



ANNUAL REPORT 2011

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Introduction



PURPOSE OF REPORT

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

Under Article 19.3 of the Nisichawasihk Trust Indenture and Article 21.3 of the Taskinigahp Trust Indenture, Chief and Council and the Trustees of the Nisichawayasihk & Taskinigahp Trust 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 & Community Involvement Process (CAP/CIP) to allocating 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



nder 18.1 of the Nisichawasihk Trust Indenture and 20.1 of the Taskinigahp Trust Indenture. Trustees of the 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 calendar year.

This report is to cover the period from January 1 to December 31, 2011, and is to include an Auditor's Report and Opinion, as well as any other special audit reports and opinions requested by the Trustees.

Under Article 19.1 of the Nisichawasihk 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 time period. In addition, Chief and Council must also provide an audited Financial Report of the previous fiscal year, which includes a financial statement of Trust moneys received and an Auditor's Opinion.



APPROVAL OF ANNUAL AND AUDITED FINANCIAL REPORT

W

e, the duly elected Chief & Council for the Nisichawayasihk Cree Nation do hereby approve of this year's Annual and Audited Financial Report in compliance with Article 19.2 of the Nisichawasihk Trust Indenture and

21.2 of the Taskinigahp Trust Indenture which forms part of the NFA Implementation Agreement signed by the Nisichawayasihk Cree Nation, Canada, the Province of Manitoba and Manitoba Hydro on March 18, 1996.and the Project Development Agreement entered into between Nisichawayasihk Cree Nation, Manitoba Hydro and Taskinigahp Power Corporation, the General Partner and the Limited Partnership on 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 Trustee's of the Nisichawayasihk & Taskinigahp Trust and made available to members at both the Nisichawayasihk Trust Office and Nisichawayasihk Chief & Council's office. In compliance with Article 19.1 of Nisichawayasihk Trust Indentures and 21.1 of the Taskinigahp Trust Indenture, the 2011 fourth quarter report is attached to this year's narrative and audited financial statement.

In compliance with Article 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 Article 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 days (120) after the fiscal year end to discuss this year's Annual, Audited Financial Report by Chief & 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 Article 8.2 of the Nisichawayasihk Trust Indenture and 8.4 of the Taskinigahp Trust Indenture.





NCN Chief Chief Jerry Primrose

NCN Councillors



D'Arcy Linklater



Patrick Linklater



Shirley Linklater



Marcel Moody



Joe Moose



Ron D. Spence



NISICHAWAYASIHK TRUSTEES FINANCIAL OPERATIONS REPORT

NELSON HOUSE TRUSTEES



Chief Jerry Primrose



Councillor Shirley Linklater



Alvin Yetman



David Kobliski

CORPORATE TRUSTEE Royal Trust Corporation of Canada

Gary Goodbrandson Corporate Trustee





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 Nelson House First Nation NFA Implementation Agreement between Nelson House First Nation, Canada, Manitoba and Manitoba Hydro.

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

Funds Available for 2011

As determined by the Trust Indenture and the Community Approval Process (CAP), the amount available for expenditure from the Trust ("Funds Available") for 2011 was \$3,775,000.00. Of this amount, \$2,300,088.26 was distributed from the Main Trust, \$1,399,911.74 from the Investment and Heritage Account and \$75,000.00 from the Recreational Facilities and Programs Sub-account.

Main Trust

As December 31st, 2011 fell on a Saturday, the 2011 interest 31, payment \$1,150,000.00 on the \$40,000,000.00 Manitoba Hydro bond held in the Main Trust could not be deposited to the account until Tuesday, January 2, 2012. As a result, the final payment on the 2011 CAP Budget was not made until early 2012. On page thirteen (13) of the 2011 financial statement, the accountants have shown the 31st, 2011 interest December payment \$1,150,000.00 as an accounts receivable, as well as, \$1,150,134.00 due to the Nisichawayasihk Trust Office.

Investment and Heritage Account

As December 31st, 2011 fell on a Saturday, the December 31, 2011 capital and interest payment of

\$1,369,694.26 on the \$2,553,472.00 Manitoba Hydro bond held in the Investment and Heritage Account could not be deposited to the account until Tuesday, January 2, 2012. As a result, the final payment on the 2011 CAP Budget was not made until early 2012. On page thirteen (13) of the 2011 financial statement, the accountants have shown the interest portion of the payment (\$73,406.00) as an accounts receivable, as well as, \$320,683.00 due to the Nisichawayasihk Trust Office.

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 capital of this account. In 2011, the Community approved recreation programs and proposals totaling \$75,000.00 to be determined by the Recreation Board during the year. On page thirteen (13) of the 2011 financial statement, the accountants have shown \$23,312.00 due to the Nisichawayasihk Trust Office.



Financial Operations Report

Capital Payments Received by the Trust

The Trust did not earn any realized capital gains in 2011.

In accordance with Schedule 2.2 and Article 2.51 of the Nelson House First Nation NFA Implementation Agreement, we confirm that the Trustees received a payment of \$47,040.21 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 2011 from Trust Investments were \$2,529,225.00. The revenues (interest and dividends) were recorded in each account as follows:

\$

| Main Trust Account | 2,300,141.00 |
|---|--------------|
| Investment & Heritage Account | 168,089.00 |
| Claims Account | 0.00 |
| Recreation & Program Facilities Account | 60,995.00 |

Investments Held at December 31, 2011

As at December 31, 2011 the total value of all Trust accounts was \$44,664,922.00. This amount was held in the following accounts and in the following proportions:

Main Trust Account: Total Value - \$40,003,767.00

\$40,000,000 Manitoba Hydro Bonds 5.75% due 30/06/2013 earning an interest rate of 5.75%. This bond pays interest of \$2,300,000.00 a year, which is used to help fund the CAP Budget each year. As at December 31, 2011, there was accrued interest on this bond of \$3,150.00.

\$617.00 held in Cash earning an average 30-day Canada Treasury Bill, which as at December 31, 2011 was 0.91%. The cash held in the account represents the cash balance shown on page 13 of the financial statements (\$751.00) plus the accounts receivable (\$1,150,000.00) less funds to be distributed to the Trust Office (\$1,150,134.00).

Investment and Heritage Account: Total Value - \$3,042,391.00

\$2,553,472.00 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. As at December 31, 2011, there was accrued interest on these bonds of \$73,406.00.

\$488,919.00 held in Cash earning an average 30-day Canada Treasury Bill, which as at December 31, 2011 was 0.91%. The cash held in the account represents the cash balance shown on page 13 of the financial statements (\$736,196.00) plus the accounts receivable (\$73,406.00) less funds to be distributed to the Trust Office (\$320,683.00).

Claims Account: Total Value - \$1,909.00

\$1,909 held in Cash earning an average 30-day Canada Treasury Bill rate, which as at December 31, 2011 was 0.91%.

Recreation and Program Facilities Account: Total Value - \$1,616,855.00

\$1,598,709.00 held in a diversified portfolio of high quality bonds. As at December 31, 2011, there was accrued interest on the bonds of \$13,120.00.

\$18,146.00 held in Cash earning an average 30-day Canada Treasury Bill rate, which as at December 31, 2011 was 0.91%. The cash held in the account represents the cash balance shown on page 13 of the financial statements (\$28,338.00) plus the accounts receivable (\$13,120.00) less funds to be distributed to the Trust Office (\$23,312.00).

As at December 31, 2011, we estimate the portfolio will generate an annual income of approximately \$60,800.00. As bonds mature, we will invest the proceeds at prevailing rates for terms of 4 to 7 years.



Investment Commentary for 2011

INTEREST RATES AND BONDS

Yields on bonds were largely unchanged in the first half of the year, before falling sharply in the second half of the year as markets focused on the Eurozone debt crisis.

Many foreign investors sought the relative safety of Canadian government bonds and this pushed the prices of these bonds up. However, bond prices and bond yields (i.e. the expected future return of a bond to its maturity) move in opposite directions. So the increase in bond prices resulted in a reduction in bond yields.

The following is the current yield of government of Canada bonds:

| Time to maturity | Yield to Maturity | |
|------------------|-------------------|--|
| 1 Year | 0.94% | |
| 2 Year | 1.07% | |
| 5 Year | 1.43% | |
| 10 Year | 2.02% | |
| 30 Year | 2.64% | |

The Bank of Canada's target for the overnight rate was 1.00% at the end of 2010. The central bank left the overnight rate unchanged in 2011, highlighting concerns over the crisis in Europe and its expectation for soft growth in the US and the rest of the global economy.

The following table reflects the extent of the interest rate hikes from December 31st, 2010 to December 31, 2011:

Interest rate increases in Canada and the U.S.

| | Dec 2010 | Dec 2011 |
|-------------------------------|------------|------------|
| Bank of Canada Overnight Rate | 1.00% | 1.00% |
| U.S. Fed Funds Rate | 0.00-0.25% | 0.00-0.25% |

Outlook for 2012

INTEREST RATES AND BONDS

Most major countries continue to experience near-record-low bond yields despite the unfolding crisis. The reasons that yields remain so low are central banks are buying bonds to stimulate growth and investors are moving to bonds they view as safe havens. It isn't clear how long this perfect storm depressing yields will last. It will be hard for yields to move sustainably lower from here unless the feared collapse of the Eurozone becomes a reality, whereas the scope for eventual increases is much greater as the crisis fades and growth in Europe resumes.

Our forecast is for the yield of a 10 year government of Canada bond to be about 3.0% at the end of 2012.

Prepared by:

ROYAL TRUST CORPORATION OF CANADA Corporate Trustee



MANITOBA HYDRO'S ONGOING OBLIGATIONS



The 1996 NFA Implementation Agreement is a complex document that requires careful and constant attention to ensure the Agreement's provisions are fulfilled. Under the Agreement, Manitoba Hydro fulfilled several on-going commitments in 2011 in the following areas:

IMPLEMENTATION OF SAFETY MEASURES

In accordance with Article 2.7.2 of the 1996 NFA Implementation Agreement, Manitoba Hydro, in consultation with Nelson House, at Manitoba Hydro's expense, continues to implement the following safety measures:



- Prepares, marks and maintains ice crossings and main trails on the ice in the following locations; Burntwood River, Three Point Lake, God's Rapids Portage, Early Morning Rapids, Wapisu Lake, shown Notigi Lake and Rat Lake;
- Monitor the safety of ice crossings when reasonably required in the winter period;
- Post notices with respect to changing ice conditions and vehicle load limits on any ice crossing;
- Remove debris at shoreline locations where winter ice trails intersect the shoreline and a hazard to access exists;
- Supply, install and maintain mid-channel directional markers or buoys, where reasonably required;
- Maintains warning signs of rapids or falls between Footprint Lake and Wuskwatim Lake, at reasonably visible upstream locations on both banks of the Burntwood River;
- Provides reseasonablereasonable maintenance of existing portages at Gods Rapids and Early Morning Rapids shown on Schedule 2.1, of the Agreement, to a standard sufficient to accommodate equipment typically used by members;
- Maintain flashing amber lights at each end of the God's Rapids Portage and the Early Morning Rapids Portage;
- Maintains docks, boat skids and boat launches.



OPERATION, MAINTENANCE & REPLACEMENT OF SPECIFIED REMEDIAL WORKS & THE ARENA

In accordance to Article 11.2.1 of the 1996 NFA Agreement addresses the Operation & Maintenance Board, the Board membership currently consists of two members from Manitoba Hydro, Warren Tait and Bob Monkman and two members appointed by Chief & Council, Norman Linklater and Curtis Lobster with their alternate David Spence. The board continues to fulfill their duties outlined for them as per Article 11.3 of the 1996 Agreement.

Under Article 11.4.4 of the Agreement, Manitoba Hydro fulfilled its obligation by paying 90 percent of the Arena Operation and Maintenance Costs.

The Gilbert McDonald Arena approved budget for the 2011/2012 fiscal year was \$541,871.38 with NCN fulfilling their obligation and contributed \$50,000.00 from the 2011 CAP Budget. 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 Kenny J Brightnose and Karen Lewis as Assistant Manager. Extra casual staff is hired during major events hosted at the arena.

The Arena is now in its 20th season and most of the components are old and continue to break down they must be replaced constantly. With an aging building like ours its very hard getting parts that are obsolete and are discontinued in the market. We are in the first stage of transforming all the lights into more energy cost efficient lighting system, which includes the ice area.

With the fire that occurred at the Northern Store the Duncan Wood Memorial Hall was converted to a temporary Store we have taken a loss on rental of hall revenues and we don't know the extent of their stay, perhaps in the next Community Meeting we will have more answers to the issue.

The funds that are allocated is spent on various projects and upgrades and are as follows:

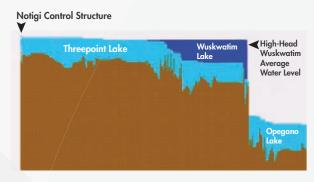
- Plant Upgrades
- Tables and Chairs
- Electrical Repair and maintenance
- Plumbing Repair and maintenance
- Regular repair and maintenance

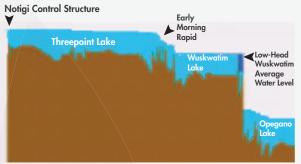
WATER REGIME PREDETERMINE COMPENSATION

Under Article 2.4.1 & 2.5.1 of the 1996 NFA Implementation Agreement, it states if daily average water levels or rates of change outside of the parameters of the Compensated Range occur, Hydro shall pay compensation to Nelson House.

The report provided by Manitoba Hydro for the period November 1, 2010 – March 31, 2011 showed deviation that exceeded the parameters of the compensated range, Manitoba paid Nelson House approximately \$8,024.98, they paid an additional \$39,015.23 for exceeding the parameters of the compensated range for the reporting period April 1, 2011 – October 31, 2011.

The funds were deposited into the Investment & Heritage Account and can only be accessed through the community approval process in a subsequent year in addition to the \$3,700,000.00 that is currently available annually.





High-Head Design (Not Selected)

Shows average water levels on the bumtwood River between the notigl control structure and Opegano lake ad they would have teen with a high-head wuskwatim generation project.

Compare to the existing water levels, a high-head project would have caused an increase in water levels from tasking up falls to Three point lake resulting in flooding of 140 square kilometers of land

Low-Head Design (selected)

Shows average water levels on the BumtwoodRiver Between the notgl Control Structure and Opegano Lake as with a Low-head wuskwatim generation project. The only change from existing water levels is an increase in water levels between tasking up falls and wuskwatim falls, Resulting I flooding of about ½ of a square kilometers of Land.



OTHER IMPLEMENTATION ISSUES

COMPENSATION LANDS

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

NCN, Manitoba and Canada are still discussing the mechanics of finalizing the process. Some documents must be completed. The subsequent information provides an update on Compensation, Easement and Fee Simple Lands.

Article 3 – Compensation Lands & Easement Lands

Site 3.2 - Suwannee Lake, Site 3.3 - Wapisu Lake, Site 3.7 - Odei River transferred by OIC (Order in Council by 87/2006 dated February 22, 2006, accepted by Canada by MO 2007-016 dated August 10, 2007.

Site 3.4 - Junction, Site 3.5 - Leftrook Lake/Mile 35, Site 3.6 - Baldock Lake have not been transferred, the Approval in Principal for these three parcels is still under review by Canada. Canada has prepared new Schedules to the Pre-Transfer Use Agreement to accommodate the cabins that are present on Sites 3.4, 3.5 and 3.6. Canada is reviewing whether the camp on Baldock Lake and the Youth Camp can be dealt with through a new schedule to the Pre-transfer Uses Agreement. Canada further advises that it will need to update the environmental assessment for these parcels because the last environmental assessment was conducted in 2002. This work will be done next summer.

Article 4 - Fee Simple Land

Nelson House chose the Fee Simple Lands because the Notigi Service Centre, Site 4.1 (formerly referred to as Site SC3 Notigi, Portage & Service Centre approx. 1 hectare.) was under a provincial Land Use Permit issued to Nelson House and were being used as a service station site and restaurant following the date of the 1996 NFA Agreement

Letter from INAC dated July 2, 1991 has attached Band Council Resolution dated May 30, 1991 from the Nelson House Indian Band requesting this parcel of land be transferred by Manitoba to Canada and set apart as reserve for the use and benefit of the Nelson House Indian band in partial fulfillment of the Northern Flood Agreement.

There have been no additional band council resolutions with respect to this parcel of the land on Manitoba Conservation land files. This parcel of land has not been transferred but a Crown Land Use Permit No. 0004176 has been issued to Nelson House First Nation. A review of NCN TLE land Selections indicates there are no TLE Selections affecting this parcel of land.

It is presumed the Fee Simple Land under Article 4 of the CIA that Site 4.1 would continue to be held under Permit until a decision is made that the land is not to be set apart as reserve, and then would be transferred to a Corporate Trustee under Article 4.3.2.

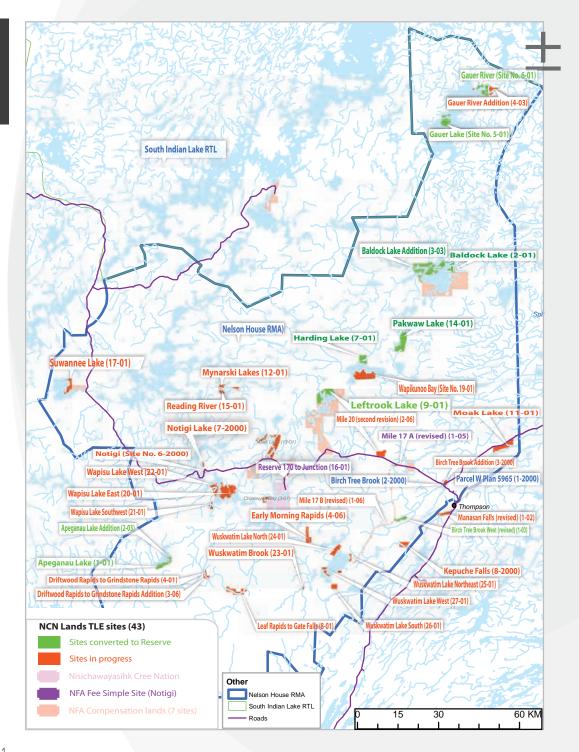
COMPENSATION & FEE SIMPLE LANDS (Article 3,4)

| T (1 1 | # of Current Status | | tatus |
|-----------------------------|---------------------|--|---|
| Type of Lands | acres Selected | Complete | Outstanding |
| Compensation (8 parcels) | 54,682 | 3 parcels (10,281 acres) converted to reserve 5 parcels surveyed | 5 surveyed parcels require Canada approval |
| Fee Simple (1 parcel) | 1.6 | | MB to survey (Notigi Service Centre parcel) |
| Total Acres | 54,682 | 10,281 | 44,401 |

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 were 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, there has been no activity or meetings within the 2011 fiscal year.

NCN TLE Sites





FUTURE DEVELOPMENT BY HYDRO

WUSKWATIM IMPLEMENTATION OFFICE

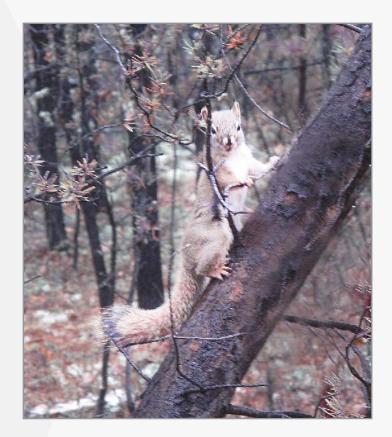
Establishment of the Wuskwatim Implementation Office is a provision of the Wuskwatim Project Development Agreement (PDA). Operations began in August 2006 following the June ratification of the PDA by NCN Members and will continue throughout the Wuskwatim construction period, which is scheduled to take about five to six years. Because the Wuskwatim project is a partnership between NCN and Manitoba Hydro, the role of the Implementation Office is:

- 1. To ensure effective implementation of all agreed to components of the PDA
- 2. Ensure that the PDA commitments in are honouredhonored as specified
- 3. To ensure all parties fulfill responsibilities to NCN
- 4. To gather information on project progress and communicate with NCN Members
- 5. To maintain on-going discussion and liaison with Manitoba Hydro

IMPLEMENTATION OFFICE SUPPORT TO MEMBERS AND THE COMMUNITY

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

- Advising citizens of the job application process and directing them to ATEC or the job referral Service in
- Advertise/promote internal job postings with NCN citizens preference
- opportunities Seeking training assisting/referring NCN citizens in the application process



- Raising awareness and concerns about the lack of background orientation and familiarization provided to NCN citizens relating to working under the Burntwood-Nelson Agreement. Many members are working under a collective agreement for the first time and their lack of familiarity with its requirements and provisions continues to be a source of frustration for many NCN workers
- Assisting NCN and its citizens become aware of and access new Wuskwatim business opportunities
- Assist NCN in prompting MB Hydro action to protect shorelines from flood related erosion. A key focus is the Oto-who-win-nihk area with historic significance as one of the first trading posts and settlements.



WUSKWATIM SAFETY MEASURES

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

WINTER SAFETY TRAILS

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

The PDA Adverse Effects Agreement contains provisions that specifically address socio-cultural and spiritual issues that were identified of significant importance 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.



This year the footprints where removed from the foreign rock they sat in, and moved above its original location. NCN elder Wellington Spence and helpers Stanley Spence, Everett Linklater had coordinated a sweat prior to the removal of the legendary footprints. A feast was coordinated by Jacqueline Spence to celebrate the restoration of the Footprints.

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.

ADVERSE EFFECTS PAYMENTS

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

Payments were keyed to important project milestones, i.e. signing of the PDA, start of the access road, site preparations and substantial completions of the access road, etc. The entire \$5.7 million has now been paid to the Taskinigahp Trust. The Transmission Line Project has a separate fund that is directly geared to funding resource programs and has a savings account within the Resource Sub-Account. Over \$900,000.00 has been allocated for programming to date.



WOODLAND CARIBOU COMMITTEE

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

ADVISORY COMMITTEES

The PDA established a monitoring process for various aspects of the Wuskwatim project to ensure ongoing consultation with NCN Members. Three committees were created: the Advisory Committee on Employment (ACE), the Construction Advisory Committee (CAC) and the Monitoring Advisory Committee (MAC).

Advisory Committee on Employment, (ACE) ACE hears and considers employment-related issues and complaints. The committee reviews complaints, grievances and table referral issues; these tabled issues are referred to the appropriate departments. 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: Curtis Lobster 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's Members gain an understanding of economic, social and environmental project monitoring. The members' responsibilities include:

- Receiving regular project updates
- Providing input on monitoring activities and
- plannina 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 a 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
- Current and upcoming cultural events
- Current and upcoming On-Site training Activities
- Relevant project issues identified by Elders, community Leadership, NCN citizens, 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. AOL is managed by Mark Linklater with assistance from Lawrence Dysart. Last year they profited over 50K to go towards scholarship for NCN citizens interested in pursuing a career in Environmental Studies. Under the monitoring plan a Work Plan and budget are submitted to MB hydro on an annual basis. NCN hired over 25 NCN Citizens to complete work on a No Net Loss Plan Bio-Remediation works at Wapisu Lake, site 2 & 3 at Three Point Lake and Site W3 at Wuskwatim Lake. Work will continue at Wuskwatim Lake this year under the monitoring plan.

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 two on-site 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 Jerry Primrose and Councillor Marcel Moody, legal advisor Val Mathews-Lemieux Financial Advisor Bruce Hickey and Wuskwatim Implementation Office co 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 have agreed to undertake a review process to ensure the PDA remains fair. The review will try to ensure the benefits NCN receives are as good as, or better than, those projected at the time the PDA was signed. The review will include an analysis of the Joint Keeyask Development Agreement, which was negotiated in the recent economic climate, keeping in mind there are differences in the scale and other characteristics of the projects and the needs of the various communities.

The PDA Supplementary Agreement has been signed between NCN and Mb Hydro where a pipe ceremony was included. The supplementary agreement covers 2 areas in commercial terms which cover 5 - investment options for NCN to consider in a nut shell there are followed:

 Increase Equity Loan Leverage – from 4x to 6x to reduce cash NCN must invest but as a revenue is project to increase loans under expected case will be paid off at approximately the same time

- 2. Preferred Units reduces NCN's Cash investment to 12.154 million (3.93% of units) with NCN likely to receive significantly less revenue in exchange for less risk
- 3. Annuity Option calculation at Final Closing to compare 2006 international rate of return (IRR) projection of 16.48 % with those at Final Closing (around Feb 2012) based on most current projections at that time. If the IRR is higher, then no annuity will be paid, but if the projected IRR is lower, then MB Hydro will pay NCN an annuity in addition to what NCN is entitled to under the PDA and WPR Agreement
- 4. Equity Payments If by final closing, NCN has paid for 27.5% of its units, it will be able to make additional payments for its cash equity up to July 3, 2013
- 5. Taskinigahp Trust Capital confirmation that the compensation paid to NCN can be used at Final Closing so it will be available to use for TPC's cash equity contribution (approximately \$5.7 million)

All these option have been consulted with NCN members on and off reserve through small group meeting in NCN and large group meeting on and off reserve in Thompson Leaf and Winnipeg where large groups of NCN citizens reside.



OPERATIONAL EMPLOYMENT

NCN and Manitoba Hydro are undertaking a review of employment opportunities within Hydro's ongoing operations to increase NCN Citizens' employment within Hydro. A budget was submitted to Mb Hydro for the phase 1 which will focus on the skills inventory of NCN citizens on and off reserve... To date NCN's primary focus has been on operational employment issues. NCN has identified the following; sustainability and financial stability; establish a top notch HR department for our Cree Nation and develop a skilled NCN laborer force. NCN focus will be on operational job on Wuskwatim first and focus on other operational job within MB Hydro operations.

ATEC was evaluated by Curtis Nordman, he came out with 12 recommendation in which the board of ATEC and Chief and Council accepted. The ATEC director was released and is now under new management.

NCN has additional operation employment initiatives which will focus on placing NCN citizens on Wuskwatim operational jobs and MB Hydro operational job in various areas throughout, this is the next province will be the next phase.

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. The Socio-economic & Environmental Coordinator plays a key role in the Monitoring Advisory Committee members. Habitat Alteration Alternative Destruction (HAAD) and bio mediation site around Wuskwatim, Wapisu areas, Three Point Lake are a business spin off for AOL. Over \$50

thousand was profited for the scholarship fund. Over 20 jobs were created for resource user to access employment opportunities.

AOL coordinated a fall and spring Ethinisewin Tour with NCN Elders and youth had the opportunity to interact.

Worker Family Surveys

A follow up survey was complete by AOL with assistance from Inter Group consultants on business survey spin off in Thompson and NCN, results of the survey will be reported later to the Partnership board.

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.

Aski Otutoskeo Ltd (AOL)

AOL (Aski"Otutoskeo Ltd) is an NCN entity which, operates out of the Wuskwatim Implementation Office. Some of our main objectives are to work closely with the different Consultant groups and the studies that they are doing. The AOL Company also utilizes the NCN Resource Users and young reliable NCN citizens to help in any of the field studies that are being done. This will help our NCN citizens gain knowledge and experience on jobs and training opportunities that come our way thru, the Wuskwatim project and its surroundings for example; Land, Water, Animals, big/small game animals, Air, Insects and Birds etc.



These are the names of the Consultant groups and a brief description of the studies that they are involved in at the Wuskwatim Project;

- North/South Consultants Are the main Contractors who work with, AOL sub-contractors, to get NCN citizens to work on the many different monitoring studies. The NCN citizens also have the opportunity to rent their own personal equipment such as boats, motors, trailers, chainsaws, generators and camping gear to the Consultant groups if they are needed.
- Environment Illimite' Inc. Specializing in, Greenhouse gas monitoring (air), Aquatic monitoring and Sediment Management (water).
- Wildlife Resource Consulting Services (WRCS) -Specializing in Big/small game animals, mammals such as; beaver mink, muskrat, otter and Caribou studies
- Eco-stem Shoreline/wetland monitoring using transplanting of plants to improve on fish habitat areas.
- Native Plant Solutions Shoreline Re-establishment/stabilization methods different types of plants/willows to help stabilize shorelines (Erosion measures).
- Stantec-Study and monitoring of different types of birds that is in the Wuskwatim area.
- Red Hen Training on GPS (Global Positioning System), camera and video surveillance on shorelines (Surveying and Monitoring of the Land).
- C.A.M.P Studies on fish population, mercury sampling of fish.

An accurate number of 35 NCN citizens have also been employed with fish habitat compensation and soil bio-engineering work, which involved planting areas subject to erosion with native plant species that will grow to assist with shoreline stabilization. This year, these jobs lasted 5 ½ months.

This work has been done since 2010-2011 seasons and will continue to be done in 2012. AOL will also be utilized after work is done to monitor and determine the

success of this work for future years.

Ethineswein tours for 2011 season have been done in three different phases;

1st phase July 25-29, 2011-12 2nd phase August 2-6, 2011 3rd phase October 14-21, 2011.

The number of participants varied from each phase (17-21) NCN citizens who included, elders' youth, technical and helpers such as, laborers, cooks and people with the experience and expertise in knowing the Wuskwatim Lake area and its surroundings areas.

AOL had secured other contracts with the General Civil Contractor namely (ONE - O'connell - Nelson - EBC) to do the immediate fore bay clearing of debris, clear cutting certain areas. All together 20 more AOL workers were hired to perform this job, which lasted more than 6 weeks of employment.

This year AOL handed out its first scholarship. It was awarded to Craig Swanson in the amount of \$1,000.00. The purpose of this scholarship is to encourage NCN students that are getting ready for university or college to environmental Science dearees. Congratulations to Craig Swanson.

AOL coordinates an annual monitoring open house. The annual informational open house took place at the OK school gym and was relatively successful, approximately 120 NCN citizens attended which included students, elders and other community members.



TASKINIGAHP POWER CORPORATION

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



WUSKWATIM PARTNERSHIP (Wuskwatim Power Limited Partnership)

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

In 2011, the fourth annual Year in Review (annual) report for the Wuskwatim Power Limited Partnership, which highlights work underway or completed during the year, was prepared and distributed to community Members. A Cree and English audio version of the report was prepared and is available on CD.

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

ACCESS PROTOCOL FOR WUSKWATIM AREA

Because the access road has made the Wuskwatim area accessible, NCN and Manitoba Hydro have agreed to have a Wuskwatim access protocol to control and define access to the area. A brochure outlining the protocol and a Wuskwatim Access form 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) contact the Implementation Office to obtain a permit, and the office contacts the access road gatehouse to advise that the Members will be coming to the area.

NCN and Mb Hydro have been discussing the operational phase of the private road. An access management plan was approved by Chief & Council and submitted to the Partnership Board for their approval.

TRANSMISSION LINE PROJECT

Construction of the collector lines from Wuskwatim Generating Station to the Wuskwatim Switching Station is now complete and final commissioning of three transmission lines will occur once the generation station is operational. Static Var Compensator (SVC) commissioning as the Birch tree Station was completed in August 2011, however, there are some outstanding issues that the design consultant will be responsible to resolve. These issues will not prevent the SVC from being put into service.

With the collector line construction now complete, all that remains is the final commissioning of the lines and all of the Wuskwatim Transmission Complex projects will be in service.

IMPLEMENTATION AGREEMENT PROGRAMS /PROJECTS

ADMINISTRATION & COMMUNITY APPROVAL PROCESS



RESULTS OF THE 2011 COMMUNITY APPROVAL & INVOLVEMENT PROCESS

In accordance with Article 3.5 and 8.0 of the Nisichawayasihk Trust Indenture and Article 3.3 and 8.0 of the Taskinigahp Trust, meetings and consultations were held with community members to determine their views on how moneys from both Trusts should be spent during the 2011 fiscal year.

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

The CAP-CIP Committee had a series of four (4) meetings to review funding applications and prepare a recommended 2011 CAP/CIP Budget for Chief & Councils approval.

Review of Applications

The CAP/CIP Committee met to review the revisions to CAP/CIP Guidelines which included:

- a. Elections of Officers (Chair, Vice Chair)
- b. Quorum of Committee
- c. Conflict of Interest Guidelines

After reviewing the guidelines, the committee proceeded to electing the officers, with Yvonne Hart elected as Chair and Jemima Yetman as Vice Chair.

Three Subcommittees were established to review the The subcommittees were assigned applications equally, with two committees with 12 applications and 1 one committee with 11 applications. The subcommittees reviewed each application assigned and ranked each application as a group using the scorecard, within in the group the members shared questions or concerns with individual applications and then prepare a minimum of three questions for each application to raise at the Community Presentation Meeting. After, the three subcommittees reviewed, rated and prepared the questions they reported back to the entire Committee to share the questions and results of the After subcommittees completed their scorecard. presentations the floor was open to allow other Committee members to share or add their questions or comments.

To ensure a fair process the conflict of interest guidelines were factored into application assigned. If a committee member was in a conflict of interest situation, that individual declared it and did not participate in the discussions or ratings of the specific application.

The Committee reconvened for another two days to continue reviewing the applications. The same process was followed as the Initial Review, with breaking into subcommittees and reviewing each application assigned, ranking by using the scorecard, and then preparing a minimum of three questions for each application.

The Committee then reviewed all the questions from the two meetings and finalized the three questions that were asked from the applicants at the Community Presentation Meeting.

Application Presentation Meeting

A two day community meeting was conducted to allow applicants to present their applications. The Committee members assessed applications based on the following criteria;

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

A total of 35 applications were submitted to the Trust Office requesting for funding in the amount \$12, 106,241.04. A total of with 25 applicants presented their applications throughout the two day meeting.

Select Programs/Projects

A two day meeting was held to select applications for funding and prepare a recommended budget for Chief and Councils review. The Committee reviewed the funds available for the Nisichawayasihk & Taskinigahp Trusts which were as follows:

| Nisichawayasihk Trust | \$ 2,300,088.26 |
|---------------------------------|-----------------|
| Investment & Heritage Account | \$ 1,399,911.74 |
| Recreation Sub-Account Interest | \$ 75,000.00 |
| Taskinigahp Trust | \$ 234,000.00 |
| Wuskwatim TDF | \$ 131,250.00 |
| Total Funds Available for 2011 | \$ 4,140,250.00 |

The Committee then proceeded to reviewing the assessment results of the previous two sessions and the individual assessment results from the community meeting. They examined the findings of the summary of assessments in accordance to high, medium and low. Then examined the baseline for the cut offs for levels of priorities. A recommendation was made to the Committee by the Trust Director to put the baseline level lower than 55, which would result in eliminating 2 applications for funding; the recommendation was approved by the Committee.

Recommended Budget Finalization

The final step of the process was to allocate funds, funds were allocated to the mandatory funded programs in accordance with the two agreements and then allocations were made to applications that rated high and medium, and then low. This process prepared the 1st draft budget. A similar process was followed prepare the second draft budget and to complete the process the Committee had to make more cuts and adjustments to finalize the 2011 Recommended Budget.

Chief & Council Meeting

Chief & Council reviewed and approved the recommended budget on December 6, 2010 at a Regular Council Meeting.



COMMUNITY APPROVAL PROCESS BUDGET 2011

| Nisichawayasihk Trust Program | Sub-Program | Budget in \$ |
|-------------------------------|---------------------------------------|--------------|
| ADMINISTRATION | Administration | 450,000.00 |
| | Nelson House Trustees | 14,400.00 |
| | Professional Services | 50,000.00 |
| | Arena O & M | 50,000.00 |
| | Claims Program | 50,000.00 |
| | Community Approval Process | 38,000.00 |
| | Personal Care Home | 200,000.00 |
| ECONOMIC DEVELOPMENT | Human Resource Officer | 20,000.00 |
| | NCN Achimowin Radio | 69,000.00 |
| | Off Reserve Assistance Program | 25,000.00 |
| | Otohowin Gas Bar II | 99,000.00 |
| | Summer Student Employment | 24,000.00 |
| | Wuskwatim Equity Business Dev. | 750,000.00 |
| EDUCATION | ATEC Core Operations | 40,000.00 |
| | Nutrition Program | 20,000.00 |
| | Post-Secondary Funding | 74,000.00 |
| | Special Education Program | 40,000.00 |
| HOUSING | Housing Equity Fund | 100,000.00 |
| PUBLIC WORKS | NCN Judicial System | 300,000.00 |
| | NCN Policing Services | 150,000.00 |
| RESOURCE AND LAND USE | Animal Control | 14,000.00 |
| | Garbage Bins | 19,000.00 |
| | Repair & Restore St. Patrick's Church | 14,000.00 |
| Nisichawayasihk Trust | Country Foods Program | 230,000.00 |
| | Fisherman Association | 73,500.00 |
| | J.M. Elders Traditional Program | 169,000.00 |
| SOCIAL DEVELOPMENT | NCN Youth Initiative Program | 81,000.00 |
| | Oska Te Sak Progam | 45,000.00 |
| | NCN Parks & Recreation | 270,000.00 |
| | Rediscoveries of Families Project | 20,000.00 |
| | Wuskwatim Village | 25,000.00 |
| | Zummer Adventure Camp | 20,000.00 |
| OTHER PROGRAMS | Elders Subsidy | 126,100.00 |
| | NCN Christmas Cheer Board | 30,000.00 |
| TOTAL 2011 CAP/CIP BUDGET | | 3,700,000.00 |
| SOCIAL DEVELOPMENT | NCN Parks & Recreation | 75,000.00 |
| TOTAL 2011 CAP/CIP BUDGET | | 3,775,000.00 |



DEFERRED REVENUE 2010

(NISICHAWAYASIHK TRUST OFFICE)

In addition to the programs and projects funded during 2011 fiscal year, there was also program and or projects with deferred revenue (carry over) from the 2010 CAP/CIP Budget, which may be paid to or expended by Chief & 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 are listed in the table below;

| Sub Program | AMOUNT (\$) |
|-------------------------------------|-------------|
| ADMINISTRATION | 164,952 |
| COMMUNITY APPROVAL PROCESS | 5,467 |
| CORPORATE TRUSTEE | 74,112 |
| NELSON HOUSE TRUSTEES | 23,834 |
| PROFESSIONAL SERVICES | 255 |
| COMMUNITY AESTHETICS & IMPROVEMENTS | 253 |
| BUSINESS MARKETING & DEVELOPMENT | 4,315 |
| COMMUNITY DEVELOPMENT PLAN | 35,000 |
| NCN INVESTMENT SAVINGS | 2,071 |
| NCN RECYCLING | 2,895 |
| SUMMER STUDENT EMPLOYMENT | 3,750 |
| GOVERNANCE | 924 |
| 1 UNIT HOME OWNERSHIP | 150,000 |
| HOME OPPORTUNITY PROGRAM | 54,457 |
| COUNTRY FOODS PROGRAM | 54,895 |
| ELDERS TRADITIONAL PROGRAM | 21,958 |
| FISHERMAN ASSOCIATION | 15,934 |
| RESOURCE MANAGEMENT | 27,989 |
| TRAPPERS ASSOCIATION | 207,330 |
| DEBRIS MANAGEMENT | 34,699 |
| FITNESS TRAIL | 1,100 |
| MINOR HOCKEY ASSOCIATION | 2,180 |
| YOUTH INITIATIVE PROGRAM | 46,130 |
| PARKS AND RECREATION | 501 |
| POW WOW | 12,391 |
| SENIOR MEN'S HOCKEY | 138 |
| ELDERS SUBSIDY | 6,400 |
| NCN CHRISTMAS CHEERBOARD | 10,839 |
| TREATY #5 100TH ANNIVERSARY | 358 |
| CLAIMS | 2,557 |
| TOTAL DEFERRED REVENUE | 967,684 |
| · | |



IMPLEMENTATION AGREEMENT

ADMINISTRATION

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

- Administration \$450,000 was allocated to the NCN Trust Office to provide continuous employment for 8 full time employees and operation and maintenance of Trust Office buildings and storage. Kadas Solutions is retained as the webmaster to develop, update and host the Trust Office Website. Other Trust Office expenditures included purchasing new office furniture for the Finance Department, renovation of the storage area, crawl space, and roof repairs.
- Professional Services for legal, financial, consulting and professionals services.
- Auditing for semi-annual and annual financial audited statements.
- Corporate & Nelson House Trustees to administer the terms of the trust indentures, keep accurate financial statements, conduct the business and invest assets of the trust.
- CAP/CIP Process to conduct a comprehensive community consultation process to allocate trust funds to community programs.
- Arena O & M in accordance to Article 11 of the NFA, NCN is obligated to contribute 10% of the Arena's Annual Budget.



- Personal Care Home -\$200,000 was allocated to the NCN Personal Care home to meet the requirements of Article 8.3 (b) (I & ii) (c) (i & ii) of the Nisichawayasihk Trust Indenture on Capital Works, Chief & Council must provide funding for the Operation & maintenance of the capital work (Personal Care Home). The preceding fiscal year audited financial statements will determine how long NCN is obligated to provide O & M funds.
- Claims Program funds are allocated on an annual basis to the Claims Account from the funds available for the Nisichawayasihk & Taskinigahp Trusts, to ensure that 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 Realted 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 \$42,951.40 in expenses, salary, and compensations was paid out.
 - Taskinigahp Claims A total of \$14, 342.47 in expenses, salary, and compensations was paid out.



ECONOMIC DEVELOPMENT

HUMAN RESOURCE DEVELOPMENT EMPLOYEES

From Nisichawayasihk Trust funds available for distribution in year 2011, \$20,000 was allocated to the Human Resource Department to partially fund the position of a Human Resource Officer. The HR Officer provides support for various Human Resource functions including recruitment, retention, training and development, performance monitoring, compensation and benefits, conflict resolution, job descriptions development and assistance with policy development. The 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 is to centralize all NCN personnel files and establish secure and appropriate access to the files, as well as HRDA functions for other NCN organizations.

HRDA's main function is administering the Aboriginal Skills and Employment Strategy Agreement (ASETS) with Service Canada on behalf of NCN Government, The objective of ASETS is to increase Aboriginal participation in the Canadian labour market, ensuring that First Nations people are engaged in sustainable, meaningful employment. ASETS aims to improve labour market outcomes through supporting demand-driven skills

development, fostering partnerships with the private sector and provinces and emphasizing increased accountability and results.

The HRDA department was relocated to ATEC to be able to achieve the goal of the agreement with partnership in training and employment and to be able to have a one shop stop for community members. As a result the HR officer was also relocated to with the department, one of the key HR functions is the responsibility of safe guarding the personal files, relocating to ATEC illuminated this concern; all files are stored in a secured filing room, the main administration office area has limited access and is locked daily and the building as a whole has a 24 hour security system. Secondly, the ATEC has a more conducive environment for manager and HR officer to meet regarding sensitive and confidential issues and a board room that has high technical capability to host meetings, mini workshops and training for NCN staff when required.



NCN ACHIMOWIN RADIO PROGRAM

From Nisichawayasihk Trust funds available for distribution for the year 2011, \$69,000 was allocated to NCN Achimowin Radio Program. 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 announcements, news, weather, current events, and live broadcasts of Chief & Council's General Assemblies.

The Station connects to the world with on-line streaming through its own website

www.ncncree.com/ncn/ncnradio

The main objective of the NCN Achimowin Radio Program is to become financially sustainable. To achieve this objective, management has generated revenue through advertising, airtime sales and hosting local bingos. The Radio Station management have achieved most of its objectives set out in its annual operation plan for 2011, however faced a few barriers requiring some sacrifices to ensure the operation stays within its budgetary limits. One of management's goals that could not be accomplished this year was to utilize set up the new trailer as a recording studio or interview room which would be beneficial to the program and the community. Feedbacks from community members, organizations, staff and on-line comments, have advocated significant improvements in local radio program delivery.



OFF RESERVE ASSISTANCE PROGRAM

From Nisichawayasihk Trust funds available for distribution for the year 2011, \$25,000 was allocated to the Off Reserve Assistance Program administered by the NCN Government Office.

The Off Reserve Assistance Program provides emergency funds and support to NCN members living outside our traditional territory who have demonstrated special circumstances that require such assistance. The financial support is available on a one time basis and grants are awarded from a minimum Of \$100.00 and the maximum of \$500.00.

NCN receives individual letters of request for financial assistance, the Finance Committee review all requests and decides on the merit of each request as to whether a person is eligible and the amount a person should be awarded.

From January 1 – December 31, 2011, 46 individuals were provided with financial assistance. As there is a high demand on emergency requests funds were depleted by August 2011.



OTOHOWIN GAS BAR II

From Nisichawayasihk Trust funds available for distribution for the year 2011, \$99,000 was allocated to the Otohowin Gas Bar II Project administered by the Nelson House Development Corporation.

The Nelson House Development Corporation management are expanding the local Otohowin Gas Bar by building another Gas Bar outside the existing boundaries of Nisichawayasihk Cree Nation Reserve Lands. This business venture would produce a secondary income stream for Nisichawayasihk Cree Nation (NCN) and will create more employment for NCN members.

To date there was a delay in the infrastructure of the gas bar due to the land conversion is still in progress, until such a time the land conversion is realized the project has been put on hold.

SUMMER STUDENT EMPLOYMENT PROGRAM

From Nisichawayasihk Trust funds available for distribution for the year 2011, \$24,000 was allocated to the annual budget of the Human Resource Department to partially fund the Summer Student Program. The Summer Student Program assists in the following areas;

- Supports skills acquisition through the provision of wage subsidies for short term work experience;
- Assist secondary and post-secondary students to prepare for future entry into the labour market by facilitating access to summer employment;
- Support NCN students to earn wages for post-secondary financing.

This program runs in partnership with INAC, Trust Office and other NCN organizations during the summer months of each year. Thru this program Human Resource Department hired a Summer Student Coordinator and placed 39 students in the work force for temporary summer jobs for 8 weeks. The youth were placed in a working environment of their choice such as; clerical, file clerk, finance, public works, carpentry, plumbing, etc.

The Statistics are as follows;

This is an exciting time of the year for NCN youth as they earn wages and save money to pay for university education and as the same time make connections with their future employers. This also provides them a unique opportunity to explore career options.



WUSKWATIM EQUITY

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$750,000 was allocated to the NCN Wuskwatim Equity Account. The Federal Government almost matched the three million dollar that was paid to Taskinigahp Power Corp. In total \$7,188,000 was paid to Manitoba Hydro towards NCN's target of 33% equity (this includes the \$1,000,000.00 paid at signing the PDA. With the funds being allocated from NCN Trusts and other revenue sources, NCN had reached 11.74% ownership of the

Wuskwatim Project at the then current capital cost forecast. In the calendar year 2011, NCN contributed an additional two million dollars (\$2,000,000.00) of which one million came from the dissolution of the OT Trust, with the remainder being sourced from the funds on hand from the Nisi Trust (in the Wuskwatim Equity Account). This contribution has increased the amount of contributions from NCN to Nine million One Hundred and Eighty Eight Thousand Dollars for its equity ownership in Wuskwatim.





EDUCATION



ATEC CORE OPERATIONS

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$40,000 was allocated to the Atoskiwin Training and Employment Centre (ATEC).

In 2006 NCN built the \$8.6 million, 27,000 square foot Atoskiwin Training and Employment Centre of Excellence. From the years 2004-2009, the Wuskwatim consortium provided high levels of training contracts to ATEC which provided enough resources to continue day to day

operations. In 2009, the project training funds were complete and little effort was made by management to secure new operating funds.

With ATEC under new management, the intention behind the allocation of funds is to provide ATEC with partial operating funds during its transition into a well-established self-sufficient entity.

NUTRITION PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$20,000 was allocated to the Nutrition Program administered by the Nelson House Education Authority.

The main objective for the funds is to provide healthy, nutritious meals for about 800 students in our local school system. A hungry child cannot learn and therefore is common responsibility of the community to arrange and provide for basic needs of every child.

Administrative staff monitors the program daily and

evaluates food quality for its nutritious value, recommends changes in food contents upon receiving feedback from parents and students. Based on observation from students, staff and parents; the number of students that participated in the breakfast and lunch program averaged about 265 per day.

POST SECONDARY PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$74,000 was allocated to the annual budget of the Nelson House Education Authority to support the Post-Secondary Program.

The current post-secondary guidelines for living allowance are far below the cost of living, therefore it is the objective of NHEA to subsidize and assist students who receive inadequate post-secondary living allowances and travel to and from post-secondary institutions.

Eligible students receive

- \$75.00 per student if student has dependants
- \$50.00 per student if student is single

In 2011, 65 post-secondary students were supported through this initiative.

SPECIAL EDUCATION PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$40,000 was allocated to the annual budget of the Nelson House Education Authority to support the Special Education Program.

These funds were made available to improve the quality of education and support services for special needs students in the local school. Objectives of the Special Education Program that were achieved in the 2011 year are as follows:

- Assessment and Identification of students with special needs – to date 350 individualized educational programs have been place on students.
- Psychological Educational Assessments 40 assessments were completed by Dr. Craig in 2011.
- Resource Support and support materials 34
 Educational Assistants have been hired along with 4 Resource Teachers.

Representatives from partner organizations have visited the school and continue to be involved each month with the special needs children.





HOUSING



JUSTICE

NCN JUDICIAL SYSTEM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$300,000 was allocated to the annual budget of the Nisichawayasihk Cree Nation to financially support the NCN Judicial System and an additional \$150,000 to the NCN Policing Program.

In 2010 NCN band administration integrated essential services to better serve the members of the community. These essential services included the Community Justice Group, police, fire and emergency services, the coordination of these services achieved better results in combating with crime in the community.

Community Justice Group

The Community Justice Group (CJG) consists of 5 appointed members by Chief and Council, two RCMP members, Justice Coordinator, Health/Justice Director and Probations Worker. The CJG Committee's mandate is to provide alternative justice in the community by developing crime-prevention and restorative initiatives for the offender, victims, families, support groups, police, local resources and/or individuals affected by the offence. The CJG Committee meet regularly to review justice-related matters referred to them by Chief and Council, the NCN Community Police, RCMP/FNCPS, Court System or community members.

NCN Policing Services

The NCN Police carry out spot checks and operate 24 hour, seven day a week to check vehicles for banned substances, illegal weapons and also enforce the Band Council Resolutions on banishment orders to remove any non-band or band member who pose a risk or danger to the Community. NCN Police assist the RCMP with crime prevention and criminal code offences related to intoxicate persons, the Highway Traffic Act and the Off Road Vehicle Act, which they have authority to enforce and issue tickets. They also conduct Knock n Talks with the assistance of RCMP. The NCN Policing Services employ 6 full time constables and 3 relief workers.

Probation Services

Probation Services networks with local organizations, Crown Attorney, Correction Institutes and resources to enable individuals to serve their probation order or their conditional sentence in the community.

Community Justice Worker

The Community Justice Worker is accountable and reports to MKO Justice Worker and Chief & Council, is responsible for the overall management of pre and post charge referrals from the courts and ensures matters are resolved through the community processes.

Fire and Emergency Services Department

The Fire and Emergency Services Department provides immediate responses to fire and other urgent emergencies. They are available 24 hours a day seven days a week, the department complements five full time fire fighters, three relief workers, four full time dispatchers and four ambulance technicians.





PUBLIC WORKS

ANIMAL CONTROL

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$14,000 was allocated to the annual budget of the NCN Public Works Department to operate its Animal Control Program. The Animal Control Officer has achieved its main objective of controlling the animal population including stray dogs.

GARBAGE BINS

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$19,000 was allocated to the annual budget of the NCN Public Works Department to its Solid Waste Management Program. The Public Works Department purchase 32 steel bins for proper disposal of garbage.

REPAIR & RESTORATION OF ST. PATRICK'S ROMAN CATHOLIC CHURCH

From the Nisichawayasihk Trust funds available for distribution in year 2011, \$14,000.00 was allocated to the St. Patrick Roman Catholic Mission Church. These funds were used to repair and restore the Roman Catholic Church. All renovations were conducted inside the church and are as follows;

- The flooring, which was in much need of repair, was replaced.
- The collapsing ceiling was replaced.
- New heaters were purchased and installed.
- The inside of the church was painted.

These repairs were vital to the safety of the 40 - 70 people who attend church to worship and pray together on Sundays. The community spirit of the people is wonderful and our time of prayer together is peaceful and nourishing. We are now working to raise money to repair the outside of the church.





RESOURCE & LAND USE



COUNTRY FOODS PROGRAM

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2011, \$230,000 was allocated to the Country Foods Program to carry out its objectives as outline in their 2011 operational plan.

The Country Foods Program operates year round and employs a program manager and five hard-working and dedicated full time employees. The employees provide all the expertise to ensure that traditional foods are available to the Distribution Centre. They also maintain the Leftrook Lake Camping facility that has five cabins, communal teepee and a cook shack.

As specified in the table below, the program distributed 7142 pounds of wild food and served 1548 community members. The program also harvested 10,059 pounds of wild food. The wild food consisted of whitefish, jackfish, sucker heads, smoked red mullets, moose meat, caribou meat, rabbit, geese, ducks and assorted berries.



The program also purchased a boat, motor, trailer, fish nets, equipment, mobile phone, chain saw and a Husqvarna tiller.

| Wild Food Distribution | Pounds of Wild Food Distributed to NCN Members | Number of NCN Members Receiving Wild Food |
|------------------------|--|--|
| 1st Quarter | 2,953 | 548 |
| 2nd Quarter | 613 | 201 - (2 feasts) |
| 3rd Quarter | 4490 | 1467 |
| Total | 8056 | 2,216 |



FISHERMAN ASSOCIATION

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2011, \$73,500 was allocated to the Nelson House Fisherman Association (NHFA) carry out its objectives as outline in their 2011 operational plan.

The NHFA is governed by a six-member board and employs a part-time manager, a seasonal grader, packer and runner. The program management and administrations remain the same held at the Trust Office as in previous years. Management payroll, subsidy costs, equipment inventory and distributions, and fisherman mobility (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 in increasing production. Representatives from MB Department of Conservation continue to meet with the board to discuss their findings during regular patrol after the fishing seasons.

The NHFA provides fishers with logistical assistance each season using the program trucks to transport boats, equipment, fishers and their helpers to their field locations. In the beginning of the fishing season fishers are given operating expenses (startup), and they also cover the costs of the runner, who delivers the supplies and picks up fish for the packing plant. These costs are expensed to the NHFA and deducted from the fishers' subsidy payments. Generally, these deductions are settled at the end of fishing season. The fishermen startup costs totaled \$44,055.48 and received \$18,508.85 in subsidy payments.



Fishermen who show production by delivering fish to Freshwater Fish Marketing Corporation (FFMC) in Winnipeg are tracked and recorded in FFMC's system, total production is then attained by Community Economic Development Fund (CEDF) to use as an assessment tool to determine if a fisherman is eligible for a fisherman's loan to purchase equipment. If a fisherman qualifies for a loan from CEDF, the NHFA assist the fisherman by providing 20% deposit to CEDF for the financial equipment loan.

JACK MOORE ELDERS TRADITIONAL PROGRAM

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2011, \$169,000 was allocated to the Jack Moore Elders Traditional Program (ETP) carry out its objectives as outline in their 2011 operational plan.

The ETP employs a manager, elders' supervisor and 5 elders and 2 elder's assistants. The ETP operates during the school months, and continues to network the Outdoor Education Program, Family & Community Wellness Centre's Daycare and Head start Programs.

The ETP elders and employees work closely with the teachers, Directors and students teaching various cultural activities such as dressing fish, skinning pelts, setting traps, snares, making snow shoes, sewing and making mukluks, slippers, gauntlets, etc.



The handicrafts made by the elders of the program are put in the display case at the Family & Community Wellness Centre; they are available for sale to the public at a reasonable price. Proceeds from the sales go towards purchasing more material and equipment for the program. The handicrafts have generated considerable sales from visitors as well as custom orders.





SOCIAL DEVELOPMENT

NCN YOUTH INITIATIVE PROGRAM

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2011, \$81,000 was allocated to the NCN Youth Initiative Program to carry out its objectives as outline in their 2011 operational plan.

The programs 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, communication skills and building self-esteem.

The Youth Program has a seven member youth council, their role is to assist the Youth Coordinator in planning, budgeting and implementing programs. The Youth Council meets on a regular basis to ensure that the objectives in the operational plans are achieved.

The Youth Coordinator along with the Youth Council developed a calendar of events which entails all the programs, activities and schedules that the program would be implementing on a three month basis and upcoming events.



One of the primary focuses in 2011 was to renovate the building that was given to the Youth Program by Nelson House Education Authority. Majority of the programming was put on a halt due to the renovation of the building. Volunteers and other hired contractors assisted in cleaning out the building. A representative Manitoba Hydro came in to inspect the building and provided the Youth Coordinator with a quote to fix all the electrical aspect of the building. The price was quite expensive; the Youth Coordinator put the renovation on hold until additional funding was pursued.

OSKA TE SAK PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2011, \$45,000 was allocated to the annual budget of the Nelson House Medicine Lodge to provide a service to the youth of Nisichawayasihk Cree Nation.

The Oska Te Sak Program primary focus was on prevention and offered a series of lectures that are both educational and informative, the program achieved its objectives as set out in its operational work plan with the main focus being on these areas;

- Youth Conference was hosted on February 24 25, 2011 at the Otetiskiwin School, all the planning and coordination was completed by the NCN Education Community Healing Inititiave (NECHI) Committee, which comprises of resource people from NCN and the NNOC High School Youth Chief & Council. The topics for the conference were on gang awareness, drug awareness, body image, Life Choices, Awakening your Beautiful being and the Planetarium. The evening highlights was the Aboriginal Fashion Show. During the two day conference there was a total of 132 youth that registered and participated.
- 2. Cultural Camp was hosted on July 28 31, 2011 in Libau, Manitoba. The focus of the cultural camp was to provide teachings to youth about the importance of language, culture and traditions. A total of 19 youth, five chaperones and bus driver attended and participated in the cultural camp. The youth had teachings on how to set up tipis, purpose of sweat lodge and shake tent ceremony and how to make bead earrings. Youth and chaperones participated in the sweat lodge and shake tent ceremony and ten youth were gifted with a hand drum.



- 3. Medicine Picking on August 10 14, 2011 three employees of the medicine lodge took four youth on a medicine picking journey to southern Manitoba. This journey was to teach youth about the traditional medicines such as sweet grass, cedar and sage, where they are picked and the offering ceremony that is carried out prior to picking medicines. All medicines that were picked was given to the Medicine Lodge to be used as part of their winter supply of medicine.
- 4. Four Program Project in the later part of 2011 the NECHI Committee started planning for their next initiative, which will be launched in February 2012. The four program project is designed to support and promote the healthy functioning of the youth in the community the four programs are as follows; TheTruth Card Project, The Leadership-In-Training Initiative, Primary Workshop, "Truth Cards-Being Good" and Theatre Production.



NCN PARKS & RECREATION PROGRAM

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2011, \$270,000 was allocated to the NCN Parks & Recreation Program to carry out its objectives as outline in their 2011 operational plan.

The Parks & Recreation Program operates under supervision of a 5 member board. The boards' responsibility is to develop a mission statement, short and long term goals & objectives, and an operational program plan that will meets the needs of all NCN members residing on reserve.

The board has attained the necessary training applicable to their position, and has regular monthly meetings to plan and budget for recreation programs and to address recreation matters. The Board has developed a Recreation Policy and has had two reviews of the policy.



The NPR Board in conjunction with the PR Superintendent has had considerable amount of planning sessions to determine which programs would be offered for the 2011 budget year; some of their priorities are as follows;

- Ensure there are opportunities for the entire community to be engaged with a focus on youth and family involvement.
- Incorporate events that promote healthy, active living.
- Include activities that incorporate culture and traditions beginning at an early age.
- Competitions, sporting events to focus on fun and recreation.

The PR Program was not limited to the aforementioned programs, donations and sponsorships were provided to youth participating in sports or leagues outside of the community, tournaments and other recreational events for teams of all age groups.

Parks & Recreation Program organized and coordinated the various sporting events and activities throughout the year to narrate a few they are as follows;

- Norman Winter Games
- Video & Laser Dances
- Broomball League & Tournament
- Top Student Award Trip
- Canada & NCN Day Events
- Bowling Program
- Minor Hockey Program
- Movie Nights for Youth
- Soccer Program
- Slow-Pitch Tournament

- Arts & Crafts Club
- New Year's Eve Social
- Youth Basket Ball Tournament
- Dodge ball Tournament
- Christmas Special/Displays
- Mothers & Fathers Day Events
- Swimming Program
- Old Timers Hockey Tournament
- Volleyball Intramurals/Tournament
- Tae Kwon Do Program

- Ball Hockey Program
- Family Street Hockey
 - Softball Program
 - Family Halloween Dance
 - Cup Stacking Tournament
- Badminton Tournament
 - Children's Fun Days



REDISCOVERIES OF FAMILIES PROGRAM

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2011, \$20,000 was allocated to the annual budget of the Family and Community Wellness Centre to operate its Rediscoveries of Families Program.to carry out its objectives as outline in their 2011 operational plan.

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

- Tree Gathering "Nehethawe Mitawayawin"

 the objective of this focus area was to emphasis on using the Cree knowledge and language as way of promoting pride in our cultural identity for health and wellness. A series of traditional and western healing approaches included building of a teaching lodge, sweat lodge ceremonies and entertainment activities were coordinated to meet the needs of all ages.
- 2) Identifying Family Strengths, Weaknesses and Relationship Solutions for Everyday Life the objective of this focus area was to provide support required to identify family strengths and other issues that have had a negative impact on family functioning and find practical solutions that can be used in everyday life. Families were provided with workshop sessions that educated them on parenting skills; traditional life cycle, enhancing couple relationships, kinship and relational systems. Families were taught how to put a genogram of their family together. They were taught in both in Cree and English the relational system and how to refer to their relatives.
- 3) To meet Provincial Regulations on Delivery of Services the objective of this focus area was to provide awareness on provincial regulations to all participants. A series of two boat & safety, first aid and swimming safety courses were implemented to interested participants.



Due to cutback in funding from the Nisichawayasihk Trust the RDF could only deliver a one week long family camp at Suwanee Lake. The Cree Gathering theme was "Nehethawe Mithawayawin" and was cost shared by the Zummer Adventure Camp. A total of 25 families camped at the site, elders, FCWC staff, and Medicine Lodge clients were transported daily. A total of 400 community members participated in for the evening entertainment.



WUSKWATIM VILLAGE

Wuskwatim Village, located on the Northeast side of Wuskwatim Lake, was home to some of our Citizens in the past (NCN Citizen 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.. A cook shack, storage area and 2 cabins have been built but more discussions are needed to address quantity, design, contracting and cost concerns. Cost associated with building safety trail # 3 is too allocated to offset cost to Wuskwatim Village.

This year the main focus for the Wuskwatim Village works was to complete the Octagon structure. Ted Linklater was contracted to complete the work. He had to level out the foundation, sand the out & indoor siding and complete the structure.

ZUMMER ADVENTURE CAMP

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2011, \$20,000 was allocated to the annual budget of the Family and Community Wellness Centre to operate its Zummer Adventure Camp (ZAC) .to carry out its objectives as outline in their 2011 operational plan.

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

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

- Building positive social and recreational relationships, positive personal development;
- To learn about the land and internalize traditional skills values and beliefs;
- To build self-esteem and a positive self-image;

Due to cutback in funding from the Nisichawayasihk Trust it made it difficult to run the ZAC Program all summer long, however, most of the ZAC programs and activities were conducted at Suwanee Lake. A week long Cree Gathering "Nehethawe Mithawayawin" implemented for youth to focus on using the Cree knowledge and language as a way of promoting pride in our cultural identity for health and wellness. A series of traditional and western healing approaches including entertainment activities were coordinated to meet the needs of all age groups. At least 180 youth attended the Cree gathering and participated in all the events and activities implemented by the ZAC Program.



OTHER

ELDERS SUBSIDY PROGRAM

In addition to the surplus, \$126,100.00 was allocated to provide community elders with a monthly subsidy of \$100.00 to supplement their pensions and other benefits, a total of 109 elders were subsidized in 2011.

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;

- 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.
- 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 member living in a personal care home.

NCN CHRISTMAS CHEERBOARD

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

2011 was a very busy and successful year for the Cheer board, with the \$30,000.00 received from the CAP/CIP Budget and donations received from various organizations; we were able to meet our objectives.

The Nelson House Christmas Cheer board provided 686 gifts for children, newborn to 12 years of age living in the community and 430 food hampers to each household.

The Nelson House Christmas Cheer board are fortunate to have sisters Sue & Ellen from the St. Patrick's Roman Catholic Church who worked long hours wrapping and organizing the Christmas gifts into age categories for the last few years, RCMP members, Trust Office Staff, NCN Staff and other volunteers and their families who face the cold and slippery roads to ensure that the Christmas gifts and food hampers are delivered to all the homes. It is these volunteers that truly make the Christmas Cheer board such a special community based operation.





TASKINIGAHP TRUST





TASKINIGAHP TRUST

he 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. 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 that is held jointly with the Nisichawayasihk Trust Community Approval Process.

Trust investments generated almost \$231,000 in interest for 2010. The Trust also received more than \$158,000 in Transmission Benefits, with 75 percent or about \$119,000 allocated for Resource projects and more than \$39,000 retained to generate future income. Investment and Trust Benefits income totaled more than \$389,000 for the year.

Capital payments paid to NCN totaled almost \$345,000 comprised of \$220,000 in payments from the Community Development Account for various projects approved by the CIP. Close to \$120,000 was paid from the Resource Account to the Fishers and Trappers Associations and \$5,000 from the Claims Account.

As of December 31, 2010, the trust held a total value of \$5.95 million.



Taskinigahp Trustees Financial Operation Report (Background)

The Taskinigahp Trust was created in June of 2006. The duties and responsibilities of the trustees are contained in the Trust Indenture, which was created by the Nisichawayasihk Cree Nation to administer funds associated with the Wuskwatim dam project. The Trust currently is comprised of four accounts, namely, The Community Development Account, The Claims Account, The Resources Account and the Resource Sub-Account.

Each year the Trustees are rrequired to provide to Chief and Council, and, upon request, any member of Nisichawayasihk Cree Nation, with an annual report on the financial operations of the Trust. The report must cover the period from January 1 to December 31 of the previous year, and must include the Trust Auditor's report and opinion, any other special audit report and opinions requested by the Trustees and a narrative report on the expenditures from the Trust and the trust operations including how the Transmission Benefits were used.

TASKINIGAHP TRUSTEES



Patrick Linklater



Darcy Linklater Jr.



James Warren



Willie Moore



TASKINIGAHP CORPORATE TRUSTEE Bill Wilms



Financial Operations Report

Capital Payments Received By the Trust

Hydro's obligation with respect to the Financial Schedule 1.1 of the NCN Adverse Effects

Agreements was fully met in 2088 therefore no further capital payments were received during the Year. Settlement proceeds received in prior years totalled \$5,700,000.00.

Capital Payments disbursed from the Trust

Capital payments paid to NCN totaled \$365,250.00. Of this amount \$219,000.00. represents payments from the community Development Account , which were applied towards various projects approved by CIP,\$131,250.00 represents payments from the Resource Account to the Fishers and Trappers Association and \$15,000.00 from the Claims Account for damage to personal property.

Transmission Benefits

Transmission Benefits in the amount of \$214,421.11 were received for the period. Of this amount 75%(\$160,815.91) is available for Resource projects in the year received and 25%(53,605.20) is retained to generate future income.

Revenue Received and Generated by the Trust

The total interest generated for the period from trust investments was \$221,539.34.

Investment Activities of the Trust

The settlement proceeds were invested in a laddered bond portfolio consisting of Federal and Provincial Government bonds and corporate bonds which meet the investment parameters of the Trust Indenture. All investment decisions, with the exception of short term investment, require approval of the NCN Trustees. The sale of any investments requires 21 days of notice to be provided to Chief and Council and Members.

Investments held at December 31,2011

As at December 31,2011 the Trust had a total value of \$6180,810.00.

WE DECLARE that the information contained on the preceding and following pages is true to the best of our information, knowledge and belief.

The Canada Trust Company

Per: Mili



MULTI YEAR PLAN (Community Development Plan)

One requirement set out in the Taskinigahp Trust was to hold three meetings between establishing the trust in 2006 and the third anniversary of the signing of the PDA on June 26, 2009. The purpose was to develop the first five-year plan for the trust's revenue. To ensure compliance with the PDA, the meetings helped determine community priorities for social, economic and community development initiatives for inclusion in the multi-year plan for longer-term initiatives for use of trust funds. As part of the process, two summer students were hired to interview community members for the multiyear plan to prioritize objectives. Survey results are available at the Wuskwatim Implementation Office and

The WIO also held meetings with managers in various NCN departments to review the community objectives provide their input to the multi-year plan and work with managers on implementing the objectives of their departments. A steering committee was established to oversee all the work completed to date.

Because the trust office administers the funds, it must have the multi-year plan available as a guide to assist in allocating funds. The plan is subject to revisions and must be reviewed every three years to ensure it remains current and continues to effectively deliver programs to the community, with the first revision set for 2012.

WUSKWATIM TRANSMISSION DEVELOPMENT FUND

| RESOURCE PROGRAMS | \$ |
|-----------------------------|------------|
| Fisheries Association | 84,500.00 |
| Resource Management Program | 1,750.00 |
| Trappers Programs | 45,500.00 |
| TOTAL WTD Fund | |
| | 131,250.00 |
| TOTAL CIP BUDGET | 365,250.00 |

COMMUNITY INVOLVEMENT PROCESS BUDGET 2011

| TASKINIGAHP TRUST | |
|-------------------------------|------------|
| ADMINISTRATION | \$ |
| Claims Program | 15,000.00 |
| Annual Audit Fees | 6,850.00 |
| Corporate Trustee | 32,500.00 |
| Community Involvement Process | 38,000.00 |
| Professional Services | 50,000.00 |
| Nelson House Trustees | 14,400.00 |
| Community Development Plan | 15,000.00 |
| RESOURCE & LAND USE | |
| Resource Management Program | 30,000.00 |
| TOTAL TASKINIGAHP TRUST | 234,000.00 |

DEFERRED REVENUE 2009 (TASKINIGAHP TRUST OFFICE)

In addition to the programs and projects funded during 2011 fiscal year, there was also program and or projects with deferred revenue (carry over) from the 2010 CIP Budget, which may be paid to or expended by Chief & 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 are listed in the table below;

| Sub Program | Deferred Revenue |
|------------------------|------------------|
| ADMINISTRATION | 39,871 |
| CORPORATE TRUSTEE | 18,526 |
| NELSON HOUSE TRUSTEES | 36,910 |
| CLAIMS PROGRAM | 41,158 |
| TOTAL DEFERRED REVENUE | 136,465 |



RESOURCE & LAND USE

NCN RESOURCE MANAGEMENT BOARD

From the Taskinigahp Trust funds available for distribution in 2011, \$62,250 was allocated with an additional \$1,750 from the Wuskwatim Transmission Development fund to the NCN Resource Management Board to achieve the RM Board's objectives as set out in its 2011 operational plan. Under the supervision of the Natural Resource Secretariat and Council Portfolio holder the board managed the program.

As part of the 1996 NFA Implementation Agreement, the RMB maintains its arrangements for joint resource management between Nelson House and the Province of Manitoba. The Resource Management Board welcomes 2 new members, Shannon Yetman and Gordon Dumas. The RMB continues to review all resource allocations, land-use applications, and license/permit applications made within the Resource Management Area.

A Nelson House Resource Management Board Newsletter was prepared by Manitoba Hydro to share with the community on the RMB's achievements and accomplishments; it also includes RMB's plans, guiding principles, board functions and future plans. The RMB Newsletter is available for distrubtion and will be uploaded on to the NCN Trust Office website at www.trustoffice.ca

FISHERMAN ASSOCIATION

From the Wuskwatim Transmission Development Funds available for distribution in 2011, \$84,500 was allocated to the Nelson House Fisherman Association (NHFA) carry out its objectives as outline in their 2011 operational plan.

Please refer to narrative under Nisichawayasihk Trust report.

TRAPPERS ASSOCIATION

From the Wuskwatim Transmission Development Funds available for distribution in 2011, \$45,000 was allocated to the Nelson House Trappers Association (NHTA) carry out its objectives as outline in their 2011 operational plan.

The NHTA employs a part-time manager and a four member Local Fur Council who oversee the programs operation. The Local Fur Council meet regularly, they also participate in annual events such as;

- Provincial General Meeting & Convention in Ashern, Manitoba usually held in February 2009.
- Fur Table Display & 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 the trapper by providing startup funds and a voucher for equipment such as traps, snares, knives and all other necessary equipment that the program maintains.

The Program offers a snowmobile program, where the trappers provides 50% of the total snowmobile cost and the program loans the remaining 50%, which is repayable through cash or subsidy deductions.

The Cabin Material Program is also offered by the NHTA, this program applies to Registered Trap line Holders only. Qualified trap line holders may receive a forgivable purchase order up to \$3,000 for building materials that can be used to renovate the floor or roof of a cabin.

The NHTA continue to provide start up loans and subsidy payments to trappers, the following charts specify what was provided in a 5 year span:

AUDITED FINANCIAL STATEMENTS

NCN TRUST
NCN TRUST OFFICE
TASKINIGAHP TRUST
TASKINIGAHP TRUST OFFICE



FINANCIAL STATEMENTS FOR NCN TRUST

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To the Trustees of Nisichawasihk Trust:

We have audited the accompanying financial statements of Nisichawasihk Trust, which comprise the statement of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the statements of operations, remeasurement gains, changes in accumulated surplus and net financial assets and cash flows for the years ended December 31, 2011 and December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nisichawasihk Trust as at December 31, 2011, December 31, 2010 and January 1, 2010 and the results of its operations, remeasurement gains and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian public sector accounting standards.

Other Matter

The prior year comparative figures were audited by another firm of Chartered Accountants who have since joined MNP LLP.

Winnipeg, Manitoba

May 18, 2012

Chartered Accountants

| | (A) | |
|---|-----|---|
| | | • |
| = | | |
| | | |

| | | 2011 December 31 | 2010 December 31 | 2010 January 1 |
|--|---------------|---------------------|---------------------|-------------------|
| Financial assets | | | | |
| Cash | | 765,285 | 1,100,854 | 1,227,362 |
| Accounts receivable | | 1,236,526 | 13,120 | 147,824 |
| Investments (Note 9) | | 44,155,331 | 44,694,444 | 45,675,525 |
| | | 46,157,142 | 45,808,418 | 47,050,711 |
| Liabilities | | | | |
| Due to related party (Note 5) | | 1,492,220 | | |
| Accumulated surplus and net financial ass | sets (Note 7) | 44,664,922 | 45,808,418 | 47,050,711 |
| Approved by the Trustees | | | | |
| Dilling Diagrams | | | | |
| The state of the s | Trustee | / | | |
| Marca Follish. | Trustee | A | Tr | ustee |
| Shirley Fishlate. | Trustee | | Tr | ustee |

| | 2011 | 2010 |
|---|-------------|-------------|
| Revenue | | |
| Interest income | 2,529,224 | 2,584,944 |
| Excursion income | 47,040 | 17,654 |
| | 2,576,264 | 2,602,598 |
| Expenses | | |
| Transfer to Nisichawayasihk Trust Office | 3,775,000 | 3,865,252 |
| Annual deficit | (1,198,736) | (1,262,654) |
| Accumulated surplus, from operations, beginning of year | 45,746,221 | 47,008,875 |
| Accumulated surplus, from operations, end of year | 44,547,485 | 45,746,221 |



| · | 2011 | 2010 |
|--|---------|--------|
| Unrealized gains on investments | 55,240 | 20,361 |
| Accumulated remeasurement gains, beginning of year | 62,197 | 41,836 |
| Accumulated remeasurement gains, end of year | 117,437 | 62,197 |

| | 2011 | 2010 |
|---|-------------|-------------|
| Accumulated surplus from operations, beginning of year | 45,746,220 | 47,008,875 |
| Annual deficit from operations | (1,198,736) | (1,262,654) |
| Accumulated remeasurement gains, beginning of year | 62,197 | 41,836 |
| Unrealized remeasurement gains | 55,240 | 20,361 |
| Accumulated surplus and net financial assets, end of year | 44,664,921 | 45,808,418 |

| | 2011 | 2010 |
|--|-------------|--------------------------|
| | | |
| Cash provided by (used for) the following activities | | |
| Operating activities | 47,040 | 17,654 |
| Cash from excursion revenue | (2,282,780) | (3,865,252) |
| Cash transferred to Trust Office Cash from interest income | 1,305,818 | 2,722,910 |
| Cash from interest income | | |
| | (929,922) | (1,124,688) |
| | | |
| Investing activities | | (2.067.062) |
| Purchase of investments | - | (2,067,062) 3,065,242 |
| Proceeds from sale of investments | 594,353 | 3,003,242 |
| | 594,353 | 998,180 |
| Parameter and | (335,569) | (126,508) |
| Decrease in cash | (000,000) | (1.20)000) |
| Cash, beginning of year | 1,100,854 | 1,227,362 |
| | 765,285 | 1,100,854 |
| Cash, end of year | 700,200 | ., |

Operations

The Nisichawashik Trust (the "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 Manitoba Hydro-Electric Board to settle obligations under the Northern Flood Settlement Agreement.

Proceeds of Settlement

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

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Revenue recognition

Interest income is recognized in the period in which it is earned. Excursion revenue is recognized as it becomes receivable under the terms of the Trust indenture.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

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



2. Significant accounting policies (Continued from previous page)

Financial Instruments

Amortized Cost

The Trust has classified the following financial assets in the amortized cost category: cash and accounts receivable. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash and accounts receivable are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

The Trust has classified the following liability in the amortized cost category: due to related party. This liability is initially recognized at its fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Due to related party is subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Fair Value

The Trust has classified the following financial asset in the fair value category: investments. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Investments are subsequently measured at their fair value. Investments in equity instruments that do not have quoted market price in an active market are measured at cost. Gains and losses arising from changes in fair value, except for impairment losses and foreign exchange translation adjustments, are recognized in the statement of remeasurement gains and losses as a remeasurement gain or loss, until the financial asset is sold or otherwise derecognized. Upon derecognition, the cumulative gain or loss previously recognized in the statement of remeasurement gains and losses is transferred to the statement of operations.

Recent accounting pronouncements

Financial instruments

In April 2012, the Public Sector Accounting Board (PSAB) re-issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of the re-issuance of PS 3450, there have been numerous consequential amendments made to other Sections. While the application of PS 3450 is mandatory for fiscal years beginning on or after April 1, 2012, the Nisichawasihk Trust has elected to adopt the application of this Section early.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The comparatives report the investments at fair value.

3. Change in accounting framework

The Trust is controlled by the Chief and Council of Nisichawayasihk Cree Nation (NCN) and therefore the Trust is considered to be part of the Government Reporting Entity of NCN. In determining the appropriate financial reporting framework for the Trust, management determined that the Trust meets the definition of an Other Government Organization (OGO).

OGO's have the option of adopting International Financial Reporting Standards (IFRS) or Canadian Public Sector Accounting Standards (PSA). The decision is to be based on the needs of the users of the financial statements. Management considers PSA to be the most appropriate framework since the government reporting entity does not view the Trust as significantly separable from other organizations and operations under the control of Chief and Council and because there are no known users of the Trust's financial statements that would have any significant level of interest in viewing the financial statements of the Trust under the IFRS reporting framework.

As a result, the Trust has adopted Canadian Public Sector Accounting Standards, including adoption of PSA 3450 - Financial Instruments, PSA 3041 - Portfolio Investments and PSA 1201 - Financial Statement Presentation. The Trust has applied this financial reporting framework in its financial statements for the year ending December 31, 2011, using an effective date of transition of January 1, 2010. In complying with PSA 2125 - First-time Adoption by Government Organizations, the Trust has applied none of the optional exemptions. Among other requirements of PSA 2125, an opening statement of financial position is to be presented in the financial statements in the year of adoption. To comply with this requirement, the Trust has included a January 1, 2010 column in its statement of financial position as part of its December 31, 2011 financial statements.

There were no cumulative effects on prior year revenue, expenses, assets, liabilities or accumulated surplus as a result of the above-noted change in accounting policy.

4. Internal restrictions

As stipulated in the Trust Indenture the financial position and operations of the Trust have been allocated into Funds with restrictions on the uses of each as follows:

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

A. 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.

All Trust Assets are restricted and can only be accessed through the Community Approval Process, subject to the restrictions noted above.

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.



Internal restrictions (Continued from previous page)

B. Community Development Fund

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

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.

C. Claims Fund

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

- i) the Cree Nation
- ii) it's Members, and
- iii) 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 or 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 begining 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 Nisichawasihk 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, 2011) will be transferred to the Investment and Heritage Fund.

D. Investment and Heritage Fund

The Investment and Heritage Funds includes monies 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, 2011 earned interest at 0.78%.

Upon settlement of the Trust, \$250,000 was transferred to the Investment and Heritage sub-account in 1996. The \$250,000 and interest earned (totalling \$548,832 as at December 31, 2011) cannot be encroached upon until certain Trust conditions are met. The restriction is intended to minimize the effect of inflation on the \$40,000,000 Capital Investment in the General Fund. Additional monies deposited to this account cannot be withdrwan 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, \$1,399,911 was transferred to the General Fund to supplement the 2011 Funds Available amount.

5. Due to related party

| | December 31, | December 31, | January 1, |
|-------------------------------------|--------------|--------------|------------|
| | 2011 | 2010 | 2010 |
| Due to Nisichawayasihk Trust Office | 1,492,220 | - | - |

During the year, the Nisichawasihk Trust transferred \$3,775,000 (2010 - \$ 3,865,252) to the Nisichawayasihk Trust Office to fund programs in accordance with the Community Approval Process. Amounts due to/from the Nisichawayasihk Trust Office are unsecured and are non-interest bearing with no fixed terms of repayment.

The Nisichawayasihk Trust Office is related to the Nisichawasihk Trust through common control by the Chief and Council of Nisichawayasihk Cree Nation.

6. Fair Value of Financial Instruments

Financial instruments recorded at fair value in the Nisichawasihk Trust consist of: investments.

Beginning January 1, 2011, assets and liabilities recorded at fair value on the statement of financial position are measured and classified in the hierarchy consisting of three levels for disclosure purposes. The three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

- Level 1: Unadjusted quoted prices in an active market for identical assets and liabilities.
 Assets measured at fair value and classified Level 1 include investments.
- Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 Level 2 inputs include quoted prices for assets in markets that are considered less active. There are no assets measured at fair value classified as Level 2.
- Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.

Level 3 assets and liabilities would include financial instruments whose values are determined using pricing models, discounted methodologies, or similar techniques, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. There are no assets measured at fair value classified as Level 3.

7. Accumulated surplus and net financial assets

| | 2011 | 2010 | 2010 |
|---------------------|-------------|-------------|------------|
| | December 31 | December 31 | January 1 |
| Operations | 44,547,485 | 45,746,221 | 47,008,875 |
| Remeasurement gains | 117,437 | 62,197 | 41,836 |
| | 44,664,922 | 45,808,418 | 47,050,711 |

8. Nature and extent of risk arising from financial instruments

Market Risk:

Market risk arises from changes in interest rates that affect the Nisichawasihk Trust's interest income. Exposure to this risk directly impacts the Nisichawasihk Trust's income from its investments. The Nisichawasihk Trust's objective is to earn an acceptable net return on these investments, without taking unreasonable risk, while meeting beneficiaries' needs.

Risk measurement:

The Nisichawasihk Trust's risk position is measured and monitored each month to ensure compliance with policies as noted in the Trust Indenture. Management provides monthly reports on these matters to the Trustees of the Nisichawasihk Trust.

Objectives, policies and processes:

Corporate Trustees are responsible for managing the Nisichawasihk Trust's interest rate risk, monitoring investments and compliance with policies. The Nisichawasihk Trust manages market risk by developing and implementing asset and liability management policies, which are approved and periodically reviewed by the NCN (Nisichawayasihk Cree Nation) and the Corporate Trustees.



9. Investments

| General Fund | 2011 | 2010 | 2010 |
|--|-------------|-------------|------------|
| | December 31 | December 31 | January 1 |
| Manitoba Hydro, due 06/30/2013, 5.750% | 40,003,150 | 40,000,000 | 40,000,000 |
| Community Development Fund Bank of Nova Scotia, due 07/16/2014, 3.43% CIBC, due 03/02/2015, 3.10% Farm Credit Canada Corp., due 4/15/2012, 3.80% GE Capital, due 6/8/2015, 4.24% CMHC, 3.75% Province of Ontario, due 06/02/2013, 4.75% Province of Ontario, due 09/08/2014, 3.25% Province of Ontario, due 03/08/2015, 4.50% Province of Ontario, due 03/08/2018, 4.20% Province of Ontario, due 03/08/2018, 4.20% Province of Ontario, due 03/08/2018, 4.50% Province of Ontario, due 06/02/2020, 4.50% Prov. of New Brunswick, due 06/02/2020, 4.50% Prov. of Quebec, due 13/01/2018, 4.50% | 208,001 | 204,409 | 201,382 |
| | 103,328 | 100,057 | 349,596 |
| | 115,851 | 117,840 | 119,278 |
| | 104,901 | 102,787 | - |
| | - | - | 110,742 |
| | 104,997 | 106,374 | 107,184 |
| | 105,097 | 102,761 | - |
| | 126,072 | 123,531 | 122,947 |
| | 223,953 | 210,244 | 203,950 |
| | - | - | 108,041 |
| | 109,224 | 107,913 | - |
| | 169,858 | 157,794 | - |
| | 227,427 | 213,110 | 204,386 |
| Investment and Heritage Fund MB Hydro-Electric Board, due 12/01/2013, 5.750% | 1,598,709 | 1,546,819 | 1,527,506 |
| | 2,553,472 | 3,147,625 | 4,148,019 |
| | 44,165,331 | 44,694,444 | 45,675,525 |

The cost of the investments as December 31, 2011 was \$ 44,037,894 (December 31, 2010 - \$44,632,247; and January 1, 2010 - \$45,633,689).

10. Budget information

Public Sector Accounting Standards (PSA) require the disclosure of budget information for comparison to the Nisichawasihk Trust's actual revenue and expenses. The budgeted revenues, expenses and accumulated surplus has not been reported in these financial statements. While having no effect on reported revenues, expenses and accumulated surplus, omission of this information is considered a departure from PSA.

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

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|------------|-----|
| <i>,</i> 1 | AUD |

| | General | Funds | Develor | Claims | Claims and Heritage | | | |
|-------------------------------------|------------|-------------|-----------|---------|---------------------|-------------------|---|------------------|
| Finoncial assesses | Fund | Available | Fund | Fund | Fund | December 31, 2011 | Fund December 31, 2011 December 31, 2010 January 1 2010 | lantany 4 2040 |
| Gineral appare | | | | | | | 200 | candary 1, colo |
| Cash | 751 | • | 28.338 | | 700 400 | 1 | | |
| Accounts receivable | 1,150,000 | ٠ | 13.120 | | 72 406 | 765,285 | 1,100,854 | 1,227,362 |
| | 1 150 751 | | 017.77 | | 00400 | 926,962,1 | 13,120 | 147.824 |
| | 1,00,001 | • | 41,438 | • | 809,602 | 2,001,811 | 1,113,974 | 1,375,186 |
| Investments | 40.003.150 | | 1 508 700 | | 0 | | | |
| | | | 00,000,1 | | 2,553,472 | 44,155,331 | 44,694,444 | 45,675,525 |
| | 41 153 901 | | 4 640 467 | | | | | |
| | 20100111 | | 1,040,157 | | 3,363,074 | 46,157,142 | 45.808.418 | 47 050 711 |
| Labilities | | | | | | | | |
| Due to Nisichawayasihk Trust Office | | 000000 | | | | | | |
| Due helwoon finds | | 1,492,220 | | • | • | 1.492.220 | • | |
| Dae between lunds | 1,150,134 | (1,492,220) | 23,312 | (1,909) | 320,683 | | | |
| | | | | | | | | |
| | | | | | | | | |
| | 1,150,134 | | 23,312 | (1,909) | 320,683 | 1.492.220 | | |
| | | | | | | And to the | | |
| Accumulated surning | 10 000 Jey | | | | | | | |
| oned no nominator | 40,003,757 | | 1,616,855 | 1,909 | 3.042.391 | 44 664 922 | AE 000 440 | 22 020 27 |
| | | | | | | 1 | | A Charles of the |

| | | | Community | | Investment and | | |
|---------------------------------------|-------------|-------------|-------------|----------|----------------|-------------|-------------|
| | General | Funds | Development | Claims | Heritage | | |
| | Fund | Available | Fund | Fund | Fund | 2011 | 2010 |
| Revenue | | | | | | | |
| Interest on investments | 2,300,141 | | 966'09 | , | 168,089 | 2,529,225 | 2,584,944 |
| Gain/Loss on investments - unrealized | 3,150 | • | 51,889 | , | 200 | 55,239 | 20,361 |
| Excursion revenue | , | | | , | 47,040 | 47,040 | 17,654 |
| | 2,303,291 | | 112,884 | | 215,329 | 2,631,504 | 2,622,959 |
| Transfers | | | | | | | |
| Transfers between funds | (2,300,089) | 3,725,000 | (75,000) | 20,000 | (1,399,911) | | 1 |
| Transfers to the Trust Office | | (3,725,000) | | (20,000) | | (3,775,000) | (3,865,252) |
| Surplus (deficit) | 3,202 | | 37,884 | | (1,184,582) | (1,143,496) | (1,242,293) |
| Fund balance, beginning of year | 40,000,565 | • | 1,578,971 | 1,909 | 4,226,973 | 45,808,418 | 47,050,711 |
| Fund balance, end of year | 40,003,767 | | 1,616,855 | 1,909 | 3,042,391 | 44,664,922 | 45,808,418 |



FINANCIAL STATEMENTS FOR NCN TRUST OFFICE

75 - 104

To the Chief and Council of Nisichawayasihk Cree Nation:

We have audited the accompanying financial statements of Nisichawayasihk Trust Office, which comprise the statement of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the years ended December 31, 2011 and December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nisichawayasihk Trust Office as at December 31, 2011, December 31, 2010 and January 1, 2010 and the results of its operations and changes in accumulated surplus, changes in net financial assets and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian public sector accounting standards.

Other Matter

The prior year comparative figures were audited by another firm of Chartered Accountants who have since joined MNP LLP.

Winnipeg, Manitoba

May 22, 2012

Chartered Accountants



| | 2011 December 31 | 2010 December 31 (Restated) | 2010 January 1 (Restated) |
|---|---------------------|-----------------------------------|---------------------------------|
| Financial assets | | | |
| Cash | 841,493 | 2,822,761 | 2,058,027 |
| Interest receivable | 206 | 265 | 22 |
| Accounts receivable | 1 | - | 920 |
| Advances receivable Short-term investments (Note 5) | 14,964 | 15,346 | 9,071 |
| Due from related entities (Note 8) | 99,811 1,636,218 | 98,576 | 98,458 |
| Due non related criticies (rects b) | 1,030,218 | 121,175 | 314,946 |
| | 2,592,692 | 3,058,123 | 2,481,444 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 137,719 | 95,528 | 137,470 |
| Due to related entities (Note 9) | 1,294,442 | 1,955,024 | 960,730 |
| | 1,432,161 | 2,050,552 | 1,098,200 |
| Net financial assets | 1,160,531 | 1,007,571 | 1,383,244 |
| Non-financial assets | | | |
| Tangible capital assets (Note 6) (Schedule 1) | 102,674 | 79,554 | 69,992 |
| Accumulated surplus | 1,263,205 | 1,087,125 | 1,453,236 |

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

| | Schedules | 2011 Budget | 2011 | 2010 (Restated) |
|--|-----------|----------------|-----------|--------------------|
| Revenue | | | | |
| Nisichawasihk Trust (Note 8) | | 3,775,000 | 3,775,000 | 3,865,252 |
| Transfers from Taskinigahp Trust Office (Note 8) | | 246,500 | 246,500 | 236,060 |
| Other revenue | | | 106,479 | 148,088 |
| Equipment recoveries | | - | 31,142 | 20,173 |
| Loan recoveries | | - | 28,651 | 37,908 |
| Interest income | | - | 20,047 | 9,956 |
| | | 4,021,500 | 4,207,819 | 4,317,437 |
| Expenditures | | | | |
| Implementation Agreement | 4 | 840,400 | 739,732 | 841,684 |
| Capital Projects | 5 | · - | · - | 25,000 |
| Community Infrastructure | 6 | - | 253 | 5,800 |
| Economic Development | 7 | 1,002,000 | 1,032,969 | 1,474,619 |
| Education | 8 | 174,000 | 174,000 | 485,000 |
| Housing | 9 | 100,000 | 100,000 | 1,750 |
| Justice | 10 | 450,000 | 450,000 | 450,000 |
| Public Works | 11 | 47,000 | 47,000 | 35,163 |
| Resource and Land Use | 12 | 666,000 | 701,940 | 656,686 |
| Shoreline Debris Clean-up | 13 | - | 34,702 | 20 |
| Social Development | 14 | 536,000 | 546,377 | 516,991 |
| Other Programs | 15 | 156,100 | 161,497 | 148,493 |
| Claims Program | 16 | 50,000 | 43,269 | 42,342 |
| Total expenditures | | 4,021,500 | 4,031,739 | 4,683,548 |
| | | | | |
| Annual surplus (deficit) | | - | 176,080 | (366,111) |
| Accumulated surplus, beginning of year, as previously stated | | - | 1,047,238 | 1,413,532 |
| Prior period adjustment (Note 12) | | - | 39,887 | 39,704 |
| Accumulated surplus, beginning of year, as restated | | - | 1,087,125 | 1,453,236 |
| Accumulated surplus, end of year | | - | 1,263,205 | 1,087,125 |



| | 2011 Budget | 2011 | 2010 (Restated) |
|---|----------------|-------------------------------|----------------------------------|
| Annual surplus (deficit) Purchases of tangible capital assets Amortization | | 176,080 (42,455) 19.335 | (366,111) (24,600) |
| Increase in net financial assets (debt) Net financial assets, beginning of year | : | 152,960 1,007,571 | 15,038 (375,673) 1,383,244 |
| Net financial assets, end of year | - | 1,160,531 | 1,007,571 |

| | 2011 | 2010 |
|--|-------------|-------------|
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Cash from Nisichawasihk Trust | 2,282,780 | 3,865,252 |
| Cash paid for program expenses | (4,727,453) | (3,715,976) |
| Cash from Taskinigahp Trust Office | 320,336 | 429,831 |
| Cash from other sources | 166,654 | 200,614 |
| Interest income | 18,870 | 9,613 |
| | (1,938,813) | 789,334 |
| Capital activities | | |
| Purchases of tangible capital assets | (42,455) | (24,600) |
| Increase (decrease) in cash | (1,981,268) | 764,734 |
| Cash, beginning of year | 2,822,761 | 2,058,027 |
| Cash, end of year | 841,493 | 2,822,761 |



1. Operations

The Nisichawayasihk Trust Office (the "Trust Office") was established in May 1996 to administer the Program Funding received from the Nisichawasihk Trust on behalf of the Chief and Council of Nisichawayasihk Cree Nation.

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

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records for office and other equipment, trailer improvements and vehicles.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

| | Method | Rate |
|---|-------------------------------------|-------------|
| Office and other equipment Trailer improvements | declining balance declining balance | 20 % 4 % |
| Vehicles | declining balance | 30 % |

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Trust Office performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when the undiscounted future cash flows from their use and disposal are less than the assets' carrying amount. Impairment value is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in operations for the year.

Revenue recognition

Nisichawasihk Trust funding is recognized as it becomes receivable in accordance with the Community Approval Process. Transfers from Taskinigahp Trust Office are recognized when they become available in accordance with the Community Involvement Process. Revenue from all other categories are recognized on an accrual basis as earned.

2. Significant accounting policies (Continued from previous page)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts and advances receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

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

Financial Instruments

Amortized Cost

The Nisichawayasihk Trust Office has classified the following financial assets in the amortized cost category: cash, interest receivable, accounts and advances receivable, short-term investments and due from related entities. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash, interest receivable, accounts and advances receivable, short-term investments and due from related parties are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the assets expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

The Nisichawayasihk Trust Office has classified the following liabilities in the amortized cost category: Accounts payable and accrued liabilities and due to related entities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instruments' initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Accounts payable and accrued liabilities and due to related entities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

3. Economic dependence

Nisichawayasihk Trust Office receives a substantial amount of its annual funding from Nisichawasihk Trust as approved through the Community Approval Process in order to administer and fund its various programs. The ability of the Trust Office to continue its operations is dependent upon the continued financial commitments of the NisichawasihkTrust.



4. Change in accounting framework

The Nisichawayasihk Trust Office is controlled by the Chief and Council of Nisichawayasihk Cree Nation (NCN) and, therefore, this Trust Office is considered part of the Government Reporting Entity of NCN. In determining the appropriate financial accounting framework for the Nisichawayasihk Trust Office, management determined that this Trust Office meets the definition of an Other Government Organization (OGO).

OGO's have the option of adopting International Financial Reporting Standards (IFRS) or Canadian Public Sector Accounting Standards (PSA). The decision is to be based on the needs of the users of the financial statements. Management considers PSA to be the most appropriate framework since the government reporting entity does not view the Nisichawayasihk Trust Office as significantly separable from other organizations and operations under the control of Chief and Council of NCN and because there are no known users of this Trust Office's financial statements that would have any significant level of interest in viewing the financial statements of this Trust Office under the IFRS reporting framework.

As a result, Nisichawayasihk Trust Office has adopted Canadian Public Sector Accounting Standards including the adoption of PSA 1201 - Financial Statement Presentation, PSA 3030 - Temporary Investments and PSA 3150 - Tangible Capital Assets. The Nisichawayasihk Trust Office has applied this financial accounting framework in its financial statements for the year ended December 31, 2011, using an effective date of transition of January 1, 2010. In complying with PSA 2125 - First-time Adoption by Government Organizations, The Nisichawayasihk Trust Office has applied none of the optional exemptions. Among other requirements of PSA 2125, an opening statement of financial position is to be presented in the financial statements in the year of adoption. To comply with this requirement, the Nisichawayasihk Trust Office has included a January 1, 2010 column in its statement of financial position as part of its December 31, 2011 financial statements.

5. Short-term investments

The short-term investments consist of two redeemable guaranteed investment certificates both issued by Royal Bank of Canada.

| | December 31, 2011 | December 31, 2010 | January 1, 2010 |
|--|----------------------|----------------------|--------------------|
| G.I.C., renewed on October 11, 2011 and maturing January 9, 2012, bearing interest of 1.25% per annum (matures at \$45,279) G.I.C., renewed on October 20, 2011 and maturing October 22, 2012, | 45,140 | 44,581 | 44,572 |
| bearing interest of 0.75% per annum (matures at \$55,083) | 54,671 | 53,995 | 53,886 |
| | 99,811 | 98,576 | 98,458 |

It is expected that both of these investments will be renewed upon their maturities.

6. Tangible capital assets

Schedule 1 of these financial statements presents the tangible capital asset balances for December 31, 2011 and December 31, 2010.

The net book value of tangible capital assets at the January 1, 2010 date of transition to Canadian public sector accounting standards are shown as follows by category and in total:

| | Office and other equipment | Trailer improvements | Vehicles | Total |
|--------------------------------|----------------------------|----------------------|----------|--------|
| January 1, 2010 net book value | 23,397 | 23,382 | 23,213 | 69,992 |

7. Internal restrictions

As stipulated in the Trust Indenture, the financial position and operations of the Nisichawayasihk Trust Office have been allocated into Funds with restrictions on the uses of each fund as follows:

The Funds Available (program funding) for any year are the amounts approved through the Community Approval Process for administering the Nisichawayasihk Trust Office and funding the various programs, not to exceed the approved budget for that year (\$3,725,000 for the year ended December 31, 2011). The funding of the Claims Fund has a first priority over other programs (funded \$50,000 for the year ended December 31, 2011).

Community Development Fund

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

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 Nisichawasihk Trust. All of these amounts have been deposited in the Recreational Facilities and Programs sub-account of the Nisichawasihk 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 Nisichawayasihk 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 Nisichawasihk Trust cannot be encroached upon.

Nisichawayasihk 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.

Investment and Heritage Fund

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

Claims Fund

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

- i) Nisichawayasihk Cree Nation,
- ii) its Members, and
- iii) any group, unincorporated association or corporation whose membership or shareholding is wholly or substantially comprised and controlled by Nisichawayasihk 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 Nisichawasihk Trust and the Nisichawayasihk Trust Office) 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 the specified dates below consisted of the following:

| | 2011 | 2010 |
|---|----------------|----------------|
| Nisichawasihk Trust Nisichawayasihk Trust Office | 1,909 9,621 | 1,909 2,557 |
| | 11,530 | 4,466 |



8. Due from related entities

| | December 31, 2011 | December 31, 2010 | January 1, 2010 |
|--|-------------------------------|----------------------|--------------------|
| Nisichawasihk Trust Nisichawayasihk Personal Care Home Inc. Taskinigahp Trust Office | 1,492,220 82,000 61,998 | - - 121,175 | - - 314,946 |
| | 1,636,218 | 121,175 | 314,946 |

Amounts due from related parties are non-interest bearing and are unsecured with no fixed terms of repayment.

During the year, the Nisichawasihk Trust transferred \$3,775,000 (2010 - \$3,865,252) to the Nisichawayasihk Trust Office to fund programs in accordance with the Community Approval Process.

During the year, the Taskinigahp Trust Office transferred \$246,500 (2010 - \$236,060) to the Nisichawayasihk Trust Office to fund programs in accordance with the Community Involvement Process.

9. Due to related entities

| | December 31, | December 31, | January 1, |
|---|--------------|--------------|------------|
| | 2011 | 2010 | 2010 |
| ATEC Centre of Excellence | 13,600 | _ | |
| Family and Community Wellness Centre | 13,600 | 18,750 | 50,000 |
| Gilbert McDonald Arena | 8,500 | 25,000 | - |
| Meetah Building Supplies | 5,950 | 45,255 | 51,249 |
| NCN Christmas Cheerboard | - | - | 1,000 |
| NCN High Speed Internet | 3,000 | - | - |
| NCN Minor Hockey Committee | 6,040 | - | - |
| NCN Store | 625 | - | - |
| Nelson House Development Corporation | 99,000 | 7,500 | - |
| Nelson House Education Authority Inc. | 89,780 | 85,808 | 142,600 |
| Nelson House Medicine Lodge Inc. | 40,300 | 25,000 | 30,000 |
| Nisichawayasihk Cree Nation | 801,099 | 1,534,086 | 615,259 |
| Nisichawayasihk Cree Nation Human Resources Development Authority | 18,800 | 56,250 | 15,500 |
| Nisichawayasihk Construction, L.P. | 1,232 | 2,782 | 1,039 |
| Nisichawayasihk Housing Authority | 178,000 | 78,000 | - |
| Nisichawayasihk Personal Care Home Inc. | - | 75,000 | 50,000 |
| Otohowin Gas Bar | 6,416 | 1,593 | 2,370 |
| 96073 | 8,500 | - | 1,713 |
| | 1,294,442 | 1,955,024 | 960,730 |

Amounts due from related parties are non-interest bearing and are unsecured with no fixed terms of repayment.

During the year, the Nisichawayasihk Trust Office transferred \$1,933,699 (2010 - \$2,613,208) to related entities to fund programs in accordance with the Community Approval Process.

10. Expenditures by object

| | 2011 | 2010 |
|---|-----------|-----------|
| Transfers to related entities | 1,933,699 | 2,613,208 |
| Salaries, wages and benefits | 690,575 | 671,901 |
| Subsidies and start-up loans to community members | 206,850 | 205,521 |
| Travel | 165,293 | 115,609 |
| Purchases of non-capital goods, supplies and services | 152,982 | 152,488 |
| Honoraria | 141,700 | 141,200 |
| Recreational programming and events | 141,415 | 252,580 |
| Repairs and maintenance | 113,232 | 124,916 |
| Utilities, telephone and internet | 80,592 | 76,223 |
| Professional, consulting, and support fees | 76,343 | 45,900 |
| Investment care and management fees | 61,339 | 65,794 |
| Casual labour | 59,621 | 43,714 |
| Advertising, promotion, donations and memberships | 51,350 | 30,296 |
| Christmas hampers and gifts | 45,490 | 33,320 |
| Meetings, training and education | 26,290 | 30,782 |
| Compensation for claims | 25,883 | 28,510 |
| Miscellaneous | 23,653 | 23,216 |
| Amortization | 19,335 | 15,038 |
| Insurance | 10,617 | 10,821 |
| Interest and bank charges | 5,480 | 2,511 |
| | 4,031,739 | 4,683,548 |



11. Impact of adopting Canadian public sector accounting standards

These are Nisichawayasihk Trust Office's first financial statements prepared in accordance with Canadian public sector accounting standards. The accounting policies in Note 2 have been applied in preparing the financial statements for the year ended December 31, 2011, the comparative information for the year ended December 31, 2010, and the opening public sector accounting standards' statement of financial position as at January 1, 2010 (the Trust Office's date of transition to public sector accounting standards).

Reconciliations and explanatory notes on how the transition to public sector accounting standards has affected the statement of financial position previously reported under Canadian generally accepted accounting principles (GAAP) using fund accounting concepts are provided below.

Explanation of charges to accumulated surplus at January 1, 2010

| Explanation of Charges to accumulated surplus at January 1, 2010 | Sub-notes | Adjustments to opening accumulated surplus (deficit) |
|---|-----------------------|--|
| Previously deferred program surpluses under Canadian GAAP Previously termed 'net assets invested in property and equipment' under Canadian GAAP Prior period adjustment | (a) (b) Note 12 | 1,343,540 69,992 39,704 |
| | | 1,453,236 |

| Reconciliation of net surplus (deficit) to annual surplus (defi | cit) for the year ended Dece Sub-notes Canadian GAAP | • | Canadian public sector accounting standards |
|---|---|-----------------------------|---|
| | December 31, 2010 | | December 31, 2010 |
| Nisichawasihk Trust funding Program funding expenditures | 3,865,252 4,693,110 | - (9,562) | 3,865,252 4,683,548 |
| Other income and deferred funding Prior period adjustment | (827,858) 827,858 - | 9,562 (375,856) (183) | (818,296) 452,002 (183) |
| Annual surplus (deficit) | - | (366,111) | (366,111) |

11. Impact of adopting public sector accounting standards (Continued from previous page)

- (a) The impact of adopting Canadian public sector accounting standards results in Nisichawayasihk Trust Office no longer being able to defer its annual program surpluses which now have to be treated as additions to accumulated surplus. As a result of this change in accounting framework, the prior year's total revenue decreased by \$375,856, the prior year's liabilities decreased by \$967,684 and both the prior year's net financial assets and opening accumulated surplus increased by \$1,343,540.
- (b) The prior year financial statements contained a net financial asset account termed 'Net assets invested in property and equipment' which was acceptable under the fund accounting framework that was previously used by Nisichawayasihk Trust Office. This account was used for the amortization charged to the previously termed 'property and equipment'. Also, under this framework, any new property and equipment purchased was an addition to this net asset balance.

The impact of adopting Canadian public sector accounting standards results in Nisichawayasihk Trust Office no longer being able to use the 'Net assets invested in property and equipment' account in the manner described in the preceding paragraph. Amortization charged against tangible capital assets (formerly property and equipment) is now expensed and new tangible capital assets purchased are now only capitalized. As a result of this change in accounting framework, the prior year's total capital expenditures decreased by \$9,562, the prior year's 'Net assets invested in property and equipment' decreased by \$79,554 to nil and the prior year's opening accumulated surplus increased by \$69,992 with no effect on net financial assets.

12. Prior period adjustment

During the year, Nisichawayasihk Trust Office determined that interest accrued on holdbacks payable (\$20,545) and certain pension plan payable amounts (\$19,342) from the prior year were recorded in error. As a result of retroactively restating the financial statements for the correction of this error, the prior year's total interest revenue increased by \$183, the prior year's liabilities and the liabilities at January 1, 2010 decreased by \$39,887 and both the prior year's net financial assets and opening accumulated surplus at January 1, 2010 increased by \$39,704.

13. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.



| | Office and other equipment | Trailer improvements | Vehicles | 2011 | 2010 |
|---|----------------------------------|-------------------------|----------|---------|---------|
| Cost | | | | | |
| Balance, beginning of year | 187,633 | 30,509 | 209,872 | 428,014 | 403,414 |
| Acquisition of tangible capital assets | 6,725 | - | 35,730 | 42,455 | 24,600 |
| Balance, end of year | 194,358 | 30,509 | 245,602 | 470,469 | 428,014 |
| Accumulated amortization | , , , , , | | | , | -,- |
| Balance, beginning of year | 146,775 | 8,062 | 193,623 | 348,460 | 333,422 |
| Annual amortization | 10,131 | 898 | 8,306 | 19,335 | 15,038 |
| Balance, end of year | 156,906 | 8,960 | 201,929 | 367,795 | 348,460 |
| Net book value of tangible capital assets | 37,452 | 21,549 | 43,673 | 102,674 | 79,554 |
| | | | | | |
| 2010 Net book value of tangible capital | | | | | |
| assets | 40,858 | 22,447 | 16,249 | 79,554 | |

| | Community Development Fund | Claims | Investment and Heritage Fund | December | December | January |
|--|----------------------------------|--------|------------------------------------|-----------|------------|------------|
| | runa | runa | Fund | 31, 2011 | 31, 2010 | 1, 2010 |
| FINANCIAL ASSETS | | | | | (Restated) | (Restated) |
| Cash | 813,960 | 27,533 | | 841,493 | 2,822,761 | 2,058,027 |
| Interest receivable | 206 | - | - | 206 | 265 | 22 |
| Accounts receivable | - | - | | - | _ | 920 |
| Advances receivable | 14,964 | - | - | 14,964 | 15,346 | 9,071 |
| Short-term investments | 99,811 | * | - | 99,811 | 98,576 | 98,458 |
| Due from related entities | 1,619,218 | 17,000 | - | 1,636,218 | 121,175 | 314,946 |
| | 2,548,159 | 44,533 | - | 2,592,692 | 3,058,123 | 2,481,444 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | 137,719 | - | _ | 137,719 | 95,528 | 137,470 |
| Due to related entites | 1,294,442 | - | - | 1,294,442 | 1,955,024 | 960,730 |
| Due between funds | (34,912) | 34,912 | - | • | - | - |
| | 1,397,249 | 34,912 | - | 1,432,161 | 2,050,552 | 1,098,200 |
| Net financial assets | 1,150,910 | 9,621 | | 1,160,531 | 1,007,571 | 1,383,244 |
| NON-FINANCIAL ASSETS | | | | | | |
| Tangible capital assets | 102,674 | - | - | 102,674 | 79,554 | 69,992 |
| Accumulated surplus | 1,253,584 | 9,621 | | 1,263,205 | 1,087,125 | 1,453,236 |



| | | Community | | Investment | | |
|--|---|-------------|--------|--------------|-----------|------------|
| | | Development | | and Heritage | | |
| | 2011 | Fund | Fund | Fund | 2011 | 2010 |
| | Budget | | | | | (Restated) |
| REVENUE | | 200 | | | | |
| Nisichawasihk Trust funding | 3,775,000 | 3,725,000 | 50,000 | - | 3,775,000 | 3,865,252 |
| Transfers from Taskinigahp Trust Office | 246,500 | 246,500 | - | = | 246,500 | 236,060 |
| Other revenue | 71 30 − 7 | 106,479 | - | - | 106,479 | 148,088 |
| Equipment sales | - | 31,142 | - | - | 31,142 | 20,173 |
| Loan recoveries | - | 28,651 | - | - | 28,651 | 37,908 |
| Interest income | : 4 | 19,714 | 333 | - | 20,047 | 9,956 |
| | 4,021,500 | 4,157,486 | 50,333 | - | 4,207,819 | 4,317,437 |
| EXPENDITURES | | | | | | |
| Nisichawasihk Trust | 840,400 | 739,732 | | 2 | 739,732 | 841,684 |
| Capital projects | | - | - | _ | | 25,000 |
| Community infrastructure | - | 253 | | _ | 253 | 5,800 |
| Economic development | 1,002,000 | 1,032,969 | _ | _ | 1,032,969 | 1,474,619 |
| Education | 174,000 | 174,000 | - | | 174,000 | 485,000 |
| Housing | 100,000 | 100,000 | _ | <u>"</u> | 100,000 | 1,750 |
| Justice | 450,000 | 450,000 | _ | | 450,000 | 450,000 |
| Public works | 47,000 | 47,000 | Ů. | _ | 47,000 | 35,163 |
| Resource and land use | 666,000 | 701,940 | _ | - | 701,940 | 656,686 |
| Shoreline debris clean-up | - | 34,702 | | - 1000 - | 34,702 | 20 |
| Social development | 536,000 | 546,377 | - | 557/- | 546,377 | 516,991 |
| Other programs | 156,100 | 161,497 | 10E/ | 102 | 161,497 | 148,493 |
| Claims program | 50,000 | 101,437 | 43,269 | - | 43,269 | 42,342 |
| Claims program | 30,000 | | 43,209 | | 43,203 | 42,342 |
| | 4,021,500 | 3,988,470 | 43,269 | | 4,031,739 | 4,683,548 |
| Annual surplus (deficit) | - | 169,016 | 7,064 | | 176,080 | (366,111 |
| Accumulated surplus, beginning of year, as | | | | | | |
| previously stated | | 1,044,681 | 2,557 | 3 | 1,047,238 | 1,413,532 |
| Prior period adjustment | _ | 39,887 | - | - | 39,887 | 39,704 |
| Accumulated surplus, beginning of year, as | | | | | | |
| restated | | 1,084,568 | 2,557 | - | 1,087,125 | 1,453,236 |
| Accumulated surplus, end of year | N 2 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | 1,253,584 | 9,621 | | 1,263,205 | 1,087,125 |

| | 2011 Budget | 2011 | 2010 |
|-------------------|----------------|--------|----------|
| | <u>-</u> | 333 | 200 |
| | - | 50,000 | 20,000 |
| | - | 43,269 | 42,342 |
| Surplus (deficit) | - | 7,064 | (22,142) |



| | 2011 Budget | 2011 | 2010 (Restated) |
|--|----------------|----------|--------------------|
| Revenue | | | |
| Nisichawasihk Trust | 802,400 | 802,400 | 794,400 |
| Transfer from Taskinigahp Trust Office | 38,000 | 38,000 | 30,000 |
| Interest income | - | 17,015 | 7,166 |
| Other revenue | _ | 12,149 | 18,476 |
| Transfer from Fishermen Association | - | <u> </u> | 30,000 |
| | 840,400 | 869,564 | 880,042 |
| Expenditures | | | |
| Administration | 450,000 | 435,342 | 398,582 |
| Personal Care Home | 200,000 | 50,000 | 200,000 |
| Corporate trustee | - | 62,839 | 65,794 |
| Professional services | 50,000 | 59,588 | 49,745 |
| Community approval process | 76,000 | 52,526 | 54,533 |
| Arena operations and maintenance | 50,000 | 50,000 | 50,000 |
| Nelson House trustees | 14,400 | 29,437 | 23,030 |
| | 840,400 | 739,732 | 841,684 |
| Annual surplus before transfers | | 129,832 | 38,358 |
| Transfers between programs | - | | (8,517) |
| Annual surplus | - | 129,832 | 29,841 |

| | 2011 Budget | 2011 | 2010 |
|--------------------------------|----------------|------|--------|
| Revenue Nisichawasihk Trust | - | - | 25,000 |
| Form and difference | | | |
| Expenditures Gate house set-up | - | - | 25,000 |
| Annual surplus | - | - | - |



| | 2011 Budget | 2011 | 2010 (Restated) |
|--|----------------|-------|--------------------|
| Revenue | | - | - |
| Expenditures Community aesthetics and improvements | | 253 | 5,800 |
| Annual surplus | _ | (253) | (5,800) |

| | 2011 Budget | 2011 | 2010 (Restated) |
|--|----------------|------------|--------------------|
| Revenue | | | |
| Nisichawasihk Trust | 987,000 | 987,000 | 920,000 |
| Other revenue | - | 33,306 | 84,236 |
| Transfer from Taskinigahp Trust Office | 15,000 | 15,000 | - |
| | 1,002,000 | 1,035,306 | 1,004,236 |
| W | | | |
| Expenditures Wuskwatim equity | 750,000 | 750,000 | 1,198,208 |
| NCN Achimowin radio station | 69,000 | 108,788 | 156,411 |
| Otohowin Gas Bar station II | 99,000 | 99,000 | 130,411 |
| Off reserve assistance program | 25,000 | 25,000 | 45,000 |
| Summer student employment | 24,000 | 24,000 | 25,000 |
| Human resource officer | 20,000 | 20,000 | 20,000 |
| Community development plan | 15,000 | 6,181 | _ |
| HRD employees | - | - | 50,000 |
| | 1,002,000 | 1,032,969 | 1,474,619 |
| Annual curplus (deficit) before transfers | | 2 227 | (470 202) |
| Annual surplus (deficit) before transfers Transfers between programs | - | 2,337 - | (470,383) 8,517 |
| Annual surplus (deficit) | _ | 2,337 | (461,866) |



| | 2011 Budget | 2011 | 2010 |
|---|--------------------------------------|--------------------------------------|--|
| Revenue Nisichawasihk Trust | 174,000 | 174,000 | 485,000 |
| Expenditures Post secondary funding Special education program ATEC core operations Nutrition program Modular classrooms | 74,000 40,000 40,000 20,000 | 74,000 40,000 40,000 20,000 | 75,000 40,000 - 20,000 350,000 |
| | 174,000 | 174,000 | 485,000 |
| Annual surplus | - | - | - |

| | 2011 Budget | 2011 | 2010 (Restated) |
|--------------------------|----------------|---------|--------------------|
| Revenue | | | |
| Interest income | - | 1,177 | 789 |
| Other revenue | - | - | 750 |
| Nisichawasihk Trust | 100,000 | 100,000 | - |
| | 100,000 | 101,177 | 1,539 |
| Expenditures | | | |
| Housing equity fund | 100,000 | 100,000 | - |
| Home opportunity program | - | - | 1,750 |
| | 100,000 | 100,000 | 1,750 |
| Annual surplus (deficit) | <u>-</u> | 1,177 | (211) |



| | 2011 Budget | 2011 | 2010 |
|---|--------------------|--------------------|--------------|
| Revenue Nisichawasihk Trust | 450,000 | 450,000 | 450,000 |
| Expenditures NCN judicial system NCN policing | 300,000 150,000 | 300,000 150,000 | 450,000 - |
| | 450,000 | 450,000 | 450,000 |
| Annual surplus | - | - | - |

| | 2011 Budget | 2011 | 2010 (Restated) |
|--|----------------|--------|--------------------|
| Revenue Nisichawasihk Trust | 47,000 | 47,000 | 35,000 |
| Expenditures | | | |
| Garbage trucks and bins | 19,000 | 19,000 | 20,000 |
| Animal control | 14,000 | 14,000 | 15,000 |
| Repair and restoration of St. Patrick's church | 14,000 | 14,000 | - |
| R.C. church renovations | - | - | 163 |
| | 47,000 | 47,000 | 35,163 |
| Annual surplus (deficit) | - | - | (163) |



| | 2011 Budget | 2011 | 2010 (Restated) |
|--|----------------|---------|--------------------|
| Revenue | | | |
| Nisichawasihk Trust | 472,500 | 472,500 | 485,202 |
| Transfer from Taskinigahp Trust Office | 193,500 | 193,500 | 206,060 |
| Other revenue | - | 41,072 | 17,856 |
| Equipment sales | _ | 31,142 | 20,173 |
| Loan recoveries | - | 28,651 | 37,908 |
| Transfer from Fishermen Association | - | - | (30,000) |
| | 666,000 | 766,865 | 737,199 |
| Expenditures | | | |
| Country foods program | 230,000 | 203,507 | 208,419 |
| Fisherman Association | 158,000 | 189,680 | 154,726 |
| Jack Moore elders traditional program | 169,000 | 152,674 | 159,128 |
| Trappers Association | 45,000 | 113,502 | 90,830 |
| Resource management program | 64,000 | 42,577 | 43,583 |
| | 666,000 | 701,940 | 656,686 |
| Annual surplus | - | 64,925 | 80,513 |

| 915 | 1,485 |
|--------|--------------------|
| 34 702 | 20 |
| _ | 34,702 (33,787) |



| | 2011 Budget | 2011 | 2010 (Restated) |
|--|---------------------------------------|--|------------------------------|
| Revenue | | | |
| Nisichawasihk Trust | 536,000 | 536,000 | 499,000 |
| Other revenue | - | 19,951 | 26,770 |
| Interest income | - | 607 | 317 |
| | 536,000 | 556,558 | 526,087 |
| Expenditures Parks and recreation NCN Youth Initiative program Oska Te Sak Wuskwatim Village | 345,000 81,000 45,000 25,000 | 333,393 100,392 45,000 25,000 | 355,498 109,407 - - |
| Zummer adventure camp Rediscoveries of Families Project | 20,000 20,000 | 20,000 20,000 | 25,000 |
| NCN Minor Hockey Association | 20,000 | 2,592 | 1,606 |
| Annual round dance | _ | -,00- | 5,000 |
| Fitness trail | - | - | 480 |
| NCN Boys & Girls Club | - | - | 20,000 |
| | 536,000 | 546,377 | 516,991 |
| Annual surplus | - | 10,181 | 9,096 |

| | 2011 Budget | 2011 | 2010 (Restated) |
|--|-------------------|-------------------|--------------------|
| Revenue Nisichawasihk Trust | 156,100 | 156,100 | 151,650 |
| Expenditures Elders' subsidy NCN Christmas cheer board | 126,100 30,000 | 115,200 46,297 | 114,300 34,193 |
| | 156,100 | 161,497 | 148,493 |
| Annual surplus (deficit) | - | (5,397) | 3,157 |



| | 2011 Budget | 2011 | 2010 (Restated) |
|---|----------------|---------------|--------------------|
| Revenue Nisichawasihk Trust Interest income | 50,000 - | 50,000 333 | 20,000 200 |
| | 50,000 | 50,333 | 20,200 |
| Expenditures Claims fund | 50,000 | 43,269 | 42,342 |
| Annual surplus (deficit) | - | 7,064 | (22,142) |



FINANCIAL STATEMENTS FOR TASKINIGAHP TRUST

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To the Trustees of Taskinigahp Trust:

We have audited the accompanying financial statements of Taskinigahp Trust, which comprise the statement of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the statements of operations, remeasurement gains (losses). changes in accumulated surplus and net financial assets and cash flows for the years ended December 31, 2011 and December 31. 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Taskinigahp Trust as at December 31, 2011, December 31, 2010 and January 1, 2010 and the results of its operations, remeasurement gains (losses), changes in accumulated surplus and net financial assets and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian public sector accounting standards.

Other Matter

The prior year comparative figures were audited by another firm of Chartered Accountants who have since joined MNP LLP.

Winnipeg, Manitoba

May 18, 2012

Chartered Accountants

| | December 31 2011 | December 31 2010 (Restated) | January 1 2010 (Restated) |
|---|---------------------|-----------------------------------|---------------------------------|
| Financial assets | | | |
| Cash | 92,484 | 29.404 | 28,016 |
| Accounts receivable | 47,924 | 33,778 | 29,508 |
| Due from related party (Note 6) | - | 35,849 | 7,916 |
| Investments (Schedule 1) | 6,081,982 | 5,924,406 | 5,918,375 |
| | 6,222,390 | 6,023,437 | 5,983,815 |
| Liabilities | | | |
| Accounts payable and accruals | 7,799 | 7,664 | 7,916 |
| Due to related party (Note 6) | 33,781 | · | - |
| | 41,580 | 7,664 | 7,916 |
| Accumulated surplus and net financial assets (Note 8) | 6,180,810 | 6,015,773 | 5,975,899 |
| Approved by the Trustees | | | |
| Trustee | 9 | | |
| | . / . (| | |
| Trustee | | Tru | ıstee |
| Trustee | WM have | Tru | ıstee |
| 110300 | | | 13100 |

| | 2011 | 2010 |
|---|--------------------|--------------------|
| | | (Restated) |
| Revenue | | |
| Interest income | 225 606 | 225 070 |
| Realized gains (losses) | 235,686 (8,970) | 235,072 |
| Transmission benefits | 214,421 | (6,139) 158,342 |
| | 441,137 | 387,275 |
| Function | 441,107 | 001,210 |
| Expenses | | |
| Transfer to Taskinigahp Trust Office | 365,250 | 342,933 |
| Annual surplus | 75,887 | 44,342 |
| Accumulated surplus, from operations, beginning of year, as previously stated | 5,818,131 | 5,744,281 |
| Prior period adjustment (Note 4) | | 29,508 |
| Accumulated surplus, from operations, beginning of year, as restated | 5,818,131 | 5,773,789 |
| Accumulated surplus, from operations, end of year | 5,894,018 | 5,818,131 |

| | 2011 | 2010 (Restated) |
|--|---------|--------------------|
| Remeasurement gains (losses) | 89,150 | (4,468) |
| Accumulated remeasurement gains, beginning of year | 197,642 | 202,110 |
| Accumulated remeasurement gains, end of year | 286,792 | 197,642 |

| | 2011 | 2010 (Restated) |
|---|-----------|--------------------|
| Accumulated surplus from operations, beginning of year | 5,818,131 | 5,773,789 |
| Annual surplus from operations | 75,887 | 44,342 |
| Accumulated remeasurement gains, beginning of year | 197,642 | 202,110 |
| Annual remeasurement gains (losses) | 89,150 | (4,468) |
| Accumulated surplus and net financial assets, end of year | 6,180,810 | 6,015,773 |



| | 2011 | 2010 (Restated) |
|--|-----------|--------------------|
| | | |
| Cash provided by (used for) the following activities | | |
| Operating activities Cash from transmission benefits revenue | 214,421 | 158,342 |
| Cash transfer to Taskinigahp Trust Office | (295,485) | (371,118) |
| Cash from interest income | 221,540 | 230,904 |
| | 140,476 | 18,128 |
| Investing activities | | |
| Purchases of investments | (719,958) | (16,740) |
| Redemption of investments | 642,562 | |
| Increase in cash | 63,080 | 1,388 |
| Cash, beginning of year | 29,404 | 28,016 |
| Cash, end of year | 92,484 | 29,404 |

Operations

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 Power Limited Partnership. 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.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Revenue recognition

Interest income is recognized on an accrual basis as earned. Transmission benefits are recognized as it becomes receivable under the terms of applicable Trust Indenture.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

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



Significant accounting policies (Continued from previous page)

Financial instruments

Amortized Cost

The Trust has classified the following financial assets in the amortized cost category: cash, accounts receivable and due from related party. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash, accounts receivable and due from related party are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

The Trust has classified the following liabilities in the amortized cost category: accounts payable and accruals and due to related party. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade

Accounts payable and accruals and due to related party are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Fair Value:

The Trust has classified the following finanical asset in the fair value catergory: investments. These assets are initially recognized at their fair value. Fair value is approximated by the instruments's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Investments are subsequently measured at their fair value. Investments in equity instruments that do not have quoted market price in an active market are measured at cost. Gains and losses arising from changes in fair value, except for impairment losses and foreign exchange translation adjustments, are recognized in the statement of remeasurement gains and losses as a remeasurement gain or loss, until the financial asset is sold or otherwise derecognized. Upon derecognition, the cumulative gain or loss previously recognized in the statement of remeasurement gains and losses is transferred to the statement of operations.

Recent accounting pronouncements

Financial instruments

In April 2012, the Public Sector Accounting Board (PSAB) re-issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of the re-issuance of PS 3450, there have been numerous consequential amendments made to other Sections. While the application of PS 3450 is mandatory for fiscal years beginning on or after April 1, 2012, the Taskinigahp Trust has elected to adopt the application of this Section early.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The comparatives report the investments at fair value..

Change in accounting framework

The Trust is controlled by the Chief and Council of Nisichawayasihk Cree Nation (NCN) and therefore the Trust is considered to be part of the Government Reporting Entity of NCN. In determining the appropriate financial reporting framework for the Trust, management determined that the Trust meets the definition of an Other Government Organization (OGO).

OGO's have the option of adopting International Financial Reporting Standards (IFRS) or Canadian Public Sector Accounting Standards (PSA). The decision is to be based on the needs of the users of the financial statements. Management considers PSA to be the most appropriate framework since the government reporting entity does not view the Trust as significantly separable from other organizations and operations under the control of Chief and Council and because there are no known users of the Trust's financial statements that would have any significant level of interest in viewing the financial statements of the Trust under the IFRS reporting framework.

As a result, the Trust has adopted Canadian Public Sector Accounting Standards, including adoption of PSA 3450 - Financial Instruments, PSA 3041 - Portfolio Investments and PSA 1201 - Financial Statement Presentation. The Trust has applied this financial reporting framework in its financial statements for the year ending December 31, 2011, using an effective date of transition of January 1, 2010. In complying with PSA 2125 - First-time Adoption by Government Organizations, the Trust has applied none of the optional exemptions. Among other requirements of PSA 2125, an opening statement of financial position is to be presented in the financial statements in the year of adoption. To comply with this requirement, the Trust has included a January 1, 2010 column in its statement of financial position as part of its December 31, 2011 financial statements.

There were no cumulative effects on prior year revenue, expenses, assets, liabilities or accumulated surplus as a result of the above-noted change in accounting framework.

4. Prior period adjustment

During the year, the Trust determined that accrued interest was not being recorded on the investments.

As a result of correcting this error retroactively, both accounts receivable and accumulated surplus from operations increased by \$29,508 as at January 1, 2010. Accounts receivable and accumulated surplus from operations increased by \$33,778 as at December 31, 2010 with revenue increasing by \$4,270 for the year ended December 31, 2010.



Internal restrictions

Taskinigahp Community Development Account:

The Taskinigahp Community Development Account shall be used:

- i) to implement the NCN Adverse Effects Agreement, administer the Taskinigahp Trust, and conduct the Community Involvement Process;
- ii) for the economic, social and cultural development of Nisichawayasihk Cree Nation and its Members;
- iii) for the physical development of Nisichawayasihk Cree Nation Reserve;
- iv) for environmental monitoring and resource management programs;
- v) for operations and maintenance of Capital Works;
- vi) 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
- vii) for such other purposes approved by Chief and Council following the Community Involvement Process.

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 Project Development Agreement (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 Note 1.

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.

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. The account shall be used for resource development and management programs within the 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:

- i) 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 (\$139,774 of restricted capital existed at December 31, 2011).

Taskinigahp Claims Account

The Taskinigahp Claims Account shall be used for:

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

The Taskinigahp Claims Account shall be replenished at the begining 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

Internal restrictions (Continued from previous page)

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.

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 Trust with Chief and Council's direction that the funds be deposited to 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.

6. Due from/to related party

| | December 31, | December 31, | January 1, |
|--|--------------|--------------|------------|
| | 2011 | 2010 | 2010 |
| Due (from) to Taskinigahp Trust Office | 33,781 | (35,849) | (7,916) |

During the year, the Taskinigahp Trust transferred \$365,250 (2010 - \$342,933) to the Taskinigahp Trust Office to fund programs in accordance with the Community Involvement Process. Amounts due to/from Taskinigahp Trust office are unsecured and are non-interest bearing with no fixed terms of repayment.

The Taskinigahp Trust is related to the Taskinigahp Trust Office by virtue of common control by the Chief and Council of Nisichawayasihk Cree Nation.

7. Fair value of financial instruments

Financial instruments recorded at fair value in the Taskinighap Trust consist of: investments.

Fair value hierarchy:

Beginning January 1, 2011, assets and liabilities recorded at fair value on the statement of financial position are measured and classified in the hierarchy consisting of three levels for disclosure purposes. The three levels are based on the priority of the inputs to the respective valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

- Level 1: Unadjusted quoted prices in an active market for identical assets and liabilities.
 Assets measured at fair value and classified Level 1 include investments.
- Level 2: Quoted prices in markets that are not active or inputs that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 2 inputs include quoted prices for assets in markets that are considered less active. There are no assets measured at fair value classified as Level 2.



7. Fair Value of Financial Instruments (Continued from previous page)

 Level 3: Unobservable inputs that are supported by little or no market activity and are significant to the estimated fair value of the assets or liabilities.

Level 3 assets and liabilities would include financial instruments whose values are determined using pricing models, discounted methodologies, or similar techniques, as well as instruments for which the determination of estimated fair value requires significant management judgment or estimation. There are no assets measured at fair value classified as Level 3.

Accumulated surplus and net financial assets

| | 2011 | 2010 | 2010 |
|---------------------|-------------|-------------|-----------|
| | December 31 | December 31 | January 1 |
| Operations | 5,894,018 | 5,818,131 | 5,773,789 |
| Remeasurement gains | 286,792 | 197,642 | 202,110 |
| | 6,180,810 | 6,015,773 | 5,975,899 |

9. Nature and extent of risk arising from financial instruments

Market Risk:

Market risk arises from changes in interest rates that affect the Taskinigahp Trust's interest income. Exposure to this risk directly impacts the Taskinigahp Trust's income from its investments. The Taskinigahp Trust's objective is to earn an acceptable net return on these investments, without taking unreasonable risk, while meeting beneficiaries' needs.

Risk measurement:

The Taskinigahp Trust's risk position is measured and monitored each month to ensure compliance with policies as noted in the Trust Indenture. Management provides monthly reports on these matters on the Trustees of the Taskinigahp Trust.

Objectives, policies and processes:

Corporate Trustees are responsible for managing the Taskinigahp Trust's interest rate risk, monitoring investments and compliance with policies. The Taskinigahp Trust manages market risk by developing and implementing asset and liability management policies, which are approved and periodically reviewed by the NCN (Nisichawayasihk Cree Nation) and the Corporate Trustees.

10. Budget information

Public sector accounting (PSA) standards require the disclosure of budget information for comparison to the Taskinigahp Trust's actual revenue and expenses. The budgeted revenue, expenses and accumulated surplus has not been reported in these financial statements. While having no effect on reported revenue, expenses and accumulated surplus, omission of this information is considered a departure from PSA. However, this omission is not considered to have a material impact on the fair presentation of these financial statements in accordance with Canadian public sector accounting standards.

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

| | December 31 | December 31 | January |
|---|--|--|---|
| | 2011 | 2010 | 201 |
| ommunity Development Account | | | |
| Treasury Bills, 0.8% | 749,475 | 93,917 | 139,9 |
| Canada bonds: | | | |
| Canada Govt. XY54, 4.0%, due 1/09/10 | | | 675,16 |
| Canada Housing TR#1, 3.95% due 15/12/2011 | | 675,503 | 689,98 |
| Canada Housing TR#1, 4.55% due 15/12/2012 | 681,734 | 694,544 | 703,6 |
| | 681,734 | 1,370,047 | 2,068,7 |
| Provincial bonds: | | | |
| Province of Alberta, 2.75% due 1/12/2014 | 365,348 | 354,540 | 346,30 |
| Province of Quebec, 4.5% due 1/12/2016 | 788,347 | 753,270 | 735,4 |
| | 1,153,695 | 1,107,810 | 1,081,7 |
| Corporate bonds: | | | |
| Bank of Nova Scotia, 4.56% due 30/10/2013 | 695,917 | 696,887 | 698,19 |
| Bank of Nova Scotia D/N, 3.35% due 18/11/2014 | 521,170 | 507,920 | - |
| GE Capital CDA , 3.65% due 7/06/10 | _ | - | 505,48 |
| CIBC Deposit Note, 3.95% due 14/07/2017 | 704,286 | 672,005 | |
| Royal Bank SNR D/N, 4.71% due 22/12/2014 | 221,636 | 219,504 | 218,8 |
| Franscanada Pipelines, 5.05% due 20/08/2013 | 480,312 | 486,045 | 489,3 |
| Nells Fargo Financial CDA, 4.38% due 30/06/2015 | 704,537 | 684,394 | 672,0 |
| | 3,327,858 | 3,266,755 | 2,583,88 |
| Total investments - Community Development | 5,912,762 | 5,838,529 | 5,874,4 |
| esource Account - Genereal | | | |
| Freasury Bills, 0.8% | 28,876 | | |
| Total investment - Resource Account -General | 28,876 | | |
| | | | |
| resource Account -Savings Freasury Bills, 0.8% | 59,958 | | |
| | 30,000 | | |
| Canada bonds: Canada Govt. XY54, 4.0%, due 1/09/10 | | | |
| Canada Housing TR#1, 3.95%, due 15/12/2011 | | | 7,16 |
| Canada Housing TR#1, 4.55%, due 15/12/2012 | | 7,164 | 7,31 |
| variada nodsilig 17,#1, 4.55%, que 15/12/2012 | 7,231 7,231 | 7,366 14,530 | 7,46 21,94 |
| | 7,201 | 14,550 | 21,34 |
| | | | |
| Corporate bonds: | | | |
| ank of Nova Scotia, 4.56% due 30/10/2013 | 7,381 | 7,391 | 7,40 |
| sank of Nova Scotia, 4.56% due 30/10/2013 sank of Nova Scotia D/N, 3.35% due 18/11/2014 | 7,381 20,847 | 7,391 20,317 | 7,40 |
| sank of Nova Scotia, 4.56% due 30/10/2013 sank of Nova Scotia D/N, 3.35% due 18/11/2014 SIBC Deposit Note, 3.95% due 14/07/2017 | | | 7,40 - |
| Bank of Nova Scotia, 4.56% due 30/10/2013 Bank of Nova Scotia D/N, 3.35% due 18/11/2014 BBC Deposit Note, 3.95% due 14/07/2017 Boyal Bank SNR D/N, 4.71% due 22/12/2014 | 20,847 | 20,317 | |
| sank of Nova Scotia, 4.56% due 30/10/2013 sank of Nova Scotia D/N, 3.35% due 18/11/2014 SIBC Deposit Note, 3.95% due 14/07/2017 | 20,847 8,537 | 20,317 8,146 | 7,47 |
| Bank of Nova Scotia, 4.56% due 30/10/2013 Bank of Nova Scotia D/N, 3.35% due 18/11/2014 BBC Deposit Note, 3.95% due 14/07/2017 Boyal Bank SNR D/N, 4.71% due 22/12/2014 Vells Fargo Financial CDA, 4.38% due 30/06/2015 | 20,847 8,537 7,568 | 20,317 8,146 7,495 | 7,47 7,12 |
| Bank of Nova Scotia, 4.56% due 30/10/2013 Bank of Nova Scotia D/N, 3.35% due 18/11/2014 BBC Deposit Note, 3.95% due 14/07/2017 Boyal Bank SNR D/N, 4.71% due 22/12/2014 | 20,847 8,537 7,568 28,822 | 20,317 8,146 7,495 27,998 | 7,409 - 7,472 7,128 22,009 43,94 |
| Bank of Nova Scotia, 4.56% due 30/10/2013 Bank of Nova Scotia D/N, 3.35% due 18/11/2014 BBC Deposit Note, 3.95% due 14/07/2017 Boyal Bank SNR D/N, 4.71% due 22/12/2014 Vells Fargo Financial CDA, 4.38% due 30/06/2015 | 20,847 8,537 7,568 28,822 73,155 | 20,317 8,146 7,495 27,998 71,347 | 7,47; 7,12; 22,00; |

The cost of the investments as December 31, 2011 was \$ 5,795,186 (December 31, 2010 - \$5,726,764; January 1, 2010 - \$5,716,265).

| | Community | Resource | Resource | | Seven | Seven | December 31 | December 31 | January 1 |
|-----------------------------------|-------------|----------|----------|---------|--------------------|------------------------|-------------|-------------|------------|
| | Development | Account | Account | Claims | Claims Generations | Generations | 2011 | 2010 | 2010 |
| | Account | General | Savings | Account | Account 6 | Account Growth Account | | (Restated) | (Restated) |
| Financial assets | | | | | | | | | |
| Cash | 32,161 | 47,023 | 7,211 | 6,089 | • | | 92,484 | 29,404 | 28,016 |
| Accounts receivable | 47,025 | | 893 | , | | ٠ | 47,924 | 33,778 | 29,508 |
| Due from Taskinigahp Trust Office | 10,844 | | | • | | | 10,844 | 35,849 | 7,916 |
| | 90,030 | 47,023 | 8,110 | 690'9 | | | 151,252 | 99,031 | 65,440 |
| Investments | 5,912,762 | 28,876 | 140,344 | • | ٠ | , | 6,081,982 | 5,924,406 | 5,918,375 |
| | 6,002,792 | 75,899 | 148,454 | 6,089 | | | 6,233,234 | 6,023,437 | 5,983,815 |
| Liabilities | | | | | | | | | |
| Accounts payable | 7,799 | , | | , | , | | 7,799 | 7,664 | 7,916 |
| Due to Taskinigahp Trust Office | • | 44,625 | | • | | | 44,625 | | , |
| Due between funds | (2,232) | , | | 2,232 | ١ | | | | ' |
| | 5,567 | 44,625 | ٠ | 2,232 | ٠ | | 52,424 | 7,664 | 7,916 |
| Accumulated surplus | 5,997,225 | 31,274 | 148,454 | 3,857 | , | | 6,180,810 | 6,015,773 | 5,975,899 |

| | Community | Resource | Resource | | Seven | Seven | | |
|--|-------------|-----------|----------|----------|-------------|------------------|-----------|------------|
| | Development | Account | Account | Claims | Generations | Generations | 2011 | 2010 |
| REVENUE | Account | General | Savings | Account | Account | GIOWIII ACCOUNTS | | (nasisian) |
| Interest income | 231,476 | 452 | 3,750 | 89 | 9 | | 235,686 | 235,072 |
| Remeasurement gains (losses) | 87,593 | | 1,557 | ě | - | | 89,150 | (4,468) |
| Realized gains (losses) | (8,922) | , | (48) | 9 | 1 | | (8,970) | (6.139) |
| Transmission revenue | | 160,816 | 53,605 | ï | - | • | 214,421 | 158,342 |
| | 310,147 | 161,268 | 58,864 | 60 | | | 530,287 | 382,807 |
| TRANSFERS | | | | | | | | |
| Transfer between funds | (15,000) | | ė | 15,000 | 6 | | , | e |
| Transfer to Trust Office | (219,000) | (131,250) | | (15,000) | | | (365,250) | (342,933) |
| | (234,000) | (131,250) | | 1 | | | (365,250) | (342,933) |
| Annual Surplus | 76,147 | 30,018 | 58,864 | 80 | | | 165,037 | 39,874 |
| Accumulated surplus, beginning of year, as previously reported | 5,887,565 | 1,256 | 89,325 | 3,849 | £ | • | 5,981,995 | 5,946,391 |
| Prior period adjustment (Note 4) | 33,513 | | 265 | | × | • | 33,778 | 29,508 |
| Accumulated surplus, beginning of year, as restated | 5,921,078 | 1,256 | 89,590 | 3,849 | | | 6,015,773 | 5,975,899 |
| Accumulated surplus, end of year | 5,997,225 | 31,274 | 148,454 | 3,857 | | | 6,180,810 | 6,015,773 |



FINANCIAL STATEMENTS FOR TASKINIGAHP TRUST OFFICE

123 - 133

To the Chief and Council of Nisichawayasihk Cree Nation:

We have audited the accompanying financial statements of Taskinigahp Trust Office, which comprise the statement of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010, and the statements of operations and changes in accumulated surplus and net financial assets and cash flows for the years ended December 31, 2011 and December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Taskinigahp Trust Office as at December 31, 2011, December 31, 2010 and January 1, 2010 and the results of its operations and changes in accumulated surplus and net financial assets and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian public sector accounting standards.

Other Matter

The prior year comparative figures were audited by another firm of Chartered Accountants who have since merged with MNP LLP.

Winnipeg, Manitoba

May 18, 2012 Chartered Accountants

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|-------|--------|-----|-------------|---|
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| . \ | \sim | ₩, | / | |

Councillor

Councillor

Councillor

| | 2011 December 31 | 2010 December 31 | 2010 January 1 |
|--|---------------------|---------------------|--------------------|
| Financial assets Cash | 158,121 | 310,787 | 729,425 |
| Liabilities Accounts payable and accrued liabilities Due to related parties (Note 6) | 16,455 28,217 | 7,365 157,024 | 271,897 322,863 |
| | 44,672 | 164,389 | 594,760 |
| Accumulated surplus and net financial assets | 113,449 | 146,398 | 134,665 |

Chief

Councillor

Councillor

Councillor

Approved by Chief and Council

| | 2011 Budget | 2011 | 2010 |
|--|----------------|---------------------|-------------------|
| Revenue | | | |
| Taskinigahp Trust Funding | 365,250 | 365,250 | 342,933 |
| Interest | - | 2,188 | 1,112 |
| | 365,250 | 367,438 | 344,045 |
| Expenditures | | | |
| Administration | - | 33,179 | 14.465 |
| Audit fees | 6,850 | 9,000 | 6,850 |
| Corporate trustees | 32,500 | 33,851 | 33,551 |
| Nelson House trustees | 14,400 | 45,996 | 19,414 |
| Professional services | 50,000 | 17,200 | 8,214 |
| Community Involvement Process | 38,000 | 38,000 | 30,000 |
| Community development plan | 15,000 | 15,000 | - |
| Claims Officer wages | 15,000 | 14,661 | 13,758 |
| Fisherman Association | 84,500 | 84,500 | 155,599 |
| Trappers Association | 45,000 | 45,000 | 20,461 |
| Resource management | 64,000 | 64,000 | 30,000 |
| | 365,250 | 400,387 | 332,312 |
| 1, (1,6,1) | | (00.040) | 44.700 |
| Annual surplus (deficit) Accumulated surplus and net financial assets, beginning of year | - | (32,949) 146,398 | 11,733 134,665 |
| Accumulated surplus and het imancial assets, beginning of year | <u>-</u> | 140,390 | 134,003 |
| Accumulated surplus and net financial assets, end of year | - | 113,449 | 146,398 |

| | 2011 | 2010 |
|--|-------------------------------|-------------------------------|
| Cash provided by (used for) the following activities | | |
| Operating activities Cash received from Taskinigahp Trust Cash paid for program expenses Interest received | 299,062 (453,916) 2,188 | 368,173 (787,923) 1,112 |
| | (152,666) | (418,638) |
| Decrease in cash | (152,666) | (418,638) |
| Cash, beginning of year | 310,787 | 729,425 |
| Cash, end of year | 158,121 | 310,787 |
| Cash is compared of: | | |
| Cash is composed of: Cash | 158,121 | 310,787 |

1. Operations

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

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

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Revenue recognition

Taskinigahp Trust funding is recognized as it becomes receivable in accordance with the Community Involvement Process. Interest income is recognized on an accrual basis as earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period.

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

Financial Instruments

Amortized Cost

The Taskinigahp Trust Office has classified the following financial asset in the amortized cost category: cash. This asset is initially recognized at its fair value. Fair value is approximated by the instrument's cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Cash is subsequently measured at its amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the assets expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

The Taskinigahp Trust Office has classified the following liabilities in the amortized cost category: Accounts payable and accrued liabilities and due to related parties. These liabilities are initially recognized at their fair value. Fair value is approximated by the instruments' initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date.

Accounts payable and accrued liabilities and due to related parties are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.



3. Economic dependence

Taskinigahp Trust Office receives substantially all of its annual funding from Taskinigahp Trust as approved through the Community Involvement Process in order to administer and fund its various programs. The ability of the Trust Office to continue operations is dependent upon the continued financial commitments of Taskinigahp Trust.

4. Change in accounting framework

The Taskinigahp Trust Office is controlled by the Chief and Council of Nisichawayasihk Cree Nation (NCN) and, therefore, this Trust Office is considered to be part of the Government Reporting Entity of NCN. In determining the appropriate financial reporting framework for the Taskinigahp Trust Office, management determined that this Trust Office meets the definition of an Other Government Organization (OGO).

OGO's have the option of adopting International Financial Reporting Standards (IFRS) or Canadian Public Sector Accounting Standards (PSA). The decision is to be based on the needs of the users of the financial statements. Management considers PSA to be the most appropriate framework since the government reporting entity does not view the Taskinigahp Trust Office as significantly separable from other organizations and operations under the control of the Chief and Council of NCN and because there are no known users of this Trust Office's financial statements that would have any significant level of interest in viewing the financial statements of this Trust Office under the IFRS reporting framework.

As a result, Taskinigahp Trust Office has adopted Canadian Public Sector Accounting standards including the adoption of PSA 1201 - Financial Statement Presentation. The Taskinigahp Trust Office has applied this financial accounting framework in its financial statements for the year ended December 31, 2011, using an effective date of transition of January 1, 2010. In complying with PSA 2125 - First-time Adoption by Government Organizations, the Taskinigahp Trust Office has applied none of the optional exemptions. Among other requirements of PSA 2125, an opening statement of financial position is to be presented in the financial statements in the year of adoption. To comply with this requirement, the Taskingahp Trust Office has included a January 1, 2010 column in its statement of financial position as part of its December 31, 2011 financial statements.

5. Internal restrictions

As stipulated in the Trust Indenture, the financial position and operations of the Taskinigahp Trust Office have been allocated into Funds with restrictions on the uses of each fund as follows:

The Funds Available (program funding) for any year are the amounts approved through the Community Involvement Process for administering the Taskinigahp Trust Office and funding the various programs, not to exceed the approved budget for that year (\$219,000 for the year ended December 31, 2011).

The funding of the Claims Fund has a first priority over other programs (funded \$15,000 for the year ended December 31, 2011).

Community Development Fund

The Community Development Fund includes transactions related to implementing the Agreement, administering the Taskinigahp 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.

All funds paid to the Resource Fund must be approved during the Community Involvement Process (\$131,250 for the year ended December 31, 2011).

5. Internal Restrictions (Continued from previous page)

Claims Fund

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

- i) Nisichawayasihk Cree Nation
- ii) its Members, and
- iii) any group, unincorporated association, or corporation whose membership or shareholding is wholly or substantially comprised and controlled by Nisichawayasihk Cree Nation or its Members,

for damages and losses suffered resulting from, or attributable to the adverse affects of the Wuskwatim Project and the Wuskwatim Project Related Transmission Facilities.

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:

| r and at 2000mber or condition of the following. | 2011 | 2010 |
|---|--------------------|-------------------|
| Taskinigahp Trust Taskinigahp Trust Office | 6,089 33,315 | 3,849 |
| Taskiniganp Trust Onice | 39,404 | 32,596 36,445 |
| Due from/ to related parties | 2011 | 2010 |
| Due (from) to Taskinigahp Trust Office Due to Nisichawayasihk Trust Office | (33,781) 61,998 | 35,849 121,175 |
| Total | 28,217 | 157,024 |

During the year, the Taskinigahp Trust transferred \$365,250 (2010 - \$342,933) to the Taskinigahp Trust Office to fund programs in accordance with the Community Involvement Process. Amounts due from/to Taskinigahp Trust are unsecured and are non-interest bearing with no fixed terms of repayment.

During the year, the Taskinigahp Trust Office transferred \$246,500 (2010 - \$236,060) to the Nisichawayasihk Trust Office to assist in partially funding their programs. Amounts due to Nisichawayasihk Trust Office are unsecured and are non-interest bearing with no fixed terms of repayment.

The Taskinigahp Trust is related to the Taskinigahp Trust Office by virtue of common control by the Chief and Council of Nisichawayasihk Cree Nation.



7. Expenditures by object

| | 2011 | 2010 |
|---|---------|---------|
| Transfers to Nisichawayasihk Trust Office | 246,500 | 236,060 |
| NCN Trustee expenses | 45,996 | 19,414 |
| Investment management fees | 33,851 | 31,778 |
| Professional fees | 32,008 | 15,064 |
| Travel | 17,096 | 2,205 |
| Salaries, wages and benefits | 14,659 | 13,755 |
| Administration | 9,621 | 13,608 |
| Bank charges and interest | 656 | 428 |
| | | |
| | 400,387 | 332,312 |

8. Impact of adopting Canadian public sector accounting standards

These are Taskinigahp Trust Office's first financial statements prepared in accordance with Canadian public sector accounting standards. The accounting policies in Note 4 have been applied in preparing the financial statements for the year ended December 31, 2011, the comparative information for the year ended December 31, 2010, and the opening public sector accounting standards' statement of financial position as at January 1, 2010 (the Trust Office's date of transition to public sector accounting standards).

Reconciliations and explanatory notes on how the transition to public sector accounting standards has affected the statement of financial position previously reported under Canadian generally accepted accounting principles (GAAP) using fund accounting concepts are provided below.

| Evalenation | i abaraaa ta a | national attention | us (deficit) st | January 1. 2010 |
|----------------|----------------|-------------------------|------------------------|-----------------|
| Explanation of | cnarges to ac | ccumulateo surbi | us (deficit) at | January 1. 2010 |

| Explanation of charges to accumulated surplus (deficit) at January 1, 2010 | Sub-notes | Adjustments to opening accumulated surplus (deficit) |
|--|-----------|--|
| Previously deferred program surpluses under Canadian GAAP | (a) | 136,465 |
| | | 136,465 |

| Reconciliation of net surplus (deficit) to and | nual surplus (deficit) for the ye a Sub-notes | ar ended Decer Canadian GAAP | nber 31, 2010 Adjustments | Canadian public sector accounting standards | |
|---|--|------------------------------------|------------------------------|--|--|
| | | December 31, 2010 | | December 31, 2010 | |
| Taskinigahp Trust funding Program funding expenditures | | 342,933 332,312 | - - | 342,933 332,312 | |
| Deferred funding | (a) | 10,621 9,933 | - (9,933) | 10,621 - | |
| Interest income | | 1,112 | - | 1,112 | |
| Annual surplus (deficit) | | 1,800 | 9,933 | 11,733 | |

⁽a) The impact of adopting Canadian public sector accounting standards results in Taskinighap Trust Office no longer being able to defer its annual program surpluses which now have to be treated as additions to accumulated surplus. As a result of this change in accounting framework, the prior year's total revenue increased by \$9,933, the prior year's liabilities decreased by \$146,398 and both the prior year's net financial assets and opening accumulated surplus increased by \$136,465.



| | Community Development Fund | Claims Fund | Resource Fund | 2011 | 2010 | January 1, 2010 |
|--|----------------------------------|----------------|------------------|---------|---------|-----------------|
| FINANCIAL ASSETS | | | | | | |
| Cash | 110,318 | 47,388 | 415 | 158,121 | 310,787 | 729,425 |
| | 110,318 | 47,388 | 415 | 158,121 | 310,787 | 729,425 |
| LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | 16,455 | - | - | 16,455 | 7,365 | 271.897 |
| Due to related parties | 15,944 | 14,073 | (1,800) | 28,217 | 157,024 | 322,863 |
| Due between funds | (2,215) | - | 2,215 | - | - | - |
| | 30,184 | 14,073 | 415 | 44,672 | 164,389 | 594,760 |
| Accumulated surplus and net financial assets | 80,134 | 33,315 | - | 113,449 | 146,398 | 134,665 |

| | | Community Development | Claims | Resource | | |
|--|---------|--------------------------|--------|----------|----------|---------|
| | 2011 | Fund | Fund | Fund | 2011 | 2010 |
| | Budget | | | | | |
| Revenue | | | | | | |
| Taskinigahp Trust funding | 365,250 | 219,000 | 15,000 | 131,250 | 365,250 | 342,933 |
| Interest | - | 1,808 | 380 | - | 2,188 | 1,112 |
| | 365,250 | 220,808 | 15,380 | 131,250 | 367,438 | 344,045 |
| Expenditures | | | | | | |
| Administration | ~ " | 33,179 | - | - | 33,179 | 14,465 |
| Audit fees | 6,850 | 9,000 | - | - | 9,000 | 6,850 |
| Corporate trustees | 32,500 | 33,851 | - | - | 33,851 | 33,551 |
| Nelson House trustees | 14,400 | 45,996 | - | - | 45,996 | 19,414 |
| Professional services | 50,000 | 17,200 | - | - | 17,200 | 8,214 |
| Community Involvement Process | 38,000 | 38,000 | - | - | 38,000 | 30,000 |
| Community development plan | 15,000 | 15,000 | - | - | 15,000 | - |
| Claims Officer wages | 15,000 | - | 14,661 | - | 14,661 | 13,758 |
| Fisherman Association | 84,500 | - | - | 84,500 | 84,500 | 155,599 |
| Trappers Association | 45,000 | - | - | 45,000 | 45,000 | 20,461 |
| Resource management | 64,000 | 62,250 | - | 1,750 | 64,000 | 30,000 |
| | 365,250 | 254,476 | 14,661 | 131,250 | 400,387 | 332,312 |
| Annual surplus (deficit) | | (33,668) | 719 | - | (32,949) | 11,733 |
| Accumulated surplus and net financial assets, | | | | | | |
| beginning of year | | 113,802 | 32,596 | - | 146,398 | 134,665 |
| Accumulated surplus and net financial assets, end of | | | | | | |
| year | | 80,134 | 33,315 | - | 113,449 | 146,398 |

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NISICHAWAYASIHK TRUST OFFICE

