

2009

Annual Report

ENSURING A POSITIVE FUTURE FOR OUR FIRST NATION



NISICHAWAYASIHK
TRUST OFFICE

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INTRODUCTION

PURPOSE OF THE REPORT

This Annual Report has been provided to the Trustees in compliance with the Trust Indentures for the Nisichawayasihk Trust and Taskinigahp Trust.

Under Article 19.3 of the Nisichawayasihk Trust Indenture and Article 21.3 of the Taskinigahp Trust Indenture, Chief and Council and the Trustees of the Nisichawayasihk and Taskinigahp Trusts are required to call a Meeting of Members to review each of their respective reports and address questions and concerns from community Members.

All Members are strongly encouraged to attend these annual meetings as they form an integral part of the Community Approval and Community Involvement Process (CAP/CIP/CIP) to allocate funds to community programs.

Under the disclosure provisions of the Trust Indenture, the Trustee's Annual Report – and the Chief and Council's Annual Narrative Report and Audited Financial Report and Opinion – are available to any community Member upon request.

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

ANNUAL REPORT REQUIREMENTS

Under 18.1 of the Nisichawayasihk Trust Indenture and 20.1 of the Taskinigahp Trust Indenture, Trustees of both Trusts are required to provide Chief and Council with an annual report on the financial operations of the Trusts within 90 days after the end of each fiscal year.

This report covers the January 1 to December 31, 2009 period and includes an Auditor's Report and Opinion, as well as other special audit reports and opinions requested by the Trustees.

Under Articles 19.1 of the Nisichawayasihk Trust Indenture and 21.1 of the Taskinigahp Trust Indenture, Chief and Council are required to provide the Trustees with an annual Narrative report, which explains how all Trust moneys were managed and administered during the same January 1 to December 31 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.

AMALGAMATION OF NISICHAWAYASIHK AND TASKINIGAHP TRUST ADMINISTRATION

On February 10, 2009 Chief and Council passed a band council resolution # 313-02-09-067 (E4322) assigning



the Trust Office as the designated agent for both the Taskinigahp Trust and Nisichawayasihk Trust pursuant to the terms of their respective indentures.

NCN administers five Trusts, each with separate reporting, accounting and administrative procedures, resulting in a duplication of processes and administrative costs and consequently less moneys for of programs and services for Members of the Nisichawayasihk Cree Nation.

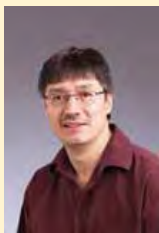
To minimize service and cost duplications for improving service delivery, Chief and Council combined similar functions to streamline overall government operations.

As part of this process Chief and Council integrated procedures of the Nisichawayasihk Trust Community Approval Process (CAP) and the Taskinigahp Trust Community Involvement Process (CIP) along with all administrative and accounting procedures (which are virtually identical) under the administration of the Trust Office.

Procedural requirements under the Nisichawayasihk Trust Indenture's CAP and the Taskinigahp Trust Indenture's CIP are very similar. The Review Committee has been functioning as the CAP/CIP Committee with a combined process to receive and review all applications. Each Trust has different amounts of "funds available" each year and the Corporate Trustees provides an annual calculation to the "designated agent." Each Trust has its own separate claims account with the same person serving as Claims Officer for both Trusts. Some claims may relate to one Trust, some to the other and some to both.

To maximize accountability and quality control, and to eliminate confusion about administrative and reporting responsibilities all NCN organizations receiving funding to deliver services should report to only one agency, the Trust Office.





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

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: Articles 19.2 of the Nisichawayasihk Trust Indenture and 21.2 of the Taskinigahp Trust Indenture, which forms part of the NFA Implementation Agreement signed March 18, 1996 by the Nisichawayasihk Cree Nation, Canada, the Province of Manitoba and Manitoba Hydro and; the Project Development Agreement entered into September 26, 2006 between Nisichawayasihk Cree Nation, Manitoba Hydro and Taskinigahp Power Corporation, the General Partner and the Limited Partnership.

In compliance with Articles 19.1 and 19.2 of the Nisichawayasihk Trust Indenture and 21.1 and 21.2 of the Taskinigahp Trust Indenture, this year's approved Annual and Audited Financial Report has been forwarded to the Trustees of the Nisichawayasihk and Taskinigahp Trusts and made available to Members at both the Nisichawayasihk Trust Office and Nisichawayasihk Chief and Council's office. In compliance with Articles 19.1 of Nisichawayasihk Trust Indenture and 21.1 of the Taskinigahp Trust Indenture, the 2009 fourth-quarter report is attached to this year's narrative and audited financial statement.

In compliance with Articles 19.2 of the Nisichawayasihk Trust Indenture and 21.2 of the Taskinigahp 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 Articles 19.3 of the Nisichawayasihk Trust Indenture and 21.3 of the Taskinigahp Trust Indenture, a meeting of Members shall be held within one hundred and twenty (120) days after the fiscal year end 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 and Taskinigahp Trust. Notice of this meeting shall be given in accordance with Articles 8.2 of the Nisichawayasihk Trust Indenture and 8.4 of the Taskinigahp 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



NISICHAWAYASIIHK TRUSTEES FINANCIAL OPERATIONS REPORT

BACKGROUND

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

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

FUNDS AVAILABLE FOR 2009

As determined by the Trust Indenture and the Community Approval Process (CAP), the amount available for expenditure from the Trust ("Funds Available") for 2009 was \$3,700,000. Of this amount \$3,675,000 was distributed for purposes set out in the 2009 CAP budget and \$25,000 for the claims account. Of the \$3,700,000 CAP budget, \$2,316,150 was distributed from the Main Trust and \$1,383,850 from the Investment and Heritage Account. As at December 31, 2009, no further payments from the Trust were due for programs, services and projects approved by CAP for 2009.

THE RECREATIONAL FACILITIES AND PROGRAMS SUB-ACCOUNT

The Recreational Facilities and Programs Sub-account is part of the Nisichawayasihk Trust. As per the terms of the Trust Indenture, funds held in Recreational Facilities and Programs Sub-Account must be used "to build or develop recreational facilities on Reserve and for recreation programs for Nelson House". There are no powers to encroach on the capital in this account. In 2009, the community approved recreation programs and proposals totaling \$73,405.09.





**CAPITAL PAYMENTS RECEIVED
BY THE TRUST**

The Trust earned net realized capital gains of \$1,639.50 during the year in the Recreation and Program Facilities Account through the sale of various investments.

In accordance with Schedule 2.2 and Article 2.51 of the Nelson House First Nation NFA Implementation Agreement, the Trustees received a payment of \$271.52 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 2009 from Trust Investments were \$2,621,606.

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

Main Trust Account	\$2,300,430
*Investment and Heritage Account	\$293,911
Claims Account	\$0
**Recreation and Program Facilities Account	\$27,265

** This amount includes \$138,945 accrued interest to December 31, 2009 on Manitoba Hydro Bond, 5.75% due 30/06/2013*

*** For the Recreation and Program Facilities account, page seven (7) of the Financial Statements shows interest of \$27,265. This amount represents the interest earned of \$42,444.41 less the accrued interest of \$4,578.41 paid on bond purchases and less accrued interest of \$10,601 that was reported in the 2008 Financial Statement that was received in 2009.*

INVESTMENTS

Investments Held at December 31, 2009

As at December 31, 2009 the total value of all Trust accounts was \$48,252,280. This amount was held in the following accounts and in the following proportions:

Main Trust Account:

Total Value: \$40,532,449

- \$40,000,000 Manitoba Hydro Bonds, 5.75% due 30/06/2013 earning an interest rate of 5.75%. This bond pays interest of \$2,300,000 a year, which is used to help fund the CAP Budget each year.
- \$532,449.00 held in Cash earning an average 30-day Canada Treasury Bill rate of 0.16%.

Investment and Heritage Account:

Total Value: \$4,977,121

- \$4,148,019 Manitoba Hydro Bonds, due 30/06/2013 earning an interest rate of 5.75%. To provide for future CAP Budgets, this bond will be partially redeemed each year. Interest and capital payments total \$1,369,694.26 per year. The face value of this bond will decrease with each payment and ultimately the value of the bond will decline to \$0.00 at maturity. In essence this bond can be viewed as a \$1,369,694.26 annual annuity that will end after June 30th, 2013.
- \$690,157 held in cash earning an average 30-day Canada Treasury Bill rate of 0.16%
- \$138,945 accrued interest to December 31, 2009 on Manitoba Hydro Bond, 5.75% due 30/06/2013.



Claims Account:

Total Value: \$109

- \$109 held in cash earning an average 30-day Canada Treasury Bill rate of 0.16%

Recreation and Program

Facilities Account:

Total Value: \$1,540,560

- * \$786,653 held in fixed income securities earning an average interest rate of 0.40%. The bonds are invested in a diversified portfolio of high-quality bonds
- \$771,101.04 cash and short-term investments earning an average interest rate of 3.1%.

** As at December 31, 2009 there were unrealized capital gains of approximately \$16,706 on the Fixed Income Securities held in the account. This amount is reported on page seven (7) of the Financial Statements.*

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.

BONDS

Demand for government bonds increased in 2008 as investors wary of the stock markets moved to the safety of government bonds. In 2009, investors moved back into corporate bonds as they became more comfortable with the ability of companies to repay their debts. In 2008, government bond yields dropped (and prices increased) and corporate bond yields increased (and prices dropped). The opposite occurred in 2009 with government bond yields increasing (and prices dropped) and corporate bond yields decreasing (and prices increased).

The Government of Canada 10-year bond yield, although at historically low levels, was quite volatile during 2009. With an average yield of approximately 3.25%, it reached a high of 3.65% (October 6th) and a low of 2.55% (January 14th). In between the "high" and the "low" yields for the year, the 10-year rate was quite volatile and changed direction on a number of occasions.

Canada Bond Yields

	March 31st	6 months ago	One year ago
2-Year bond	1.10%	0.86%	0.95%
5-Year bond	2.67%	2.21%	1.85%
10-Year bond	3.94%	3.22%	2.89%
30-Year bond	4.81%	4.00%	3.69%

INTEREST RATES

As 2009 began, the Bank of Canada's target for the overnight rate stood at 1.50%. The Bank of Canada, like all Central Banks around the globe, was focused on trying to resolve the credit crisis. Both fiscal and monetary policies along with "special programs" were being used in an attempt to mitigate the impact of the credit crisis and lay a foundation for an economic recovery. Early in 2009, concerns about "increasing



inflation” had been put aside. This is evident in the lowering of the Bank of Canada’s overnight rate to levels never seen before. From an already-low 1.5% at the start of 2009, the Bank decreased the overnight rate three more times in 2009; to 1.0% on January 20, to 0.5% on March 3, and to 0.25% on April 21, 2009. It remained at this level until the end of the year. As it was reluctant to lower rates further, the Bank looked towards quantitative easing policies to further encourage economic growth. All of these actions by The Bank of Canada seemed to have the desired effect as recovery seemed to be underway in Canada by late 2009.

The following table reflects the extent of the interest rate cuts in Canada and the US from December 2008 to December 31, 2009:

Interest rate cuts in Canada and the U. S.

	Dec. 2008	Dec. 2009
Bank of Canada		
Overnight Rate	1.50%	0.25%
U.S. Fed Funds Rate	0.00-0.25%	0.00% - 0.25%

2010 INVESTMENT OUTLOOK

Bonds and Interest Rates

Given the fragility of the recovery, central banks in North America, Europe and Japan are widely expected to hold short-term interest rates at rock-bottom levels for at least the early part of 2010.

Currently the overnight rate of the Bank of Canada is set at 0.25%. The Bank of Canada does not expect to change this rate anytime before June 2010.

Monetary authorities will want to be confident the recovery is self-sustaining before increasing interest rates. Those authorities are likely to delay increasing



rates as long as possible provided inflation expectations remain stable. Eventually, with the return of sustained growth and confidence in the recovery, central banks will be pressed to increase interest rates to keep inflation at a reasonable level. The first minor rate hikes may begin in mid-2010, but the bulk of the move in global short rates likely to be in 2011.

As the threat to the financial system dissipates and economic growth is gradually restored, bond yields are expected to move higher. Look for Canadian 10-year yields to reach 4.00%, with yields in the U.S. forecast to be 4.25%. Yields in the U.K. are expected to be 4.75% with forecasts for the Euro zone unchanged at 3.75%. Japanese yields are expected to rise to 1.75%.

As interest rates rise, the value of bonds fall. As a result, for 2010, the value of bonds held by the Trust are expected to decline modestly. As these bonds mature, expectations are the proceeds can be reinvested at a higher rate than currently available.



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 ongoing commitments in 2009 in the following areas:

IMPLEMENTATION OF SAFETY MEASURES

Under Article 2.7.2 of the Comprehensive Implementation Agreement, Manitoba Hydro implemented several measures related to safe trails, navigational aids and warning signs to the satisfaction of the Operations and Maintenance (O & M) Committee and NCN resource users.

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.



Operations and Maintenance Board

Article 11.2.1 of the 1996 NFA Agreement addresses the Operation and Maintenance Board. Current board membership consists of two Manitoba Hydro members, Jack Dysart and Mark Sweeny, and two NCN Members appointed by Chief and Council, – Norman Linklater and Curtis Lobster with David Spence as their alternate. The board continues to fulfill its duties defined in Article 11.3 of the 1996 Agreement.

Under Article 11.4.4 of the Agreement, Manitoba Hydro is obliged to pay 90 percent of the Arena Operation and Maintenance Costs. The 2009/2010 approved budget for the Gilbert McDonald Arena was \$439,887.66, with NCN fulfilling its obligation by contributing the remaining 10 percent. These funds were transferred to the Gilbert McDonald Arena Finance Department in accordance with the disclosure requirement.

The Gilbert McDonald Arena continues to employ nine full-time staff and is managed by Ken Brightnose. Extra casual staffs are hired during major events hosted at the arena.

Docks

The program is responsible for 26 floating docks of which vandals have burned 10 and four have been replaced. More dock replacements are planned for 2010 and repairs are needed for existing docks.

Norman Linklater has suggested that docks be built locally by NCN Members.

A new dock was built at Notigi and a decision is needed on repairing or replacing the dock at the R.C. Mission.

Docks were stored at Notigi again to protect them from vandalism and will be stored there again this winter.

Boat Skids

The program maintains 24 boat skids although some have been lost over the years resulting from vandalism and floating away.

Last year's report indicated that about three 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 to this on the basis of two boat skids for one dock. NCN's lawyer recommended





the '96 agreement be amended 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). This issue has yet to be resolved.

Boat Launches

Activities related to boat launches this year included installing a new boat launch at Footprint Engineering and replacing the boat launch pads at R.C. Point and the Notigi Boat Launch. Wilson Moore assisted with the boat launch in Thompson.

Nelson House Hydro Yard Development

Manitoba Hydro proceeded this year with establishing an operations yard in Nelson House. Hydro applied for a lot through NCN and received a three-year lease with approval for an office and storage area.

A sea container was delivered to be used as a storage shed and Band Council approved an office trailer for delivery in early February. Other future activities include: installing an electrical panel and hookup for the office trailer, landscaping the yard, installing fencing and arranging for Internet hookup.

Community Works

Manitoba Hydro provided a number of community works activities to the First Nation over the past year including:

- Graveyard cleaning, grass cutting and supplying equipment
- Assisting with transportation to and from ceremonies

- Assisting with locating and reburial of human remains
- Community liaison
- Assisting with search and rescue operations.

Portages

An annual inspection flight was conducted with Norman Linklater. White boards on the route from God's Rapids to Issit Lake were replaced and brush was cleared from around white board signs.

God's Rapids Portage

At God's Rapids the Quad shed and trailer were moved to the start of the portage (North end) Community side and a bridge was built to provide easy access to south end. Other work included brushing and clearing the portage as well as work at both landings. Signage needs to be moved but will be discussed on the next helicopter inspection flight in spring 2010. The quad was serviced with an oil change, tires repaired and spare tire added.

Early Morning Rapids Portage

At Early Morning Rapids the quad was serviced, tires repaired and a spare added. The winch was replaced. Additional work is planned for the spring/summer of 2010.

Safe Ice Trails

The Safe Ice Trails program maintains 17 trails comprising 246.6 kilometres, involving 17 Safe Ice Contractors who are



paid \$40.80 per kilometer for their work. The program provides a Safe Ice Trail orientation for the contractors.

2009 Causeway Maintenance Contract

This year NCLP received a \$410,000 contract to conduct causeway maintenance for Causeways 1 & 4 which employed 10 NCN residents. For Causeway 1, a new culvert was installed as well as ditch lining. Maintenance on Culvert 4 was more extensive involving installation of three new culverts complete with ditch linings, offsetting a hydro line on a curve, realigning the curve, removing old pavement, and improving grades and slopes.

For 2010, NCLP has been awarded an \$850,000 contract for maintenance on Causeways 1, 2, 3 and 4 that will employ about 12 NCN Members. Causeways 1 and 2 require grade and shoulder improvements and asphalt resurfacing. Causeways 2 and 3 require rip rap repair, removing guardrails and levelling and asphaltting walkways and roadways.

Rip Rap Contract Awarded for 2010

For 2010, NCLP has been awarded a contract value at \$110,000 and employing seven NCN Members to drill and blast approximately 5,000 cubic metres of rip rap material, place close to 3,000 cubic metres of rip rap material at Blackie's Island, and to haul eight loads of topsoil to Otohewin Island for placement in summer.

WATER REGIME PREDETERMINED COMPENSATION

Related to Articles 2.4.1 and 2.5.1 of the 1996 NFA Implementation Agreement, Manitoba Hydro's report for the period November 1, 2008 to March 31, 2009 showed no deviation from the compensated range.

For the period April 1, 2009 to October 31, 2009, Manitoba Hydro

paid Nisichawayasihk Trust \$13,271.19 for exceeding the parameters of the compensated range.

The funds were deposited to 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 annually.



OTHER IMPLEMENTATION ISSUES

COMPENSATION LANDS

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

NCN and Canada are still discussing the mechanics of finalizing the process with some documents still to be completed. It is hoped that at least three of the parcels will become reserve land soon.

TREATY LAND ENTITLEMENT AND COMPENSATION LANDS REPORT

The Treaty Land Entitlement Committee along with NCN TLE Coordinator, Willie Moore, have been working to make sure NCN receives all Treaty lands selected. Portfolio Councillor D'Arcy Linklater has been working to ensure both the federal and provincial governments uphold the Honor of the Crown and that the Treaty promises will benefit Nisichawayasihk Nehethowuk for "as long as the sun shines the grass grows and the waters flow".

Treaty Land Entitlement Initiative Land Selection Eligibility Confirmation and New Reserve Lands Update

According to terms of the July 30, 1908 Adhesion to Treaty No. 5, the May 29

1997 Treaty Land Entitlement Framework Agreement and the July 30 1998 Nisichawayasihk Cree Nation NCN Treaty Entitlement Agreement (TEA), a total of 79,435 acres are outstanding to NCN as Treaty Entitlement Lands. Pertaining to a 1995 NCN Band Council Resolution and a 2005 agreement between NCN and the Opiponapiwin Cree Nation (OPCN), 17,674.29 acres of the total NCN treaty land entitlement acres are available to OPCN.

NCN is to select a total of 61,760.71 acres to be set aside as NCN reserve lands. To date, NCN has made 44 selections for a total of more than 72,963 acres. The NCN Treaty Land Entitlement Initiative is working to confirm the eligibility of the selections and to ensure that eligible selections are set apart as new NCN reserve lands.

The present status of the NCN selections is:

- Five (5) selections totalling 12,925.24 acres have been set aside as NCN reserve lands
- Twenty-eight (28) selections are confirmed as eligible to be set apart as reserve lands and Environmental Site Assessments are completed for 8 of these selections
- Eleven (11) selections are eligible subject to determination of a Manitoba Hydro easement. Manitoba has carried out photogrammetric surveys of 12 selections in order to determine the severance lines.





Hydro Easements

NCN continues to seek Manitoba Hydro agreement on the appropriate methodology to be applied to determine Hydro easements for these eligible selections. Manitoba Hydro has recently withdrawn the requirement for a Hydro easement for two (2) selections south of Wuskwatim Lake.

- Three (3) selections less than 1,000 acres in size are otherwise eligible subject to resolving specific competing considerations or determining Hydro easements. NCN has been working to address the competing considerations Manitoba has identified and NCN expects to secure Hydro agreement on determining Hydro easements. Manitoba recently withdrew the competing considerations for one (1) selection of less than 1000 acres in size that is south of Wuskwatim Lake.
- Four (4) selections are otherwise eligible subject to resolving mining interests and provincial interests in aggregate deposits. NCN has secured Manitoba's confirmation that mining interests on NCN selections will not be renewed when they expire. NCN is seeking Manitoba's written acceptance of NCN proposals to resolve provincial interests in aggregate deposits.
- Four (4) land selections are eligible, have been surveyed and will be accepted by Canada for transfer to reserve once pre-transfer uses and unregistered interests (i.e. NCN cabins on the selections) are addressed. NCN is reviewing Canada's draft agreement related to pre-transfer uses for

these selections. A provincial patrol cabin on one (1) of these four (4) selections has been transferred to NCN.

The NCN Treaty Land Entitlement Initiative is working to confirm the eligibility of these selections and ensure each one is set apart for a new NCN reserve. The current status of all of NCN selections is summarized as follows:

New Reserves

Mile 20 second revision, Wapikunoo Bay and Suwannee Lake were transferred in 2009. Other reserves transferred in previous years include Pakwaw Lake, Baldock Lake, Harding Lake and Gauer River. Soon to be transferred is Driftwood and Grindstone Rapids. These selections total 26,000 acres.

Next Steps / Action Items

NCN must conclude a Hydro Easement agreement for all NCN selections to confirm eligibility for all selections along waterways. NCN's position is a "competing consideration", this refers to a consideration affecting the Crown lands selected, and that the cost of surveying a Hydro easement does not have any effect on land transfers to reserve.

ENVIRONMENTAL MONITORING

Article 7 of the 1996 NFA Implementation Agreement establishes and describes arrangements to coordinate environmental monitoring and share the information developed. Other than the environmental studies that are being conducted as a result of the proposed Wuskwatim project, there has been no other activity associated with

Article 7. Canada is responsible for scheduling and convening meetings in accordance with Article 7.2, but again there is no activity in this area.



FUTURE DEVELOPMENT BY HYDRO

WUSKWATIM IMPLEMENTATION OFFICE (WPLP)

The Wuskwatim Implementation Office was established as 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 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
- Ensure that the PDA commitments in contracts are honoured as specified
- To ensure all parties fulfill responsibilities to NCN



- To gather information on project progress and communicate with NCN Members
- To maintain on-going discussion and liaison with MB Hydro.

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 about 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 concerns about the lack of background orientation and familiarization provided to NCN Members about 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 its Members become aware of and access new Wuskwatim business opportunities
- Assist NCN in prompting Manitoba Hydro action to protect shorelines from flood-related erosion – 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 traplines 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 Manitoba Hydro and NCN, it has been decommissioned and was not opened



this past winter. Trail 2 was built as part of Trail 3, so is no longer in use and Trail 4 was not built on the advice of Elders and resource users because of safety concerns related to its location downstream of the generating station project.

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

SOCIO-CULTURAL AND SPIRITUAL ISSUES

The PDA Adverse Effects Agreement contains provisions that specifically address socio-cultural and spiritual issues that were identified as significantly important to NCN Members. Two specific issues identified were the Footprints and the Wuskwatim Village Campsite.

The Footprints

As most NCN Members know, the Churchill River Diversion flooded the original site of the legendary Footprints for which Footprint Lake is named. The site, which is located in the lake near Moore's Bay had important cultural and spiritual significance to NCN. Prior to the flooding, the rock containing the Footprints was removed from its original location so it would not be lost forever. Since removal in 1977, the Footprints have been relocated more than once, but

have now been returned to a site very close to their original location. However, a final plan has never been concluded for a permanent display and commemoration, for which NCN and Manitoba Hydro had already allocated up to \$400,000.

Following a visit to the Footprints by NCN environmental advisor, Cam MacInnes, he recommended we restore the Footprints. However, community Members expressed concerns about disturbing the Footprints again.

Chief and Council have named a smaller committee lead by Councillor D'Arcy Linklater, and including Elders Madeline Spence, Jimmy D. Spence, Harry Spence, Susan Kobliski and Jimmy-Hunter-Spence, and Alvin Yetman representing the Implementation Office to move the project forward.

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 an Octagon





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 cook shack, storage area and two cabins have been built but more discussions are needed to address quantity, design, contracting and cost concerns. Funding associated with building Safety Trail # 3 is to be allocated to offset costs for Wuskwatim Village.

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, such as signing of the PDA, start of the access road, site preparations and substantial completions of the access road. 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 \$600,000 has been allocated for programming in 2010.

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



the Government of 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.

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 Members gain an understanding of economic, social

and environmental project monitoring. The committee 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 manager 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

NCN in partnership with Sodexho 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.

NCN has initiated negotiations for new contracts that could include: sand hauling, upstream boat launch groin construction, waste disposal and laundry services by an NCN entity. NCNLP has obtained HAAD work contract at Wuskwatim.

In addition, a proposal has been submitted for NCN to conduct required monitoring activities identified in the PDA though 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.

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 ongoing 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 agreed to undertake a review



process that started in 2009 to ensure the PDA remains fair. The review is trying to ensure benefits NCN receives are as good as, or better than, those projected at the time the PDA was signed. The review involves 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.

Member consultation is considered an important part of the PDA Review process and three rounds of meet-and-greet meetings have been planned, with the first set held in late October in Nelson House, South Indian Lake, Leaf Rapids, Thompson and Winnipeg. The second and third rounds of meetings are planned for March and June 2010. At the first round of meetings, Members were provided with background information on the issues under review during the process. The review process hired two additional staff positions at the Implementation Office to coordinate review activities.

Operational Employment

As part of the PDA review process, NCN and Manitoba Hydro are undertaking a review of employment opportunities within Hydro's ongoing operations to increase NCN Members' employment within Hydro. Operational employment initiatives and issues predate the PDA and are included in the PDA but little

of no action has occurred to implement opportunities. As part of this, a community skills inventory and assessment of educational levels need to be completed to determine what training programs may be needed to equip interested NCN Members in obtaining operational employments with 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



a worker and family survey related to employment experiences on Wuskwatim and the impact when employees are away from families for long periods was conducted in spring 2009 involving 96 current or former workers and 33 family members of those workers. Well over half of both workers and family members said the Wuskwatim project was positive for their families. The largest proportion of both workers and families could not determine if the project's impact on the community was positive or negative.

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.

TASKINIGAHPOWER CORPORATION

NCN has created Taskinigahpower Corporation as a stand-alone corporation 100 percent owned by NCN to hold all NCN's shares in the partnership. This protects NCN's assets related to the project from negative financial circumstances beyond our control related to the project.

WUSKWATIM POWER LIMITED PARTNERSHIP

NCN is a general partner along with Manitoba Hydro on the project with two NCN Members Jimmy Hunter Spence and Councillor Marcel Moody, whom were re-appointed, sitting on the General

Partnership Board.

In 2009, the third 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 socioeconomic effects (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 has been developed and are available from the Wuskwatim Implementation Office. NCN Members wishing to access the area for traditional activities (medicine gathering or trapping) can contact the Implementation Office to obtain a permit. The office contacts the access road gatehouse to advise that the Members will be coming to the area.

TRANSMISSION LINE PROJECT

Construction of the transmission line from Birchtree to Wuskwatim has been completed. Construction of the transmission line from Wuskwatim to Herblet Lake was completed by March 2010. Clearing of right-of-way for the transmission line from Herblet Lake to Ralls Island was completed by spring 2010. Line construction is





underway and will take place over two winter seasons, and finish by April 2011.

The control buildings at Birchtree and Wuskwatim switching stations have been installed. Installation of electrical apparatus is underway at Thompson Birchtree Station, Wuskwatim Switching Station and Herblet Lake Station. This work is expected to be completed by summer of 2010. The electrical equipment foundation work at Ralls Island has been completed. The installation of overhead bus work commenced in spring 2010. The transmission project is on schedule and will be completed by summer 2011

TASKINIGAH P TRUST

The Taskinigahp 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 2009, the trust held \$6.6 million. The trust 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. Chief and Council have delegated the Trust Office to administer the trust and conduct the Community Involvement Process (CIP) that is held jointly with the Nisichawayasihk Trust Community

Approval Process (CAP).

Multi-year Plan

One requirement set out in the Taskinigahp Trust was to hold three community 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 was to gather Member input to provide direction for developing the first five-year plan for the trust's revenue. A steering committee was established to oversee all the work completed to date. To ensure compliance with the PDA, three meetings were held before the deadline supplemented by the collection of comments by two summer students who were hired to interview community Members to determine priorities for objectives for the multiyear plan.

The meetings helped 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 presented ideas for discussion for possible inclusion in the plan and gave opportunities for NCN Members to put forward ideas.

Through the meeting and survey process Members identified Education, Health and Wellness, Justice and Economic Development in that order as their top four priorities with education having a two-to-one margin over the next highest priority. Survey results are available at



the Wuskwatim Implementation Office (and a profile was provided in the March 2010 Wuskwatim Implementation News.) Steps in the plan-development process and a timeline for the coming year have been prepared.

Once the plan is prepared, adopted and implemented, it will be reviewed and updated every three years to ensure it remains current and continues to effectively deliver programs to the community.



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 traplines safely.

Safe Ice Trails

To date there are no safe ice routes on Wuskwatim. Construction and work is being done on the lake and there is no public access.

Buoy Markers

Buoys were purchased in 2009 and installed to identify water hazards.

Winter Trails

All winter trails are complete. Trails # 2, 3, and 4 were discontinued due to safety reasons and to protect the woodland caribou herd.

Wuskwatim Lake

Three docks are in place on Wuskwatim. Two are part of the Wuskwatim safety measures and the third is for the Wuskwatim boat patrol.

A cabin has been built for the Wuskwatim boat patrol at the old fish camp to provide the boat patrol with a place to stay while working on Wuskwatim Lake during the summer months. It is also intended for use as an emergency shelter for NCN resource users.

Safety Cabins

Three cabins were built as part of safety measures, with the first located on Karium Lake on Trail # 1 and the second located near Gods Rapids. The third cabin is located 1/4 into Trail # 3, although this trail has been discontinued and no decision on the cabin's future has been made.



Signs

A sign was placed on the on the down stream side of Early Morning rapids.

Old Wuskwatim Village

Construction of four log buildings has been underway at the old Wuskwatim village, with two complete and the others in the finishing stages.

The octagon building is still in the planning stage and will proceed once decisions have been made on the types of building materials to use.

Manitoba Hydro Boat Patrol

NCN Members Harry Spence and Elvis Francois operate the boat patrol. Their job is to insure safe water travel and to gather and pile debris from the water and shoreline. They have assisted many activities that occur on Wuskwatim Lake such as:

- Transporting building materials and workers to and from the old village and the Generating Station site
- The traditional Medicine gathering
- Providing traditional ceremonies with transportation to and from spiritual sites
- Assisting with some archeology work at Wuskwatim Lake.



COMMUNITY APPROVAL AND INVOLVEMENT PROCESS

RESULTS OF THE 2009 COMMUNITY APPROVAL AND INVOLVEMENT PROCESS

In accordance with Articles 3.5 and 8.0 of the Nisichawayasihk Trust Indenture and Articles 3.3 and 8.0 of the Taskinigahp Trust Indenture, meetings and consultations were held with community Members to determine their views on how funds from both Trusts should be spent during the 2009 fiscal year.

The CAP/CIP Review Committee initiates the first part of the Community Approval and Involvement Process and reviews all applications for funding in terms of the established CAP/CIP criteria.

The Committee had a series of six (6) meetings to review funding applications and prepare a recommended 2009 CAP/CIP budget for Chief and Council's approval.

Information Workshop

The CAP/CIP Committee held an Information Workshop to provide an overview of the Taskinigahp Trust and a review of the revised CAP/CIP Policy that includes the integration of the Community Involvement Process.

Initial Review of Applications

CAP/CIP Committee members met to review all applications to assess whether applicants met the criteria and included requested information. Applicants with incomplete submissions were notified with a request to

submit any missing information as part of the review. During this review the committee identified priorities for funding applications and rated complete applications as low, medium or high in accordance with community priorities.

- The CAP/CIP Committee sought legal advice via conference call to ensure it adhered to the articles of Taskinigahp and Nisichawayasihk Trusts (i.e. Capital projects, non-NCN Member applications and debt reduction).

The committee continued rating incomplete proposals as low, medium or high priority. Draft questions were prepared for the applicants' presentation at the community meeting.

- A sub-committee of the CAP/CIP Committee met one day to finalize questions for the community meeting.

Application Presentation Meeting

A two-day community meeting was held for applicants to present their proposals. Committee members assessed and rated proposals based on the following criteria:

- Benefits to the community
- Innovation
- Management capability
- Budget
- Evaluation





Application Assessment Review and Draft Budget Preparation

A three-day meeting was conducted to review records of the CAP/CIP Committee members rating assessments as well as any rating discrepancies. Each member with a high or low rating on a single application spoke to their rating and then decided whether to change or maintain their rating. After this process, the committee prepared their first draft budget, but was given time to reflect on decisions before the final budget review.

Recommended Budget Finalization

After reflecting on the draft budget, the CAP/CIP Committee reconvened to finalize the budget, making necessary adjustments to reflect community priorities. A Funding Annotation Summary was prepared to provide a rationale for funding allocations to each application. The Summary was presented to the NCN Membership at a Community Meeting held on January 22, 2009.

Chief and Council Approval Meeting

Chief and Council reviewed the recommended budget on December 23, 2008 at a Special Council Meeting. They made minor revisions and approved the 2009 CAP/CIP Budget consisting of:

- \$3,700,000 budgeted from the Nisichawayasihk Trust and allocated to fund a wide variety of programs
- \$73,405.09 budgeted from the Recreation Facilities and Programs Sub-account and allocated to fund Recreation Programs
- \$1,228,731.67 budgeted from the Taskinigahp Trust and allocated to fund a variety of programs
- \$198,028.46 budgeted from the Wuskwatim Transmission Development Funds and allocated to fund Resource Programs.

All programs and projects are listed with their respective budget on pages 25 and 26.



NISICHAWAYASIHK TRUST – CAP/CIP BUDGET 2009

PROGRAM	BUDGET IN DOLLARS
ADMINISTRATION	
Administration	475,000.00
Corporate Trustee	60,000.00
Nelson House Trustees	25,000.00
Professional Services	45,000.00
Arena Operations and Maintenance	48,230.00
Claims Program	25,000.00
Community Approval Process	35,000.00
Personal Care Home	200,000.00
CAP/CIP PROJECTS	
Garbage Truck and Bins	123,000.00
Pow Wow Arbor Upgrade	40,000.00
Retail Distribution Centre	80,000.00
ECONOMIC DEVELOPMENT	
Human Resource Officer	47,000.00
Summer Student Employment	15,000.00
NCN Achimowin Radio	70,500.00
Wuskwatim Equity	800,000.00
EDUCATION	
Breakfast/Lunch Program	60,000.00
Post Secondary Funding	150,000.00
Special Education Program	75,200.00
HOUSING	
Housing Renovations	104,000.00
JUSTICE	
Community Justice Program	48,000.00
PUBLIC WORKS	
Animal Control	35,000.00
NCN Emergency Services	141,000.00
Paved Roads Feasibility Study	40,000.00
SOCIAL DEVELOPMENT	
Building Character and Capacity	25,000.00
Elders Traditional Program	175,000.00
Kanithim Waskikan (Caring House)	75,000.00
NCN's 4th Annual Round Dance	15,000.00
Parks and Recreation	276,750.00
Rediscoveries of Families Project	75,000.00
NCN Youth Initiative Program	125,000.00
Zummer Adventure Camp	25,000.00
OTHER PROGRAMS	
Elders Subsidy	110,400.00
NCN Christmas Cheer board	40,000.00
SUBTOTAL BUDGET	3,700,000.00
RECREATION FACILITIES and PROGRAMS SUB-ACCOUNT	
Parks and Recreation	73,405.09
TOTAL 2009 CAP/CIP BUDGET	3,773,405.09





TASKINIGAHP TRUST – CAP/CIP BUDGET 2009

PROGRAM	DEFERRED REVENUE
ADMINISTRATION	
Administration	100,00.00
Audit Fees	19,000.00
Corporate Trustee	48,000.00
Nelson House Trustees	51,600.00
Community Involvement Process	35,000.00
Claims Program	50,000.00
JUSTICE	
NCN Policing Services	341,734.71
	924.00
RESOURCE and LAND USE	
Country Foods Program	236,100.00
Fisheries Association	187,452.05
Trappers Association	150,000.00
SOCIAL DEVELOPMENT	
Parks and Recreation Programming	9,844.91
	424.00
<i>SUBTOTAL BUDGET</i>	<i>1,228,731.67</i>

WUSKWATIM TRANSMISSION DEVELOPMENT FUND

RESOURCE PROGRAMS	
Fisheries Association	187,452.05
Trappers Programs	10,876.41
<i>TOTAL 2009 CAP/CIP BUDGET</i>	<i>3,773,405.09</i>

NISICHAWAYASIHK TRUST 2009 DEFERRED REVENUE

In addition to programs and projects funded during the 2009 fiscal year, one program was carried over from the 2009 CAP/CIP Budget, which 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 both Trust Indentures.

For a complete list of all programs carried over from previous years, refer to Schedule 1 of both Nisichawayasihk and Taskinigahp Trust Office Financial Statements found on pages 72 and 90.



IMPLEMENTATION AGREEMENT

ADMINISTRATION

The NCN Trust Office administers both the Nisichawayasihk and Taskinigahp Trusts. Administration funds are allocated annually for the purpose of administering and implementing programs funded under the Nisichawayasihk and Taskinigahp Trusts, as well as to ensure provisions of the 1996 NFA Implementation Agreement and the 2006 Wuskwatim Project Development Agreement are appropriately fulfilled.

To ensure effective administration and implementation of all provisions of the NFA and PDA, additional funding is allocated to the Trust office annually for the following programs.

- **Professional Services** – for legal, financial, consulting and professionals services.
- **Auditing** – for semi-annual and annual financial audited statements.
- **Corporate and Nelson House Trustees** – to administer the terms of the trust indentures, keep accurate financial statements, conduct the business and invest assets of the trusts.
- **CAP/CIP Process** – to conduct a comprehensive community consultation process to allocate trust funds to community programs.
- **Arena Operations and Maintenance** – in accordance to Article 11 of the NFA, NCN is obligated to contribute 10% of the Arena's Annual Budget.
- **Personal Care Home** – To meet the requirements of Article 8.3 (b) (i and ii) (c) (i and ii) of the Nisichawayasihk Trust Indenture on Capital Works, Chief and Council must provide funding for the operation and maintenance of the capital work (Personal Care Home). The preceding fiscal year's audited financial statements will determine how long NCN is obligated to provide operation and maintenance funds.
- **Claims Program** - Funds are allocated each year to the Claims Account from the funds available from the Nisichawayasihk and Taskinigahp Trusts, to ensure a minimum yearly balance of \$50,000 is maintained. Funds are used to compensate an NCN Member (claimant) for loss or damages caused by or attributable to the adverse effects of the Churchill River Diversion or the Wuskwatim Project and the Wuskwatim Project-related Transmission Facilities. Claims officers as well as an alternate are retained to deal with all claims matters for both trusts.
- **Nisichawayasihk Claims** – A total of \$48,733 in expenses, salary, arbitration training and compensations was paid out.
- **Taskinigahp Claims** – A total of \$13,123 in expenses, salary, arbitration training and compensations was paid out.



CAPITAL PROJECTS



NEW GARBAGE TRUCK

Funding of \$123,000 was allocated to the NCN Public Works Department to purchase a new garbage truck. The truck was purchased from Joe Johnson Equipment Inc. for \$136,050, with the NCN Government paying the balance from its capital funds.

POW WOW ARBOR UPGRADE

Using \$4,000 in funds allocated to the Nelson House Medicine Lodge for the Pow Wow Arbor Upgrade, a local contractor was hired in April 2009 to clean up the Pow Wow Arbor site. He reported that the Pow Wow Arbor had been destroyed with almost no salvageable materials.

The remaining \$36,000 in allocated funds is directed towards plans to construct a new Pow Wow Arbor. Although consideration has been given to rebuilding on the existing site, ongoing concerns about vandalism, and access to potable water and electricity remain.

The current plan being put forward to address these concerns is to consider a new arbor location directly across from the MTS tower on a site that had been considered for a new band office.

Considerable site preparation work would be needed before construction, but it is believed existing resources should cover the bulk of these costs to conduct clearing, cleaning, and

arbor design at the least, with additional work needed for seeding, building materials and labor estimated at \$65,000 (much by way of donation/service-in-kind).

Next steps with the arbor include:

1. Securing approval for the new arbor location from Chief and Council
2. Retaining a project manager
3. Securing engineer-stamped architectural design drawings per site restrictions
4. Moving forward with clearing, cleaning and general site preparation
5. Approaching/securing NCN partners for contributions of arbor materials
6. Constructing the new arbor.

Anticipated time line for completion of next steps will be August 2011.

RETAIL DISTRIBUTION CENTRE CONSTRUCTION

An allocation of \$80,000 was provided to Meetah Building Supplies as equity to secure a loan with Aboriginal Business Canada (ABC) and RBC (Royal Bank) to construct a Retail Distribution Centre.

The work completed to date is as follows:

Other Sources of Funding Secured

To date, Aboriginal Business Canada has committed \$8,175 towards this project. While plans for the retail portion of the project



are being developed, Meetah is requesting permission to proceed immediately with the garage/cold storage portion of the project.

Environmental Assessment

Aski Geosciences has been contracted to conduct Phase I of the ESA, an assessment undertaken to identify potential environmental concerns or liabilities related to such things as historical or current activities occurring on the property or neighboring properties associated with the site. The assessment identified no concerns. Total cost: \$4,515.

Preliminary Analysis, Planning and Design

Burlington Merchandising has been contracted to prepare a preliminary analysis and design for the Retail Distribution Centre. As of this report, Burlington has conducted one site visit and undertaken preliminary concept layout discussions.

Most of the work required to identify product categories and specific products to be inventoried in the new building has been completed. The balance of work will be completed by mid May, 2010 and then Burlington will complete the proposed store layout, department positioning, traffic flow planning, fixture and service counter placement, entrance locations and adjoining office facilities. Costs for preliminary analysis: \$6,930.

The project has fallen behind schedule, partly due to the unexpected loss of key administrative staff in late summer of 2009. This required Manager Gert Wilzer to devote more time on day-to-day activities and training of replacement staff.

New staff are now relatively productive to free the manager to again focus on long-term activities.

In addition, Meetah was instrumental in assisting Onion Lake First Nation of Onion Lake, Saskatchewan to establish a Meetah Building Supplies outlet. Onion Lake's plans to recruit one of Meetah's key staff did not materialize as scheduled. This required Gert Wilzer to manage the day-to-day affairs of Onion Lake's Meetah Building Supplies from June to December 2009. Currently, staff are now in place and managing the operation well.



ECONOMIC DEVELOPMENT



NEW HUMAN RESOURCE OFFICER

Funding was allocated to the Human Resource Department to hire a human resource officer. An officer was hired who now provides support for various Human Resource Functions including: recruitment and retention, training and development, performance monitoring, compensation and benefits, conflict resolution, job description development and assistance with policy development.

The new officer also provides advice and support to supervisors, managers and staff selection committees to ensure they have accurate and timely information for making effective decisions. One of the Department's main objectives was to centralize all NCN personnel files and establish secure and appropriate access to the files, as well as HR functions for other NCN organizations.

SUMMER STUDENT EMPLOYMENT PROGRAM

By building partnership with various NCN organizations, the Human Resource Department was able to hire a Summer Student Coordinator and place 33 students in the work force. The youth were placed in career areas of their choice such as: clerical, file clerk, finance, public works, carpentry, plumbing, etc. to gain on-the-job experience and learn what education and training

is required for the careers they wish to pursue. Placements included:

- Two placed at Nelson House Education Authority
- Seven placed at Family and Community Wellness Centre particularly the Summer Adventure Camp, Rediscoveries of Families Programs and Home and Community Care
- Two placed at the Personal Care Home
- Four placed with the Youth Initiative Program
- Four placed with Public Works Department
- Three placed at the Band Office
- Two placed at the Trust Office
- Two placed at Fisheries
- The remainder were placed at the VLT's, Meetah Building Supplies, Taskinagah Trust, Development Corporation, etc.

NCN ACHIMOWIN RADIO PROGRAM

In 2009, \$70,500 plus surplus was allocated to NCN Achimowin Communications. NCN CREE FM 98.1 local radio continues to be a vital communication service to the NCN Membership.

With great effort, the Radio Station continues to serve the community with a variety of programming such as community news, weather, current events, broadcasts of Chief





and Council General Assemblies. The station connects to the world with on-line streaming through its own website.

This year the Radio Station did some minor renovations and upgrading such as:

- Installed secure doors
- Renovated the files/storage area and managers office
- Purchased new desk for reception area.

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

Management has achieved most objectives set out in its 2009 operation plan, however, faced a few barriers and requiring some sacrifices to ensure the operation stayed within its budget and on track with its operational plan.

Feedback from community Members, organizations, staff and on-line comments, have identified significant improvements in local radio program delivery.

NCN INVESTMENT SAVINGS

In 2001, \$1,000,000 was allocated to NCN to establish a casino, more than half of which was used for consulting and legal fees. This project had been put on hold until the selected land is converted to reserve land.

Further to this, it had been proposed to NCN Members that if all the funds were not required to establish the casino, the deferred funds be used to assist NCN to maximize its equity participation in the Wuskwatim Hydroelectric Generation Project.

In 2009, the casino project had deferred revenue of \$432,669 of which \$427,286.17 was transferred in February 2009 to the Wuskwatim Equity Account to match funds for a \$3,000,000 grant from the Federal Government.

WUSKWATIM EQUITY

The NCN Wuskwatim Equity project made a payment of \$3,188,000 to Manitoba Hydro. The Federal Government matched the three million that was paid to Taskinagahp Power Corp.

In total \$6,180,000 was paid to Manitoba Hydro towards NCN's target of 33% equity. With the funds being allocated from NCN Trusts and other revenue sources, NCN has now reached 11.74% ownership of the Wuskwatim Project.

NCN's Consultant team is continuing to seek funding and grants from the Federal Government.



EDUCATION

BREAKFAST/LUNCH NUTRITION PROGRAM

In 2009, \$60,000 was allocated to the Nutrition Program. The main objective for those funds was to provide healthy, nutritious meals for about 400 students from the local O.K. Elementary School and N.N.O.C. High School.

Administration has also achieved its other two objectives in accordance to its 2009 operational plan.

Administrative staff monitors this program daily and receives positive feedback from parents and students. Based on observation from students, staff and parents, the number of students that participated in the breakfast, lunch and supper program averaged about 275 per day.

SPECIAL EDUCATION PROGRAM

In 2009, \$75,200 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.

Objectives the program achieved were:

- *Assessments and identification of students with special needs* – to date 70 students have been placed on I.E.P's.
- *Psychological educational assessments* – 15 students were formally assessed.
- *Increased resource support materials* –

The inventory conducted reflects an increase in materials. Many manipulatives were purchased and shared with teachers.

- *Partnerships with other organizations such as CNIB, FNIB, MB Association for Deaf and Hard of Hearing and MFNERC* – Several representatives have visited the school and continue to be involved each month with the special-needs children.

POST-SECONDARY PROGRAM

In 2009, \$150,000 was allocated to the Post-secondary Program to support post-secondary educational endeavors of motivated, capable and driven NCN Members who wish to pursue a post-secondary experience. These experiences, in turn, will reflect positively on and directly benefit the NCN community.

The main objective for the Post-secondary Program is to subsidize or assist all students who receive inadequate post-secondary funding for living allowances and travel to and from post-secondary institutions. Eligible students are issued an additional \$75 per month along with their monthly allowance.

HOUSING

HOME OPPORTUNITY PROGRAM

Funds of \$53,182 have been deferred from the 1997 CAP budget for the Home Opportunity Program, which was established to provide alternative housing for NCN Members living on reserve. Since its establishment, two families have successfully built and purchased homes through this program.

In June 2009, Chief and Council approved a loan of \$15,000 for another family to renovate

a house they purchased from the Housing Authority.

HOUSING RENOVATIONS

Funds of \$104,000 were allocated to the Nisichawayasihk Housing Authority for Housing Renovations. To date, no activity on the program has occurred, which will result in deferral of these funds to the next year for the same purpose.



JUSTICE

COMMUNITY JUSTICE PROGRAM

In 2009, the Community Justice Program received \$63,920 in Trust Funds to financially subsidize the local Community Justice Group (CJG) for achieving objectives identified in its operational plan.

The CJG Committee consists of five NCN Members appointed by Chief and Council, two RCMP members, the NCN Police Chief and three administration staff. The CJG Committee's mandate is to provide alternative justice to offenders and high-risk offenders in the community by developing crime-prevention and restoration initiatives for the offender, victims, families, support groups, police, local resources and/or individuals affected by the offence.

The CJG Committee holds regular meetings at least twice monthly as well as special



meetings when emergency situations or issues arise that cannot reasonably be dealt with at regular meetings.

THE CJG receives referrals from the provincial and magistrate courts, Chief and Council, RCMP and community Members through pre-charge and post-charge diversions. The CJG Committee's intention is to provide

offenders with alternative-justice options rather than appearing in court and resulting in a criminal record. The committee also assists community Members in dealing with justice or criminal issues in the community and bringing healing to all parties involved in or affected by criminal activities.



The CJG Committee also reviews and monitors Band Council Resolutions on banishment cases (that order individuals to leave the NCN reserve or require NCN Law Enforcement to escort individuals off the reserve) to find alternatives that permit them to remain in the community subject to certain conditions.

NCN POLICING SERVICES

The Taskinigahp Trust allocated \$341,734.71 to NCN Policing Services to carry out objectives identified in its 2008-2009 operational plans. The funds pay for salaries and operation and maintenance of vehicles and equipment.

The NCN Police carry out spot checks and operate a 24-hour, seven-day-a-week toll gate on the main highway entering the NCN Reserve to check vehicles for banned substances.

NCN passed and enforces a Band Council

Resolution (BCR), effective August 21, 1997 and updated three times (June 25, 2003, January 15, 2008 and February 12, 2008), to limit the type and amount of alcohol entering the reserve as a way to control the illegal sale of alcohol and drugs within NCN's jurisdiction. The adjacent Nelson House Métis Council has confirmed support for enforcing the BCR with a October 23, 2003 Chief and Council Resolution.

NCN Police enforce the BCR's banishment orders to remove any non-band members who pose a risk of danger to the community. The Indian Act states individuals who do not comply with a BCR can be charged with trespassing.

NCN Police also assist the RCMP with crime prevention and criminal-code offences related to intoxicated persons, the Highway Traffic Act and the Off-road Vehicle Act, for which 25 percent of NCN Police officers have authority to enforce and issue tickets.



PUBLIC WORKS

ANIMAL CONTROL

In 2009, \$35,000 was allocated to the Public Works Department to operate its Animal Control Program. The funds are used to employ a part-time animal control officer and to purchase new equipment and supplies when required.

The Public Works Department has achieved its main objective of controlling NCN's animal population.

FIRE AND EMERGENCY SERVICES

In 2009, \$141,000 was allocated to the NCN Fire and Emergency Services Department to provide immediate responses to fire and other urgent emergencies. The funds covered salaries and benefits for 12 personnel, operation and maintenance of response vehicles, and purchase of equipment including

12 sets of turn-out gear and six breathing apparatus as with six air cylinders.

ROAD PAVING FEASIBILITY STUDY

In 2009, \$40,000 was allocated to the Public Works Department to hire an engineering firm to conduct a feasibility study for paving roads in the community.

The Public Works Department contracted AECOM Engineering Firm to conduct the three-phase feasibility study that includes:

- Phase I – Road survey and initial drawings
- Phase II – Building survey and secondary drawings
- Phase III – Construction drawings.

To date Phase I is completed with Phase II underway.





RESOURCE AND LAND USE

COUNTRY FOODS PROGRAM

In 2009, \$236,100 in Taskinagahp Trust funds were allocated to the Country Foods Program to carry out objectives outlined in its 2009 operating plan.

The Country Foods Program operates year round and employs a program manager, field technician and five hard-working and dedicated full-time employees. The employees provide the expertise to ensure traditional foods are available to the distribution centre. They also

ELDERS TRADITIONAL PROGRAM

In 2009, \$175,000 in the Nisichawayasihk Trust's funds-available were allocated to the Elders Traditional Program (ETP) to fulfill objectives as outlined in its 2009 operational plan.

The ETP employs a manager, an Elders' supervisor, five Elders and two Elders' assistants. The ETP operates during the school months, and continues to network the Outdoor Education Program along with the Family and Community Wellness Centre's Daycare and Head-start programs.

Wild Food Distribution	Pounds of Wild Food Distributed to NCN Members	Number of NCN Members Receiving Wild Food
First Quarter	1,402	444
Second Quarter	1,620	398
Third Quarter	1,802	351
Forth Quarter	2,318	355
Total	7,142	1,548

maintain the Leftrook Lake camping facility that has five cabins, a communal teepee and a cook shack.

As outlined in the table, the program distributed 7,142 pounds of wild food to 1,548 community Members. The program also harvested 10,059 pounds of wild food consisting of whitefish, jackfish, sucker heads, smoked red mullets, moose meat, caribou meat, rabbit, geese, ducks and assorted berries.

The program also purchased a 2009 Yamaha snowmobile, fish nets, equipment and gear, an ice auger and chain saw.

The ETP Elders and employees work closely with teachers, directors and students to teach various cultural activities such as: dressing fish; skinning pelts; setting traps and snares; making snow shoes; sewing and making mukluks, slippers, gauntlets, etc.

Handicrafts made by Elders in the program are displayed in a case at the Family and Community Wellness Centre where they are for sale at reasonable prices and have generated considerable sales as well as custom orders from visitors. Sale proceeds are used to purchase more materials and equipment for the program.



2009

Annual Report

COMMERCIAL FISHERMAN ASSOCIATION

The Wuskwatim Transmission Development Fund provided \$187,452.05 to the Nelson House Fisherman Association (NHFA) to carry out objectives as outlined in its 2009 operating plan.

The NHFA is governed by a six-member board and employs a part-time manager, a seasonal grader, packer and runner. The program's management and administration held at the Trust Office remain the same as previous years. Management payroll, subsidy costs, equipment inventory and distributions, and fisher transportation (trucks, gas and operation) also remain the same.

The NHFA board, management, Council Portfolio Holders and fishers meet regularly to discuss ways to improve the program and to reach its objective to increase production. Representatives from Manitoba's Department of Conservation continue to meet with the board to discuss their findings during regular patrols after the fishing seasons.

The NHFA provides fishers with logistical assistance each season using program trucks to transport boats, equipment, fishers and their helpers to their field locations.

At the start of each fishing season, fishers are given operating start-up expenses, and the program also covers costs for the runner, who delivers supplies and picks up fish for the

packing plant. These costs are charged to the NHFA and deducted from the fishers' subsidy payments. Generally, these deductions are settled at the end of fishing season. The fishers start-up costs totalled \$80,133.53 and they received \$10,433.80 in subsidy payments. The pie charts illustrate startup and subsidy payments.

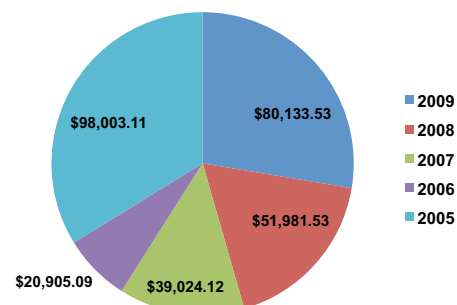
RESOURCE MANAGEMENT

The Resource Management Board (RMB) had deferred revenue of \$86,978 designated for use to achieve the board's objectives set out in its 2009 operating plan. Under the supervision of the Natural Resource Secretariat and Council Portfolio Holder, the RMB's managed the program.

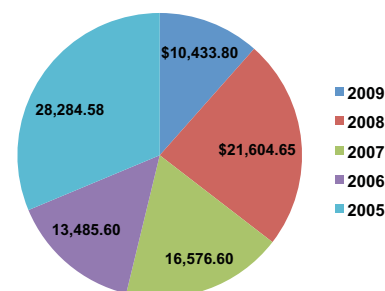
As part of the 1996 NFA Implementation Agreement, the RMB maintains arrangements for joint resource management between Nelson House and the Province of Manitoba. The RMB continues to review all resource allocations, land-use applications, and license/permit applications made within the Resource Management Area. Some of their achievements include:

- Signage of Nawunitan Creek
- Preliminary NCN Cabin Policy Initiative.

NCN Fishermans Association Start Up



NCN Fishermans Association Subsidy





TRAPPERS ASSOCIATION

Funding allocations of \$10,576.41 from the Wuskwatim Transmission Development Fund and \$139,423.59 from the Taskinigahp Trust provided the Nelson House Trappers Association (NHTA) with \$150,000 to carry out objectives outlined in its 2009 operating plan.

The NHTA employs a part-time manager and a four members of the Local Fur Council who undertake the program's operations. The Local Fur Council meets regularly and also participates in annual events such as:

- Provincial General Meeting and Convention in Ashern, Manitoba usually held in February 2009
- Fur Table display and information booth in Thompson, MB, held during Nickel Day weekend in June 2009
- Fur Table auction in Thompson, Manitoba held in December 2009.

The Program runs throughout the year with the active trapping season in early October

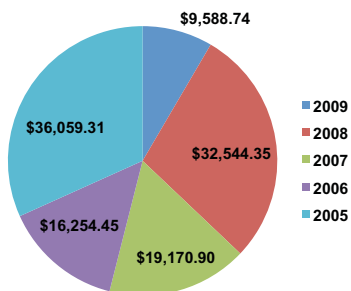
and running until late May. The start-up program continues to be a success for trappers and youth during initial, primary and spring seasons. The program supports trappers by providing start-up funds and vouchers for equipment such as traps, snares, knives and all other necessary equipment the program maintains.

The Program offers a snowmobile purchase program, which requires the trapper to provide 50 percent of the total cost with the program loaning the remaining 50 percent, which is repayable through cash or subsidy deductions.

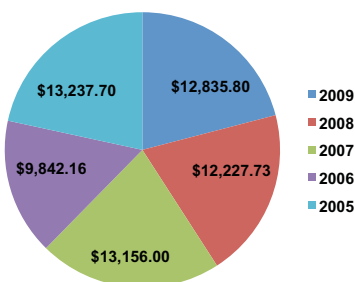
The Program also operates the Cabin Material Program, available to registered trapline holders only. Qualified trappers may receive a forgivable purchase order up to \$3,000 for building materials that can be used to renovate a cabin's floor or roof.

The adjacent pie charts illustrate NHTA's start up loans and subsidy payments.

NCN Trapping Program Start Up



NCN Trapping Program Subsidy





SOCIAL DEVELOPMENT

BUILDING CHARACTER AND CAPACITY THROUGH POSITIVE OPPORTUNITIES – LEADERSHIP SKILLS DEVELOPMENT PROGRAM

In 2009, \$25,000 was allocated to the Family and Community Wellness Centre (FCWC) to develop programs that allow children and youth to develop leadership skills and positive social-support networks.

The FCWC achieved its main objective of empowering children/youth and providing support through personal growth by operating the following programs:

- Rock 'n Read Program
- Applied Suicide Intervention Program
- Teen Talk Training
- Arts and Culture Program
- Tae Kwon Do Program
- Teen Intervention Camps.

KANITHIM WASKIKAN (CARING HOUSE)

In 2009, \$75,000 was allocated to the Family and Community Wellness Centre (FCWC) to operate and maintain the Kanithim Waskikan (Caring House), which Counselling Services operated and managed.

The Caring House program achieved objectives set out in its operational work plan with a central focus on three areas:

Providing Safety and Care

The objective was to provide a safe, secure environment and 24-hour supervision for the female clients residing in the home. The FCWC hired four employees to carry out this objective.

Providing Mentoring Support

The objective was to provide female clients with mentoring support and opportunities to learn life skills and independent living skills. Activities conducted to achieve this objective included staff-oriented excursions such as trips to visit the Juniper Centre in Thompson, Arts and Crafts events and traditional ceremonies. The female clients learned personal hygiene skills, life skills such as cooking, cleaning, budgeting, and shopping.

Improving Health Care

The objective was to improve access to health-related services and improve service coordination. The female clients participated in the circle-of-care meetings involving all Wellness Centre Service providers along with family members.

NELSON HOUSE MEDICINE LODGE FORTH-ANNUAL ROUND DANCE

Funding of \$15,000 was allocated to the Nelson House Medicine Lodge (NHML) to host its annual round dance. These funds are used to pay honourariums for Elders, helpers, drum groups, singers and the master of ceremony; rent the sound system, purchase materials and supplies for the event (tobacco, cloth,





etc); food for feast and gifts for the giveaway.

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

A sweat lodge ceremony kicked off the event and community Members presented flags and offerings for personal and community healing. As the event grows, community Members may also take advantage of healing opportunities provided during the round dance itself.

During this one-day event, the Nelson House Medicine Lodge and its hosting partners moved ever closer to the ultimate objective of reclaiming our culture and identity as Cree people. This round dance was the most successful of all round dances hosted in Nelson House. Young local men led by Terrance Thomas were among those drumming and singing with hand drums.

Nelson House has become recognized for creating a model for Round Dances in Northern Manitoba and has inspired other communities like South Indian Lake, Pukatawagan, and OCN (The Pas), to follow NCN's lead in hosting such events.

PARKS AND RECREATION PROGRAMMING

Funding allocations of \$276,750 from the Nisichawayasihk Trust, \$9,844.91 from the Taskinigahp Trust and \$73,405.09 from the Recreation Facilities and Programs Sub-Account provided the Parks and

Recreation (PR) Program with a total of \$360,000 to carry out objectives outlined in its 2009 operating plan.

In November 2008, Chief and Council appointed five directors to the newly-created Nisichawayasihk Parks and Recreation (NPR) Board with a mandate to govern the Parks and Recreation Program. The board is responsible to develop a mission statement, short and long-term goals and objectives, and an operating program plan that will meet the needs of all NCN Members residing in the community.

The Board has taken necessary training applicable to its position, and holds regular monthly meetings to plan and budget for recreation programs and to address recreation matters. The Board has also started working on developing a Recreation Policy with a goal of having the policy completed by 2011.

The NPR Board held a considerable number of planning sessions to determine programs to be offered during the 2009 budget year and to try to meet programming and facility needs for all age groups. The program organized and coordinated almost 30 sporting events and activities throughout the year including:

- Norman Winter Games
- Broomball League and Tournament
- Top Student Award Trip
- Canada and NCN Day Events
- Bowling Program
- World Series of Sports
- Minor Hockey Program



- Movie Nights for Youth
- Swim to Survive Program
- B.O.A.T. Safety and First Aid Course for Youth
- Soccer Program
- Slow-Pitch Tournament
- Arts and Crafts Club
- New Years Eve Skating Party and Fireworks
- Hockey Day In Canada/Nelson House
- Mothers and Fathers Day Events
- Swimming Program
- Old Timers Hockey Tournament
- Basketball Program
- Volleyball Tournament
- Tae Kwon Do Program
- Music Program
- Staff Fishing Derby
- Ball Hockey Program
- Family Street Hockey
- Softball Program
- Torch Relay.

REDISCOVERIES OF FAMILIES PROGRAM

In 2009, \$75,000 was allocated to the Family and Community Wellness Centre (FCWC) to operate and maintain the Rediscoveries of Families Program (RDF) which Counselling Services operated and managed.

The RDF Program achieved its objectives as set out in its operational work plan with the main focus being on three areas:

The Land as a Link to Traditional Values and Beliefs

The objective is to provide families with opportunities to reconnect with the land and internalize traditional values and beliefs. The program coordinated activities that involved using natural resources within the surroundings of the community to provide Cree cultural teachings, and using the land as a resource for survival and teachings. The program involved three-generation families (i.e. mother, daughter, granddaughter) who fostered a dialogue for examining how their traditional values are carried out in their families.

Identifying Family Strengths, Weaknesses and Relationship Solutions for Everyday Life

The objectives were to provide support required to identify family strengths and other issues that have had a negative impact on family functioning and to find practical solutions useful in everyday life. Participants were asked to identify their family relationships using the family tree and kinship system, and then to refer to other members, in the traditional Cree way, by those kinship relationships (e.g. brother, mother, cousin) rather than by name, which is the Western tradition. The youth helped the women with traditional activities and in return the women provided teachings.

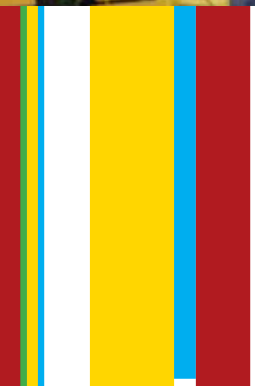
The Land as a Source for Food, Medicine and Spirituality

The objective was to help participants and families reconnect with the land as a source of food, medicine and spirituality. Participants were given opportunities to learn

about filleting and cleaning fish as well as picking medicinal plants and berries. They also learned about ceremonial activities as a framework for healing and recovery. Participants saw sacred artifacts within the NCN resource area.

All family, youth and group retreats were held during the summer months at the Leftrook Lake Facilities and Camp 34. The RDF program had also taken a few Elders and youth to a Sun dance in Winnipeg.





ZUMMER ADVENTURE CAMP

In 2009, \$75,000 was allocated to the Family and Community Wellness Centre (FCWC) to deliver the Zummer Adventure Program (ZAC) during June, July and August. This program serves a dual purpose, first to provide meaningful employment skills for our youth that encourage them to be positive role models and mentors to their peers and particularly children they serve.

The second purpose is to expose children and youth to extra-curricular activities and cultural teachings to nurture the growth of each child's and youth's intellectual, emotional, physical and spiritual well-being.

The ZAC Program achieved its objectives as set out in its operational work plan with the main focus being on providing children/youth with opportunities for:

- Building positive social and recreational relationships, positive personal development
- Learning about the land and internalizing traditional skills values and beliefs
- Building self-esteem and a positive self-image
- Learning about traditional skills such as medicine picking, cleaning fish, hunting and canoeing
- Gaining independence through week-long canoe excursions to Leftrook Lake.

Most ZAC programs and activities were held in the Wellness Centre and at Mile 34. Elders were the important mentors, as they spoke to children in Cree and taught participants to make canoes, moose callers, bake bannock, prepare fish and sew.

NCN YOUTH INITIATIVE PROGRAM

In 2009, \$125,000 was allocated to the Youth Initiative Program to operate and maintain the Youth Program Building and carry out objectives outlined in its 2009 operating plan.

The Program's mission is to work with the community to increase youth involvement in programming and enhance their personal skill sets. Focus areas were to promote healthy development, role modeling, mentorship, internal and external training, communications skills and building self-esteem.

The Youth Program has a seven-member youth council with a mandate to assist the Youth Coordinator in planning, budgeting and implementing programs. The Youth Council meets regularly to ensure objectives in the operating plan are achieved.

The Program also developed a quarterly Youth Initiative Newsletter which profiled all programs, activities, schedules and upcoming events the Youth Initiative would implement in the upcoming three-month period.



OTHER

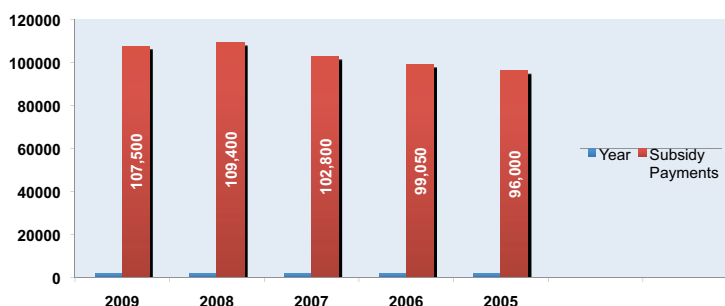
ELDERS SUBSIDY PROGRAM

In addition to the surplus, \$110,400 was allocated to provide community Elders with a monthly subsidy of \$100 to supplement their pensions and other benefits, a total of 91 Elders were subsidized in 2009.

The Elder Subsidy Program is a unique program design specifically for Elders residing on the Nisichawayasihk Cree Nation reserve. The eligibility requirements for the subsidy program are as follows;

1. Must be an NCN Member 65 years old (one month passed your 65 birthday) and living on reserve
2. Must have permanent place of residence in NCN
3. Must have been residing on reserve prior to 1977 NFA
4. Must provide identification and status card for proof of age and membership
5. Special consideration is given to NCN Members living off reserve because of medical reasons. Documentation from medical doctor must be provided
6. Special consideration is given to NCN Members living in a personal care home.

Elders Subsidy - 5 Year Analysis



NCN CHRISTMAS CHEERBOARD

The Nelson House Christmas Cheer board continues its commitment to ensure each child receives a gift on Christmas morning and each family has a hot meal on Christmas day.

2009 was a very busy and successful year for the Cheer board, with the funds received from the CAP/CIP Budget and donations received from various organizations. The board was able to meet its objectives, plus coordinate the Christmas Lights/House Decorating Contest. Cash prizes were awarded to the winners. Contributions for the contest came from the following organizations:

First – Nisichawayasihk Cree Nation

\$2,000

Second – Parks & Recreation Program

\$1,500

Third – NCN Trust Office

\$1,000

Forth – Nelson House Development Corp.

\$500

With many residents participating, it was gratifying to see the Christmas spirit spread within all areas, as the community was once again captivated by decorations, glitter, lights, trimmings and Christmas trees.

The Cheer board provided 866 gifts for children, newborn to 14 years of age living in the community and 454 food hampers to each household.

TRUST FINANCIALS



W.J. Hemenway, B.A., C.A. - Partner (ret.)
A.M. (Arnie) Silver, B.A., C.A. - Principal
Jarrod 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, 2009 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, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Manitoba
March 27, 2010


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



NISICHAWASIIHK TRUST

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2009

	GENERAL FUND	COMMUNITY DEVELOPMENT FUND	CLAIMS FUND	INVESTMENT AND HERITAGE FUND	Total 2009	Total 2008
ASSETS						
CURRENT ASSETS						
Cash	\$ 532,449	\$ 4,647	\$ 109	\$ 690,157	\$ 1,227,362	\$ 1,269,501
Accrued interest	-	-	-	138,945	138,945	10,601
Due from Nisichawayasihk Trust Office	-	-	-	-	-	8,476
Due from Development Fund	472	-	-	-	472	-
Due from General Fund	-	-	1,800	-	1,800	1,800
	<u>532,921</u>	<u>4,647</u>	<u>1,909</u>	<u>829,102</u>	<u>1,368,579</u>	<u>1,290,378</u>
INVESTMENTS (NOTES 3 AND 8)	40,000,000	1,536,385	-	4,148,019	45,684,404	46,895,314
	<u>\$40,532,921</u>	<u>\$ 1,541,032</u>	<u>\$ 1,909</u>	<u>\$ 4,977,121</u>	<u>\$47,052,983</u>	<u>\$48,185,692</u>
LIABILITIES						
CURRENT LIABILITIES						
Due to Claims Fund	\$ 1,800	\$ -	\$ -	\$ -	\$ 1,800	\$ 1,800
Due to Development Fund	-	472	-	-	472	-
	<u>1,800</u>	<u>472</u>	<u>-</u>	<u>-</u>	<u>2,272</u>	<u>1,800</u>
RESTRICTED CAPITAL (PAGES 5, 7 AND 8)						
	40,531,121	1,540,560	1,909	4,977,121	47,050,711	48,183,892
	<u>\$40,532,921</u>	<u>\$ 1,541,032</u>	<u>\$ 1,909</u>	<u>\$ 4,977,121</u>	<u>\$47,052,983</u>	<u>\$48,185,692</u>

APPROVED

STATEMENT OF RESTRICTED CAPITAL
GENERAL FUND

YEAR ENDED DECEMBER 31, 2009

	2009	2008
Balance, beginning of year	\$40,546,841	\$40,572,363
Income on Trust assets	<u>2,300,430</u> 42,847,271	<u>2,303,899</u> 42,876,262
Transferred to Unrestricted Capital - Community Development Fund	2,316,150	2,329,421
BALANCE, END OF YEAR	<u>\$40,531,121</u>	<u>\$40,546,841</u>

STATEMENT OF UNRESTRICTED CAPITAL
COMMUNITY DEVELOPMENT FUND

YEAR ENDED DECEMBER 31, 2009

	2009	2008
BALANCE, BEGINNING OF YEAR	\$ -	\$ -
Transfer from Restricted Capital - General Fund	<u>2,316,150</u>	<u>2,329,421</u>
FUNDS AVAILABLE FOR THE YEAR	2,316,150	2,329,421
Transfer from Restricted Capital - Investment and Heritage Fund	1,383,850	1,370,579
Program Funding (SCHEDULE)	(3,675,000)	(3,655,000)
Transfer to Restricted Capital - Claims Fund (PAGE 7)	(25,000)	(45,000)
BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>



STATEMENT OF RESTRICTED CAPITAL COMMUNITY DEVELOPMENT FUND

YEAR ENDED DECEMBER 31, 2009

	2009	2008
BALANCE, BEGINNING OF YEAR	\$ 1,568,355	\$ 1,029,711
Interest income	27,265	56,488
Settlement proceeds - capital (NOTE 6)	-	495,632
Settlement proceeds - interest (NOTE 6)	-	145,503
Gain (loss) on investments - unrealized	16,706	30,119
Gain (loss) on investments - realized	1,639	-
Transfer to Nisichawayasihk Trust Office	(73,405)	(189,098)
BALANCE, END OF YEAR	\$ 1,540,560	\$ 1,568,355

NISICHAWASIIHK TRUST

STATEMENT OF RESTRICTED CAPITAL CLAIMS FUND

YEAR ENDED DECEMBER 31, 2009

	2009	2008
BALANCE, BEGINNING OF YEAR	\$ 1,909	\$ 1,909
Transfer from Unrestricted Capital - Community Development Fund (PAGE 6)	25,000	45,000
	26,909	46,909
Transfer to Nisichawayasihk Trust Office	25,000	45,000
BALANCE, END OF YEAR	\$ 1,909	\$ 1,909

STATEMENT OF RESTRICTED CAPITAL
INVESTMENT AND HERITAGE FUND

YEAR ENDED DECEMBER 31, 2009

	2009	2008
BALANCE, BEGINNING OF YEAR	\$ 6,066,787	\$ 7,066,463
Transfer to Unrestricted Capital		
- Community Development Fund (NOTE 8)	(1,383,850)	(1,370,579)
Income on restricted funds	293,911	366,370
Excursion revenue	273	269
Transfer from Nisichawayasihk Trust Office	-	4,264
BALANCE, END OF YEAR	\$ 4,977,121	\$ 6,066,787

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2009

	GENERAL FUND	COMMUNITY DEVELOPMENT FUND	CLAIMS FUND	INVESTMENT AND HERITAGE FUND	Total 2009	Total 2008
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash from interest income	\$ 2,300,430	\$ 37,866	\$ -	\$ 154,966	\$ 2,493,262	\$ 2,716,156
Cash from other revenue	-	-	-	273	273	1,142,805
Cash transferred to Trust Office	(3,675,472)	(72,933)	(25,000)	-	(3,773,405)	(3,889,098)
Cash transferred from Trust Office	4,212	-	-	4,264	8,476	-
Cash transferred to (from) General Account	1,358,850	-	25,000	(1,383,850)	-	-
Net cash received from (paid for) operating activities	(11,980)	(35,067)	-	(1,224,347)	(1,271,394)	(30,137)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of investments	-	1,525,147	-	1,215,494	2,740,641	1,259,480
Purchase of investment	-	(1,511,386)	-	-	(1,511,386)	(1,373,812)
Net cash received from (paid for) investing activities	-	13,761	-	1,215,494	1,229,255	(114,332)
INCREASE (DECREASE) IN CASH FOR THE YEAR	(11,980)	(21,306)	-	(8,853)	(42,139)	(144,469)
Cash, beginning of year	544,429	25,953	109	699,010	1,269,501	1,413,970
CASH, END OF YEAR	\$ 532,449	\$ 4,647	\$ 109	\$ 690,157	\$ 1,227,362	\$ 1,269,501



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

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:

- i) the income earned in the Trust Assets and
- ii) 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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2009

2. BASIS OF PRESENTATION - CONTINUED

General Fund

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

Community Development Fund

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

Claims Fund

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

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

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

Investment and Heritage Fund

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

All monies that were held in the Trust cash account of each fund at December 31, 2009 earned interest at 0.16%

3. SIGNIFICANT ACCOUNTING POLICIES

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.



3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) **Investments**

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

d) **Fair Value of Investments**

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

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



NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2009

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. During the year ended December 31, 2008, an additional \$495,632 of capital and \$145,503 of interest earned on this amount was settled in this Fund.

The interest on the \$1,495,632 of capital 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 \$1,495,632 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, 2009) 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:

	2009		2008	
	<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				
Bank of Nova Scotia 3.43%	203,000	204,539	-	-
Canada Housing 3.55%	-	-	113,381	115,616
Canada Housing 3.75%	109,021	111,963	109,021	113,492
Canadian Imperial Bank of Commerce	349,219	349,596	745,148	745,148
Farm Credit Canada Corp. 3.80%	113,749	120,200	113,749	121,411
Ontario 4.00%	-	-	99,980	101,132
Ontario 4.20%	196,560	205,566	-	-
Ontario 4.50%	113,942	123,793	113,942	121,547
Ontario 4.75%	99,979	107,561	99,979	107,726
Quebec 4.50%	197,980	205,126	-	-
Toronto Municipal 4.90%	100,000	108,041	100,000	105,729
Subtotal - Community Development Fund	1,483,450	1,536,385	1,495,200	1,531,801
Investment and Heritage Fund				
Manitoba Hydro-Electric Board 5.750%	4,148,019	4,148,019	5,363,513	5,363,513
Total Investments - All Funds	\$ 45,631,469	\$ 45,684,404	\$ 46,858,713	\$ 46,895,314

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 \$514,615 at December 31, 2009) 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, \$1,383,850 was transferred to the General Fund to supplement the 2009 Funds Available amount.

SCHEDULE OF 2009 PROGRAM FUNDING

YEAR ENDED DECEMBER 31, 2009

	2009	2008
10 Unit Home Ownership Program	\$ -	\$ 150,000
Administration	475,000	450,000
Breakfast/Lunch Program	60,000	45,000
Building Character & Capacity	25,000	-
Community Approval Process	35,000	60,000
Community Beautification Project	-	20,000
Corporate Trustee	60,000	75,000
Country Foods	80,000	210,000
Dog Control	35,000	55,000
Elders' Subsidy	110,400	111,100
Elders Traditional Program	175,000	115,000
Fisherman Association	-	135,000
Garbage Truck & Bins	123,000	-
Gilbert McDonald Arena - O & M	48,230	40,000
HML Annual Round Dance	15,000	10,000
Housing Renovations	104,000	100,000
Human Resource Officer	47,000	-
Justice Program	63,920	48,000
Kanithim Waskikan (Caring House)	75,000	48,000
NCN Achimowin Radio and Television	70,500	100,000
NCN Christmas Cheer Board	40,000	30,000
NCN Development Corporation - Interim Manager	-	30,000
NCN Emergency Services	141,000	200,000
NCN Minor Hockey Association	-	75,000
NCN Youth Initiative	125,000	125,000
Nelson House Trustees	25,000	30,000
Nisichawayasihk Personal Care Home Inc.	200,000	200,000
Parks and Recreation	276,750	45,000
Paved Roads Feasibility Study	40,000	-
Policing Services		97,785
Post Secondary Funding	150,000	-
Pow Wow	-	75,000
Pow Wow Arbor	40,000	20,000
Professional Services	45,000	40,000
Rediscoveries of Families Project	75,000	50,000
Resource Management	-	100,115
Special Education Program	75,200	50,000
Summer Student Employment & Work	15,000	5,000
Trappers Association	-	110,000



TRUST OFFICE FINANCIALS



W.J. Hemmerway, 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 Chief and Council
Nisichawayasihk Cree Nation

We have audited the statement of financial position of Nisichawayasihk Trust Office as at December 31, 2009, 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, 2009 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 19, 2010


CHARTERED ACCOUNTANTS



Member of
The Institute of
Chartered Accountants
of Manitoba



201 - 930 Jefferson Avenue Winnipeg, Manitoba R2P 1W1 Phone 204-694-8899 Fax 204-694-8885 e-mail: hsilver@center.net

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2009

	COMMUNITY DEVELOPMENT FUND	CLAIMS FUND	INVESTMENT AND HERITAGE FUND	TOTAL 2009	TOTAL 2008
ASSETS					
CURRENT ASSETS					
Unrestricted cash	\$2,012,284	\$ -	\$ -	\$2,012,284	\$2,021,852
Restricted cash (NOTE 7)	-	45,743	-	45,743	61,662
Interest receivable	22	-	-	22	7,601
Accounts receivable (NOTE 3)	920	-	-	920	-
Advances receivable (NOTE 3)	9,071	-	-	9,071	9,485
Short-term investments (NOTE 3)	44,572	-	-	44,572	446,245
Due from Taskinigahp Trust Office	314,946	-	-	314,946	5,600
Due from Claims Fund	19,589	-	-	19,589	10,695
	<u>2,401,404</u>	<u>45,743</u>	<u>-</u>	<u>2,447,147</u>	<u>2,563,140</u>
RESTRICTED CASH (NOTE 6)	53,886	-	-	53,886	52,882
PROPERTY AND EQUIPMENT (NOTES 3 AND 4)	69,992	-	-	69,992	86,764
	<u>\$2,525,282</u>	<u>\$ 45,743</u>	<u>\$ -</u>	<u>\$2,571,025</u>	<u>\$2,702,786</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$1,136,449	\$ 1,455	\$ -	\$1,137,904	\$ 724,769
Due to Nisichawasihk Trust	-	-	-	-	8,476
Due to Community Development Fund	-	19,589	-	19,589	10,695
	<u>1,136,449</u>	<u>21,044</u>	<u>-</u>	<u>1,157,493</u>	<u>743,940</u>
DEFERRED FUNDING (PAGES 6, 21 AND 30)	<u>1,318,841</u>	<u>24,699</u>	<u>-</u>	<u>1,343,540</u>	<u>1,872,082</u>
	<u>2,455,290</u>	<u>45,743</u>	<u>-</u>	<u>2,501,033</u>	<u>2,616,022</u>
NET ASSETS					
NET ASSETS					
Invested in property and equipment (PAGE 20)	69,992	-	-	69,992	86,764
Unrestricted (PAGE 5)	-	-	-	-	-
Restricted (PAGES 21 AND 22)	-	-	-	-	-
	<u>69,992</u>	<u>-</u>	<u>-</u>	<u>69,992</u>	<u>86,764</u>
	<u>\$2,525,282</u>	<u>\$ 45,743</u>	<u>\$ -</u>	<u>\$2,571,025</u>	<u>\$2,702,786</u>

APPROVED



SUMMARY STATEMENT OF FUNDING, EXPENDITURES AND SURPLUS
COMMUNITY DEVELOPMENT FUND

YEAR ENDED DECEMBER 31, 2009

PROGRAM	NISICHAWASIHK TRUST FUNDING	OTHER REVENUE	DEFERRED FUNDING 2008	DEFERRED FUNDING 2009	TOTAL REVENUES	TOTAL EXPENDITURES	SURPLUS
Nisichawayasihk Trust (PAGE 7)	\$ 888,230	\$ (18,259)	\$ 309,330	\$ (248,525)	\$ 930,776	\$ 930,776	\$ -
Capital Projects (PAGE 8)	243,000	-	-	-	243,000	243,000	-
Community Infrastructure (PAGE 9)	-	-	6,053	(6,053)	-	-	-
Economic Development (PAGE 10)	932,500	26,477	997,940	(509,897)	1,447,020	1,447,020	-
Education (PAGE 11)	285,200	-	-	-	285,200	285,200	-
Governance (PAGE 12)	-	-	924	(924)	-	-	-
Housing (PAGE 13)	104,000	1,486	203,345	(204,831)	104,000	104,000	-
Justice (PAGE 14)	63,920	-	-	-	63,920	63,920	-
Public Works (PAGE 15)	216,000	-	-	-	216,000	216,000	-
Resource and Land Use (PAGE 16)	-	699,877	197,889	(241,689)	656,077	656,077	-
Shoreline Debris Clean-up (PAGE 17)	-	1,574	31,660	(33,234)	-	-	-
Social Development (PAGE 18)	791,750	101,855	69,542	(59,248)	903,899	903,899	-
Other (PAGE 19)	150,400	-	7,308	(14,440)	143,268	143,268	-
	\$3,675,000	\$813,010	\$1,823,991	\$(1,318,841)	\$4,993,160	\$4,993,160	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
CAPITAL PROJECTS PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$243,000	\$243,000	\$20,000
DEFERRED FUNDING - 2007	-	-	20,610
	<u>243,000</u>	<u>243,000</u>	<u>40,610</u>
EXPENDITURES			
Garbage truck and bins	123,000	123,000	-
Pow wow arbour upgrade	40,000	40,000	40,610
Retail distribution centre	80,000	80,000	-
	<u>243,000</u>	<u>243,000</u>	<u>40,610</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
COMMUNITY INFRASTRUCTURE PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
DEFERRED FUNDING - 2007	\$ -	\$ -	\$ 6,311
DEFERRED FUNDING - 2008	6,053	6,053	(6,053)
DEFERRED FUNDING - 2009	-	(6,053)	-
	<u>6,053</u>	<u>-</u>	<u>258</u>
EXPENDITURES			
Community aesthetics and improvements	6,053	-	258
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -



	BUDGET	2009	2008
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 932,500	\$ 932,500	\$ 630,000
INTEREST REVENUE	-	(3,312)	42,052
OTHER REVENUE	-	29,789	32,059
DEFERRED FUNDING - 2007	-	-	2,411,414
DEFERRED FUNDING - 2008	997,940	997,940	(997,940)
DEFERRED FUNDING - 2009	-	(509,897)	-
	<u>1,930,440</u>	<u>1,447,020</u>	<u>2,117,585</u>
EXPENDITURES			
Business Marketing Development Corp.	4,315	-	-
Community development plan	35,000	-	-
HRDA - Summer student employment/work	18,750	15,000	-
Human resource officer	47,000	47,000	-
NCN Achimowin radio station	141,603	157,734	142,862
NCN Development Corporation manager	-	-	30,000
NCN investment savings	432,669	427,286	-
NCN recycling	2,895	-	-
Wuskwatim equity	<u>1,248,208</u>	<u>800,000</u>	<u>1,944,723</u>
	<u>1,930,440</u>	<u>1,447,020</u>	<u>2,117,585</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT OF FUNDING AND EXPENDITURES
EDUCATION PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$285,200	\$285,200	\$100,000
EXPENDITURES			
Breakfast and lunch program	60,000	60,000	45,000
Investing in our future - Post Secondary funding	150,000	150,000	-
Special education program	75,200	75,200	50,000
Super grads	-	-	5,000
	285,200	285,200	100,000
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
GOVERNANCE PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
DEFERRED FUNDING - 2007	\$ -	\$ -	\$ 924
DEFERRED FUNDING - 2008	924	924	(924)
DEFERRED FUNDING - 2009	-	(924)	-
	924	-	-
EXPENDITURES			
Governance	924	-	-
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -



	BUDGET (unaudited)	2009	2008
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 104,000	\$ 104,000	\$ 250,000
INTEREST REVENUE	-	486	2,339
OTHER REVENUE	-	1,000	-
DEFERRED FUNDING - 2007	-	-	248,795
DEFERRED FUNDING - 2008	203,345	203,345	(203,345)
DEFERRED FUNDING - 2009	-	(204,831)	-
	<u>307,345</u>	<u>104,000</u>	<u>297,789</u>
EXPENDITURES			
1 Unit Home Ownership Program	150,000	-	-
Home Opportunity Program	53,182	-	-
Housing renovations	104,000	104,000	297,789
R.C. church renovations	163	-	-
	<u>307,345</u>	<u>104,000</u>	<u>297,789</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
JUSTICE PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET (unaudited)	2009	2008
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$63,920	\$63,920	\$145,785
DEFERRED FUNDING - 2007	-	-	5,800
	<u>63,920</u>	<u>63,920</u>	<u>151,585</u>
EXPENDITURES			
Community Justice Program	63,920	63,920	53,800
Policing services	-	-	97,785
	<u>63,920</u>	<u>63,920</u>	<u>151,585</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
PUBLIC WORKS PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	<u>\$216,000</u>	<u>\$216,000</u>	<u>\$275,000</u>
EXPENDITURES			
Animal control	35,000	35,000	55,000
Community Beautification Project	-	-	20,000
NCN fire and emergency services	141,000	141,000	200,000
Paved roads feasibility study	<u>40,000</u>	<u>40,000</u>	<u>-</u>
	216,000	216,000	275,000
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
SHORELINE DEBRIS CLEAN-UP PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
INTEREST REVENUE	\$ -	\$ 1,574	\$ 8,399
DEFERRED FUNDING - 2007	-	-	23,261
DEFERRED FUNDING - 2008	31,660	31,660	(31,660)
DEFERRED FUNDING - 2009	<u>-</u>	<u>(33,234)</u>	<u>-</u>
	31,660	-	-
EXPENDITURES			
Debris management	31,660	-	-
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -



STATEMENT OF FUNDING AND EXPENDITURES RESOURCE AND LAND USE PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET (unaudited)	2009	2008
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ -	\$ -	\$ 555,115
TRANSFER FROM TASKINIGAHP TRUST OFFICE	-	518,337	-
TRANSFER TO SUB-PROGRAMS (NOTE 10)	-	76,710	41,658
LOAN RECOVERIES	-	53,711	34,399
EQUIPMENT SALES	-	38,778	27,511
OTHER REVENUE	-	12,341	41,187
DEFERRED FUNDING - 2007	-	-	136,273
DEFERRED FUNDING - 2008	197,889	197,889	(197,889)
DEFERRED FUNDING - 2009	-	(241,689)	-
	<u>197,889</u>	<u>656,077</u>	<u>638,254</u>
EXPENDITURES			
Country Foods Program	-	223,560	234,817
Fisheries Association	-	291,220	234,332
Resource Management Program	86,978	64,755	33,647
Trappers Association	<u>110,911</u>	<u>76,542</u>	<u>135,458</u>
	<u>197,889</u>	<u>656,077</u>	<u>638,254</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
SOCIAL DEVELOPMENT PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET (unaudited)	2009	2008
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$791,750	\$791,750	\$ 593,000
TRANSFER FROM			
NISICHAWASIIHK TRUST (NOTE 9)	-	73,405	189,098
INTEREST REVENUE	-	1,002	6,167
TRANSFER FROM			
TASKINIGAHP TRUST OFFICE	-	9,845	-
TRANSFER TO SUB-PROGRAMS (NOTE 10)	-	-	98,301
OTHER REVENUE	-	17,603	57,886
DEFERRED FUNDING - 2007	-	-	235,858
DEFERRED FUNDING - 2008	69,542	69,542	(69,542)
DEFERRED FUNDING - 2009	-	(59,248)	-
	<u>861,292</u>	<u>903,899</u>	<u>1,110,768</u>
EXPENDITURES			
Building character and capacity through positive opportunities	25,000	25,000	-
Elders Traditional Program	175,000	171,664	140,335
Fitness trail	1,580	-	-
Kanithim Waskikan (Caring House)	75,000	75,000	48,000
NCN Minor Hockey Association	38,329	36,643	68,511
NCN's annual round dance	15,000	15,000	10,000
North American Indigenous Games	-	-	85,232
Parks and recreation	276,750	358,727	406,492
Pow wow	11,391	-	91,913
Rediscoveries of Families Project	75,000	75,000	50,000
Senior men's hockey	138	-	6,753
Youth Initiative Program	143,104	121,865	153,532
Zummer adventure camp	25,000	25,000	50,000
	<u>861,292</u>	<u>903,899</u>	<u>1,110,768</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -



STATEMENT OF FUNDING AND EXPENDITURES OTHER PROGRAMS

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
PROGRAM FUNDING			
NISICHAWASIIHK TRUST	\$ 150,400	\$ 150,400	\$ 191,100
TRANSFER TO SUB-PROGRAMS (NOTE 10)	-	-	2,793
OTHER REVENUE	-	-	1,256
DEFERRED REVENUE - 2007	-	-	5,674
DEFERRED REVENUE - 2008	7,308	7,308	(7,308)
DEFERRED REVENUE - 2009	-	(14,440)	-
	<u>157,708</u>	<u>143,268</u>	<u>193,515</u>
EXPENDITURES			
Elders' subsidy	117,350	108,300	109,400
NCN Christmas cheer board	40,000	34,968	34,473
Treaty #5 100th anniversary	358	-	49,642
	<u>157,708</u>	<u>143,268</u>	<u>193,515</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF NET ASSETS INVESTED IN PROPERTY AND EQUIPMENT

YEAR ENDED DECEMBER 31, 2009

	2009	2008
BALANCE, BEGINNING OF YEAR	\$ 86,764	\$ 79,625
Property and equipment purchased during the year	-	24,441
Amortization for the year (NOTE 3)	(16,772)	(17,302)
BALANCE, END OF YEAR	\$ 69,992	\$ 86,764

STATEMENT OF FUNDING AND EXPENDITURES
CLAIMS FUND

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
TRANSFER FROM NISICHAWASIIHK TRUST	\$25,000	\$ 25,000	\$ 45,000
INTEREST	-	341	1,448
DEFERRED FUNDING - 2007	-	-	21,873
DEFERRED FUNDING - 2008	48,091	48,091	(48,091)
DEFERRED FUNDING - 2009	-	(24,699)	-
	<u>73,091</u>	<u>48,733</u>	<u>20,230</u>
EXPENDITURES			
Claims account	73,091	48,733	15,966
Transfer to Nisichawasihk Trust	-	-	4,264
	<u>73,091</u>	<u>48,733</u>	<u>20,230</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ -

STATEMENT OF RESTRICTED NET ASSETS
INVESTMENT AND HERITAGE FUND

YEAR ENDED DECEMBER 31, 2009

	2009	2008
BALANCE, BEGINNING OF YEAR	\$ -	\$ -
BALANCE, END OF YEAR	\$ -	\$ -



STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009

	COMMUNITY DEVELOPMENT FUND	CLAIMS FUND	INVESTMENT AND HERITAGE FUND	TOTAL 2009	TOTAL 2008
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash from Nisichawayasihk Trust	\$ 3,748,405	\$ 25,000	\$ -	\$ 3,773,405	\$ 3,889,098
Cash from Taskinigaht Trust Office	251,554	-	-	251,554	-
Interest income received	17,782	341	-	18,123	88,140
Cash from other sources	161,851	-	-	161,851	217,654
Cash paid for program expenses	(4,590,374)	-	-	(4,590,374)	(5,903,898)
Cash paid for claims	-	(41,260)	-	(41,260)	(22,509)
Net cash received from (paid for) operating activities	<u>(410,782)</u>	<u>(15,919)</u>	<u>-</u>	<u>(426,701)</u>	<u>(1,731,515)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Redemption (purchase) of short-term investments	<u>402,218</u>	<u>-</u>	<u>-</u>	<u>402,218</u>	<u>-</u>
Net cash received from (paid for) investing activities	<u>402,218</u>	<u>-</u>	<u>-</u>	<u>402,218</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	(8,564)	(15,919)	-	(24,483)	(1,731,515)
Cash, beginning of year	2,074,734	61,662	-	2,136,396	3,867,911
CASH, END OF YEAR	\$ 2,066,170	\$ 45,743	\$ -	\$ 2,111,913	\$ 2,136,396
Cash consists of:					
Unrestricted cash	\$ 2,012,284	\$ -	\$ -	\$ 2,012,284	\$ 2,021,852
Restricted cash	53,886	45,743	-	99,629	114,544
	<u>\$ 2,066,170</u>	<u>\$ 45,743</u>	<u>\$ -</u>	<u>\$ 2,111,913</u>	<u>\$ 2,136,396</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

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, 2009).

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) **Accounts and Advances Receivable**

Accounts and advances receivable are recorded net of an allowance for doubtful accounts.

d) **Short-Term Investments**

The short-term investment consists of a redeemable guaranteed investment certificate issued by Royal Bank of Canada recorded at its cost of \$44,572. This investment bears interest at a variable rate and matures May 2, 2010. It is expected that this investment will be renewed upon its maturity.

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.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2009

4. PROPERTY AND EQUIPMENT

	COST			December 31, 2009	ACCUMULATED AMORTIZATION			NET BOOK VALUE	
	December 31, 2008	Additions	Disposals		December 31, 2008	Amortization Expense	December 31, 2009	December 31, 2009	December 31, 2008
Office equipment	\$ 163,033	\$ -	\$ -	\$ 163,033	\$ 133,787	\$ 5,849	\$ 139,636	\$ 23,397	\$ 29,246
Trailer improvements	30,509	-	-	30,509	6,153	974	7,127	23,382	24,356
Vehicles	209,872	-	-	209,872	176,710	9,949	186,659	23,213	33,162
	<u>\$ 403,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,414</u>	<u>\$ 316,650</u>	<u>\$ 16,772</u>	<u>\$ 333,422</u>	<u>\$ 69,992</u>	<u>\$ 86,764</u>

5. RESTRICTED CASH - COMMUNITY DEVELOPMENT FUND

Compensation of \$1,000,000 was received in the past as part of the Northern Flood Agreement and was used as a loan guarantee for the Northern Flood Committee. During the year ended December 31, 2008, 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 of the Nisichawayasihk Trust.

The interest earned on the \$1,495,632 of capital 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. This capital amount of \$1,495,632 in the Recreational Facilities and Programs sub-account of Nisichawayasihk Trust 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:

	2009	2008
Nisichawayasihk Trust	\$ 1,909	\$ 1,909
Nisichawayasihk Trust Office	24,699	48,091
	<u>\$26,608</u>	<u>\$50,000</u>

8. RESTRICTED CASH - INVESTMENT AND HERITAGE FUND

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



9. TRANSFER 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 Social Development program of Nisichawayasihk Trust Office:

	2009	2008
Parks and Recreation	\$73,405	\$174,098
NCN Minor Hockey Association	-	15,000
	<u>\$73,405</u>	<u>\$189,098</u>

10. TRANSFER TO SUB-PROGRAMS

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

	2009	2008
Resource and Land Use Program		
- Fisheries Association	\$76,710	\$ 29,054
- Country Foods Program	-	12,604
Subtotal - Resource and Land Use Program	<u>76,710</u>	<u>41,658</u>
Social Development Program		
- Elders Traditional	-	24,895
- North American Indigenous Games	-	490
- Parks and Recreation	-	72,916
Subtotal - Social Development Program	<u>-</u>	<u>98,301</u>
Other Programs		
- NCN Christmas Cheer Board	-	2,793
	<u>\$76,710</u>	<u>\$142,752</u>

SCHEDULE OF DEFERRED REVENUE

YEAR ENDED DECEMBER 31, 2009

PROGRAM	SUB-PROGRAM	2009	2008
IMPLEMENTATION AGREEMENT	Administration	\$ 76,155	\$ 132,632
	Corporate Trustee	139,906	143,795
	Nelson House Trustees	32,464	28,766
	Professional Services	-	4,137
COMMUNITY INFRASTRUCTURE	Community Aesthetics and Improvements	6,053	6,053
ECONOMIC DEVELOPMENT	Business Marketing Development Corporation	4,315	4,315
	Community Development Plan	35,000	35,000
	NCN Achimowin Radio and TV	13,658	71,103
	NCN Investment Savings	2,071	432,669
	NCN Recycling	2,895	2,895
	Summer Student Employment	3,750	3,750
	Wuskwatim Equity	448,208	448,208
GOVERNANCE	Governance	924	924
HOUSING	1 Unit Home Ownership Program	150,000	150,000
	Home Opportunity Program	54,668	53,182
	R.C. Church Renovations	163	163
RESOURCE AND LAND USE	Country Foods Program	15,101	-
	Resource Management Program	26,917	86,978
	Trappers Association	199,671	110,911
SHORELINE DEBRIS CLEAN-UP	Debris Management	33,234	31,660
SOCIAL DEVELOPMENT	Elders Traditional Program	5,904	-
	Fitness Trail	1,580	1,580
	NCN Minor Hockey Association	3,786	38,329
	NCN Youth Initiative Program	29,810	18,104
	Parks and Recreation	5,639	-
	Pow Wow	12,391	11,391
	Senior Men's Hockey	138	138
	Elders Subsidy	9,050	6,950
OTHER PROGRAMS	NCN Christmas Cheerboard	5,032	-
	Treaty #5 100th Anniversary	358	358
		<u>1,318,841</u>	<u>1,823,991</u>
CLAIMS FUND		24,699	48,091
		<u>\$1,343,540</u>	<u>\$1,872,082</u>



SCHEDULE OF ADMINISTRATION EXPENDITURES

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009	2008
	(unaudited)		
Salaries, wages and benefits:			
Administrative Clerk	\$ 22,170	\$ 24,038	
Assistant Director/Claims Officer	1,168	13,619	
Casual help/summer student employment	15,720	7,936	
Claims Officer	20,053	-	
Cultural Program Co-ordinator	-	30,418	
Director Trust Operations	68,281	63,325	
Finance Clerk	29,501	37,655	
Finance Controller	50,106	40,122	
Janitor	19,538	17,032	
Natural Resources and Land Use Secretariat	50,635	-	
Employer's share of statutory deductions	15,762	5,641	
Employee benefits package	16,581	7,677	
Christmas gifts and awards	-	3,328	
Advertising and promotion	9,317	3,264	
Bank charges and interest	833	1,378	
Donations	6,325	12,925	
Hydro	5,322	5,835	
Janitorial supplies	2,218	1,352	
Office equipment and furniture (non-capital)	14,947	11,068	
Office supplies and miscellaneous	15,336	14,677	
Payroll charges and fees	2,914	3,018	
Postage and freight	1,127	1,293	
Share of Pow wow harbour repairs and maintenance	-	10,000	
Software upgrade	3,745	15,589	
Technical support	3,450	2,218	
Telephone, satellite and internet charges	17,642	13,969	
Trailer improvements (non-capital)	7,984	23,125	
Trailer insurance	1,415	1,544	
Training and development	32,469	6,829	
Transfers to net assets			
invested in property and equipment	-	24,441	
Travel and meetings	31,118	35,865	
Vehicle maintenance and insurance	3,689	7,689	
Workshop - youth gang awareness	2,600	-	
	\$607,632	\$471,966	\$446,870

TASKINIGAHP TRUST FINANCIALS



W.J. Hemenway, B.A. C.A. - Partner (ret.)
A.M. 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 the Trustees
Taskinigahp Trust

We have audited the statement of financial position of Taskinigahp Trust as at December 31, 2009 and the statements of 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.

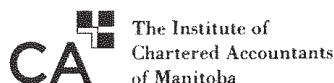
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence 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, 2009 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 17, 2010

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

CHARTERED ACCOUNTANTS





STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2009

	Taskinigahp Community Development Account	Resource Account General	Resource Account Savings	Taskinigahp Claims Account	Seven Generations Account	Seven Generations Growth Account	2009	2008
ASSETS								
CURRENT ASSETS								
Cash	\$ 21,149	\$ 243	\$ 6,459	\$ 165	\$ -	\$ -	\$ 28,016	\$ 66,959
Due from Taskinigahp Trust Office (NOTE 5)	7,916	-	-	-	-	-	7,916	-
	<u>29,065</u>	<u>243</u>	<u>6,459</u>	<u>165</u>	<u>-</u>	<u>-</u>	<u>35,932</u>	<u>66,959</u>
INVESTMENTS (NOTES 3 AND 6)	5,874,428	-	43,947	-	-	-	5,918,375	6,590,699
	<u>\$5,903,493</u>	<u>\$ 243</u>	<u>\$ 50,406</u>	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,954,307</u>	<u>\$6,657,658</u>
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	\$ 7,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,916	\$ 2,768
CAPITAL								
CAPITAL (PAGE 5)	5,895,577	243	50,406	165	-	-	5,946,391	6,654,890
	<u>\$5,903,493</u>	<u>\$ 243</u>	<u>\$ 50,406</u>	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,954,307</u>	<u>\$6,657,658</u>

APPROVED

STATEMENT OF CAPITAL

YEAR ENDED DECEMBER 31, 2009

	Taskinigahp Community Development Account	Resource Account General	Resource Account Savings	Claims Account	2009	2008
BALANCE, BEGINNING OF YEAR	\$ 6,535,145	\$ 52,640	\$ 17,105	\$ 50,000	\$ 6,654,890	\$ 1,878,298
Transmission benefits received	-	89,260	29,754	-	119,014	55,456
Gain (loss) on investments - net	112,226	(1,172)	1,959	-	113,013	76,890
Settlement proceeds - NCN Adverse Effects Agreement	-	-	-	-	-	4,200,000
Interest income on Trust assets	234,125	529	1,588	165	236,407	471,028
Distributions to Taskinigahp Trust Office	(980,703)	(141,014)	-	(50,000)	(1,171,717)	-
Care and management fees (incl. GST)	(5,216)	-	-	-	(5,216)	(26,782)
BALANCE, END OF YEAR	<u>\$ 5,895,577</u>	<u>\$ 243</u>	<u>\$ 50,406</u>	<u>\$ 165</u>	<u>\$ 5,946,391</u>	<u>\$ 6,654,890</u>

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2009

	Taskinigahp Community Development Account	Resource Account General	Resource Account Savings	Taskinigahp Claims Account	Seven Generations Account	Seven Generations Growth Account	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash from NCN Adverse Effects Agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$4,200,000
Transmission benefits received	-	89,260	29,754	-	-	-	119,014	67,315
Interest income received	234,125	529	1,588	165	-	-	236,407	478,095
Transfer to Claims Account	-	-	-	-	-	-	-	1,397
Distributions to Taskinigahp Trust Office	(980,703)	(141,014)	-	(50,000)	-	-	(1,171,717)	-
Care and management fees	(7,984)	-	-	-	-	-	(7,984)	(24,014)
Net cash received from (paid for) operating activities	<u>(754,562)</u>	<u>(51,225)</u>	<u>31,342</u>	<u>(49,835)</u>	<u>-</u>	<u>-</u>	<u>(824,280)</u>	<u>4,722,793</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
(Purchase) disposal of investments - net	712,489	48,978	(26,023)	49,893	-	-	785,337	(4,671,392)
Net cash received from (paid for) investing activities	<u>712,489</u>	<u>48,978</u>	<u>(26,023)</u>	<u>49,893</u>	<u>-</u>	<u>-</u>	<u>785,337</u>	<u>(4,671,392)</u>
INCREASE (DECREASE) IN CASH FOR THE YEAR	(42,073)	(2,247)	5,319	58	-	-	(38,943)	51,401
Cash, beginning of year	63,222	2,490	1,140	107	-	-	66,959	15,558
CASH, END OF YEAR	<u>\$ 21,149</u>	<u>\$ 243</u>	<u>\$ 6,459</u>	<u>\$ 165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,016</u>	<u>\$ 66,959</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

1. TASKINIGAHP TRUST

The Taskinigahp Trust was created on June 26, 2006.

Nisichawayasihk Cree Nation (via a wholly owned subsidiary corporation, the Taskinigahp Power Corporation) has entered into a partnership with Manitoba Hydro to develop, construct and operate a hydroelectric generating station at Taskinigahp Falls in Manitoba, called the Wuskwatim Generation Project. The purpose of the Taskinigahp Trust is to receive (as assigned from Taskinigahp Power Corporation) all settlement proceeds (for adverse effects), the proceeds of all dividend loans, the distributions from the Wuskwatim Transmission Development Fund (called transmission benefits) and all dividends declared by Taskinigahp Power Corporation. These funds are to be used for the benefit of Nisichawayasihk Cree Nation and its Members.

Settlement Proceeds

Under the NCN Adverse Effects Agreement, Settlement Proceeds in the amount of \$5,700,000 were paid to the Taskinigahp Trust.

Funds Available

The Funds Available for any year is the aggregate of income for the fiscal year. After the Final Closing Date or termination of the PDA (as stipulated in 3.2.5 of the Adverse Effects Agreement), the Funds Available will also include the amount by which the Net Value of the Assets at the end of the prior fiscal year exceeds 50% of the Settlement Proceeds received, as defined in the proceeding paragraph.



Income is defined as all income for the fiscal year of the Trust, except any Growth Income or Resource Income calculated in accordance with Section 3 of the Income Tax Act without references to subsections 75(2) or 104(6) thereof, except in making such calculations, there shall be excluded any gross-up of any dividend and there shall be included the entirety of any capital gain.

Net Value of the Assets is defined as the amount at any specific date by which the value of the Assets on that date, excluding any funds in the Seven Generations Growth Account and the Resource Account, exceeds all liabilities of the Trust and where all property comprising Assets are valued at the lower of cost or fair market value.

2. BASIS OF PRESENTATION

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

Taskinigahp Community Development Account

The Taskinigahp Community Development Account shall be used:

- to implement the NCN Adverse Effects Agreement, administer the Taskinigahp Trust, and conduct the Community Involvement Process;
- for the economic, social, and cultural development of Nisichawayasihk Cree Nation and its Members;
- for the physical development of the Nisichawayasihk Cree Nation Reserve;
- for environmental monitoring and resource management programs;
- for operations and Maintenance of Capital Works;
- to distribute approved Funds Available to Chief and Council for allocation to the Resource Account, the Seven Generations Account and the Seven Generations Growth Account; and
- for such other purposes approved by Chief and Council following the Community Involvement Process.

Resource Account

The Resource Account will receive all payments from the Wuskwatim Transmission Development Fund (called transmission benefits) as well as any amounts allocated through the Community Involvement Process. This account shall be used for resource development and management programs within Resource Management Area and to fund Nisichawayasihk Cree Nation's activities in relation to Nelson House Resource Management Board. A further restriction on all transmission benefits received annually is as follows:

- 75% of transmission benefits and all related income will be used to fund resource programs and activities.
- 25% of transmission benefits will be invested in a resource sub-account as restricted capital and only the income on these funds may be used to fund resource programs and activities (\$46,583 of restricted capital existed at December 31, 2009).

Taskinigahp Claims Account

The Taskinigahp Claims Account shall be used for:

- the payment of claims and costs in accordance with the NCN Adverse Effects Agreement;
- the reasonable costs of the arbitrator arising out of claims under the NCN Adverse Effects Agreement;
- the reasonable costs to investigate claims; and
- payment of costs awarded to an eligible Claimant.

The Taskinigahp Claims Account shall be replenished at the beginning of each fiscal year as a first priority from the Funds Available to ensure that, after payment of all claims approved for payment in the previous fiscal year, a minimum balance of \$50,000 is maintained. Funds in the Taskinigahp Trust Account in excess of \$50,000 on the last business day of a fiscal year shall be transferred on that date to the Seven Generations Growth Account.

Seven Generations Account

The Seven Generations Account shall hold funds for future uses and contingencies. A majority vote at a Meeting of Members is required to impose restrictions on these funds and to authorize expenditures from these funds.

Seven Generations Growth Account

The Seven Generations Growth Account shall hold funds saved for future generations.

Ten percent (10%) of dividends paid to the Trust in any year, when the payment is less than ten million dollars, and twenty-five percent (25%), where the payment is more than ten million dollars shall be deposited to the Seven Generations Growth Account, and for greater certainty, shall not form part of Funds Available. No funds in the Seven Generations Growth Account shall be spent until a minimum of one hundred million dollars has been allocated to this Account.

Once the balance reaches one hundred million dollars, additional annual distributions of up to ten percent of the Growth Income may be paid to Members in any year. Also, Growth Income, subject to approval, shall be available for expenditure in addition to Funds Available.

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 Taskinigahp 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.



b) **Accrued Interest**

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

c) **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.

d) **Investments**

Under the provisions of the Canadian Institute of Chartered Accountants (CICA) 3855 Financial Instruments-Recognition and Measurement, the financial assets of the Trust's 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.

e) **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.

f) **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.

4. UNDISTRIBUTED INCOME

The balance of any Income, Growth Income or Resource Income which remains undistributed on the last business day of a fiscal year shall be payable on demand to Chief and Council who shall settle such funds on the Trustees with Chief and Council's direction that the funds be deposited to the Taskinigahp Community Development Account, the Seven Generations Account or the Seven Generations Growth Account. If the funds are deposited in the Taskinigahp Community Development Account, they shall, subject to the Community Involvement Process, be spent in a subsequent fiscal year in addition to the Funds Available otherwise to be disbursed for that year.

5. DUE TO/FROM TASKINIGAHP TRUST OFFICE

Amounts due to/from Taskinigahp Trust Office are non-interest bearing with no fixed terms of repayment.

6. INVESTMENTS

	Community Development Account	Resource Account	Claims Account	Market Value at December 31, 2009	2008
Treasury Bills	\$ 139,983	\$ -	\$ -	\$ 139,983	\$ 1,820,420
Canada Bonds	2,068,790	21,942	-	2,090,732	2,812,273
Provincial Bonds	1,081,766	-	-	1,081,766	-
Corporate Bonds	2,583,889	22,005	-	2,605,894	1,958,006
	<u>\$ 5,874,428</u>	<u>\$ 43,947</u>	<u>\$ -</u>	<u>\$ 5,918,375</u>	<u>\$ 6,590,699</u>

	2009	2008
Purchase of investments	\$ 7,593,837	\$11,364,576
Proceeds on disposal of investments	(8,379,313)	(6,694,217)
Gain (loss) - net	113,013	76,890

7. PROJECT DEVELOPMENT AGREEMENT

The above notes attempt to summarize several complex arrangements set out in the Wuskwatim Project Development Agreement (PDA). For complete information about these arrangements, see the text of the PDA itself.



TASKINIGAHP TRUST OFFICE FINANCIALS



W.J. Hemenway, B.A. C.A. - Partner (ret.)
A.M. 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 Taskinigahp Trust Office as at December 31, 2009 and the statements of funding, expenditures and surplus, unrestricted net assets 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 Taskinigahp Trust Office as at December 31, 2009 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 19, 2010

Hemenway Silver
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION - DECEMBER 31, 2009

	Community Development Fund	Resource Fund	Claims Fund	2009
ASSETS				
CURRENT ASSETS				
Unrestricted cash	\$594,047	\$ 94,220	\$ -	\$688,267
Restricted cash (NOTE 6)	-	-	41,158	41,158
Due from Resource Fund	46,932	(46,932)	-	-
	<u>\$640,979</u>	<u>\$ 47,288</u>	<u>\$41,158</u>	<u>\$729,425</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$271,897	\$ -	\$ -	\$271,897
Due to Nisichawayasihk Trust Office (NOTE 5)	265,859	49,088	-	314,947
Due to Taskinigahp Trust (NOTE 4)	<u>7,916</u>	<u>-</u>	<u>-</u>	<u>7,916</u>
	<u>545,672</u>	<u>49,088</u>	<u>-</u>	<u>594,760</u>
DEFERRED FUNDING (SCHEDULE 1)	<u>95,307</u>	<u>-</u>	<u>41,158</u>	<u>136,465</u>
	<u>640,979</u>	<u>49,088</u>	<u>41,158</u>	<u>731,225</u>
NET ASSETS				
NET ASSETS				
Unrestricted (PAGE 5)	-	-	-	-
Restricted (PAGES 11 and 12)	<u>-</u>	<u>(1,800)</u>	<u>-</u>	<u>(1,800)</u>
	<u>-</u>	<u>(1,800)</u>	<u>-</u>	<u>(1,800)</u>
	<u>\$640,979</u>	<u>\$ 47,288</u>	<u>\$41,158</u>	<u>\$729,425</u>

APPROVED



STATEMENT OF UNRESTRICTED NET ASSETS COMMUNITY DEVELOPMENT FUND

YEAR ENDED DECEMBER 31, 2009

<hr/>	
<hr/>	
BALANCE, BEGINNING OF YEAR	\$ -
Surplus (deficit) for the year	-
BALANCE, END OF YEAR	\$ -

SUMMARY STATEMENT OF FUNDING, EXPENDITURES AND SURPLUS COMMUNITY DEVELOPMENT FUND

YEAR ENDED DECEMBER 31, 2009

PROGRAM	TASKINIGAHP TRUST FUNDING	OTHER REVENUE	DEFERRED FUNDING	TOTAL REVENUES	TOTAL EXPENDITURES	SURPLUS
Taskinigahp Trust Office (PAGE 7)	\$253,600	\$505	\$(95,307)	\$158,798	\$158,798	\$ -
Justice (PAGE 8)	341,735	-	-	341,735	341,735	-
Resource and Land Use (PAGE 9)	375,523	-	-	375,523	375,523	-
Social Development (PAGE 10)	9,845	-	-	9,845	9,845	-
	\$980,703	\$505	\$(95,307)	\$885,901	\$885,901	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
TASKINIGAHP TRUST OFFICE PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009
	(unaudited)	
PROGRAM FUNDING		
TASKINIGAHP TRUST	\$253,600	\$253,600
INTEREST REVENUE	-	505
DEFERRED FUNDING - 2009	-	(95,307)
	<u>253,600</u>	<u>158,798</u>
EXPENDITURES		
Administration (SCHEDULE 2)	100,000	60,634
Audit fees	19,000	19,000
Corporate trustee	48,000	29,474
Nelson House trustees	51,600	14,690
Community involvement process	35,000	35,000
	<u>253,600</u>	<u>158,798</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -

STATEMENT OF FUNDING AND EXPENDITURES
JUSTICE PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009
	(unaudited)	
PROGRAM FUNDING		
TASKINIGAHP TRUST	\$341,735	\$341,735
EXPENDITURES		
NCN policing services	341,735	341,735
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -



STATEMENT OF FUNDING AND EXPENDITURES RESOURCE AND LAND USE PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET (unaudited)	2009
PROGRAM FUNDING		
TASKINIGAHP TRUST	<u>\$375,523</u>	<u>\$375,523</u>
EXPENDITURES		
Country foods program	236,100	236,100
Trappers Association	<u>139,423</u>	<u>139,423</u>
	<u>375,523</u>	<u>375,523</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>

STATEMENT OF FUNDING AND EXPENDITURES SOCIAL DEVELOPMENT PROGRAM

YEAR ENDED DECEMBER 31, 2009

	BUDGET (unaudited)	2009
PROGRAM FUNDING		
TASKINIGAHP TRUST	\$9,845	\$9,845
EXPENDITURES		
Parks and recreation programming	9,845	9,845
SURPLUS (DEFICIT) FOR THE YEAR	<u>\$ -</u>	<u>\$ -</u>

STATEMENT OF FUNDING AND EXPENDITURES
RESOURCE FUND

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009
	(unaudited)	
PROGRAM FUNDING		
TASKINIGAHP TRUST	\$198,029	\$141,015
EXPENDITURES		
Fisheries Association	187,452	133,082
Trappers Association	10,577	9,733
	198,029	142,815
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ (1,800)

STATEMENT OF FUNDING AND EXPENDITURES
CLAIMS FUND

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009
	(unaudited)	
TRANSFER FROM		
TASKINIGAHP TRUST	\$ 50,000	\$ 50,000
INTEREST REVENUE	-	31
REIMBURSEMENT REVENUE	-	4,250
DEFERRED FUNDING - 2009	-	(41,158)
	50,000	13,123
EXPENDITURES		
Claims program	50,000	13,123
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -



STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009

	Community Development Fund	Resource Fund	Claims Fund	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash from Taskinigahp Trust	\$ 980,703	\$141,015	\$ 50,000	\$1,171,718
Interest revenue received	505	-	31	536
Reimbursement revenue received	-	-	4,250	4,250
Cash paid for program expenses	<u>(387,161)</u>	<u>(46,795)</u>	<u>(13,123)</u>	<u>(447,079)</u>
Net cash received from (paid for) operating activities	<u>594,047</u>	<u>94,220</u>	<u>41,158</u>	<u>729,425</u>
 INCREASE (DECREASE) IN CASH FOR THE YEAR	 594,047	 94,220	 41,158	 729,425
Cash, beginning of year	-	-	-	-
CASH, END OF YEAR	<u>\$ 594,047</u>	<u>\$ 94,220</u>	<u>\$ 41,158</u>	<u>\$ 729,425</u>
Cash consists of:				
Unrestricted cash	\$ 594,047	\$ 94,220	\$ -	\$ 688,267
Restricted cash	-	-	41,158	41,158
	<u>\$ 594,047</u>	<u>\$ 94,220</u>	<u>\$ 41,158</u>	<u>\$ 729,425</u>



NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

1. TASKINIGAHP TRUST OFFICE

The Taskinigahp Trust Office was established in January 2009 to administer, on behalf of Chief and Council, the Program Funding received from the Taskinigahp Trust.

These financial statements present the assets, liabilities, revenue, expenditures and surpluses of the various programs only insofar as they relate to the Taskinigahp 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 Involvement Process for administering the Trust Office and funding the various programs, not to exceed the approved budget for that year (\$1,030,703 for the year ended December 31, 2009).

Funding of the Claims Fund has a first priority over other programs (funded \$50,000 in the 2009 fiscal year).

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 Involvement Process.

Resource Fund

The Resource Fund includes transactions relating to resource development and management programs within the Resource Management Area and to fund related activities. This includes Transmission Benefits which are to fund resource programs and activities.

All funds paid to the Resource Fund must be approved during the Community Involvement Process (\$141,015 for the year ended December 31, 2009).



2. BASIS OF PRESENTATION - Continued

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 Wuskwatim Project and the Wuskwatim Project Related Transmission Facilities.

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) Revenue Recognition

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

c) 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. DUE TO TASKINIGAHP TRUST

Amounts due to Taskinigahp Trust are non-interest bearing with no fixed terms of repayment.

5. DUE TO NISICHAWAYASIIHK TRUST OFFICE

Amounts due to Nisichawayasihk Trust Office represents program funding transfers in arrears. These amounts are non-interest bearing with no fixed terms of repayment.

6. 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 Wuskwatim Project and the Wuskwatim Project Related Transmission Facilities. 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 Taskinigahp Trust Office and at the Taskinigahp Trust) is maintained in the Claims Fund. Funds in excess of \$50,000 on the last business day of a fiscal year shall be transferred on that date to the Seven Generations Growth Account at the Taskinigahp Trust.

Funds at December 31, consisted of the following:

	<u>2009</u>
Taskinigahp Trust	\$ 165
Taskinigahp Trust Office	41,158
	<u>\$41,323</u>

SCHEDULE OF DEFERRED REVENUE

YEAR ENDED DECEMBER 31, 2009

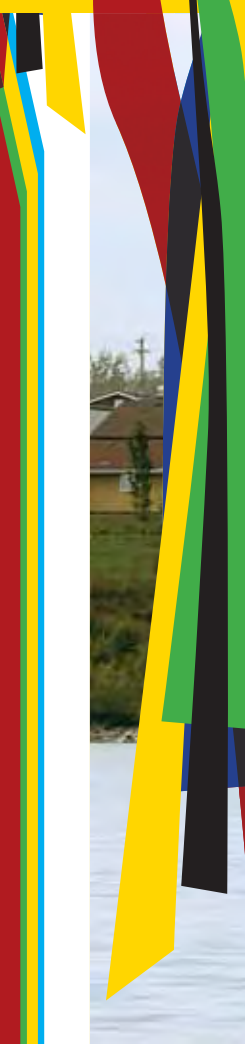
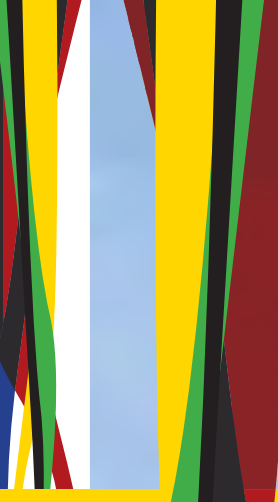
PROGRAM	SUB-PROGRAM	<u>2009</u>
TASKINIGAHP TRUST	Administration	\$ 39,871
	Corporate trustee	18,526
	Nelson House trustees	36,910
		<u>95,307</u>
CLAIMS FUND	Claims program	41,158
		<u>\$136,465</u>



SCHEDULE OF ADMINISTRATION EXPENDITURES

YEAR ENDED DECEMBER 31, 2009

	BUDGET	2009
	(unaudited)	
Bank charges and interest		\$ 548
Community development plan		47,064
Miscellaneous		314
Professional fees - legal		8,987
Summer student reimbursement - wages		3,318
Vehicle - gas and oil		403
	\$100,000	\$60,634





2009



NISICHAWAYASIHK
TRUST OFFICE

24 Bayroad Drive
Nelson House, MB R0B 1A0
Phone: 204.484.2604
Fax: 204.484.2588
www.NCNcree.com/trust.html