other characteristics of the projects and the needs of the various communities.

As of the end of 2008, a budget and timetable had not been approved. The review process will require two additional staff positions be created at the Implementation Office to coordinate review activities.

OPERATIONAL EMPLOYMENT

NCN and Manitoba Hydro are undertaking a review of employment opportunities within Hydro's ongoing operations to increase NCN Citizens' employment within Hydro.

MONITORING

Socio-economic and Environmental Monitoring

To monitor predicted and actual environmental impacts, as specified in the Environmental Impact Statement, the Implementation Office hired Mark Linklater as Socio-economic and Environmental Coordinator. His responsibilities include operating a new NCN service company to provide trained monitoring personnel, supplies and rental equipment to Manitoba Hydro and other consultants assisting in environmental studies within the NCN Resource Management Area. NCN is also negotiating to directly contract the new company to conduct the environmental monitoring by providing trained staff and developing internal capabilities. Mark also assists the Monitoring Advisory Committee members.

In addition, NCN has been negotiating with Manitoba Hydro to monitor socio-economic effects relating to business spin-offs and employment statistics.

Worker Family Surveys

Socio-economic monitoring, including worker and family surveys related to employment experiences on Wuskwatim and the impact when employees are away from families for long periods are being undertaken. Additional information will be available from the survey about our citizens' experiences.



Population Monitoring

NCN wants to monitor the impact of the project on NCN's population as the project proceeds, related to Members and visitors coming back to live in the community. This biannual study is to be conducted in the second, fourth and sixth years of construction. NCN Members are expected to be hired to collect the data.

TASKINIGAHP POWER CORPORATION

To protect NCN assets from negative financial circumstances beyond our control related to the project, NCN has created Taskinigahp Power Corporation as a stand-alone corporation 100 percent owned by NCN that holds all NCN's shares in the partnership.

WUSKWATIM PARTNERSHIP (Wuskwatim Power Limited Partnership)

NCN is a general partner along with Manitoba Hydro on the project with two NCN Members sitting on the General Partner board – Jimmy Hunter-Spence and Councillor Marcel Moody.

In 2008, the second annual Year in Review (annual) report for the Wuskwatim Power Limited Partnership, which highlights work underway or completed during the year, was prepared and distributed to community Members. A Cree and English audio version of the report was prepared and is available on CD.

A Monitoring Overview report was prepared and also published and distributed to community Members. The report covers monitoring activities related to the socio-economic effect (businesses, hiring, etc) and environmental studies (i.e. physical environment, aquatic and terrestrial studies) in compliance with federal Department and Fisheries and Oceans and Environment Canada. It's an obligation specified in the Project Development Agreement and Environmental Impact Statement and identified at the Clean Environment Commission hearings. As with the Year in Review, an English and Cree audio version of the report was prepared and is available on CD.

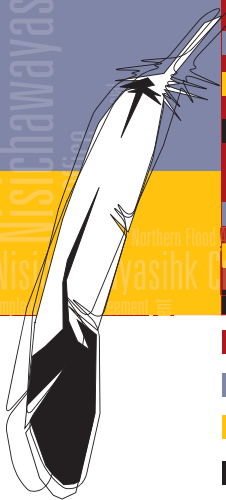


ACCESS PROTOCOL FOR WUSKWATIM AREA

Because the access road has made the Wuskwatim area accessible, NCN and Manitoba Hydro have agreed to have a Wuskwatim access protocol to control and define access to the area. A brochure outlining the protocol and a Wuskwatim Access form have been developed and are available from the Wuskwatim Implementation Office. NCN Members wishing to access the area for traditional activities (medicine gathering or trapping) contact the Implementation Office to obtain a permit, and the office contacts the access road gatehouse to advise that the Members will be coming to the area.

TRANSMISSION LINE PROJECT

The transmission line project that will connect Wuskwatim to Manitoba Hydro's power grid is not part of the partnership. Manitoba Hydro solely owns transmission lines. However, NCN has been receiving compensating funds for the power lines through the Taskinigahp Trust and NCN companies obtained contracts to clear the transmission line



2008

right of way. The NCLP/Strilkiwski joint venture undertook the clearing project from Birchtree Station to Wuskwatim and NCLP alone completed the section west from Wuskwatim to the boundary of NCN Resource Management Area.

MacARTHUR FOUNDATION

Chief and Council made a request to develop a proposal in partnership with the University of Winnipeg to access a grant from the U.S.-based MacArthur Foundation related to implementation of our Ethniesewin Program. A grant was awarded which was partly used to organize a trip of Elders and students to the Wuskwatim area to provide an opportunity for the Elders to teach the students how to identify and gather traditional medicines.

OFFICE RELOCATION AND RENOVATIONS

Following the ratification of the PDA and the transition from Future Development to the Wuskwatim Implementation Office, the trailers used as office space had to be released to NCN. As an interim measure, the Implementation Office rented an office complex from ATEC for a year. The former police station, which was vacant, was identified for the new office space. It required considerable renovation under the direction of an architect and was funded by the project.

TASKINIGAHF TRUST

The Taskinigahf Trust was established as part of the PDA to hold various monies derived from the Wuskwatim Generation Project including Adverse Effects Proceeds, Transmission Development Fund payments, TPC profits and dividends and dividend loans. At the end of 2008, the trust held \$6.6 million. Chief and Council have delegated the Trust Office to administer the trust and conduct the Community Involvement Process that is held jointly with the Nisichawayasihk Trust Community Approval Process.

One requirement set out in the Taskinigahf Trust was to hold three meetings between the establishment of the trust in 2006 and the third anniversary of the signing of the PDA on June 26, 2009. The purpose is to develop the first five-year plan for the trust's revenue. Until the end of 2008, no meetings had been held. To ensure compliance with the PDA, the meetings have been planned before the deadline.

The meetings will help determine community priorities for social, economic and community development initiatives for inclusion in a multi-year plan for longer-term initiatives for the use of trust funds. The meetings will present ideas for discussion that might be included in the plan as well as provide opportunities for NCN Citizens to put forward ideas. Once in place, the plan will be reviewed and updated every three years to ensure it remains current

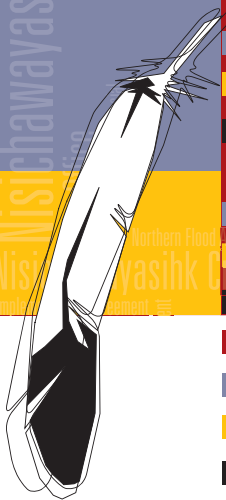
and continues to effectively deliver programs to the community. The trusts contains different accounts and funds including: Transmission Development Fund, Seven Generations Account, Seven Generation Growth Account, Resource Account, Resource Growth Account and the Community Development Account.

INTERCONNECTING OPERATIONAL AGREEMENT

The PDA describes the Wuskwatim Generating Station's design capacity as 200 megawatts of power. In actuality, the station will generate 223 megawatts, however the status of the additional 23 megawatts was never defined. An amendment to the PDA will be needed to incorporate that additional capacity. Generally, WPLP will receive all revenues from the additional power with Taskinighp Power Corporation receiving its proportional share of the distributions from this additional revenue.

The additional capacity also affects power transmission for the project. The cost of a feasibility study to develop an interconnecting operational agreement will be paid by Manitoba Hydro, not by the WPLP.

Any additional capital costs related to building the transmission line to carry the added energy produced will be incorporated into the formula used to calculate the benefits from the Transmission Development Fund. However, little or no extra cost is expected, resulting in little or no increase in Transmission Development Fund benefits.



2008

Results of the 2008 Community Approval Process

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 2008 fiscal year.

The CAP review committee initiates the first part of the community approval process by reviewing all applications for funding to ensure compliance with established CAP criteria and then calling the following meetings:

Preliminary Review Meeting

This two-day committee meeting was convened to review the funding application summary for 2008 by thoroughly reviewing and assessing individual applications, rating completed applications as low, medium or high in accordance with community priorities and preparing questions for all applicants.

Application Presentation Meeting

This two-day community meeting was convened for all applicants to present their funding proposals to the CAP committee and NCN Membership. The committee employed a score card assessment process to ensure each applicant was processed and weighed fairly. The process considered the following criteria in assessing the proposals:

- Benefits to the Community
- Innovation
- Management Capability
- Budget
- Evaluation

Application Assessment Review and Draft Budget Preparation

The CAP committee reconvened for a two-day meeting to thoroughly review the application presentations assessment and prepare a recommended budget for Chief and Council's approval.

The CAP committee re-assessed the score card assessments used at the applicant presentation meeting by reviewing the individual CAP committee's recordings in accordance with the high, medium or low ratings assigned and flagged discrepancies in ratings that were high or low. Each Member who represented high or low extremes explained their ratings and then the CAP committee determined if their ratings would be changed or maintained. The CAP committee then adjusted their assessments with respect to prioritizing which program/project should be funded. Concluding this process the committee prepared its first draft budget. The CAP committee was given time to reflect on decisions before the final budget review.

Finalizing a Recommended Budget

The CAP committee reconvened to finalize the budget, which involved making necessary adjustments to reflect on community priorities. A funding annotation summary was then prepared to provide a rationale for funding allocations to each proposal.

Chief and Council Meeting

Chief and Council reviewed the recommended budget, made minor revisions; and approved the 2008 CAP budget. A total of \$3,700,000 was budgeted and allocated to fund a wide variety of programs, which are listed with their respective budget in Figure 1 on page 23.



NCN Membership Meeting

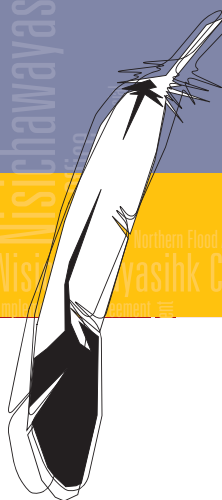
The final step of the community approval process was to meet with the community membership to present and approve the 2008 CAP budget.

In addition to programs and projects funded during the 2008 fiscal year, some programs were carried over from the 2007 CAP budget. These allocations may be paid to or expended by Chief and Council in a subsequent fiscal year for the same purpose and subject to the same restrictions in accordance to Article 10.5 of the Trust Indenture. For a complete list of all programs carried over from previous years refer to Figure 2 on page 24.

CAP Budget 2008 (Figure 1)

Program	Sub-Program	Budget In Dollars
Administration	Administration	450,000.
	Corporate Trustee	75,000.
	Nelson House Trustees	30,000.
	Professional Services	40,000.
	Arena Operation and Maintenance	40,000.
	Claims Program	45,000.
	Community Approval Process	60,000.
	Personal Care Home	200,000.
Capital Projects	Powwow Arbour	20,000.
Economic Development	NCN Achimowin Communications (NCN Cree FM 98.1)	100,000.
	NCN Development Corporation – Interim Manager	30,000.
	Wuskwatim Equity	500,000.
Education	Breakfast/Lunch Program	45,000.
	Special Education Program	50,000.
	Super Grads	5,000.
Housing	Housing Renovations	100,000.
	1 Unit Home Ownership Program	150,000.
Justice	Justice Program	48,000.
	NCN Policing Services	97,785.
Resource and Land Use	Country Foods Program	210,000.
	Fisherman Association	135,000.
	Resource Management Program	100,115.
	Trappers Association	110,000.
Public Works	Community Beautification Project	20,000.
	Dog Control	55,000.00
	NCN Emergency Services	200,000.
Social Development	Elders Traditional Program	115,000.
	Kanithim Waskikan (Caring House)	48,000.
	NCN Minor Hockey Association	75,000.
	NCN Youth Initiative ProGram	125,000.
	NHML 3rd Annual Round Dance	10,000.
	Parks and Recreation	45,000.
	Rediscoveries of Families Project	50,000.
	Zummer Adventure Camp	50,000.
	Powwow	75,000.
Other Programs	Elders Subsidy	111,100.
	NCN Christmas Cheer Board	30,000.
	Treaty 5 100th Anniversary	50,000.
Total Budget		\$ 3,700,000.





2008

Deferred Revenue (Figure 2)

Program	Sub-Program	Deferred Revenue
Administration	Administration	224,003.
	Corporate Trustee	134,144.
	Nelson House Trustees	15,239.
	Professional Services	10,795.
	Claims Program	21,873.
Capital Projects	Powwow Arbour	20,610.
Community Infrastructure	Community Aesthetics and Improvements	6,311.
Economic Development	Business Marketing Dev Corp.	4,315.
	Community Development Plan	35,000.
	NCN Investment Savings	422,736.
	NCN Recycling Program	2,895.
	NCN Achimowin Radio Program	81,906.
	Summer Student Employment	3,750.
	Wuskwatim Equity	1,860,812.
Housing	Home Opportunity Program	50,843.
	Housing Renovations	197,789.
	R.C. Church Renovations	163.
Justice	Justice Program	5,800.
	Governance	924.
Resource and Land Use	Country Foods Program	10,653.
	Resource Management Program	18,143.
	Trappers Association	107,477.
Social Development	Fitness Trail	1,580.
	Naig	84,742.
	NCN Minor Hockey Association	10,147.
	NCN Youth Initiative Program	34,341.
	Parks and Recreation	98,157.
	Senior Men's Hockey	6,891.
Shoreline Cleanup	Debris Management	23,261.
Other Programs	Elders Subsidy	5,250.
	NCN Christmas Cheer Board	424.
Total Budget		\$3,500,974.



Implementation Agreement

ADMINISTRATION

In 2008, \$450,000 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 nine full-time staff were employed with the Trust Office to assist in this work.

With the surplus from the previous year and interest income earned in the Community Development Account, funds were used to cover costs for the following:

- Installing a water and wastewater line from the main line to the Trust Office Building
- Upgrading accounting software
- Upgrading Microsoft Office software
- Upgrading some office equipment
- Covering close to \$142,752 in Program Deficits (Community Approval Process, Elders Traditional Program, Country Foods Program, Fisheries Program, Parks and Recreation and N.A.I.G.).

PROFESSIONAL SERVICES

In 2008, a total of \$40,000 was allocated for legal, financial, auditing, consulting and professional services. The NCN Trust office retains the following firms and professionals to assist with the technical aspects of the 1996 Implementation Agreement and to ensure compliance with all provisions:

Chartered Accounting Firm	- Hemenway Silver
Legal Services	- Valerie Matthews Lemieux Law Corporation
	- Elliot Leven Law Corporation
	- Myers Weinberg LLP Barristers and Solicitors
	- Duboff Edwards Haight and Schachter Law Corporation
	- Filmore Riley LLP Barristers and Solicitors
Business Professional Services	- 21st Century Systems (Financial)
	- Lewis Communications Inc.
Consulting Services	- Kris Breckman

PERSONAL CARE HOME

To meet the requirements of Article 8.3 (b) (i & ii) (c) (i & ii) of the 1996 Agreement, \$200,000 was allocated for the operation and maintenance of the NCN Personal Care Home.

These funds are transferred to the NCN Finance Department on a quarterly basis. All written, financial and audits are part of Nisichawayasihk Cree Nation Reports.

The NCN Personal Care Home continues to provide quality health care for all its residents at its first-class facility. The 24-bed facility provides care to meet the physical, social, emotional and spiritual needs of its residents.



ADMINISTRATION OFFICE

Administration Office staff comprise:

Joyce Yetman,
Director

Colleen Hunter,
Finance Comptroller

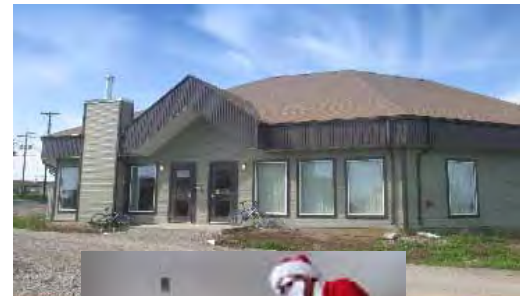
Karen Lewis,
Finance Clerk

Leona Linklater,
Administrative Clerk

Roslyn Moore,
Natural Resource Secretariat Director

Morley Moore,
Elders Traditional/Claims Officer

Darlene Clemons,
Maintenance & Janitorial Services





Claims

To maintain a minimum yearly balance of \$50,000 as specified in Article 12.2 of the Trust Indenture, funds are allocated every year to the Claims Account, including any carry over from the previous year. The adjustment takes place after the annual audit for the Trust Office is completed.

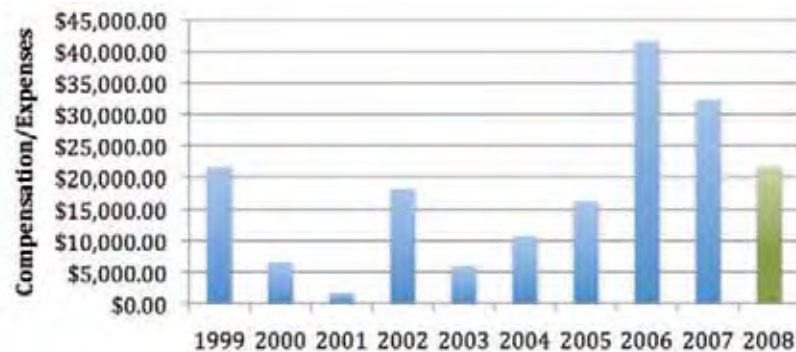
The intent of the Claims Account is to compensate NCN individuals or groups for damages caused by the Churchill River Diversion (CRD) Project. This consent was ratified through the 1996 Agreement.

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

Claims Officer Morley Moore, and Alternate Claims Officer Alan Linklater dealt with all claims matters. A total of \$21,653.38 in expenses, salary and compensations was paid out from the Claims Program in 2008.

The following Chart provides a 10-year analysis of the claims compensation paid out to NCN Members.

Claims Program 10-year Analysis



Capital Projects

PAVING NCN ROADS

In 2007, \$65,000 was allocated to the road-paving project. Funds were allocated to develop a business plan and feasibility study. To date little activity has occurred on the project, other than land surveying. The Public Works Department in consultation with Chief and Council has yet to decide what course of action to take on the project.

POWWOW ARBOUR

In 2008, \$20,000 was allocated in addition to a previous allotment of \$25,000 to construct and complete the Powwow Arbour.

The Powwow Arbour was completed in July 2008 in time for Nisichawayasihk Cree Nation to host a powwow in celebration of the 100th Anniversary of NCN's Adhesion to Treaty 5.



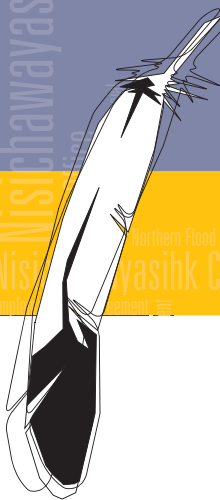
Community Infrastructure

COMMUNITY AESTHETICS AND IMPROVEMENTS

A total of \$6,311 was deferred from the 1998 CAP Budget. The NCN Trust Office has continued to use these funds for its initial purpose. Funds are used for supplies and equipment required for the community clean-up.

The remaining funds will be deferred to the next year and will be available for the next community clean-up in the spring of 2009.





2008

Economic Development

BUSINESS MARKETING DEVELOPMENT CORPORATION

A total of \$4,315 was deferred from the 2003 CAP Budget. Funds were allocated to the Nelson House Development Corporation to develop a Business and Marketing Plan and expend the funds according to the proposal submission.

Since then, the project manager has not provided a report or replied over the past few years. A recommendation may be forwarded to Chief and Council to have these funds re-disclosed to the community Membership in 2009.

NCN DEV. CORP – INTERIM MANAGER

In 2008, \$30,000 was allocated to the NCN Development Corporation to hire an interim manager to actively pursue economic development within our community. Approved funding was expended in its entirety in accordance to the proposal submission.

COMMUNITY DEVELOPMENT PLAN

A total of \$35,000 was deferred from the 2004 CAP Budget. Funds were allocated to the NCN Development Group to complete Phase I of the Community Development Plan and prepare for Phase II.

Most recently, a Steering Committee has been formed, which will proceed with development of a community plan.

NCN ACHIMOWIN COMMUNICATIONS (NCN CREE FM 98.1)

In 2008, \$100,000 plus the surplus of \$80,000 was allocated to NCN Achimowin Communications. NCN CREE FM 98.1 continues to be a vital communication service to the NCN Membership through the radio station.

With great effort, the station continues to serve the community with a variety of radio programs such as community news, weather and current events. This year, the station was upgraded with new equipment such as a new computer system and new audio equipment with soundproofing. Station operations are now more streamlined and delivery of on-air programming and music has improved. This year also saw the station launch its own website with live, online-streaming of station programming to allow NCN Members and others to connect from anywhere in the world with web access.

The main objective for NCN Achimowin Communications is to become financially sustainable, and to achieve this objective management has generated revenue through advertising, airtime sales and hosting local bingos.

Management has also achieved most of its objectives set out in the operational plan for 2008, however, had a few barriers and had to make a few sacrifices to ensure the plan continued to stay on track.

Based on positive feedback from community organizations and staff, significant improvements have occurred in local radio broadcasting program delivery. Radio station employees are more productive and are enjoying learning and using the new equipment.



NCN INVESTMENT SAVINGS

A total of \$422,736 was carried over from the 2001 CAP Budget. The funds were set aside to develop the casino project, which is on hold until the selected land is converted to reserve land or the Casino is constructed.

CONVERSION TO RESERVE LAND – MYSTERY LAKE HOTEL

Legal work during the last year largely focussed on addressing the Inco caveats that were registered against title to the Mystery Lake lands. This involved a two-pronged approach: first it attempts to have Canada understand that the Inco registrations were not an impediment to conversion; and second, an attempt to convince Inco to discharge the registrations, should Canada insist they needed to be addressed. Efforts to persuade Canada that the caveats could remain in place met with no success, thus the focus changed to working with Inco. This, in turn, required involving the Province of Manitoba to address Inco's concerns respecting their mining leases. Ultimately, we were successful in addressing Inco's concerns resulting in discharges of the Inco caveats registered in the Land Titles Office in November, 2008.

Assistance was also provided in developing the submission for the conversion, involving consideration of issues such as utilities and services and other matters affecting title. Council resolutions and briefing notes were drafted.

Preparation of draft by-laws began. A commitment under the Municipal Services Agreement is to ensure Mystery Lake lands will have land-use and occupancy by-laws similar to City of Thompson by-laws. Because powers of the Nation to make laws differ from the law-making powers of the City of Thompson, drafting of laws acceptable to the Nation, to Canada and to the City is time consuming.

NCN RECYCLING PROGRAM

A total of \$2,895 was deferred from the 2005 CAP Budget with the initial purpose to retain the recycling coordinator to manage the program including operation and maintenance of the recycling vehicle and equipment.

The Recycling Program no longer has an employee to manage the program and has been suspended.

SUMMER STUDENT EMPLOYMENT

A total of \$3,750 was deferred from the 2006 CAP Budget with the initial purpose to create summer employment for community Members.

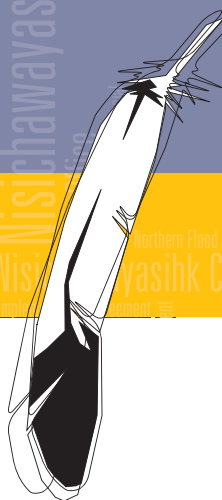
The amount specified in the above-noted figure covered the third-quarter funding, which was not transferred to the Human Resource Development Authority, since the NCN Trust Office did not receive the required HRDA Department's third and fourth quarter reports.

WUSKWATIM EQUITY

Wuskwatim received funding in the amount of \$500,000 in 2008, plus the deferred revenue, which was invested in a short-term redeemable guaranteed investment certificate (GIC) issued by Royal Bank of Canada bearing an interest rate of 3.25 percent per annum.

In July 2008, the GIC was redeemed and funds totalling \$1,923,617 were transferred to NCN's Wuskwatim Equity Account. The remaining funds were again invested in short-term redeemable investments.





Education

BREAKFAST/LUNCH (NUTRITION) PROGRAM

In 2008, \$45,000 was allocated to the Nutrition Program. The funds were used to provide a healthy nutritious breakfast, lunch and supper for approximately 400 students from the local O.K. Elementary and N.N.O.C. High School. The following table provides information on numbers of students who benefit from the program.

Number of Students who Benefit

	Breakfast	Lunch	Supper	Snacks (3x/week)
Elementary	40	70		200
High School			40	75-100

Healthy snacks such as fruit or raw vegetables are made available to students who may arrive at school late and hungry. The nursery and kindergarten students are provided with snacks twice per day and Grades 1 – 4 are provided with a snack three times a week.

The Nutrition Program is monitored by administrative staff every day and receives positive feedback from both parents and students.

SPECIAL EDUCATION PROGRAM

In 2008, \$50,000 was allocated to the Special Education Program. These funds are available to improve the quality of education and level of support services for special-needs students.

The Special Education Program has achieved, or is currently working towards, the following initiatives (based on identified objectives):

- Identified and assessed special needs students, with 180 students placed on individualized educational programs (IEPs)
- Provided 40 students with psych-educational assessments
- Increased inventory of resource-support materials for special-needs students with many manipulatives purchased and shared with teachers
- Acquired alternate reading – reading milestones and math, Embark and other age-appropriate materials for middle years and high school students
- Developed partnerships with other resources such as CNIB, FNIB, MFNERC, and Manitoba Association for the Deaf and Hard of Hearing with several representatives visiting the school monthly and working with special needs students
- Sent one deaf student with his parent to a camp for the hard of hearing
- Set up teleconferencing to allow two hard-of-hearing students to participate in signing exercises to increase their level of communication. These students are definitely benefitting from the much-needed support in the area of signing.

While all students have access to resource help in spite of levels of disability, some students only need minimal support such as counselling.



SUPER GRADS

In 2008, \$5,000 was allocated to the Super-grad Initiative intended to challenge and encourage Nisichawayasihk Cree Nation youth to complete their high school diploma within a given time frame. Successful candidates are rewarded with a trip to Europe to visit schools in other countries, to learn about other cultures and share their culture with youth in another country.

The selected students must pay into a \$1,000 self-investment fund and must participate in all fundraising activities. To date some students have already invested funds into the initiative and participated in fund-raising events but none had yet reached their target so the Super-grad allocation was unused.

The CAP Committee, with approval from Chief and Council, allocated the funds to demonstrate support and recommended the project manager re-submit the application in the succeeding year because the funds can only be used for the Super-grad Initiative.



Housing

HOME-OWNERSHIP PROGRAM (HOP)

Funds in the amount of \$50,843 have been deferred from the 1997 CAP budget. The HOP program was established to provide alternative housing for five community band Members.

Under this program, a \$38,000 building subsidy is provided to participants, plus an additional \$10,000 for water and sewage hook-up, on the condition that the prospective homeowner is able to secure a loan for building a new home in the amount of \$25,000 - \$42,000 from the Royal Bank of Canada and provide a minimum deposit of \$5,000. In addition to the requirements, the home must comply with Canada Mortgage and Housing Corporation (CMHC) standards and must be built on reserve. Community Members who meet all requirements qualify for the home ownership program.

To date, two community Members have met the above requirements and have successfully built and purchased their homes through this initiative.



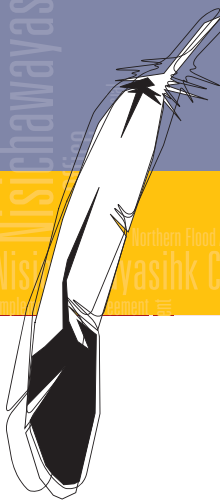
HOUSING RENOVATIONS

In 2008, \$100,000 was allocated to the Housing Renovation Program. The Nisichawayasihk Housing Authority Board of Directors selected two units (9 Trout Crescent and 32 Westwood Drive) that required extensive renovations.

Meetah Building Supplies and McDonald's Construction provided the building materials and labour to renovate the units. The renovation on the Trout Crescent unit was completed in October 2008 and the renovation to the other unit on Westwood Drive was a work in progress and nearing completion.

MODEL HOME FOR HOME-OWNERSHIP PROGRAM

In 2008, as recommended by the CAP Committee and approved by Chief and Council, \$150,000 was allocated to Nisichawayasihk Housing Authority (NHA) for use in building one show home as a pilot project. The intent was to determine the level of community interest among Members for buying their own homes.



2008

However, the Nisichawayasihk Housing Authority reported that because their initial funding proposal was not approved in its entirety and did not allow for effectively reducing the housing backlog, the Authority requested these funds be re-disclosed as per Article 8.3 and 8.5 of the Trust Indenture and reallocated to the Housing Renovations Program.

In November 2008, at a duly-convened Chief and Council meeting with the Membership, a fresh disclosure was made to the Membership and approval was granted to transfer the funds to the Housing Renovation Program.

R.C. CHURCH RENOVATIONS

Funds in the amount of \$163 have been deferred from previous years to complete the renovation of the R.C. Church Residence.

The Church memberships has been informed of these available funds, but have indicated they will use the funds to paint the church rectory.

Justice

NCN JUSTICE COMMITTEE

In 2008, the NCN Justice Committee received \$48,000 in Trust funds and identified nine objectives for their funding this year:

1. To establish an Intervention Committee

Although an Intervention Committee was established to be available to allow for community Members' voices to be heard, a current lack of resources such as time, money and a place to house the committee, is reducing its ability to provide full support. The authority of the committee is an issue as well as by-laws and enforcement.

2. To implement a family restoration process

This objective has only been partly achieved. Although families come to committee meetings to discuss interventions, limited human resources are available to fully achieve the goals and objectives.

3. To identify and recommend by-laws

By-laws that promote community safety have been identified but are on hold until the legal implications are identified.

4. To provide a support meeting for community Members

The meeting was held, which generated a high level of emotion and identified a lack of judicial authority at the community level.

5. To provide the committee with professional development and legal consultation

The committee successfully prepared a training plan to increase committee member skills and consulted with legal authorities for advertising issues. Scheduling of training was a challenge.

6. To create an orientation package for the justice committee

The orientation package was created, which provides clear direction for justice committee members about their role and responsibility to the community. For long-term planning capabilities to be successful, more resources are needed.

7. To allow Justice Committee Members to attend workshops and training during the year

Only three committee members were able to attend a gang violence conference in October 2008 because some members work full time and were unable to take time off to attend.

8. To provide honoraria to committee members

Honoraria were provided to five committee members, Jimmy Hunter Spence, Susan Kobliski, Judy Wood, Marilyn Linklater and Vernon Moody.

9. To renovate the Community Justice Office

New flooring was installed and a desk, chair, file cabinet and office equipment (computer and printer) were provided. The office is too small and more space is needed.

Public Works

COMMUNITY BEAUTIFICATION PROGRAM

In 2008, \$20,000 was allocated to provide the NCN Public Works Department with financial support necessary to coordinate and implement a Community Beautification Program for NCN community Members.

To date, no activity on the program has occurred, which will result in deferral of the funds to next year for the same purpose.

ANIMAL CONTROL

In 2008, \$55,000 was allocated to NCN Public Works Department to purchase new equipment and a dog kennel for the Dog Control Program to ensure a more humane way of controlling the pet population in Nisichawayasihk Cree Nation.

The program focused on three objectives set out in the proposal:

1. To purchase equipment and a dog kennel
2. To practice a more humane way of dealing with dog control in community
3. To hire an Animal Control Officer.

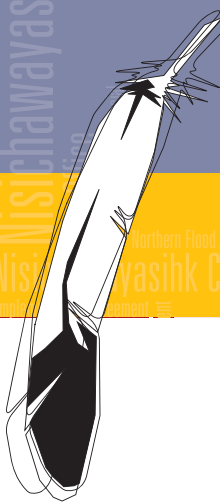
The Program, although successful in achieving all three objectives, was challenged to find a dedicated and reliable employee to fill this precarious occupation.

NISICHAWAYASIIHK FIRE AND EMERGENCY SERVICES

In 2008, NCN Fire and Emergency Services received \$275,000 in trust funds. Some was allocated to maintaining wages and salaries. The funding ensured another year of work for staff.

Some funding was allocated to equipment purchases including new hoses and essential rescue equipment for supporting rescue operations.





Resource and Land Use

RESOURCE MANAGEMENT

Management and Administration

In 2008, \$100,115 plus previous year surpluses were allocated to the Resource Management Program. During the year, under supervision of the Council Portfolio holders, the Resource Management Board of Directors managed the program. In the later part of the year, Chief and Council appointed the following board members:

- Bill Yetman
- Henry Linklater
- Mark Linklater
- Wilson Moore

As part of the Implementation Agreement, arrangements for joint management between Nelson House and the Province of Manitoba are outlined in the agreement and are dealt with in the Resource Management Board Meetings.

The Resource Management Board reviews all resource allocations, land-use applications, and licence/permit applications made within the NCN Resource Management Area. During the year, the Resource Management Board reviewed a number of land-use management and enhancement issues.

The majority of the funds were used for board honoraria, travel, meeting expenses and some office supplies.

Meetings and Workshops

The Resource Management Board met the required four times in 2008, with meetings held in Thompson and Nelson House. The board reviewed all licence/permit applications made within the NCN Resource Management Area. Two board members also attended the annual mining conference in Winnipeg to help board members learn about and understand how the mining industry operates.

COUNTRY FOODS PROGRAM

The Country Foods Program operated on a \$210,000 budget for 2008. Following is a summary of work activities performed by program personnel.

Operations

The program operates year-round and consists of a manager, field technician and seven hard-working and dedicated employees, who have made a commitment to ensuring the program operates in an efficient manner. A student was also hired during the summer. Employees provide all the expertise to ensure traditional foods are available at the centre and also maintain the Lefthook Lake camping facility that has five cabins, communal teepee and a cook shack.

Distribution

The program distributed 8,750 pounds of wild food and served 2,280 people. Wild food consisted of whitefish, jackfish, pickerel, sucker heads, moose meat, caribou meat, elk meat, rabbit, geese and ducks.



Harvest

The crew harvested 6,440 pounds of wild food. The wild food was harvested from the surrounding resource area, with the majority coming from Leftrook Lake.

Equipment Purchase

A meat cutter and grinder were purchased for the distribution centre and a service truck was purchased for deliveries.

Leftrook Lake Camping Facilities

The Family and Community Wellness Centre used the camping facilities to undertake some of its programs, mainly for gatherings of families, youth and Elders.

COMMERCIAL FISHERMAN'S ASSOCIATION

Management and Administration

The Nelson House Fisherman's Association (NHFA) is governed by a six-member board and employs a manager, grader, packer and runner.

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

Operating Periods

The annual commercial harvest for the Nelson House Fisherman's Association operates during two main seasons. 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.

Operations

The Association provides fishers with logistical assistance each season using the NHFA truck to transport boats, equipment, men and supplies to field locations. Fishers cover the expenses of the runner, who delivers supplies and picks up fish for the packing plant. Fishers received a subsidy totalling \$21,604.65, and \$52,776.23 in start-up funding including equipment.

Production

Fish production varies from lake-to-lake and species-to-species. The main species is walleye (pickerel) at \$5/kg, whitefish at \$1.91/kg (stand or export) or \$2/kg (other or cutter) pending classification and northern pike at \$.86/kg. Factors affecting operations include debris found on the CRD and the high cost of transportation to and from inland lakes.

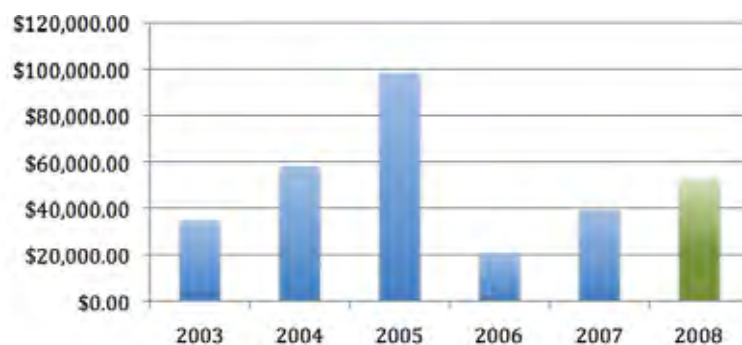
Meetings/Workshops

The NHFA board, management, and fishers held numerous meetings this year and most were focused on how to improve the fishery and ideas on how to increase production. Representatives from Manitoba's 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 representatives. The fishermen have also been involved with the Commercial Inland Fisheries Federation and the North West Fisheries Co-op.

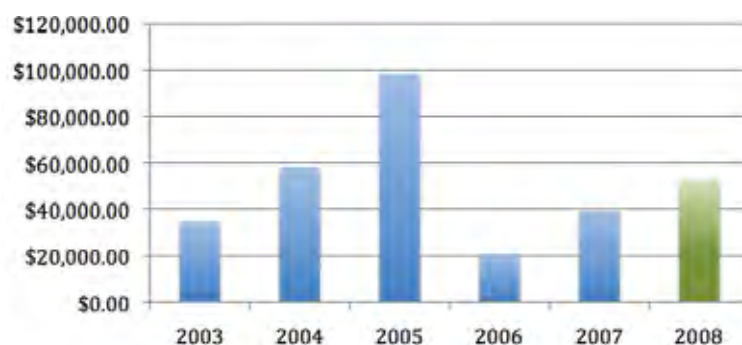
Plans for 2009

- To provide viable employment opportunities 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 fishing practice
- To assist in expanding in the international and global economy
- To continue using our renewable fisheries resources through traditional and sustainable practices.

NCN Fishermans Association Start-up Funding



NCN Fishermans Association Subsidy



TRAPPERS ASSOCIATION

Management and Administration

The Nelson House Trapper's Association includes a manager and four Local Fur Council members who oversee the program's operation. Two vacant positions were posted through the Human Resource Department for interested community Members who want to be on the Local Fur Council.

Operating Period

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

There has been an increase in trappers who use NCN's Resource Area – over 200 trappers this year up from approximately 150 trappers the year before.

The program provides a subscription to the Trappers Magazine for all active trappers so they can get information on upcoming activities or any new regulations concerning the trapping industry.

Meetings/Workshops

In February, the Local Fur Council, community members and some active trappers along with their families attended the provincial annual general meeting and convention in Ashern, MB which featured various competitions and displays.

Department of Natural Resources Representatives continued to make presentations on enforcement regulations, humane trapping, First Nation initiatives and general information on trapping and also answered trappers' questions.

The annual two-day Fur Table Auction in Thompson, traditionally held a week or so before Christmas, generated more than \$375,000 in sales. This year the event attracted 225 trappers, but has had over 300 trappers attend in past years.

Up to five licensed Manitoba fur dealers attend annually to inspect each trapper's lot of fur. Each dealer provides a quote for the lot and the trapper selects the best price. Trappers benefit from this on-site competitive demand for their furs. The December timing of the Fur Table also allows families from all over the north to meet with distant friends, learn about new furbearer-harvest and management techniques and do some shopping before returning to their communities.

It is organized by the Manitoba Trappers Association and has been the only such event in Canada.

Operating Program

The start-up program continues to be a success for trappers and youth during initial, primary and spring seasons. The maximum support per trapper is \$600 annually and includes a voucher for equipment such as traps, snares, knives and all other necessary trapping equipment that the program maintains.

The program continues the 50/50 snowmobile program where trappers provide 50 percent of the total snowmobile cost and the program loans the remaining 50 percent, which is repayable. Loans are based on previous year's fur production and account balance. Payments are made either directly or deducted from subsidy payments.

Another unique program offered to Registered Trapline Holders is the cabin materials program, allowing selected and qualified holders to receive a forgivable purchase order of up to \$3,000 for building materials that can be used for the floor or roof of a log cabin.

In 2008, subsidy payments totalled \$10,965.64 and start-up costs totalled \$28,310.

The program also ships pelts to North American Fur Auctions for trappers who wish to wait for fur auctions.

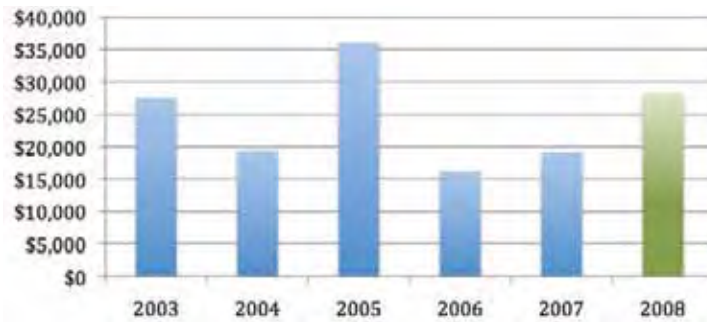


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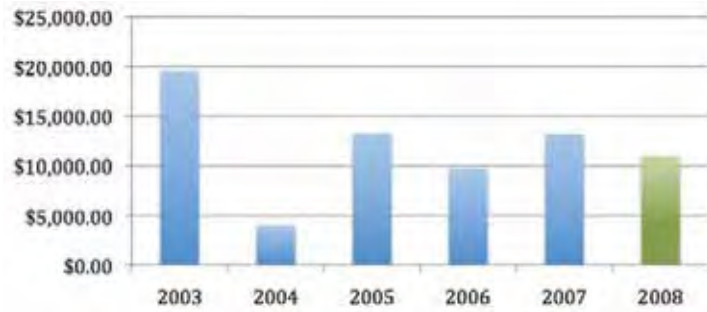
Plans for 2009

- 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 the Fur Council
- To offer NCN trappers an alternate buyer on furs other than the Northern Store.
- To establish a fur-buying market
- To keep NCN updated on standards and changes in the Trapping Industry
- To expand the local trapping economy internationally and globally
- To continue using our renewable resources such as wild fur species through traditional and cultural practices
- To promote the trapping industry by licensing more trappers
- To educate youth on trapping standards.

NCN Trappers Association Start-up Funding



NCN Trappers Association Subsidy



Social Development

ELDERS TRADITIONAL PROGRAM

In 2008, the Elders Traditional Program received \$115,000 from the CAP Budget. The program employs seven, including one supervisor and five Elders. The program runs a daily Outdoor Education Program involving seven students in the morning and eight students in the afternoon, along with a full-time teacher who works closely with staff. The Elders devote considerable attention to the students in teaching various cultural activities such as dressing fish, skinning pelts, making snowshoes, etc. Also, Elders and helpers assisted the O.K. School on various outdoor activities and events.

The Daycare and Head Start Program have been booking time slots for the children to take part in various cultural activities. This has been quite successful with a lot of interaction with the Elders and Children.

The Northern Store donated a glass display case to the program for displaying and selling handicrafts at reasonable prices to the public. The display case is located at the Family and Community Wellness Centre and it has generated considerable sales from visitors as well as custom orders.

NELSON HOUSE MEDICINE LODGE 3RD ANNUAL ROUND DANCE

Funding of \$10,000 was allocated to the Nelson House Medicine Lodge 3rd Annual Round Dance and was allocated to the following:

- Honorariums for Elders, helpers, drum groups, singers and the Master of Ceremonies
- Rental of a public address system
- Cleaning contract
- Material and supplies for the event (i.e.: tobacco, cloth, etc.)
- Promotion and advertising
- Food for feast
- Gifts for give away.

This annual event played an integral element of our community's character by restoring, reclaiming and promoting our Cree traditions and culture. It also provided a venue for the positive substance-abuse-free socializing through singing and dancing that has cultural relevance to our community.

FITNESS TRAIL PROJECT

A total of \$1,580 was deferred from the 2001 CAP Budget for the fitness trail project, but no activity has occurred on this project throughout the year.

The NCN Trust Office in consultation with the Project Coordinator will use the funds to upgrade and maintain the Fitness Trail.

PARKS AND RECREATION PROGRAMMING

In 2008, \$45,000 was allocated to the Parks and Recreation Department for the recreation director's salary, in addition to a carried-over surplus of \$98,157, to meet all objectives set out by the Parks and Recreation Department.



Soccer Program

The soccer program provides opportunities for children to prepare for soccer and participate in a structured league. NCN children have been defending champions for two consecutive years thanks to the coaches and drivers. Success is winning the league championships two years in a row. Lack of funding is a barrier.

Co-ed Volleyball Tournament

NCN hosted this event, which encourages youth to participate at the middle- and high-school levels and allows players from across Manitoba to participate at a competitive level. The event generated considerable spectator interest with an average of 150 spectators per day. Successes were establishing NCN's credibility and barriers were lack of facilities and event costs.



Youth Badminton Tournament

Before holding the tournament, NCN recreation ran the badminton program for two months with the tournament held for motivation at the end. The program also provided opportunities to educate spectators who come to watch about the game. The tournament attracted 20 competitors, ages 10 and up. Success was measured by the increase in NCN Members who know how to play.

Hockey-Day-in-Canada

NCN hosted this event in recognition of Canada's national sport, an event that is celebrated annually across Canada in different ways. NCN celebrated by organizing a sponge puck hockey tournament complete with hot dogs, drinks and door prizes for all. Successes were parent participation.

Local Hockey Tournament

This event provided NCN youth and adults with the opportunity to participate at a competitive level. This also provided a social opportunity for spectators. The event attracted over 100 participants per day. Successes were a lot of excitement and laughter with the lack of officials as a barrier.



Minor Hockey Tournament in Saskatoon

This event was a reward to the minor hockey players who consistently participated in the 2008 minor hockey program. Twenty players participated, with success measured in the enjoyment of participating and having fun. Lack of parental involvement was a barrier.

35-plus Hockey Tournament

NCN Parks and Recreation holds this tournament to keep older recreational players active and motivated to continue playing and the event attracted 50 participants. The Department provided prize money and door prizes for the spectators. Successes were a lot of fun and laughter. Barriers were lack of equipment.

Norman Winter Games

NCN community athletes from our community trained in the following sports for the Norman regional games: co-ed volleyball, basketball, badminton, curling and cross-country skiing. This annual event gives our athletes the opportunity to showcase their abilities at the Norman regional level. Twenty-five NCN athletes 16 years and up participated in the male and female categories. Success was winning a silver medal.



In 2008, \$84,742 was carried over from previous years. All expenditures were used to offset costs associated with Nisichawayasihk community Members participating in the North American Indigenous Games held in Cowichan, B.C. The Games' purpose is to bring athletes together from across North America to compete at elite levels in the following sports: soccer, fastball, volleyball, basketball, golf, track and field, lacrosse, badminton, canoeing, archery and baseball.

NCN athletes, supported by their parents and spectators to cheer on the athletes, had the opportunity to participate in the seven-day event, where they engaged in intense competition.

Fifteen of the 45 NCN Members attending the games were local athletes representing Team Manitoba. NCN athletes brought back 10 medals.

MINOR HOCKEY ASSOCIATION

In addition to the surplus, \$75,000 was allocated to the Minor Hockey Association.

In 2008, the Parks and Recreation Program assumed management of the Minor Hockey Association. During the year, funds were expended on operations and maintenance of the canteen, equipment room and office space rental. Other expenses included:

- Operation and maintenance of the skate sharpener
- Office supplies and equipment leases (fax, telephone, etc)
- Operation and maintenance of Minor Hockey vans
- Travel for hockey evaluation camps and training camps
- Minor Hockey administration staff participation in regional meetings held for Norman region by Hockey Manitoba
- New and used hockey equipment for youth
- Minor Hockey registration fees for all categories
- All costs associated with participation of a few minor hockey players in the league in Thompson
- Minor Hockey teams' participation in local and out-of-town tournaments.

The Minor Hockey Program also provided employment for community Members. The Minor Hockey Association has touched many Members of Nisichawayasihk Cree Nation through the opportunity to play hockey, watch hockey, visit new places, participate in hockey schools and basically learn team spirit and fair play.

SENIOR MEN'S HOCKEY PROGRAM

A total of \$6,891 was carried over from the 2006 CAP Budget with all surplus funds used to offset costs associated with hosting the annual George Linklater Senior Men's Hockey Tournament including funding for prize payouts along with fees for referees and time keepers. Remaining funds were used for participation by the senior men's hockey team in an out-of-town hockey tournament and a donation to youth broomball and hockey tournaments

REDISCOVERIES OF FAMILIES PROGRAM

The Rediscoveries of Families Program is operated by Counselling Services at the Family and Community Wellness Centre. Jackie Walker is the program manager and Raymond Sandburg is the program coordinator. The program received \$50,000 in CAP funding this year.

The program explored three areas.

1. The land as a link to traditional values and beliefs

The objective of this initiative was to provide families with the opportunity to reconnect with the land and internalize traditional values and beliefs.





2008

The program was delivered through two retreats, one for grandmothers, mothers, and daughters at Mile 34, and one for grandfathers, fathers, and sons at Leftrook Lake.

The program coordinated activities that involved using the natural resources within the surroundings of our community to provide Cree cultural teachings and using the land as a resource for survival and teachings. With the three-generation families, the program explored how traditional values and beliefs are carried out and taught in their families.

Success was measured through the opportunity families had to carry on with open communication and teaching one another with their strength-based system inherited from the ancestral teachings of their relatives. Being with nature provided a therapeutic environment and served as a natural stress reliever.

The Rediscovery of Families' Project was delivered concurrently with the Zummer Adventure Camp at the Mile 34 camp site. However, families expressed concern about distractions created by the children during their discussion groups, which made it difficult to maintain focus on the topic. Parents were concerned for the safety of their children, particularly with the camp being close to the highway.

2. The land as a source for food, medicine and spirituality

The objective of this initiative was to reconnect with the land as a source of food, medicine and spirituality.

All participants were given the opportunity to learn about cleaning and filleting fish, picking medicinal plants and picking berries. In addition, participants were shown sacred artefacts in our resource area. Interestingly, some of the elderly women who participated did not know how to pick or clean medicines.

The only barriers to success identified were limited space, blankets and bedding. Some equipment got wet from transporting by boat.

3. Identifying family strengths, weaknesses and relationship solutions for everyday life

The objective of this initiative was to provide families with the support required to identify family strengths and other issues that have negatively impacted family functions and to find practical solutions for use in everyday life.

This initiative was delivered at a combined single-women's and youth retreat and one family trip to Leftrook Lake.

Through the use of the family tree and the kinship system, these participants were to identify family relationships and discuss how participants are related to one another. The youth helped the women with traditional activities in return for learning from their Elders.

This approach was a very effective way to develop relationships, carry on the kinship system and create a connection between the youth and women in a positive and productive fashion. In addition, some of the women were residential school survivors and retreating back to their own cultural roots for inner-child healing was definitely evident. Participants found the program so rewarding that they did not want to return to the community, however due to budget constraints, limiting the length of stay and the number of trips was necessary.

KANITHIM WASKIKAN (CARING HOUSE)

The Kanithim Waskikan Program was created for disabled women and is operated by Counselling Services at the Family and Community Wellness Centre. Jackie Walker is the program manager and Shannon McIvor is the program coordinator. The program received \$48,000 in CAP funding this year and only ran from January to July 2008 due to overall funding constraints.

The program focussed on three areas: providing safety and care, providing mentoring support, improving health care.

1. Providing safety and care

The objectives for this part of the program were to provide a safe and secure environment and 24 hour supervision and care for the female clients.

The objectives were achieved by reducing the rate of homelessness, protecting and preventing client involvement with alcohol and drug misuse or abuse. Four staff were hired to provide immediate supervision and care, and for teaching life skills.

A mobile home purchased by the Petapun Trust was used to house at least 5 women with disabilities. It was well equipped, furnished and wheelchair accessible.

The program provided clients with some stability in their lives, a sense of security and safety. Clients living in the facility were well cared for, taught to live independently and help mentor each other. The facility provided an opportunity for young women to have a place to call home. It is a one-of-a-kind facility on a First Nation Community in Canada.

Unfortunately funding did not sustain the program for the year, resulting in the layoff of the employees hired to supervise and mentor the clients, who had to be temporarily placed with relatives.

The Counselling Service Program had to deal with crisis intervention services of continually finding placements for the women.

2. Providing mentoring support

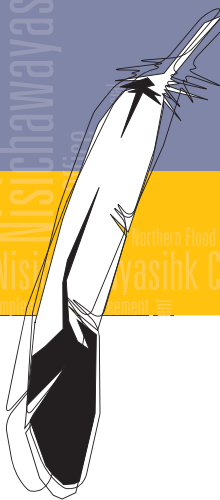
The objectives for this part of the program were to provide clients with mentoring support and opportunities to learn life skills and independent living skills.

Through this initiative, clients became healthier and developed a greater sense of self-esteem and belonging.

Activities to achieve the objectives included staff-organized excursions such as trips to visit the Juniper Centre in Thompson, arts and crafts events and traditional ceremonies. Clients learned personal hygiene skills and life skills such as cooking, cleaning, budgeting and shopping.

Success was measured in observing a significant improvement in overall client health, establishment of positive peer relationships with other women housed in the facility who also helped each other. The clients also established better relationships with their immediate families and developed hope in their lives.

Because funding could not sustain the program and with no other facilities available to meet their needs, there was considerable regression with many clients reverting to living in fear and feeling a sense of hopelessness. Their social assistance funding was also reduced. Federal and jurisdictional issues and lack of political advocacy for the program complicated the situation.



2008

3. Improving health care

The objectives for this part of the program were to improve access to health-related services and improve service coordination.

Results in achieving the program objectives were reduced risks of diabetes, malnutrition and depression, paranoia and anxiety.

Activities put in place to achieve the objectives included: coordinating circle-of-care meetings involving all Wellness Centre service providers along with family members, ensuring clients attended regular appointments; monitoring health and well-being; arranging for and providing greater access to quality services; coordinating with family members to escort clients to doctor's appointments outside of the community; and providing clients with on-going counselling and therapeutic services.

Through the program, clients adjusted well to their routine schedule with evidence of a significant improvement in health, well-being and an overall improvement in demeanour. Family members were more supportive and trustful of the process the counselling service undertook to ensure their well-being.

Because funding could not sustain the program, concerns have arisen that client health could deteriorate quickly without adequate care and supervision along with the potential for neglect and lack of support from immediate family once placed in their care. There has also been a re-emergence of a sense of hopelessness and potential for homelessness.

Recommendations

Program organizers recommended that all service areas remain, which may require additional staff training.

Although clients were provided with 24-hour supervision and care to help them achieve independence, funding constraints would require the program be cut to 12 hours daily.

The program needs sustained permanent funding to avoid shutdown and better qualified mental-health and health professionals are needed to address client needs.

NCN YOUTH INITIATIVE PROGRAM

In 2008, the Youth Initiative received \$125,000 in trust funds plus a \$34,341 carryover from the previous year.

This year the program identified nine objectives for its funding:

1. To fulfil hiring requirements to run the program

The program identified that an associate coordinator, an activities instructor and a maintenance worker were needed to run the program. The program provided a budget and a work plan to the Trust Office and advertised the positions through HRDA. The program successfully hired NCN youth for the program, even though few had applied.

2. To ensure all operating costs were met

This objective addressed the timely payment of all utility and communications bills for the Youth Resource Centre. All operating costs were met with invoices submitted to the Trust Office. The Internet account was discontinued however.

3. To operate the Youth Resource Centre

The program was able to run the youth week activities, develop a strong youth council leadership, host barbeques and attend the youth council. Barriers to operating the program included lack of workers, lack of participants, limited space with more repairs needed for the building, better preparation and lack of transportation.

4. To ensure all needs for events and out-of-town conferences were provided and that NCN youth attended

The Youth Initiative contributed to several events:

- Youth/Elders gathering in Wuskwatim which provided Traditional medicine teachings
- Leading-from-within conference with Marylou Linklater
- Hollow water youth gathering in conjunction with AMC and MKO
- Tori's Run 2008, a fundraiser for cancer
- Youth/Elders gathering at Mile 20
- Troy Lake youth retreat teaching living off the land
- Co-ed basketball tournament
- Football kick with Troy Westwood
- Mantio-Ahbee, youth education workshops.

The program would benefit from more adult chaperones, volunteers, transportation and drivers.

5. To provide funding for the Unity Run that precedes the Cree Nations Gathering each year

The Unity Run in August 2008 began in Grand Rapids and concluded in The Pas. The event attracted national youth representatives and provided a healthy activity that creates pride for participants and the community. A shortage of transportation and drivers was a barrier.

6. To provide funding to invest in the Three River's Restaurant as a cost/revenue sharing business venture with ATEC

This venture employed five NCN youth with ATEC providing training for food handling and preparation. Although this initiative was successful, it proved to be time consuming.

7. To secure funding for a van

Although transportation has proved to be a challenge for many of the Youth Initiative programs, funding was not made available to purchase a van.

8. To organize a cost-shared youth conference with the Aboromedia company

The conference did not take place due to lack of communications, Aboromedia's location out of province and the Youth Initiative's involvement with other programs.

9. To secure funding for advertising the program

Advertising was conducted using the local radio station and businesses, and providing a Youth Initiative program guide to the community.





ZUMMER ADVENTURE CAMP

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

The Zummer Adventure Camp operated for its fifth year in 2008 with \$50,000 in CAP funding.

In its CAP application, program organizers identified seven objectives for the camp which were all achieved:

- To provide community Members with opportunities to build positive social relationships
- To provide children and youth with positive recreational and personal development opportunities
- To provide children and youth with opportunities to build skills
- To provide children and youth with the opportunity to learn about the land and internalize traditional values and beliefs
- To provide children and youth with opportunities to build self-esteem and a positive self-image
- To teach children and youth traditional skills such as medicine picking, cleaning fish, hunting and canoeing
- To provide youth with opportunities to gain independence through one and two week canoe excursions to Leftbrook Lake.

Evaluating the program results in relation to seven performance outcomes and deliverables provided the following conclusions.

1. Increasing the camp participation rate, increasing awareness on healthy relationships and ensuring safety

Daily attendance logs indicated attendance rates reached 150 participants, which may have been helped by rewards offered to students for participation. Regarding safety procedures, each day all safety rules and regulations we reviewed with the participants.

2. Reducing alcohol and drug addictions by 10 percent of total population

Students were involved in awareness walks including a diabetes walk. Participants created drug and alcohol awareness posters and our one-week excursion trips took our youth to alcohol- and drug-free environments.

Children and youth were invited to an overnight excursion at Mile 34 for cultural teachings and sweats.

3. Educating pre-teens about the effects of alcohol and drug addictions

Training was provided on substance use awareness, date rape, teen pregnancy and more.

4. Increasing understanding of cultural values and norms by 20 percent of population

Elders were important mentors at Mile 34 who spoke to the children in the Cree language and taught participants to make canoes and moose callers, bake bannock, prepare fish and sew.



5. Increasing awareness and providing accessibility to support services for educating our youth on making healthy choices

Students were made aware of support and services within the First Nation and given a list of outreach numbers to take home. The Wellness Centre also provided transportation for the participants when needed. The camp provided a curriculum that teaches about the medicine wheel and substance abuse.

6. Continuing to increase youth interest in cultural teachings and practices

Students were provided the opportunity to learn about NCN cultural values and teachings by going to Leftrook Lake and learning from the Elders.

7. Decreasing and preventing youth from joining gangs

Students were required to stay drug and alcohol free during the program and had workshops on appreciating diversity and communication.

Factors Contributing to Success

Program organizers identified several factors contributing to success:

- The camp was able to attract about 200 registrations, excluding children who went with their parents to camp and children in the care of CFS
- The Youth initiative provided space for the camp at the youth centre, allowing the camp to hold its Youth wellness week there
- With assistance of the Wellness Centre, counselling services provided the camp with transportation and the camp was also able to rent the Head Start bus.

Barriers to Achievement

Program organizers identified several barriers to achievement:

- Lack of parental involvement and support for children attending the camp
- No permanent space for indoor activities for youth when weather conditions were not suitable for outdoor activities
- The Wellness Centre was not always able to provide transportation when the centre was busy
- Some parents didn't take time to drop off the camp consent form so their children were unable to participate.

Looking Ahead

Based on an evaluation of barriers and successes, the program will continue to use the existing curriculum, provide training for students and to hold workshops for kids. The program will continue to offer week-long excursions to Leftrook Lake, along with sports and swimming for fitness and traditional crafts.

In terms of changes needed for future camps, a public awareness and promotion program is needed that includes: posting more signs and posters in the community to encourage parental support, preparing a program brochure/schedule for the public and distributing registration forms to our community Members. Indoor space to run the program will be requested, either at the school or Duncan Wood Memorial Hall.

Other Support

Other NCN departments, agencies or groups including Headstart, youth initiative, counselling, diabetes program, Country Foods, CFS, and RDF provided support for the program.



2008

POWWOW

In 2008, \$75,000 was allocated to assist the Nisichawayasihk Powwow Committee meet financial obligations associated with the re-institution of the traditional Powwow in our community. The Powwow is a seasonal, traditional healing ceremony of the Cree Peoples which entails ancestral prayers, songs, dances, ceremonial feasting and giveaways, all within the Cree customs and traditions. The Powwow ceremony is the summer-season ancestral healing practice of the Cree people who regard the event as a principle life-saving strategy inasmuch as participants are required to forego all forms of intoxicant.

The 2008 Powwow was a three-day community event open to the general public that was hosted on July 25-27, 2008. This three-day event was part of the Centennial Commemoration of Adhesion to Treaty 5 which included presentations and ceremonies of, by and for persons and friends of the Cree. As in previous years, the event attracted Elders, singers, dancers and traditional practitioners from Alberta, Saskatchewan, Manitoba and most parts of the United States.

Elders Noah Cardinal from Saddle Lake, Alberta and Clifford Rabbitskin, from Big River Saskatchewan were joined by singers and event contributors from their respective communities. The Honorable Eric Robinson, Manitoba Minister of Culture and Howard Walker jointly served as the Masters of Ceremonies while Glen Lewis of Chitik Lake, Saskatchewan provided spiritual support and guidance throughout the event.

The Powwow weekend entitled, "Honoring our Past, Focusing on a Bright Future" showcased the history, practices and processes of the Cree Nation. Besides participants from Alberta and Saskatchewan, the event covered all costs associated with hosting the event including honoraria and travel expenses for Elders, singers, daily payouts, visitors and guests to attend Nelson House plus such necessities as ceremonial tobacco, flags, feasts and giveaway items for the ceremony.



Other

ELDERS SUBSIDY PROGRAM

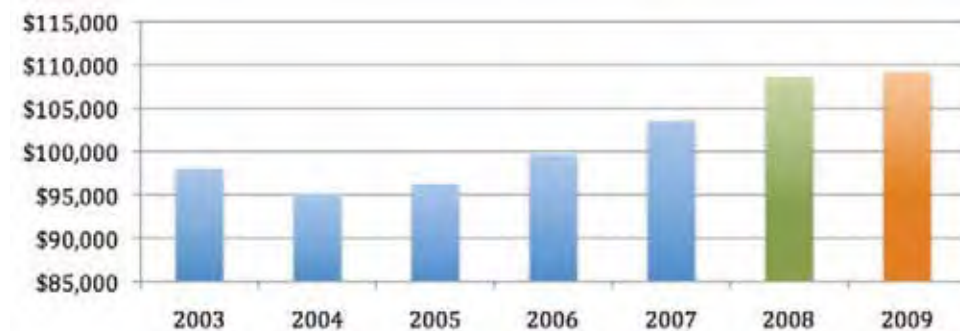
The Elder Subsidy Program is a unique program designed specifically for Elders residing on the Nisichawayasihk Cree Nation (reserve) that provides community Elders with a monthly subsidy of \$100 to supplement their pensions and other benefits.

In 2008, \$108,600 in CAP funding was allocated, in addition to a surplus from last year, to subsidize a total of 92 Elders.

To participate, Elders must meet the following eligibility requirements:

- Must be an NCN Member 65 years old (one month passed your 65 birthday) and living on reserve
- Must have a permanent place of residence in Nisichawayasihk Cree Nation
- Must have been residing on reserve prior to the 1977 Northern Flood Agreement
- Must provide identification and status card for proof of age and membership
- Special consideration is given to NCN Members living off reserve for medical reasons. Documentation from a medical doctor must be provided
- Special consideration is given to NCN Members living in a personal care home.

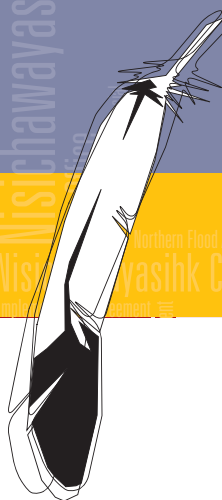
Elders' Subsidy – Seven Year Analysis



NCN CHRISTMAS CHEER BOARD

In 2008, \$30,000 was allocated to the NCN Christmas Cheer Board whose main purpose is to provide gifts for children and a food hamper for each household in Nisichawayasihk Cree Nation.

The NCN Christmas Cheer Board is a community-based, non-profit organization that has been serving the community since 1993. The Cheer Board obtains funding through fundraising events in addition to monetary donations from various organizations. The organization's main monetary supporters over the past years are: Nisichawayasihk Cree Nation, Family and Community Wellness Centre, NCN Trust Office, Country Foods Program, Fisherman Association, Trappers Association, Elders Traditional Program, Nelson House Education Authority, Nelson House Medicine Lodge, Hemenway Silver, RBC Private Counsel, Valerie Matthews-Lemieux Law Corp, Unies Ltd., plus various external businesses, organizations and agencies.



2008

Over the past few years with countless hours of volunteer work, three dedicated individuals have taken time from their families and personal lives to ensure that the following Christmas Cheer Board goals are met:

Purchase, wrap and deliver gifts to children under the age of 14 years – to ensure that each child has something to look forward to on Christmas morning.

Purchase, sort and deliver food hampers to each household in NCN – to ensure that all families have a hot meal on Christmas Day.

In addition, the program recruited many community volunteers who worked many hours to ensure the program achieved its goals.

For the 2008 Christmas season, the Cheer Board provided gifts for 894 children living in the community and delivered 454 food hampers to all households outlined in the following table:

Location	NB-1 year		2-5 Years		6-8 Years		9-11 Years		12-14 Years		# of Gifts	Food Hampers
	F	M	F	M	F	M	F	M	F	M		
Bayroad	12	11	28	35	17	20	24	23	18	31	219	107
Dog Point	2	0	7	13	7	11	5	1	3	3	52	49
Hart's Point	0	0	5	9	2	5	4	3	2	4	34	20
Hillside	4	6	14	19	9	14	13	9	10	8	106	61
Little R.C.	0	0	3	1	2	3	3	0	0	1	13	8
Medicine Lodge	1	0	1	0	2	0	0	0	0	0	4	4
Michelle Pt.	0	0	2	3	2	2	0	2	4	1	16	5
New Area	5	3	29	33	21	27	35	30	26	29	238	92
Nursing Station	0	0	0	0	0	0	0	0	0	0	0	4
R.C. Point	6	4	19	12	15	19	11	14	13	15	128	64
School Area	1	1	0	0	1	2	0	0	12	0	17	8
Wasasihk	0	1	2	0	0	0	0	1	13	0	17	5
West Wood	0	1	6	5	3	7	8	6	8	6	50	27
Totals	31	27	116	130	81	110	103	89	109	98	894	454

2008 Annual Report

NISICHAWAYASIIHK TRUST
FINANCIAL STATEMENTS



2008

Nisichawayasihk Trust Financial Statements

Year Ended December 31, 2008



W.J. Hemenway, B.A. C.A. - Partner (ret.)
A.M. (Arnie) Silver, B.A., C.A. - Principal
Jerrold 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, 2008 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, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
February 27, 2009

Hemeway 20th

CHARTERED ACCOUNTANTS



Member of
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2008 Annual Report

NISICHAWAYASIIHK TRUST FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2008

	General Fund	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2008	Total 2007
ASSETS						
CURRENT ASSETS						
Cash	\$ 544,429	\$ 25,953	\$ 109	\$ 699,010	\$ 1,269,501	\$ 1,000,060
Accrued interest	-	-	-	-	- 0	-
Due from Nisichawayasihk Trust Office	4,212	-	-	-	4,212	4,212
Due from General Fund	-	-	1,800	-	1,800	1,800
	548,641	25,953	1,909	699,010	1,275,513	1,006,072
INVESTMENTS (NOTE 8)	40,000,000	1,531,801	-	5,363,513	46,895,314	47,252,264
	\$ 40,548,641	\$ 1,557,754	\$ 1,909	\$ 6,062,523	\$ 48,170,827	\$ 48,258,336
LIABILITIES						
CURRENT LIABILITY						
Due to Claims Fund	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 1,800	\$ 1,800
RESTRICTED CAPITAL (PAGES 5, 7 AND 8)						
	40,546,841	1,557,754	1,909	6,062,523	48,169,027	48,256,536
	\$ 40,548,641	\$ 1,557,754	\$ 1,909	\$ 6,062,523	\$ 48,170,827	\$ 48,258,336

APPROVED

STATEMENT OF RESTRICTED CAPITAL/GENERAL FUND

(YEAR ENDED DECEMBER 31, 2008)

	2008	2007
BALANCE, BEGINNING OF YEAR	\$ 40,160,253	\$ 40,207,990
Adjustment on Trust assets	413,624	-
Gain/(loss) on bond dispositions	-	(458,769)
Income on Trust assets	2,304,185	2,047,462
	42,878,062	41,796,683
Transferred to Unrestricted Capital - Community Development Fund	2,329,421	1,636,430
BALANCE, END OF YEAR	\$ 40,548,641	\$ 40,160,253

2008 Annual Report

NISICHAWAYASIIHK TRUST FINANCIAL STATEMENTS

STATEMENT OF RESTRICTED CAPITAL – INVESTMENT AND HERITAGE FUND

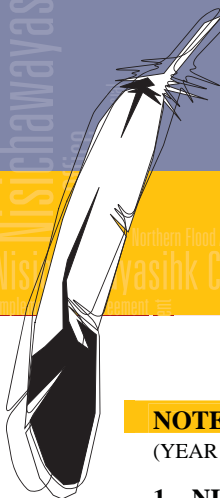
(YEAR ENDED DECEMBER 31, 2008)

	2008	2007
BALANCE, BEGINNING OF YEAR	\$ 7,066,463	\$ 8,230,658
Transfer to Unrestricted Capital		
- Community Development Fund (NOTE 8)	(1,370,579)	(2,356,370)
Income on restricted funds	366,639	271,030
Gain (loss) on investment dispositions	-	921,145
BALANCE, END OF YEAR	\$ 6,062,523	\$ 7,066,463

STATEMENT OF CASH FLOWS

(YEAR ENDED DECEMBER 31, 2008)

	General Fund	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2008	Total 2007
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash from interest income	\$ 2,304,185	\$ 45,973	\$ 0	\$ 366,370	\$ 2,716,528	\$ 1,924,937
Cash from other revenue	413,538	641,135	-	501,670	1,556,343	-
Cash transferred to Trust Office	(3,700,000)	(189,098)	(45,000)	-	(3,934,098)	(4,341,110)
Cash transferred from Trust Office	-	-	45,000	-	45,000	45,000
Cash transferred to/(from) General Account	1,370,665	(86)	-	(1,370,579)	-	-
Net cash received from (paid for) operating activities	388,388	497,924	-	(502,539)	383,773	(2,371,173)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	-	743,664	-	515,816	1,259,480	213,181,901
Purchase of investment	-	(1,373,812)	-	-	(1,373,812)	(231,886,739)
Net cash received from (paid for) investing activities	-	(630,148)	-	515,816	(114,332)	(18,704,838)
INCREASE (DECREASE) IN CASH FOR THE YEAR	388,388	(132,224)	-	13,277	269,441	(21,076,011)
Cash, beginning of year	156,041	158,177	109	685,733	1,000,060	22,076,071
CASH, END OF YEAR	\$ 544,429	\$ 25,953	\$ 109	\$ 699,010	\$ 1,269,501	\$ 1,000,060



NOTES TO FINANCIAL STATEMENTS

(YEAR ENDED DECEMBER 31, 2008)

1. NISICHAWASIIHK TRUST

Nisichawayasihk 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 (\$40,000,000) dollars.

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.

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, 2008 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.

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 sources.

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.

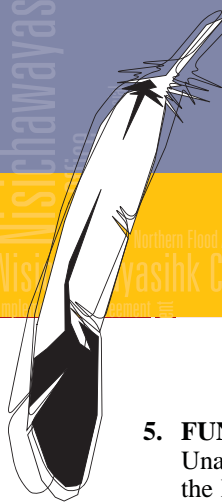
f) Management Estimates and Assumptions

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.



2008

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, 2008) will be transferred to the Investment and Heritage Fund.



8. INVESTMENTS

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

	2008		2007	
	<u>COST</u>	<u>MARKET</u>	<u>COST</u>	<u>MARKET</u>
General Fund				
Manitoba Hydro 5.750%	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000
Community Development Fund				
Canada Housing 3.55%	113,381	115,616	113,381	114,420
Canada Housing 3.70%	114,776	-	114,776	114,724
Canada Housing 3.75%	109,021	113,492	109,021	109,306
Canadian Imperial Bank of Canada	745,148	745,148	-	-
Farm Credit Canada Corp. 3.80%	113,749	121,411	113,749	112,884
Ontario 4.00%	99,980	101,132	99,980	99,908
Ontario 4.50%	113,942	121,547	113,942	115,781
Ontario 4.75%	99,979	107,726	99,979	102,144
Toronto Municipal 4.90%	100,000	105,729	100,000	102,367
Subtotal - Community Development Fund	1,609,976	1,531,801	864,828	871,534
Investment and Heritage Fund				
Manitoba Hydro-Electric Board	5,363,513	5,363,513	6,380,730	6,380,730
Total Investments - All Funds	\$ 46,973,489	\$ 46,895,314	\$ 47,245,558	\$ 47,252,264

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 \$486,634 at December 31, 2008) 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, \$1,370,579 was transferred to the General Fund to supplement the 2008 Funds Available amount.

2008 Annual Report

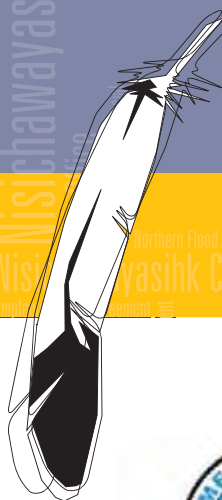
NISICHAWAYASIIHK TRUST OFFICE
FINANCIAL STATEMENTS



2008

Nisichawayasihk Trust Office Financial Statements (Note 1)

Year Ended December 31, 2008



W.J. Hemenway, B.A. C.A. - Partner (ret.)
A.M. (Arnie) Silver, B.A., C.A. - Partner
J.A. Griffiths, B. COMM. (HONS.), C.A. - Partner
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, 2008 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, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
February 27, 2009

CHARTERED ACCOUNTANTS



Member of
The Institute of
Chartered Accountants
of Manitoba



201 - 930 Jefferson Avenue Winnipeg, Manitoba R2P 1W1 Phone 204-694-8999 Fax 204-694-6885 e-mail: hsilver@icenter.net

2008 Annual Report

NISICHAWAYASIIHK TRUST OFFICE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2008

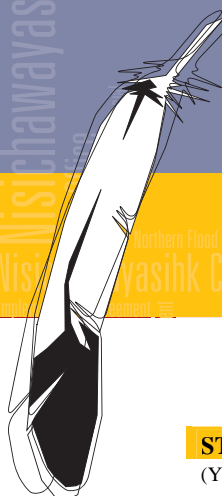
	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2008	Total 2007
ASSETS					
CURRENT ASSETS					
Unrestricted cash	\$ 2,021,852	\$ 0.00	\$ 0.00	\$ 2,021,852	\$3,778,896
Restricted cash (NOTE 7)	-	61,662	-	61,662	37,723
Interest receivable	7,601	-	-	7,601	11,153
Advances receivable (NOTE 3)	9,485	-	-	9,485	14,072
Short-term investments (NOTE 3)	446,245	-	-	446,245	430,427
Due from Taskinagahp Trust	-	5,600	-	5,600	-
Due from Claims Fund	10,695	-	-	10,695	11,638
	2,495,878	67,262	-	2,563,140	4,283,909
RESTRICTED CASH (NOTE 6)	52,882	-	-	52,882	51,292
PROPERTY AND EQUIPMENT (NOTES 3 AND 4)	86,764	-	-	86,764	79,625
	\$ 2,635,524	\$ 67,262	\$ 0.00	\$ 2,702,786	\$4,414,826
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 724,769	\$ 0.00	\$ 0.00	\$ 724,769	\$ 818,377
Due to Nisichawayasihk Trust	-	8,476	-	8,476	4,212
Due to Community Development Fund	-	10,695	-	10,695	11,638
	724,769	19,171	-	743,940	834,227
DEFERRED FUNDING (PAGES 6, 21 AND 30)	1,823,991	48,091	-	1,872,082	3,500,974
	2,548,760	67,262	-	2,616,022	4,335,201
NET ASSETS					
NET ASSETS					
Invested in property and equipment (PAGE 20)	86,764	-	-	86,764	79,625
Unrestricted (PAGE 5)	-	-	-	-	-
Restricted (PAGES 21 AND 22)	-	-	-	-	-
	86,764	-	-	86,764	79,625
	\$ 2,635,524	\$ 67,262	\$ 0.00	\$ 2,702,786	\$ 4,414,826

APPROVED

TRUSTEE _____

TRUSTEE _____ TRUSTEE _____

TRUSTEE _____ TRUSTEE _____



STATEMENT OF UNRESTRICTED NET ASSETS

(YEAR ENDED DECEMBER 31, 2008)

	2008		2007	
BALANCE, BEGINNING OF YEAR	\$	0	\$	0
Surplus (deficit) for the year		-		-
BALANCE, END OF YEAR	\$	0	\$	0

SUMMARY STATEMENT OF FUNDING, EXPENDITURES AND SURPLUS – COMMUNITY DEVELOPMENT FUND

(YEAR ENDED DECEMBER 31, 2008)

PROGRAM	NISICHAWASIIHK TRUST FUNDING	OTHER REVENUE	DEFERRED FUNDING 2007	DEFERRED FUNDING 2008	TOTAL REVENUES	TOTAL EXPENDITURES	SURPLUS
Implementation Agreement (PAGE 67)	\$ 895,000	\$ (83,983)	\$ 384,181	\$ (309,330)	\$ 885,868	\$ 885,868	\$ 0
Capital Projects (PAGE 68)	20,000	-	20,610	-	40,610	40,610	-
Community Infrastructure (PAGE 68)	-	-	6,311	(6,053)	258	258	-
Economic Development (PAGE 69)	630,000	74,111	2,411,414	(997,940)	2,117,585	2,117,585	-
Education (PAGE 70)	100,000	-	-	-	100,000	100,000	-
Governance (PAGE 70)	-	-	924	(924)	-	-	-
Habitation (PAGE 71)	250,000	2,340	248,795	(203,345)	297,790	297,790	-
Justice (PAGE 71)	145,785	-	5,800	-	151,585	151,585	-
Public Works (PAGE 73)	275,000	-	-	-	275,000	275,000	-
Resource and Land Use (PAGE 72)	555,115	144,755	136,273	(197,889)	638,254	638,254	-
Shoreline Debris Clean-up (PAGE 73)	-	8,399	23,261	(31,660)	-	-	-
Social Development (PAGE 74)	593,000	351,452	235,858	(69,542)	1,110,768	1,110,768	-
Other (PAGE 75)	191,100	4,049	5,674	(7,308)	193,515	193,515	-
	\$ 3,655,000	\$ 501,123	\$ 3,479,101	\$ (1,823,991)	\$ 5,811,233	\$ 5,811,233	\$ 0



2008 Annual Report

NISICHAWAYASIIHK TRUST OFFICE
FINANCIAL STATEMENTS

STATEMENT OF FUNDING AND EXPENDITURES – IMPLEMENTATION AGREEMENT PROGRAM

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWAYASIIHK TRUST	\$ 895,000	\$ 895,000	\$ 923,985
INTEREST REVENUE	-	40,000	51,085
TRANSFER TO SUB-PROGRAMS (NOTE 10)	-	(142,752)	(25,051)
OTHER REVENUE	-	18,769	7,985
DEFERRED FUNDING - 2006	-	-	310,506
DEFERRED FUNDING - 2007	384,181	384,181	(384,181)
DEFERRED FUNDING - 2008	-	(309,330)	-
	1,279,181	885,868	884,329
EXPENDITURES			
Administration (SCHEDULE 1)	674,003	446,870	393,597
Community approval process	60,000	70,518	39,054
Corporate trustee	209,144	65,349	135,740
Gilbert McDonald Arena O&M	40,000	40,000	40,000
Nelson House trustees	45,239	16,473	34,575
Nisichawayasihk Personal Care Home Inc.	200,000	200,000	200,000
Professional services	50,795	46,658	41,363
	1,279,181	885,868	884,329
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0

2008 Annual Report

NISICHAWAYASIIHK TRUST OFFICE
FINANCIAL STATEMENTS

STATEMENT OF FUNDING AND EXPENDITURES – ECONOMIC DEVELOPMENT PROGRAM

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWAYASIIHK TRUST	\$ 630,000	\$ 630,000	\$ 766,000
INTEREST REVENUE	-	42,052	78,610
OTHER REVENUE	-	32,059	52,751
DEFERRED FUNDING - 2006	-	-	1,651,198
DEFERRED FUNDING - 2007	2,411,414	2,411,414	(2,411,414)
DEFERRED FUNDING - 2008	-	(997,940)	-
	<u>3,041,414</u>	<u>2,117,585</u>	<u>137,145</u>
EXPENDITURES			
Business Marketing Development Corp.	4,315	-	-
Community development plan	35,000	-	-
NCN Achimowin radio and television	181,906	142,862	137,145
NCN Development Corporation manager	30,000	30,000	-
NCN investment savings	422,736	-	-
NCN recycling	2,895	-	-
Summer student employment	3,750	-	-
Wuskwatim equity	2,360,812	1,944,723	-
	<u>3,041,414</u>	<u>2,117,585</u>	<u>137,145</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0



2008

STATEMENT OF FUNDING AND EXPENDITURES – EDUCATION PROGRAM

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 100,000	\$ 100,000	\$ 100,000
EXPENDITURES			
Hot lunch/breakfast	45,000	45,000	5,000
School breakfast	-	-	45,000
Special education	50,000	50,000	50,000
Super grads	5,000	5,000	-
	100,000	100,000	100,000
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0

STATEMENT OF FUNDING AND EXPENDITURES – GOVERNANCE PROGRAM

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
DEFERRED FUNDING - 2006	\$ 0.00	\$ 0.00	\$ 924
DEFERRED FUNDING - 2007	924	924	(924)
DEFERRED FUNDING - 2008	-	(924)	-
	924	-	-
EXPENDITURES	924	-	-
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0.00	\$ 0.00	\$ 0.00



2008 Annual Report

NISICHAWAYASIIHK TRUST OFFICE
FINANCIAL STATEMENTS

STATEMENT OF FUNDING AND EXPENDITURES – HOUSING PROGRAM

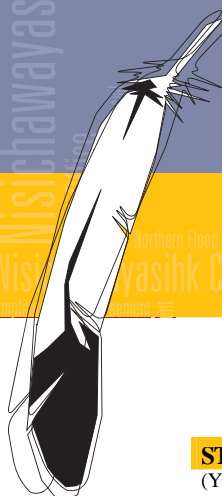
(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 250,000	\$ 250,000	\$ 100,000
INTEREST REVENUE	-	2,339	2,969
DEFERRED FUNDING - 2006	-	-	401,150
DEFERRED FUNDING - 2007	248,795	248,795	(248,795)
DEFERRED FUNDING - 2008	-	(203,345)	-
	498,795	297,789	255,324
EXPENDITURES			
1 Unit Home Ownership Program	150,000	-	-
Home opportunity program	50,843	-	-
Housing renovations	297,789	297,789	255,324
R.C. church renovations	163	-	-
	498,795	297,789	255,324
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0

STATEMENT OF FUNDING AND EXPENDITURES – JUSTICE PROGRAM

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 145,785	\$ 145,785	\$ 182,600
DEFERRED FUNDING - 2006	-	-	5,800
DEFERRED FUNDING - 2007	5,800	5,800	(5,800)
	151,585	151,585	182,600
EXPENDITURES			
Justice program	53,800	53,800	32,600
Policing services	97,785	97,785	150,000
	151,585	151,585	182,600
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0



2008

STATEMENT OF FUNDING AND EXPENDITURES – RESOURCE AND LAND USE PROGRAM (YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 555,115	\$ 555,115	\$ 421,000
TRANSFER TO SUB-PROGRAMS (NOTE 10)	-	41,658	9,838
LOAN RECOVERIES	-	34,399	38,274
EQUIPMENT SALES	-	27,511	24,809
OTHER REVENUE	-	41,187	17,312
DEFERRED FUNDING - 2006	-	-	314,891
DEFERRED FUNDING - 2007	136,273	136,273	(136,273)
DEFERRED FUNDING - 2008	-	(197,889)	-
	691,388	638,254	689,851
EXPENDITURES			
Country foods program	220,653	234,817	247,935
Fishermen Association	135,000	234,332	274,157
Resource management program	118,258	33,647	74,711
Trappers Association	217,477	135,458	93,048
	691,388	638,254	689,851
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0



2008 Annual Report

NISICHAWAYASIIHK TRUST OFFICE
FINANCIAL STATEMENTS

STATEMENT OF FUNDING AND EXPENDITURES – PUBLIC WORKS PROGRAM

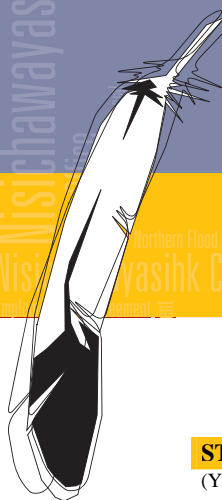
(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWAYASIIHK TRUST	\$ 275,000	\$ 275,000	\$ 275,000
EXPENDITURES			
Community beautification project	20,000	20,000	-
Dog control	55,000	55,000	-
NCN emergency services	200,000	200,000	275,000
	275,000	275,000	275,000
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0

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

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
INTEREST REVENUE	\$ 0	\$ 8,399	\$ 10,976
DEFERRED FUNDING - 2006	-	-	12,787
DEFERRED FUNDING - 2007	23,261	23,261	(23,261)
DEFERRED FUNDING - 2008	-	(31,660)	-
	23,261	-	502
EXPENDITURES			
Debris management	23,261	-	502
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0



2008

STATEMENT OF FUNDING AND EXPENDITURES – SOCIAL DEVELOPMENT PROGRAM (YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 593,000	\$ 593,000	\$ 929,115
TRANSFER FROM			
NISICHAWASIIHK TRUST (NOTE 9)	189,098	189,098	303,310
INTEREST REVENUE	-	6,167	8,536
TRANSFER TO SUB-PROGRAMS (NOTE 10)	-	98,301	15,213
OTHER REVENUE	-	57,886	90,336
DEFERRED FUNDING - 2006	-	-	217,221
DEFERRED FUNDING - 2007	235,858	235,858	(235,858)
DEFERRED FUNDING - 2008	-	(69,542)	-
	1,017,956	1,110,768	1,327,873
EXPENDITURES			
Elders traditional	115,000	140,335	183,081
Fitness trail	1,580	-	-
Kanithim Waskikan (Caring House)	48,000	48,000	118,000
NCN Minor Hockey Association	85,147	68,511	200,278
NCN Youth Initiative Program	159,341	153,532	128,811
NHML annual round dance	10,000	10,000	10,000
North American Indigenous Games	84,742	85,232	42,101
Parks and recreation	332,255	406,492	360,221
Pow wow	75,000	91,913	-
Rediscoveries of families project	50,000	50,000	100,000
Senior men's hockey	6,891	6,753	40,881
Tae kwan do	-	-	25,000
Zummer adventure camp	50,000	50,000	119,500
	1,017,956	1,110,768	1,327,873
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0



2008 Annual Report

NISICHAWAYASIIHK TRUST OFFICE
FINANCIAL STATEMENTS

STATEMENT OF FUNDING AND EXPENDITURES – OTHER PROGRAMS

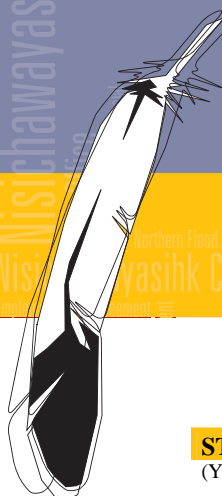
(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 191,100	\$ 191,100	\$ 185,100
TRANSFER TO SUB-PROGRAMS (NOTE 10)	-	2,793	-
OTHER REVENUE	-	1,256	2,259
DEFERRED REVENUE - 2006	-	-	2,950
DEFERRED REVENUE - 2007	5,674	5,674	(5,674)
DEFERRED REVENUE - 2008	-	(7,308)	-
	196,774	193,515	184,635
EXPENDITURES			
Commercial washer/dryer replacement	-	-	50,000
Elders' subsidy	116,350	109,400	102,800
NCN Christmas cheer board	30,424	34,473	31,835
Treaty #5 100th anniversary	50,000	49,642	-
	196,774	193,515	184,635
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0

STATEMENT OF NET ASSETS INVESTED IN PROPERTY AND EQUIPMENT

(YEAR ENDED DECEMBER 31, 2008)

	2008	2007
BALANCE, BEGINNING OF YEAR	\$ 79,625	\$ 84,535
Property and equipment purchased during the year	24,441	11,948
Amortization for the year (NOTE 3)	(17,302)	(16,858)
BALANCE, END OF YEAR	\$ 86,764	\$ 79,625



2008

STATEMENT OF FUNDING AND EXPENDITURES – CLAIMS FUND

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
TRANSFER FROM NISICHAWASIIHK TRUST	\$ 45,000	\$ 45,000	\$ 45,000
INTEREST	-	1,448	1,253
DEFERRED FUNDING - 2006	-	-	6,153
DEFERRED FUNDING - 2007	21,873	21,873	(21,873)
DEFERRED FUNDING - 2008	-	(48,091)	-
	<u>66,873</u>	<u>20,230</u>	<u>30,533</u>
EXPENDITURES			
Claims account	66,873	15,966	30,533
Transfer to Nisichawayasihk Trust	-	4,264	-
	<u>66,873</u>	<u>20,230</u>	<u>30,533</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ 0	\$ 0	\$ 0

STATEMENT OF RESTRICTED NET ASSETS – INVESTMENT AND HERITAGE FUND

(YEAR ENDED DECEMBER 31, 2008)

	2008	2007
BALANCE, BEGINNING OF YEAR	\$ 0	\$ 0
BALANCE, END OF YEAR	\$ 0	\$ 0



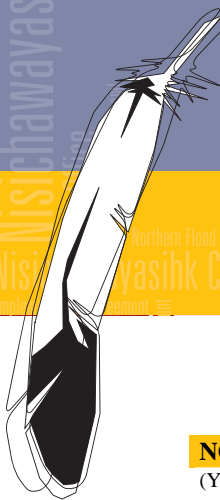
2008 Annual Report

NISICHAWAYASIIHK TRUST OFFICE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

(YEAR ENDED DECEMBER 31, 2008)

	Community Development Fund	Claims Fund	Investment and Heritage Fund	Total 2008	Total 2007
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from Nisichawayasihk Trust	\$ 3,844,098	\$ 45,000	\$ 0	\$ 3,889,098	\$ 4,296,110
Interest income received	86,692	1,448	-	88,140	136,326
Cash from other sources	217,654	-	-	217,654	235,537
Cash paid for program expenses	(5,903,898)	-	-	(5,903,898)	(3,386,441)
Cash paid for claims	-	(22,509)	-	(22,509)	(30,533)
Net cash received from (paid for) operating activities	(1,755,454)	23,939	-	(1,731,515)	1,250,999
INCREASE (DECREASE) IN CASH FOR THE YEAR	(1,755,454)	23,939	-	(1,731,515)	1,250,999
Cash, beginning of year	3,830,188	37,723	-	3,867,911	2,616,912
CASH, END OF YEAR	\$ 2,074,734	\$ 61,662	\$ 0	\$ 2,136,396	\$ 3,867,911
Cash consists of:					
Unrestricted cash	\$ 2,021,852	\$ 0	\$ 0	\$ 2,021,852	\$ 3,778,896
Restricted cash	52,882	61,662	-	114,544	89,015
	\$ 2,074,734	\$ 61,662	\$ 0.00	\$ 2,136,396	\$ 3,867,911



NOTES TO FINANCIAL STATEMENTS

(YEAR ENDED DECEMBER 31, 2008)

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, revenue, 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 revenue 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 (\$3,700,000 for the year ended December 31, 2008).

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.

3. SIGNIFICANT ACCOUNTING POLICIES

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
Vehicles	30%	Declining balance

c) **Advances Receivable**

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

d) **Short-Term Investments**

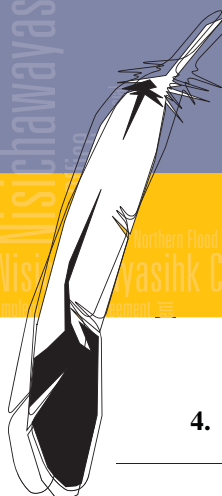
Short-term investments consist of two redeemable guaranteed investment certificates issued by Royal Bank of Canada (one purchase in the amount of \$44,027 and another purchase in the amount of \$402,218) both of which bear interest at variable rates and mature April 30, 2009. The investment in the amount of \$44,027 will be renewed upon maturity. The investment in the amount of \$402,218 will be redeemed upon maturity. Both 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 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. PROPERTY AND EQUIPMENT

	COST			ACCUMULATED AMORTIZATION			NET BOOK VALUE		
	December 31, 2007	Additions	Disposals	December 31, 2008	December 31, 2007	Amortization Expense	December 31, 2008	December 31, 2008	December 31, 2007
Office equipment	\$ 163,033	\$ 0	\$ 0	\$ 163,033	\$ 126,475	\$ 7,312	\$ 133,787	\$ 29,246	\$ 36,558
Trailer improvements	30,509	-	-	30,509	5,138	1,015	6,153	24,356	25,371
Vehicles	185,431	24,441	-	209,872	167,735	8,975	176,710	33,162	17,696
	\$ 378,973	\$ 24,441	\$ 0	\$ 403,414	\$ 299,348	\$ 17,302	\$ 316,650	\$ 86,764	\$ 79,625

5. RESTRICTED CASH - COMMUNITY DEVELOPMENT FUND

Compensation of \$1,000,000 was received in the past as part of the Northern Flood Agreement. During the current year, an additional \$495,632 of capital and \$145,503 of interest earned on this amount was settled in the Community Development Fund of the Nisichawayasihk Trust. All of these amounts have been deposited in the Recreational Facilities and Programs sub-account.

The interest earned on the \$1,495,632 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 amount of \$1,495,632 in the Recreational Facilities and Programs sub-account cannot be encroached upon.

6. 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.

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.

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:

	2008	2007
Nisichawayasihk Trust	\$ 1,909	\$ 1,909
Nisichawayasihk Trust Office	48,091	21,873
	\$ 50,000	\$ 23,782

8. RESTRICTED CASH - INVESTMENT AND HERITAGE FUND

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

9. TRANSFER FROM NISICHAWASIIHK TRUST

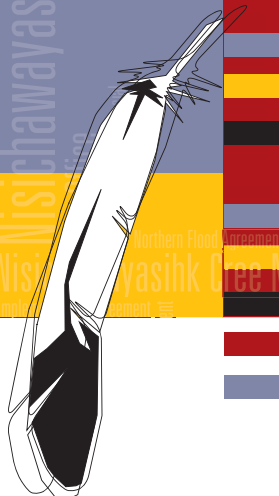
During the year, additional funding was transferred from the Recreation Facilities and Programs sub-account of Nisichawayasihk Trust to the following subprograms in the Recreation program of Nisichawayasihk Trust Office:

	2008	2007
Parks and Recreation	\$ 174,098	\$ 176,733
NCN Minor Hockey Association	15,000	-
North American Indigenous Games	-	126,577
	\$ 189,098	\$ 303,310

10. TRANSFER TO SUB-PROGRAMS

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

	2008	2007
Resource and Land Use Program		
- Fisherman Association	\$ 29,054	\$ 9,838
- Country Foods Program	12,604	-
Subtotal - Resource and Land Use Program	41,658	9,838
Social Development Program		
- Elders Traditional	24,895	15,213
- North American Indigenous Games	490	-
- Parks and Recreation	72,916	-
Subtotal - Social Development Program	98,301	15,213
Other Programs		
- NCN Christmas Cheer Board	2,793	-
	\$ 142,752	\$ 25,051



SCHEDULE 1

SCHEDULE OF ADMINISTRATION EXPENDITURES

(YEAR ENDED DECEMBER 31, 2008)

	BUDGET (unaudited)	2008	2007
Salaries, wages and benefits:			
Administrative Clerk	\$ 24,038	\$ 20,787	
Assistant Director/Claims Officer	13,619	13,284	
Casual help/summer student employment	7,936	11,209	
Compliance Officer	-	7,463	
Cultural Program Co-ordinator	30,418	-	
Director Trust Operations	63,325	54,894	
Finance Clerk	37,655	33,672	
Finance Controller	40,122	48,754	
Janitor	17,032	10,061	
Resource and Land Use Planning Co-ordinator	-	3,548	
Employer's share of statutory deductions	5,641	4,781	
Employee benefits package	7,677	13,228	
Christmas gifts and awards	3,328	3,106	
Advertising and promotion	3,264	9,706	
Bank charges and payroll/administration fees	4,396	3,499	
CPA membership fee	-	165	
Donations	12,925	12,285	
Hydro	5,835	2,856	
Office equipment and furniture (non-capital)	11,068	9,714	
Office supplies and miscellaneous	16,029	15,354	
Postage and freight	1,293	10,622	
Share of Pow wow harbour repairs and maintenance	10,000	-	
Software upgrade	15,589	18,085	
Technical support	2,218	-	
Telephone, satellite and internet charges	13,969	14,343	
Trailer improvements - water and sewer hookup (non-capital)	23,125	8,647	
Trailer insurance	1,544	1,046	
Training and development	6,829	2,475	
Transfers to net assets			
invested in property and equipment	24,441	11,948	
Travel	35,865	40,225	
Vehicle maintenance and insurance	7,689	6,940	
Water and sewer	-	900	
	\$ 674,003	\$ 446,870	\$ 393,597

2008 Annual Report

NISICHAWAYASIHK TRUST OFFICE
FINANCIAL STATEMENTS

SCHEDULE 2

SCHEDULE OF DEFERRED REVENUE

(YEAR ENDED DECEMBER 31, 2008)

PROGRAM	SUB-PROGRAM	2008	2007
IMPLEMENTATION AGREEMENT	Administration	\$ 132,632	\$ 224,003
	Corporate Trustee	143,795	134,144
	Nelson House Trustees	28,766	15,239
	Professional Services	4,137	10,795
CAPITAL PROJECTS	Pow Wow Arbour	-	20,610
COMMUNITY INFRASTRUCTURE	Community Aesthetics and Improvements	6,053	6,311
	Business Marketing Development Corporation	4,315	4,315
ECONOMIC DEVELOPMENT	Community Development Plan	35,000	35,000
	NCN Achimowin Radio and TV	71,103	81,906
	NCN Investment Savings	432,669	422,736
	NCN Recycling	2,895	2,895
	Summer Student Employment	3,750	3,750
	Wuskwatim Equity	448,208	1,860,812
	Governance	924	924
GOVERNANCE	1 Unit Home Ownership Program	150,000	-
HOUSING	Home Opportunity Program	53,182	50,843
	Housing Renovations	-	197,789
	R.C. Church Renovations	163	163
JUSTICE	Justice Program	-	5,800
RESOURCE AND LAND USE	Country Foods Program	-	10,653
	Resource Management Program	86,978	18,143
	Trappers Association	110,911	107,477
	Debris Management	31,660	23,261
SHORELINE DEBRIS CLEAN-UP	Fitness Trail	1,580	1,580
SOCIAL DEVELOPMENT	North American Indigenous Games	-	84,742
	NCN Minor Hockey Association	38,329	10,147
	NCN Youth Initiative Program	18,104	34,341
	Parks and Recreation	-	98,157
	Pow Wow	11,391	-
	Senior Men's Hockey	138	6,891
	Elders Subsidy	6,950	5,250
	NCN Christmas Cheerboard	-	424
	Treaty #5 100th Anniversary	358	-
		1,823,991	3,479,101
CLAIMS FUND		48,091	21,873
		\$ 1,872,082	\$ 3,500,974

2008



NISICHAWAYASIHK
TRUST OFFICE

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