



NISICAWAYASIIHK & TASKINIGAHP TRUST

ANNUAL REPORT 2014





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Introduction



PURPOSE OF REPORT

This 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 Nisichawayasihk Trust Indenture and Article 21.3 of the Taskinigahp Trust Indenture, Chief and Council and the Trustees of the Nisichawayasihk and 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 and 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

Under 18.1 of the Nisichawayasihk 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, 2014, 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 Nisichawayasihk Trust Indenture and 21.1 of the Taskinigahp Trust Indenture, Chief and Council are required to provide the Trustees with an annual Narrative report, which explains how all Trust moneys were managed and administered during the same January 1 to December 31 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.

The header features a decorative border at the top with a yellow and orange geometric pattern. Below this, on the left, is a silhouette of a bird in flight against a background of a sunset or sunrise over a forest. The title "Nisichawayasihk Trustees Financial Operations Report" is written in a white, cursive script across the top.

Nisichawayasihk Trustees Financial Operations Report

APPROVAL OF ANNUAL AND AUDITED FINANCIAL REPORT

We, the duly elected Chief and 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 Nisichawayasihk 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 Trustees of the Nisichawayasihk and Taskinigahp Trust and made available to members at both the Nisichawayasihk Trust Office and Nisichawayasihk Chief and Council's office. In compliance with Article 19.1 of Nisichawayasihk Trust Indentures and 21.1 of the Taskinigahp Trust Indenture, the 2014 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 and Council and this year's Trustee's Annual Report on the Financial Operations of the Nisichawayasihk Trust and Taskinigahp Trust. Notice of this meeting shall be given in accordance with Article 8.2 of the Nisichawayasihk Trust Indenture and 8.4 of the Taskinigahp Trust Indenture.

NCN Chief and Council

Chief Marcel Moody

Councillor Shirley Linklater

Deputy Chief Ron D. Spence

Councillor Willie Moore

Councillor Bonnie Linklater

Councillor Joe Moose

Councillor Patrick Linklater



NELSON HOUSE TRUSTEES



Chief Marcel Moody



Councillor Shirley Linklater



Alvin Yetman



David Kobliski

CORPORATE TRUSTEE

Royal Trust Corporation of Canada

BACKGROUND

The Nisichawayasihk Trust was created in March, 1996. The duties and responsibilities of the Trustees are contained in the Trust Indenture that is part of the 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 2014

As determined by the Trust Indentures and Community Approval Process (CAP), the amount available for expenditure from the Trust ("Funds Available") for 2014 was \$2,800,000.

The 2014 interest payments on the \$40,000,000 Manitoba Hydro bonds were deposited June 30, 2014 in the amount of \$1,150,000 and December 31, 2014 in the amount of \$1,150,000.

The Recreational Facilities and Programs Sub-Account

The Recreational Facilities and Programs Sub-account is part of the Nisichawayasihk Trust. As per terms of the Trust Indenture, funds held in Recreational Facilities and Programs Sub-account must be used "to build or develop recreational facilities on Reserve and for recreation programs for Nelson House." There are no powers to encroach on the capital of this account. There were no disbursements from this account in 2014.

FINANCIAL OPERATIONS REPORT

Capital Payments Received by the Trust

In accordance with Schedule 2.2 and Article 2.5.1 of the Nelson House First Nation NFA Implementation Agreement, Manitoba Hydro must pay to Chief and Council, for settlement into the Investment and Heritage Account, predetermined compensation payments for excursions from the compensated range.

There was a predetermined compensation payment for 2014 of \$19,135 which was received January 14th, 2015.

Revenue Received and Generated by the Trust

Total revenues generated in 2014 from the Trust Investments were \$2,375,867. The revenues (interest and dividends) were recorded in each account as follows:

Account		Main Trust
	\$	2,301,404
Investment and Heritage Account	\$	22,062
Claims Account	\$	39
Recreation and Program Facilities Account	\$	52,362
Total Revenue	\$	2,375,867

Investments Held as at December 31, 2014

As at December 31, 2014, the total value of all Trust accounts was \$42,235,426. The following is a breakdown of each account.

Main Trust Account:	
Total Value	\$40,001,404



Bond Series	Market Value	Rate	Maturity Date	Annual Income
Series 5C - 1	\$10,000,000	3.723%	12/31/2024	\$372,300
Series 5C - 2	\$10,000,000	4.049%	12/31/2029	\$404,900
Series 5C - 3	\$10,000,000	4.245%	12/31/2034	\$424,500
Series 5C - 4	\$10,000,000	4.311%	12/31/2039	\$431,100

The total value of the Main Trust as at December 31, 2014 is \$40,001,404 consisting of the value of the Manitoba Hydro Bond in the amount of \$40,000,000, and cash in the amount of \$1,404.

Investment and Heritage Account:

Total Value **\$1,166,545.97**

The Hydro bond held in this account became due June 30, 2013 and was not replaced with a similar bond.

The total value of the Investment and Heritage Account as at December 31, 2014 is currently all in cash.

There was a predetermined compensation payment due for 2014 of \$19,135 which was received January 14, 2015.

Claims Account:

Total Value **\$39**

The cash held in the Claims Account is \$39 as at December 31, 2014.

Recreation and Program Facilities Account:

Total Value **\$1,624,130.56**

This account holds a diversified portfolio of high quality bonds worth \$1,057,871 as at December 31, 2014.

The cash held in the account as at December 31, 2014 is \$571,434. The total value of the Recreational Facilities and Programs Sub-account as at December 31, 2014 is \$1,617,305 consisting of the value of the bonds held in the account \$1,045,871, and cash of \$571,434.

As at December 31, 2014, we estimate the portfolio will generate an annual income of approximately \$57,380. As bonds mature, we will invest the proceeds at prevailing rates for terms of four to seven years.



INVESTMENT COMMENTARY FOR 2014

Markets in 2014

Major stories that have influenced the 2014 markets have centered on the following:

- Geopolitical risks
- Oil price declines
- Deflationary risks

Fixed Income

2014 was a surprising year for bonds with the majority of analysts incorrectly predicting an increase in bond yields and decrease in bond prices. Bond prices rallied significantly throughout the year, firmly defying consensus estimates for a sell-off.

As a result of the increase average bonds prices, fixed income has provided excellent returns in 2014. The FTSE Canadian Bond Universe Index returned 8.8% for the year.

With falling oil prices, muted inflation and sluggish economic growth in Canada, bond yields have remained low. However, we still expect for yields to trend slightly upwards in 2015 and bond prices to decline, which would negatively impact bond performance.

Canadian Equity

Canadian companies, as measured by the S7P TSX Capped Composite index, had returns of 10.4% in 2014. Much of these returns were from the first half of the year as a large drop in oil prices negatively impacted the resource heavy Canadian economy in the latter part of 2014.

US Equity

The U.S. equity market, as measured by the S&P 500 index, had another strong year in 2014 and continues to be a strong driver of global economy. The S & P 500 returned 13.7% for the year, but when factoring in the declining Canadian dollar in relation to the US Dollar (U.S. companies worth more in Canadian dollar terms), the return increases to 24.4%.

International Equity

The developed international equity markets (Europe, Australia, and Japan) had a lower return of 4.1% for the year. The relatively weaker performance can be attributed largely to geopolitical risks arising from the conflict between Russian and the Ukraine, and deflationary threats. Inflation has been very low around the world and investors are looking for catalysts to help move the global economy forward.

The emerging equity markets (e.g. China, India, and Brazil) had returns of 7.0% in 2014. China's slowing growth has been a major story, and once relied on driver of the global economy continues to show weakness. China's housing market has seen a softening of prices, which raises concerns regarding a vulnerable housing market and lower consumer confidence.



Annualized Returns	1 Year	3 Year	5 Year
Bonds	3.30%	2.50%	4.11%
Total Portfolio	2.89%	2.33%	3.80%

Outlook

We may see 2015 as a year when central bank policy diverges. The US appears to be the most likely to raise its overnight lending rates sometime in 2015. Meanwhile, Canada is expected to keep its rate low due to the uncertainty of oil prices, tepid economic growth and the lack of inflationary pressures to motivate such a hike.

Our forecast is for 10-year Canada bond yield to rise to 2.5%, which is a decrease from past estimates of 3.25%. Uncertainty in the economy has led to lower rate increase expectations, but an expected rise in US Treasury yields is expected to pull Canadian longer-term yields higher.

Major themes of 2015 will be the impact of low oil on the global economy and whether the US can sustain its strong recovery.

Uncertainty regarding the price of oil will impact oil exporting countries such as Canada the most. The rest of the world should see a net benefit since lower energy costs can provide consumers with more money to spend. Although nobody can fully predict where energy prices will go, the view still remains that fair value for oil should be higher than current levels.

International markets have been faced with the threat of deflation and stagnating growth. Deflation happens when product prices drop as times goes on. This is especially bad because consumers delay buying because of the expectation that something will be cheaper in the future. If people are not buying goods then manufacturers have no need to produce goods and this leads to layoffs and higher unemployment. However, it is important to note that some deflation can be seen as good, such as lower food and energy costs that can help stimulate economy. The lower euro will also help fuel some growth as exports begin to pick up.

Overall, it is our view that equities are nearing fair value and as that occurs, volatility will increase as well. From a growth rate perspective, we estimate growth in Gross Domestic Product "GDP" (amounts of goods produced) to be 1-1.5% for Canada, 3.2-3.5% for US and 1.2-1.5% for Europe in 2015. For emerging markets, we expect that what used to be a growth rate of 5-6% above the developed world is now more like 2-3% above it.

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 2014 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, Wapisi 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 reasonable 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 AND REPLACEMENT OF SPECIFIED REMEDIAL WORKS AND THE ARENA

In accordance to Article 11.2.1 of the 1996 NFA Agreement addresses the Operation and Maintenance Board, the Board membership currently consists of two members from Manitoba Hydro, Warren Tait and Bob Monkman and two members appointed by Chief and Council, Jerry Primrose and Curtis Lobster. 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 2013/2014 fiscal year was \$553,592 with NCN fulfilling their obligation and contributed \$55,000 from the 2013 CAP Budget. These funds were transferred to the Gilbert McDonald Arena Finance Department in accordance with the disclosure requirement.



WATER REGIME PREDETERMINE COMPENSATION

Under Article 2.4.1 and 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 reports provided by Manitoba Hydro for the period November 1, 2013 – March 31, 2014 and April 1, 2014 – October 31, 2014 showed no excursions from the compensated range, neither the daily average water level nor the seven or thirty-one day rates of change.

To review the Real-Time Hydrometric Data Graph for the Footprint Lake in Nelson House, Manitoba (05TF001) go to www.wateroffice.ec.gc.ca website, it will provide a water level history and compensation summary for a specific period. The graph search cannot be older than eighteen months old or a future date.

To access the graphs for the water level the link type in the above noted link;

1. Select Province: Manitoba
2. Select Footprint Lake at Nelson House (05TF001)





Other Implementation Issues

COMPENSATION LANDS

The 1996 NFA Implementation Agreement provided that six parcels of provincial Crown lands (at Suwannee Lake, Wapisi Lake, The Junction, Leftbrook 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 and Easement Lands

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

Site 3.4 – Junction, Site 3.5 – Leftbrook 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 and Service Centre approximately one 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

A letter from INAC dated July 2, 1991 has an 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 AND FEE SIMPLE LANDS (ARTICLE 3,4)

Type of Lands	# of acres Selected	Current Status	
		Complete	Outstanding
Compensation (8 parcels)	54,682	3 parcels (10,281 acres) converted to reserve five parcels surveyed	5 surveyed parcels require Canada approval
Fee Simple (1 parcel)	1.6		Manitoba 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 nor have there been meetings requested within the 2014 fiscal year.





Community Approval Process

RESULTS OF THE 2014 COMMUNITY APPROVAL AND 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 2014 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 comprises of Roslyn Moore, Yvonne Hart, Jemima Yetman, Alan Linklater, Dorothy Linklater, Jacqueline Hunter, James Warren, Lou Moodie Councilors Joe Moose, and Ron D. Spence.

The CAP/CIP Committee had a series of four meetings to review funding applications and prepared a recommended 2014 CAP/CIP Budget for Chief and Council's consideration and approval.

Review of Applications

1) A two day Initial Review of Funding Applications meeting was held in Thompson to review the CAP/CIP guidelines as done in previous years, specifically in the following provisions:

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

After reviewing the CAP/CIP Guidelines, the committee proceeded to electing the officers, with James Warren elected as Chair and Allan Linklater elected as Vice Chair.

Prior to reviewing the application, the committee reviewed and took into consideration NCN's Community Development Plan. The Committee reviewed and ranked each application in order of priorities. The members shared questions or concerns with individual applications and then prepared questions for each application to address at the Community Presentation Meeting.

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 rating of the specific application, but did participate in the discussions.

2) The Committee reconvened for three days to **deliberate the Applications.** Each application was rated in accordance to criteria established on the score card, and a minimum of three questions were prepared for each application.

3) A two day Application Presentation Community Meeting was conducted to allow applicants to present their applications. The Committee members assessed applications using a scorecard based on the following criteria:

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

The Community also gave the members present an opportunity to rate the presenters on the score card.

4) A two day meeting was held to **Select Programs/Projects** and to prepare a recommended budget. The Committee reviewed the funds available for the Nisichawayasihk and Taskinigahp Trusts which were as follows:

FUNDING SOURCES	FUNDS AVAILABLE
NCN/MH One Year Agreement (Extension Hydro Bonds)	\$2,300,000
Investment and Heritage Account	\$500,000
Total Funds Available from Nisichawayasihk Trust	\$2,800,000
NCN/MH One Year Agreement	
Dividend Loans, Water Rental Rebate, Annuity	\$3,700,000
Water Rental Payments/Interest 2013	\$500,000
Transmission Development Fund (Resource Acct)	\$200,000
Total Funds Available from Taskinigahp Trust	\$4,400,000
TOTAL FUNDS AVAILABLE FOR 2014 CAP/CIP BUDGET	\$7,200,000

The Committee then proceeded to reviewing the assessment results of three two sessions. The final step of the process was allocating funds in the following order;

- Mandatory funded programs in accordance with the two agreements
- Applications rated high
- Applications based on community needs.

This process prepared the 2014 recommended budget.



COMMUNITY APPROVAL PROCESS BUDGET 2014

DEPARTMENT	PROGRAM	BUDGET IN \$
ADMINISTRATION	Administration	450,000
	Corporate Trustee	70,000
	Nelson House Trustees	25,000
	Professional Services	50,000
	Arena O and M	55,000
	Claims Program	50,000
	Community Approval Process	55,000
CAPITAL PROJECTS	Arena Renewal Project	40,000
	Emergency Equipment and Storage Yard	75,000
	Skate Board Park	30,000
ECONOMIC DEVELOPMENT	Human Resource Specialist	55,000
	NCN Achimowin Radio	100,000
	Off Reserve Assistance Program	20,000
	Summer Student Employment	65,000
EDUCATION	Nutrition Program	40,000
JUSTICE	Fire and Emergency	275,000
	NCN Community Cree Court	75,000
	NCN Justice Program	125,000
PUBLIC WORKS	Animal Control	40,000
	Community Clean UP	10,000,00
	Construction of Sewer Boxes	17,000
	Steel Garbage Bins	26,000
	Water and Sewer Cameras	22,000
OTHER PROGRAMS	Elders Subsidy (Off Reserve)	30,000
TOTAL 2014 CAP/CIP BUDGET		2,800,000

Implementation Agreement



ADMINISTRATION

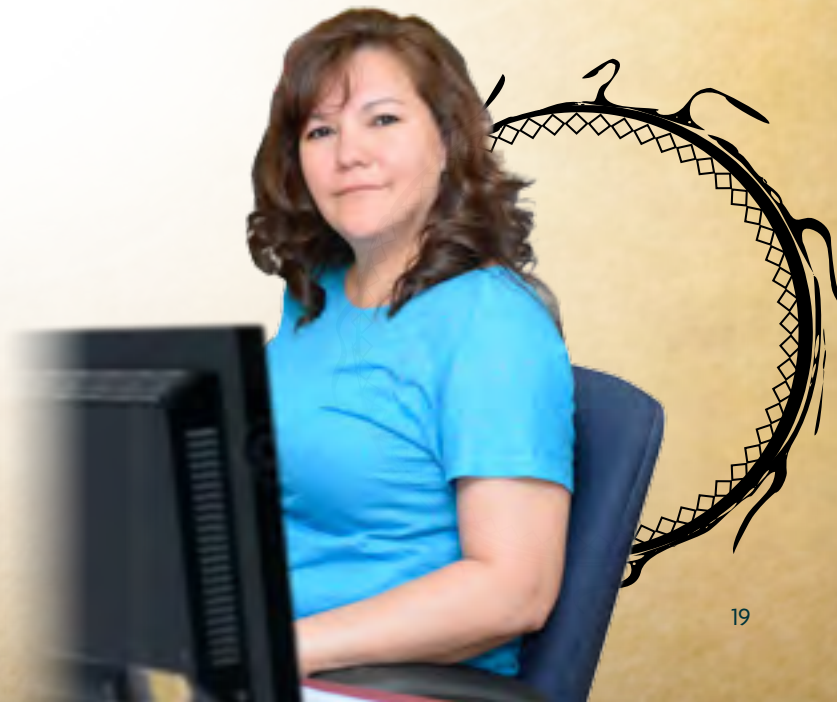
The NCN Trust Office administers both the Nisichawayasihk and Taskinigahp Trusts. Administration funds are allocated annually for the purpose of administering and implementing programs funded under the Nisichawayasihk and Taskinigahp Trust, as well as to ensure that the provisions of the 1996 NFA Implementation 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** – Funding is allocated to the NCN Trust Office to provide continuous employment for eight full time employees and operation and maintenance of Trust Office buildings and storage. Q-power is retained as the webmaster to develop, update and host the Trust Office Website. Other Trust Office expenditures included renovations of the interior of Trust Office (i.e. painting offices, etc.) 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 professional services.
- **Auditing** – for semi-annual and annual financial audited statements.
- **Corporate and Nelson House Trustees** – to administer the terms of the trust indentures, keep accurate financial statements, conduct the business and invest assets of the trust.
- **CAP/CIP Process** – to conduct a comprehensive community consultation process to allocate trust funds to community programs.

- **Arena O and M** – in accordance to Article 11 of the NFA, NCN is obligated to contribute 10 percent of the Arena's Annual Budget.
- **Claims Program** – funds are allocated on an annual basis to the Claims Account from the funds available for the Nisichawayasihk and 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 Related Transmission Facilities. Claims officers as well as an alternate are retained to deal with all claims matters for both trusts.

This year, with the water levels being at an all-time low, there were a lot of claims made by fishermen, harvesters and recreational users of our resource area. Claims approved are as follows; boats – \$480.25; Outboards – \$33,180.02; Snowmobiles – \$500; Nets – \$2,570; Propellers – \$695.25; totaling \$37,389.52 in claims.



Capital Projects

ARENA RENEWAL PROJECT

From Nisichawayasihk Trust funds available for distribution in year 2014, \$40,000 was allocated to the Gilbert McDonald Arena Renewal Project.

Funds were used to purchase a new stage for the arena, installed new flooring in the mezzanine area and renovated the recreation office.

EMERGENCY EQUIPMENT GARAGE AND STORAGE

From Nisichawayasihk Trust funds available for distribution in year 2014, \$75,000 was allocated to NCN to build a facility to park emergency vehicles and store other equipment.

During the time of this reporting period the NCN Trust Office did not receive a report on the status of the project.



SKATE BOARD PARK

From Nisichawayasihk Trust funds available for distribution in year 2014, \$30,000 was allocated to NCN to purchase a portable skateboard park.

During the time of this reporting period the NCN Trust Office did not receive a report on the status of the project.





HUMAN RESOURCE SPECIALIST

From Nisichawayasihk Trust funds available for distribution in year 2014, \$55,000 was allocated to the Human Resource Department to partially fund the position of a Human Resource Specialist.

The HR Specialist 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 HR Special also provides advice and support to supervisors, managers and staff selection committees to ensure they have accurate and timely information for making effective decisions.



SUMMER STUDENT EMPLOYMENT PROGRAM

From Nisichawayasihk Trust funds available for distribution for the year 2014, \$65,000 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 students in the work force for temporary summer jobs for eight weeks. The youth were placed in a working environment of their choice such as; clerical, file clerk, finance, public works, carpentry, plumbing, etc.

Additionally, younger students were hired as part of "The Earth Team," a selection of students were hired for period of four weeks, and then a rotation of another selection of students were hired; the "The Earth Team" focused on beautifying the community.

OFF-RESERVE ASSISTANCE PROGRAM

From Nisichawayasihk Trust funds available for distribution for the year 2014, \$20,000 was allocated to the Off Reserve Assistance Program administered by the NCN Government Office.

The Off Reserve Assistance Program provides financial assistance to NCN Citizens living outside our traditional territory by providing emergency financial assistance and supports those who require support to meet their special circumstances that demonstrates the need for assistance. The financial support is available on a one

time basis and grants are awarded from a minimum Of \$100 and the maximum of \$500.

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.

The table below indicates the report provided by the NCN Governance Office;

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Total Applications Received	20	21	28	19	88
Total Applications Approved	0	20	25	18	63
Total Denied Assistance	20	1	3	1	25
Total Assistance Per Quarter	0	9,635	13,925	9,500	33,060
Average Assistance Per Person	0	458.81	497.32	500	64.03
Maximum Assistance Per Person	0	750	1,500	1,000	
Minimum Assistance Per Person	0	175	0	500	

WUSKWATIM EQUITY PROJECT

From Nisichawayasihk Trust funds available for distribution for the year 2014, \$1,000,000 was allocated to the Wuskwatim Equity Project.

NCN Chief and Council have struggled to find enough moneys to invest in the Wuskwatim Project. Under the terms of the Original PDA, NCN would have been required to invest about \$38 Million. Chief and Council had many discussions with NCN Citizens about whether they should use the moneys in Nisichawayasihk Trust and Taskinigahp Trust to invest in the Wuskwatim Project.

Under PDA Supplement 1 the loan leverage was increased so that NCN's cash investment would be decreased to \$29 Million based on the projected capital costs in 2010. The final Project costs were higher and NCN could not easily find an additional \$13 Million. Two years in a row, NCN Citizens approved seeking amendments to Taskinigahp Trust so moneys from that trust could be invested in Wuskwatim, now a vote to amend the Taskinigahp Trust is not required to obtain funds for investment in Wuskwatim.

Under PDA Supplement 2 Chief and Council negotiated a final investment amount of \$21.178 Million to retain the 33% of the units in the Wuskwatim Project. NCN Citizens knew NCN received five trailers and were to receive a further trailer and mobitel from the Wuskwatim site according to the terms of the One Year Agreement signed in 2013. The price for these assets was set at \$750,000. NCN Council were able to obtain credit for them towards our cash investment which further reduced the actual cash NCN had to invest.

By December 31, 2014, NCN invested a total of \$20.428 Million of our own moneys (including the grant received from the federal government) which combined with the asset credit resulted in a total investment of \$21.178 Million as of January 1, 2015. This cash investment allows us to retain 33% of the units in Wuskwatim Power Limited Partnership (WPLP).





NCN ACHIMOWIN RADIO PROGRAM

From Nisichawayasihk Trust Funds available for distribution for the year 2014, \$100,000 was allocated to the NCN Achimowin Radio Program. The 98.1 NCN CREE FM 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 and Council's General Assemblies.

The Station had purchased new broadcasting equipment which includes a remote transmitter and a receiver. This equipment will be used for live broadcasts of general

assemblies, festivals, gospel jams, etc. It will provide a much clearer sound for those listening on the radio. NCN members living outside of the community can tune in to the radio, through on-line streaming, at its own website www.ncnradio.ca.

The main objective of the NCN Achimowin Radio Program is to become financially sustainable. To achieve this objective, management has generated revenue through advertising on the radio and website, airtime sales and hosting local bingos.

Feedback from community members, organizations, staff and on-line comments has advocated significant improvements in the local radio program delivery.

The Radio Station management has achieved most of its operational plan for the year, however faced a few barriers requiring some sacrifices to ensure the operation stays within its budgetary limits.





NUTRITION PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2014, \$40,000 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.

In 2014, the program provided breakfast to 150 students, lunches to 185 students and both lunch and breakfast to 50 highschool students.





NCN FIRE AND EMERGENCY SERVICES

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2014, \$275,000 was allocated to the annual budget of the Nisichawayasihk Cree Nation to financially support the NCN Emergency Services Program

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 a fire chief, deputy chief, engages four on call Fire Personnel to respond to fires only, four full time dispatchers and four ambulance technicians.

NCN JUSTICE PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2014, \$125,000 was allocated to the annual budget of the Nisichawayasihk Cree Nation to financially support the NCN Justice Program.

The integrated essential services include the Community Justice Group, NCN Policing Service and Probation 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 five 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.

The CJG also implement and coordinate the following services:

- Provides a community consultation function with the RCMP. The Sergeant or Corporal of the RCMP attends the justice meetings to provide RCMP statistic reports and provide background information on referrals before the Justice Group.
- Provide Community Corrections Services by receiving reports from the courts on those who are referred to for diversions, provide reports to the judge on the status of individuals on those referred to the CJG. The Justice Coordinator attends court to obtain referrals from first time offenders.
- Provides Chief and Council with recommendations





NCN Policing Services

The NCN Police carry out spot checks and operate 24 hour, seven days 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 four full-time constables and three 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 and 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.

NCN COMMUNITY YOUTH CREE COURT

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2014, \$75,000 was allocated to the annual budget of the Family and Community Wellness Centre to financially support the NCN Community Youth Cree Court Program.

The Community Youth Cree Court seeks to unite child welfare concerns with youth criminal justice issues while strengthening the community's relationship with its youth. Once fully operational, the goal of the court is to reduce over-representation of NCN youth in Manitoba Courts and correctional facilities as well as decrease the number of children in care within and outside of the community.

The NCN Youth Cree Court will empower the community to resolve its own youth criminal justice and child welfare issues through holistic processes that draw upon tradition and Elder teachings or wisdom. Community members will administer this justice system for NCN. The Court will be legitimate, meaningful and effective. It will make our community healthier and allow relationships between all people to thrive.



ANIMAL CONTROL

From the Nisichawayasihk Trust funds available for distribution in year 2014, \$40,000 was allocated to the Public Works Department for an annual Community Clean up.

The funds were used for Animal Control Officer salary, to purchase cages and supplies; and for a veterinarian to come to Nelson House to spay and neuter 102 animals.

COMMUNITY CLEAN UP

From the Nisichawayasihk Trust funds available for distribution in year 2014, \$10,000 was allocated to the Public Works Department for an annual community clean-up.

The annual community cleanup was completed by mid-June, was another successful event. The Public Works Department hired local people to clean road side ditches and collected approximately five thousand garbage bags.



CONSTRUCTION OF SEWER BOXES

From the Nisichawayasihk Trust funds available for distribution in year 2014, \$17,000 was allocated to the Public Works Department for the construction of sewer boxes.

The funds were expended to purchase material to construct the sewer boxes from Meetah Building Supplies and the Public Work employees did the actual building of the sewer boxes.

STEEL GARBAGE BINS

From the Nisichawayasihk Trust funds available for distribution in year 2014, \$26,000 was allocated to the annual budget of the NCN Public Works Department to its Solid Waste Management Program. These funds were used to purchase 32 steel bins for proper disposal of garbage.



WATER AND SEWER CAMERAS

From the Nisichawayasihk Trust funds available for distribution in year 2014, \$22,000 was allocated to the NCN Public works Department to purchase water and sewer cameras. The camera was purchased from Clean-Fro.



ELDERS SUBSIDY ON RESERVE PROGRAM

In addition to the surplus, \$30,000 was allocated to provide Nisichawayasihk Cree Nation elders living off reserve with a monthly subsidy of \$100 to supplement their pensions and other benefits, a total of 25 elders were subsidized in 2014.

The NCN Off Reserve Elders Subsidy Program eligibility requirements to receive the monthly honoraria are as follows;

- Must be a band member of Nisichawayasihk Cree Nation;
- Must be 65 years or older;
- Must have lived on Nelson House Reserve prior to Northern Flood Agreement;
- Must have lived on Nelson House Reserve prior to residential school years;
- Must have direct connection with NCN (i.e. come to the reserve);
- Currently an NCN elder living in a personal care home.





Wuskwatim Implementation Office

WUSKWATIM IMPLEMENTATION OFFICE

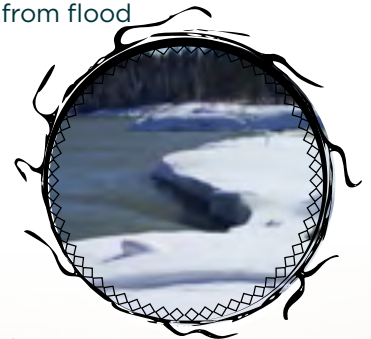
Establishment of the Wuskwatim Implementation Office is a provision of the Wuskwatim Project Development Agreement (PDA). Operations began in August 2006 following the June ratification of the PDA by NCN Members and will continue throughout the Wuskwatim construction period, which is scheduled to take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

- To ensure effective implementation of all agreed to components of the PDA
- To ensure that the PDA commitments in contracts are honored as specified
- To ensure all parties fulfill responsibilities to NCN
- To gather information on project progress and communicate with NCN Citizens
- 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 Thompson
- Advertise/promote internal job postings with NCN Citizens preference
- 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 Manitoba Hydro action to protect shorelines from flood related erosion.



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. NCN works with Manitoba Hydro as it is their on-going obligation.

SOCIO-CULTURAL AND 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.

NCN has been working on building an interpretive centre for our elders to utilize. The site has been surveyed, blueprints have been made and construction should begin in the following year.

Chief and Council have named a smaller committee, lead by Councillor D'Arcy Linklater, and including Elders Harry Spence and Jimmy-Hunter-Spence, and Alvin Yetman (representing the Implementation Office) to move the project forward. Eva Linklater, NCN Archeologist has been hired to interview 25 elders and to capture the story of Footprints. An Interpretive Centre needs to be prepared and constructed to house the story boards. The centre will be used for elders for traditional ceremonies and traditional funerals.



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. NCN chief and council have accessed 50% of settlement proceeds which amounted to 2.5 million of the adverse effects monies to invest in the Wuskwatim Project Limited Partnership. A proposal was submitted again for an additional \$2.5 million for the same reason. To date NCN has invested over \$21.178 million towards Wuskwatim partnership minus \$750,000 for the mobiles and one trailer. NCN renegotiated a PDA supplementary 2 agreement to fulfill its 33% ownership. There are annuity payments, Dividend loans, transmission development funds, Water rental rebates, distribution income and interest on assets. NCN Chief and Council have negotiated to receive income in the early years to assist NCN in its infrastructure plan for new houses and to add on an addition to the water treatment plant.

TRANSMISSION DEVELOPMENT FUND

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. NCN projects to receive \$200,000 in the Transmission Development Fund for community programming of which 25% was put into the Resource sub-account. NCN should be expecting the same payment annually specifically for resource program.

CLAIM 138

When NCN gave releases to Canada and Manitoba Hydro in the 1996 Agreement, Article 6 of the NFA was excluded by Article 14.5.2. There was a dispute over the meaning of the twenty year agreement entered into on May 10, 1988 so negotiations occurred and an agreement was entered into in 2005. There appears to have been no follow up on certain aspects of the agreement.

Timeliness issues arose and further negotiations had to take place last year to obtain the moneys and interest owing on the moneys that were not paid.

The funds were eventually received and are to be used for training for water treatment plant personnel and train additional NCN Citizens.

During those discussions with federal legal counsel, we learned that all other communities had received accelerated payments of the moneys still owing to them. NCN was the only community that had not received accelerated payments. We determined that NCN could do the same if they wished to do so, Councilor Pat Linklater is currently taking lead on following up with Canada about the payments.

ELECTION CODE

Basically, the plan was to amend the Election Code to give NCN's Electoral Officer the legal authority to conduct referenda whenever required. A decision was made not to pursue that but to include the issue as part of law making processes and NCN Citizens request that the roles and responsibilities and rights of NCN Citizens are spelled out.

NCN has sought recommendation from the courts on our election code amendments. The courts have recommended we develop our laws without having to go through a referendum for every law created. It's a costly process and interferes with the law making process. The elected officials are responsible to make laws for our Nation.





CONSTITUTION

To develop the Constitution, NCN Chief and Council established a Governance Committee, which undertook historical research and discussed and considered various concepts. Preservation of our language and our culture were important priorities in the process. From these discussions, several law-making models were considered. The Original Codified Law model discussed with NCN Citizens was primarily focused on law-making processes, which represented a first step in developing a draft Constitution.

Ultimately, Chief and Council determined that a model more unique to NCN should be developed, but took into consideration the experience of other First Nations. For example, the Constitution of the Westbank First Nation of Kelowna, British Columbia is quite detailed compared to other Constitutions reviewed.

Since we do not believe we gave up our rights to govern ourselves, Council was interested in

The Westbank model, as Westbank is one of very few First Nations that have



concluded a self-government agreement with the Government of Canada.

NCN will continue to finalizing our own constitution to protect our land, water and resource area. NCN will also use the constitution to work toward developing multiple laws in our community for our citizen's wellbeing and safety of all our Citizens.

WOODLAND CARIBOU COMMITTEE

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





ADVISORY COMMITTEES

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

Since construction has been completed the advisory committee on employment and the construction advisory committee do not exist anymore. Only the monitoring advisory committee exist.

MONITORING ADVISORY COMMITTEE (MAC)

The MAC is consultative and advisory to the partnership. NCN's Members on the MAC receive regular updates regarding ongoing Wuskwatim Generation Project monitoring activities. Through their participation on the committee, NCN's Members gain an understanding of economic, social and environmental project monitoring. The members' responsibilities include:

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

NCN Chief and Council have appointed three NCN Members to the committee: Alvin Yetman, Allan Linklater and Jimmy Hunter-

Spence representing the General Partner. The committee reviews socio-economic data, environmental data, physical environmental data, and ongoing environmental data during and after the project. The MAC continues to monitor to socio Economic and Environmental monitoring after the project. AOL is 100% solely owned by the Nisichawayasihk Cree Nation and has been working closely with the MAC committee. An annual report is providing to NCN which can be viewed on NCNCREE.COM website.



DIRECT-NEGOTIATED CONTRACTS

NCN in partnership with Sodexo has an agreement to supply catering and security contracts, facility maintenance, and road maintenance. This business opportunity is ongoing between the partnerships. NCN benefits financially and our members get the opportunity to be employed at the site.

DEBRIS MANAGEMENT

Aski Otutoskeo Ltd. has a 10-year Debris Management contract for NCN as part of the CRD final license issues, they are working in six areas, and this year they focussed around the surrounding area such as Footprint River, upper Burntwood and Footprint Lake. There was a field Chief, Bill Yetman hired to oversee the project, two supervisors and 23 field workers hired for 15 weeks.

With the low water level s in the year, NCN cleaned more of the areas. Of the six sights, NCN will determine which is more feasible and beneficial to our resource are dependent on the water fluctuations.



PROJECT DEVELOPMENT AGREEMENT (PDA) REVIEW AND PDA REVIEW 2

Since the Wuskwatim PDA negotiations began over six years ago, the global financial and economic and augmented flow in our resource 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.

NCN has also raised concerns to the augmented flow. Manitoba Hydro controls the flow of water in all of Manitoba water system where hydro is created. With the high water levels of the southern part of Mb, water was held back in the north. This had an adverse effect on the Wuskwatim Project. As part of the PDA Supplement 2, NCN received benefits when they hold back water in the north. This does not happen to often but when it does there is a huge financial down fall. NCN AND WPLP negotiated a spillage agreement with Manitoba Hydro. The partnership will be compensated for the water flow not generating as much power as predicted.

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 and Environmental Coordinator plays a key role in the Monitoring Advisory Committee members.

AOL Coordinated a fall and spring Ethinisewin Tour with NCN Elders and youth had the opportunity to interact. There are two Ethinisewin Tours completed on the Project, one in the spring and one in the summer. Again the reports are done annually under the monitoring contract that AOL with in conjunction MAC monitoring overview.





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 as 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 using different types of plants/willows to help stabilize shorelines (erosion measures).

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.

AOL will also be utilized after work is done to monitor and determine the success of this work for future years.

The number of participants varied from each phase 25 NCN Citizens who included, elders’ youth, technical and helpers such as, labourers, cooks and people with the experience and expertise in knowing the Wuskwatim Lake area and its surroundings areas.

AOL coordinates an annual monitoring open house. The annual informational open house took place at the OK school gym and was relatively successful.

TASKINIGAHPOWER 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 wholly owned by NCN that holds all NCN’s shares in the partnership. Annual meeting occur with the Partnership and each is rotated between NCN TPC chair and Manitoba Hydro CEO. The annual Meeting describes how the partnership is doing.



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 2014, the sixth annual Year in Review 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.

This was the last year of reporting for the construction of the generating station. All future reports will be based on Environmental Monitoring.

ACCESS PROTOCOL FOR WUSKWATIM AREA DURING OPERATIONS

NCN is directly negotiating on behalf of NCN/SODEXHO for security services. 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 Citizens' wishing to access the area for traditional activities (medicine gathering or trapping) contact the Implementation Office to obtain a permit. The office will contact the Wuskwatim generating station to make arrangements for access through the gate.

The management is almost identical to the access management protocol during the construction phase. The only difference is it is now automated – manned by video conferencing to gain access. This was a cost-saving initiative for the partnership to go to an automatize gate.

Taskinigahp Trustee's Financial Operations

TASKINIGAHP TRUSTEES



Councillor Patrick Linklater



Darcy B. Linklater Jr.



James Warren



Jacqueline Hunter

CORPORATE TRUSTEE

The Canada Trust Company (TD Waterhouse Private Trust)

Taskinigahp Trust

The Taskinigahp Trust was established in June 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, Claims Account, Resource Account and the Resource Sub-Account.

Each year the Trustees are required to provide 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 narrative report on the expenditures from the Trust and the Trust operations including how the Transmission Benefits were used.



FINANCIAL OPERATIONS REPORT

Capital Payments Received by the Trust

Initial settlement proceeds in the amount of \$5,700,000 were received from Hydro in accordance with the NCN Adverse Effects Agreement.

Annuity Income

NCN and Manitoba Hydro entered into a supplementary agreement which provided for an Annuity Payment of \$2,500,132 and a Dividend Loan Payment of \$308,025. Of these amounts, 90% (\$2,527,341) is available in the year received for community programs and services and 10% (\$280,816) is credited to the Seven Generations Growth Account for future uses.

Transmission Benefits

Transmission Benefits, in the amount of \$352,032 were received for the period. Of This amount 75% (\$264,024) is available for resource projects in the year received and 25% (\$88,008) is retained to generate future income.

Water Rental Payments

Water rental payments totaled \$1,497,991 for the year. Of this amount, 90% (1,348,192) is available in the year received for community programs and services and 10% (\$149,799) is credited to the Seven Generations Growth Account for future uses.

Revenue Received and Generated by the Trust

The total interest generated and net capital gains realized for the period from Trust investments was \$119,065.

Capital Payments Disbursed from the Trust

Capital payments paid to NCN totaled \$4,400,000. Of this amount, \$4,120,575 represents payments from the Community Development Account, which was applied towards various projects approved by CIP; \$264,425 represents payments from the Resource Account to the Fisher and Trappers Association and \$15,000 from the Claims Account for damage to personal property.

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 investments, require the approval of the NCN Trustees. The sale of any investments requires 21-days notice to be provided to Chief and Council and Citizens.

Investment held at December 31, 2014

As at December 31, 2014 the Trust had a total value of \$4,753,411. The Auditor's financial report and opinion are attached.



COMMUNITY INVOLVEMENT PROCESS BUDGET 2014

Taskinigahp Trust PROGRAM	SUB-PROGRAM	BUDGET IN \$
ADMINISTRATION	WIO Salaries and Benefits	250,000
	Admin and Council Travel	103,207
	Completion of Wuskwatim Advisor Costs	400,000
	Claims Program	15,000
	Annual Audit Fees	16,000
	Corporate Trustee	38,545
	Community Involvement Process	30,000
	Professional Services	40,000
	Nelson House Trustees	14,400
	Trustees Travel	8,000
	Community Development Plan	20,000
ECONOMIC DEVELOPMENT	Wuskwatim Equity.	1,000,000
EDUCATION	ATEC Student Supports	300,000
	Post-Secondary Funding	60,000
	Special Education Program	80,000
HOUSING	NCN Housing Assessment and Strat Plan	400,000
RESOURCE and LAND USE	Trappers Program	125,000
	Fisherman Association	125,000
	J.M. Elders Traditional Program	200,000
	Country Foods Program	200,000
	NCN Resource Management	75,000
SOCIAL DEVELOPMENT	FCWC Elders Program	50,000
	Nisichawayasihk Kewatinok O'nemewak	15,000
	Parks and Recreation Program	535,748
	Rediscoveries of Families	60,000
	Youth Initiative Program	60,000
OTHER	Christmas Cheer board	50,000
	Elders Subsidy (On Reserve)	123,100
TOTAL TASKINIGAHP TRUST		\$4,400,000

Economic Development



WUSKWATIM EQUITY

From annual earnings of Taskinigahp Trust and funds available for distribution in 2014, \$1,000,000 was allocated to the Wuskwatim Equity.

Please refer to page 23 for a full report on the status of the Wuskwatim Equity.



STUDENT SUPPORTS (PEETAPUN PROJECT)

From annual earnings of Taskinigahp Trust and funds available for distribution in 2014, \$300,000 was allocated to the Atoskiwin Training and Education Centre to carry out its objectives as outlined in their 2014 Student Supports and operational plan.

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

- Increase participation of NCN members in educational and training programs
 - 25 students enrolled in College preparation (Grades 4 – 10 upgrading); 30 students enrolled in the Mature Student Development Program (Grade 11 – 12); 76 students enrolled in the academic programs; 10 enrolled in Core Training; two enrolled in Water Treatment Plant Operation Training, etc.

- Maintain high academic standards of ATEC Programming – The MESC program had some challenges; however they met the academic standards.
- To facilitate a Balance Lifestyle Program – Social Readiness was delivered to the MSDP, Core and WTPO trainees. Trainees learned to overcome barrier to success through guided meditations and visualizations. Trainees learned to utilize the power of their mind, the power of self-discovery, self-acceptance and self-mastery.



POST-SECONDARY EDUCATION SPONSORSHIP PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2014, \$60,000 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 per student if student has dependents
- \$50 per student if student is single

During the time of this reporting period the NCN Trust Office did not receive the statistics on how many NCN members benefited from the program.

SPECIAL EDUCATION PROGRAM

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2014, \$80,000 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 2014 year are as follows:

- On-going provision of human resources aimed to address Elementary and Highschool student individual differences and needs – Three more Educational Assistants were hired; two for elementary and one for highschool. A large number of children continue to being transferred to both schools from different locations in Manitoba.
- Four programs have been created and have been implemented successfully within the Special Education Department. They are as follows:
 - 1) Intensive reading program
 - 2) Play/inquiry learning approach for kindergarten
 - 3) Intensive math program at highschool
 - 4) Intensive math program for the primary and intermediate divisions

The program continues to retain partnerships with resources in the community and agencies such as CNIB, FNIB, and Manitoba Association for Deaf and Hard of Hearing, MFNERC, FASD Community Coordinator, Medicine Lodge, Family and Community Wellness Center, Local Nursing Station, Person Care Home, ATEC, and Burnt wood Health Care Centre. Representatives from partner organizations have visited the school and continue to be involved each month with the special needs children.



NCN ENGINEERED HOUSING ASSESSMENT AND STRATEGIC HOUSING PLAN

From annual earnings of Nisichawayasihk Trust and funds available for distribution in 2014, \$400,000 was allocated to the annual budget of the Nisichawayasihk Housing Authority (NHA) for Engineered Housing Assessment and Strategic Housing Plan.

This project was to focus on the following objectives:

- Determine, in detail, the financial requirements, construction efforts and timeline required to bring all housing in NCN up to code (engineered assessment of all homes) – A water audit was implemented on individual houses connected to the main water line to find water leaks and improve water distribution. The following assessments were completed;

TOTAL ASSESSMENTS COMPLETED		68
NHA		54
CMHC		14
TOTAL HOUSING RENOVATIONS COMPLETED		28
Major repairs were valued at \$20,000 and over.	Major Repairs	19
Minor repairs were valued at \$5,000 and under.	Minor Repairs	9

- Eliminate immediate health and safety concerns as soon as possible. – Four houses were selected for major renovations, due to immediate health and safety concerns in units. Priority was given to units flooding, mold issues and major plumbing issues. Dealing with the flooding and plumbing issues had a tremendous impact in improving the water distributions to the community. The community no longer experienced water shut downs.
- Create a strategic plan of action for the use of housing funding and renovate 20 homes based on the assessment to start.

During the time of this reporting a strategic plan was not developed and not many house assessments were completed due to shortage of NHA employees to accomplish the tasks.



COUNTRY FOODS PROGRAM

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2014, \$200,000 was allocated to the Country Foods Program to carry out its objectives as outline in their 2014 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 2059.86 pounds of wild food and served 628 community members. The program also harvested 3,220.83 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.

WILD FOOD DISTRIBUTION		WILD FOOD HARVESTING	
FISH SPECIES	1,604.24		2,356.31
UNGULATE SPECIES	333.46		535.28
BIRD/WATERFOWL SPECIES	119.08		170.24
FRUIT HARVEST (BERRIES)	3.08		159
TOTAL WILD FOOD	2,059.86		3,220.83
# OF PEOPLE OF SERVED	628		

JACK MOORE ELDERS TRADITIONAL PROGRAM



From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2014, \$200,000 was allocated to the Jack Moore Elders Traditional Program (ETP) to carry out its objectives as outline in their 2014 operational plan.

The ETP employs a Coordinator, elders' supervisor, three elders and three elder's assistants. The ETP operates during the school months, and continues to network with the Outdoor Education Program, O.K. School Elementary classes, Family and 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.

Approximately seventy-five students participated in the program, there were three scheduled classes on a weekly basis; one class from the highschool, two from elementary and the Head start Program from the Family and Community Wellness Centre.

The handicrafts made by the elders of the program are put in the display case at the Family and 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 a total amount of \$4,835 in sales from visitors as well as custom orders.



NCN RESOURCE MANAGEMENT BOARD (RMB)

From the Nisichawayasihk Trust funds available for distribution in 2014, \$75,000 was allocated the NCN Resource Management Board to achieve the RM Board's objectives as set out in its 2014 operational plan. Under the supervision of the Natural Resource Secretariat and Council portfolio holder the board manages 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 two new members, Lou Moodie and Ed Vystercil. The RMB continues to review all resource allocations, land-use applications, and license/permit applications made within the Resource Management Area.

The NCN Resource Management Board completed the following objectives the year;

- Land Use Plan – was completed and presented to Chief and Council and to the community, next step is to get the Land Use Plan endorsed by NCN Leadership and Manitoba.
- Monthly meetings were initiated to ensure implementation of Article 6 of CIA and to keep Land Use Plan initiative on track and reporting. A final report will be completed in March 2015.

- Ensured that community consultation occurred prior to issuing permits and licenses to industry and third party interest groups.
- On-going information management and geographic information system (GIS).
- Adopt-a-highway (litter control) – The Resource Management Board worked in conjunction with Manitoba Infrastructure and Transportation to clean litter on highway 391. This project was open to NCN members interested in volunteering their services in cleaning Highway 391 clean. Due to lack of interest from NCN members this project was not successful as anticipated. However, there were students from the NNOC Highschool that did clean up at the 391 junction and Sapochi area.





FISHERMAN ASSOCIATION

From the Taskinigahp Trust funds available for distribution in 2014, \$125,000 was allocated to the Nelson House Fisherman Association (NHFA) carry out its objectives as outline in their 2014 operational plan.

The NHFA is governed by a six-member board and employs a part-time manager, a seasonal grader, packer/runner and 20 licensed fisherman. 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 Manitoba 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 \$27,413.08 and received \$17,853.59 in subsidy reimbursements to the program and \$13,747 in revenue for equipment and supplies sales.

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.

Fisherman earning a minimum of \$8,400 in production may be eligible for employment insurance from Service Canada, this year five fishermen qualified for employment insurance.





TRAPPERS ASSOCIATION

From the Taskinigahp Trust funds available for distribution in 2014, \$125,000 was allocated to the Nelson House Trappers Association (NHFA) to carry out its objectives as outline in their 2014 operational plan.

The NHTA is governed by a four-member Fur Council and employs a part-time manager. 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 trapper's mobility (trucks, gas and operation) also remain the same.

The NHTA Fur Council, meets regularly and also participates in annual events such as;

- Provincial General Meeting and Convention in Ashern, Manitoba
- Fur Table display and information booth in Thompson, MB
- Fur Table auction in Thompson, Manitoba management

The Program runs throughout the year with the active trapping season in from early October until late May. The start-up program continues to be a success for trappers and youth during the initial, primary and spring seasons. The program supports trappers by providing startup funds and vouchers for equipment such as traps, snares, knives and all other necessary equipment the program maintains. One of the main barriers to the startup program is some trappers take advantage of the program by receiving start up and not going out to trap.

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

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

The Program also conducts an annual Mandatory Trapping Course which is available to both youth and adults. This year twenty new trapping certificates were issued.

In 2014, the NHTA issued \$22,353.05 in startup costs and provided a subsidy to trappers in the amount of \$14,407.87. The Trapping Program received \$9,384.60 in loan recoveries and \$6,316.50 in revenue for trap sales.





FCWC ELDERS PROGRAM

From the Taskinigahp Trust funds available for distribution in 2014, \$50,000 was allocated to the annual budget of the Family and Community Wellness Centre to operate its Elders Program and to carry out its objectives as outline in their 2014 operational plan.

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

- To provide support, promote and sustain healthy relationships with the elders. – The program implemented activities with the elders such as; elders' day and field events, monthly birthday parties, Halloween, Christmas party, sightseeing, bingos etc. This program has a participant rate of 14 to 16 elders at the Family and Community Centre on a weekly basis. Staff also goes on home visits at least 9 to 10 homes on a monthly basis.
- To provide traditional teachings that allow participations to share knowledge that they have with others. The program implemented outings with elders such as berry picking, medicine picking, harvesting etc.
- To promote healthy living to participants. – The program implemented activities such as planting vegetables, awareness workshops on nutrition and diabetes and nutrition bingo.
- To educate community members on traditional teachings aimed at promoting cultural identity while learning the norms of our ancestors. – The program implemented outings with elders such as Elders duck preparing and cooking ducks, gathering of elders for bannock and tea, sun dance ceremonies and other cultural ceremonies.

NISICHAWAYASIIHK KEWATINOOK O'NEMEWAK (SQUARE DANCERS)

From the Taskinigahp Trust funds available for distribution in 2014, \$15,000 was allocated to the annual budget of the Family and Community Wellness Centre to host a Square Dance Tournament.

During the time of this reporting period the NCN Trust Office did not receive the statistics on how many NCN members benefited from the program.



NCN PARKS AND RECREATION PROGRAM

From the Taskinigahp Trust funds available for distribution in 2014, \$535,748 was allocated to the NCN Parks and Recreation Program to carry out its objectives as outline in their 2014 operational plan.

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

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

2014 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. Parks and Recreation Program organized and coordinated the various sporting events and activities throughout the year to narrate a few they are outlined in the table on the next page.





January – March	April – October	November – December
Basketball Program	Youth World Series of Sports	Intramurals
Intramurals (Cup Stacking, Lacrosse and Dodge ball)	Recreation Hockey Tournament	Volley Ball Competitions Program
Badminton Program	Swimming Program	Open Gym Nights
Volleyball Program	Badminton Program	Speed Skating Competition
Broom Ball Program	Volleyball Program	Sponge Hockey Tournament
Skate Canada	Volleyball Tournament	Weight Training and MMA/ Self Defense Program
Free-Throw Competition	Staff Ice Fishing Derby	Christmas Events
Minor Hockey Program	Floor Hockey Program	
Swimming Program	Mother's Day Mini-Festival	
Children's Day	Boys Baseball Tournament	
Girls Day	Girls Softball Tournament	
Family Fishing Derby	Spring Sports Day	
Staff Ice Fishing Derby	Soccer Program	
Winter Festival	Father's Day Mini-Festival	
Girls Basketball Camp in Winnipeg	Terry Fox Run	

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.

The PR Program is also responsible for maintaining all the parks and ball fields in the community.



REDISCOVERIES OF FAMILIES PROGRAM

From the Nisichawayasihk Cree Nation Trust funds available for distribution in 2013, \$60,000 was allocated to the annual budget of the Family and Community Wellness Centre to operate its Rediscoveries of Families Program and to carry out its objectives as outline in their 2013 operational plan.

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

- Raise awareness of our values, beliefs and traditions as these relate to relationships in our family. Sweat lodge ceremonies were conducted every Tuesday. Approximately 70 participants registered within our office attended the Sundance Camp at Mile 35 and Guy Hill, The Pas Manitoba. The program hosted retreats as follows;
 - *Men's Retreat at Balduck Lake - approximately 30 participants attended this retreat.*
 - *Women's Retreat at Leftrook Lake - approximately 16 participants attended this retreat.*
- Provide families with the support required to identify family strengths and other issues that have had negative impact on them. The program had seven family camps at Leftrook Lake that were five days long. During those camps, the staff provided therapy and counseling to the families and facilitated sharing circles. Participants were put into working roles, where everyone contributed to the family camp, to ensure things ran smoothly. Additionally, issues impacting the community were addressed; issues such as alcohol and drug addictions, cultural

identity, loss of traditional values and beliefs, family breakdown, parenting and unhealthy relationships.

- Reconnecting with the land as a source of food, medicine and spirituality. We had seven family camps at Leftrook Lake that were five days long. During the camps, the participants learned how to set fishing nets, pick medicines, cook around fire, cut moose meat, smoke fish and meat, track animals, canoe, chop wood and set and make a sweat ceremony.





ELDERS SUBSIDY ON RESERVE PROGRAM

From the Taskinigahp Trust funds available for distribution in 2014, \$123,100 was allocated to NCN Trust Office to provide community elders with a monthly subsidy of \$100.

The subsidy is to supplement their pensions and other benefits, and to assist with thigh costs of hydro bills. A total of 119 elders were subsidized in 2014.



NCN CHRISTMAS CHEERBOARD

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

2013 was a very busy and successful year for the NCN Christmas Cheer board, with the \$40,000 received from the Nisichawayasihk Trust and donations received from various organizations. We were able to meet our objectives.

The Nelson House Christmas Cheer board provided 858 gifts for children (newborn to 12 years of age) living in the community and 460 food hampers to each household.


The Nelson House Christmas Cheer board is fortunate to have volunteers from the community, Roman Catholic Church Group whom worked long hours wrapping, organizing the Christmas gifts into age categories and preparing for delivery. Other dedicated volunteers such as RCMP members, Trust Office Staff, NCN Staff and students from the school faced the cold and slippery roads to ensure that the Christmas gifts and food hampers were delivered to all the homes. It is these volunteers that truly make the Christmas Cheer board such a special community based operation.





Nisichawayasihk Trust Financial Statements

December 31, 2013



Management's Responsibility

To the Members of Nisichawayasihk Cree Nation:

The accompanying financial statements of Nisichawayasihk Trust are the responsibility of management and have been approved by the Trustees.

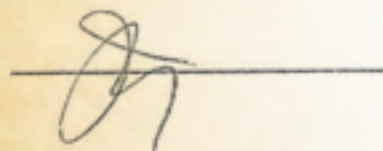
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Trustees are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Trustees fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council of Nisichawayasihk Cree Nation and the Trustees are responsible for the appointment of the Trust's external auditors.

MNP LLP is appointed by both the Chief and Council of Nisichawayasihk Cree Nation and the Trustees to audit the financial statements and report directly to the Members of Nisichawayasihk Cree Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, the Chief and Council, the Trustees and management to discuss their audit findings.

January 12, 2016



Director of
Operations



Independent Auditors' Report

To the Members of Nisichawayasihk Cree Nation:

We have audited the accompanying financial statements of Nisichawayasihk Trust, which comprise the statement of financial position as at December 31, 2014 and the statements of operations, remeasurement gains (losses), changes in accumulated surplus and net financial assets and cash flows for the year then ended, 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 Nisichawayasihk Trust as at December 31, 2014 and the results of its operations, remeasurement gains (losses), changes in accumulated surplus and net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented in the attached schedules 1 to 3 inclusive is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplemental information has been subjected only to auditing procedures applied in the audit of the basic financial statements taken as a whole.

Winnipeg, Manitoba

January 12, 2016

MNP LLP
Chartered Professional Accountants



Nisichawayasihk Trust
Statement of Financial Position
As at December 31, 2014

	2014	2013
Financial assets		
Cash	1,170,420	2,486,783
Accounts receivable	27,284	13,168
Portfolio investments	41,037,722	41,444,679
	42,235,426	43,944,630
Liabilities		
Due to Nisichawayasihk Trust Office (Note 4)	-	1,278,114
Accumulated surplus and net financial assets (Note 5)	42,235,426	42,666,516

Approved by the Trustees

 _____	Trustee	 _____	Trustee	
_____ 	Trustee	_____ 	Trustee	

Nisichawayasihk Trust
Statement of Operations
For the year ended December 31, 2014

	2014 Budget	2014	2013
Revenue			
Excursions	-	19,135	-
Interest income	2,354,931	2,356,732	2,385,280
	2,354,931	2,375,867	2,385,280
Expenses			
Transfer to Nisichawayasihk Trust Office	2,800,000	2,800,000	3,056,216
Operating deficit	(445,069)	(424,133)	(670,936)
Accumulated operating surplus, beginning of year	42,604,635	42,604,635	43,275,571
Accumulated operating surplus, end of year	42,159,566	42,180,502	42,604,635



Nisichawasihk Trust Statement of Remeasurement Gains (Losses)

For the year ended December 31, 2014

	2014 Budget	2014	2013
Accumulated remeasurement gains, beginning of year	61,881	61,881	102,533
Unrealized gains (losses) on investments	-	(6,957)	(40,652)
Accumulated remeasurement gains, end of year	61,881	54,924	61,881

Nisichawasihk Trust Statement of Changes in Accumulated Surplus and Net Financial Assets

For the year ended December 31, 2014

	2014 Budget	2014	2013
Accumulated operating surplus, beginning of year	42,604,635	42,604,635	43,275,571
Accumulated remeasurement gains, beginning of year	61,881	61,881	102,533
Accumulated surplus and net financial assets, beginning of year	42,666,516	42,666,516	43,378,104
Operating deficit	(445,069)	(424,133)	(670,936)
Unrealized gains (losses) on investments	-	(6,957)	(40,652)
Accumulated surplus and net financial assets, end of year	42,221,447	42,235,426	42,666,516

Nisichawasihk Trust Statement of Cash Flows

For the year ended December 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Cash from interest income	2,361,751	2,385,657
Cash transferred to Nisichawayasihk Trust Office	(4,078,114)	(1,778,102)
	(1,716,363)	607,555
Investing activities		
Redemption of investments	400,000	765,708
Increase (decrease) in cash resources	(1,316,363)	1,373,263
Cash resources, beginning of year	2,486,783	1,113,520
Cash resources, end of year	1,170,420	2,486,783



Nisichawayasihk Trust
Notes to the Financial Statements
For the year ended December 31, 2014

1. Operations

Nisichawayasihk 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 (the "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:

Cash and cash equivalents

Cash and cash equivalents include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

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 year in which it is 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 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 estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the period in which they become known.



Nisichawayasihk Trust
Notes to the Financial Statements
For the year ended December 31, 2014

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 Nisichawayasihk Trust Office. 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 Nisichawayasihk Trust Office 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 its 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: portfolio 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.

Portfolio investments are subsequently measured at their fair value. Portfolio investments in equity instruments that do not have quoted market prices 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 (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 (losses) is transferred to the statement of operations.



Nisichawayasihk Trust
Notes to the Financial Statements
For the year ended December 31, 2014

3. 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 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 Trustee - RBC Wealth Management, 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.

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) its 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 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 Nisichawayasihk Trust Office and at Nisichawayasihk Trust) is maintained in the claims fund. Funds in excess of \$50,000 on the last business day of any fiscal year (nil at December 31, 2014) will be transferred into the Investment and Heritage Fund.

D. Investment and Heritage Fund

The Investment and Heritage Fund 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, 2014 earned interest at 0.88%.

Nisichawayasihk Trust Notes to the Financial Statements

For the year ended December 31, 2014

4. Due to Nisichawayasihk Trust Office

	2014	2013
Due to Nisichawayasihk Trust Office	-	1,278,114

During the year, Nisichawayasihk Trust transferred \$2,800,000 (2013 - \$3,056,216) to Nisichawayasihk Trust Office to fund programs in accordance with the Community Approval Process. Amounts due to Nisichawayasihk Trust Office are unsecured and are non-interest bearing with no fixed terms of repayment. Nisichawayasihk Trust is related to Nisichawayasihk Trust Office through common control by the Chief and Council of Nisichawayasihk Cree Nation.

5. Accumulated surplus and net financial assets

	2014	2013
Accumulated surplus from operations	42,180,502	42,604,635
Accumulated remeasurement gains	54,924	61,881
	<u>42,235,426</u>	<u>42,666,516</u>

6. Fair value of financial instruments

Financial instruments recorded at fair value in Nisichawayasihk Trust consist of: portfolio investments.

Fair value hierarchy:

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 of the Trust measured at fair value and classified as Level 1 include portfolio investments. The cost base of the portfolio investments at December 31, 2014 was \$40,982,798 (December 31, 2013 - \$41,382,798).

- 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 of the Trust 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 of the Trust measured at fair value classified as Level 3.



Nisichawasihk Trust
Notes to the Financial Statements
For the year ended December 31, 2014

7. Nature and extent of risk arising from financial instruments

Market Risk:

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

Risk measurement:

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 Nisichawasihk Trust.

Objectives, policies and processes:

The Corporate Trustee is responsible for managing Nisichawasihk Trust's interest rate risk, monitoring portfolio investments and compliance with policies. Nisichawasihk Trust manages market risk by developing and implementing asset and liability management policies, which are approved and periodically reviewed by the Chief and Council of Nisichawayasihk Cree Nation and the Corporate Trustee.

Nisichawasihk Trust
Schedule 1 - Statement of Financial Position by Fund
As at December 31, 2014
(Unaudited)

	General Fund	Funds Available	Community Development Fund	Claims Fund	Investment and Heritage Fund	2014	2013
Financial assets							
Cash	1,404	-	571,434	1,974	595,608	1,170,420	2,486,783
Accounts receivable	-	-	8,149	-	19,135	27,284	13,188
Portfolio investments	1,404	-	579,583	1,974	614,743	1,197,704	2,499,951
	40,000,000	-	1,037,722	-	-	41,037,722	41,444,079
	40,001,404	-	1,617,305	1,974	614,743	42,235,426	43,944,030
Liabilities							
Due to Nisichawasihk Trust Office	-	-	-	-	-	-	1,278,114
Accumulated surplus and net financial assets	40,001,404	-	1,617,305	1,974	614,743	42,235,426	42,666,516

Nisichawasihk Trust
Schedule 2 - Statement of Operations and Changes in Accumulated Surplus and Net Financial Assets by Fund
For the year ended December 31, 2014
(Unaudited)

	General Fund	Funds Available	Community Development Fund	Claims Fund	Investment and Heritage Fund	2014	2013
Revenue							
Excursions	-	-	-	-	19,135	19,135	-
Interest income	2,301,404	-	52,362	39	2,927	2,356,732	2,385,280
	2,301,404	-	52,362	39	22,062	2,375,967	2,385,280
Expenses							
Transfers between funds	(2,300,000)	2,750,000	-	50,000	(500,000)	-	-
Transfers to Nisichawasihk Trust Office	-	(2,750,000)	-	(50,000)	-	(2,800,000)	(3,056,216)
	(2,300,000)	-	-	-	(500,000)	(2,800,000)	(3,056,216)
Operating surplus (deficit)	1,404	-	52,362	39	(477,938)	(424,133)	(670,936)
Accumulated operating surplus, beginning of year	40,000,000	-	1,510,019	1,935	1,092,681	42,604,635	43,275,571
Accumulated operating surplus, end of year	40,001,404	-	1,562,381	1,974	614,743	42,180,502	42,604,635
Accumulated remeasurement gains, beginning of year	-	-	61,881	-	-	61,881	102,533
Unrealized gains (losses) on investments	-	-	(6,957)	-	-	(6,957)	(40,652)
Accumulated remeasurement gains, end of year	-	-	54,924	-	-	54,924	61,881
Accumulated surplus and net financial assets, end of year	40,001,404	-	1,617,305	1,974	614,743	42,235,426	42,666,516



Nisichawasihk Trust

Schedule 3 - Statement of Portfolio Investments

As at December 31, 2014

(Unaudited)

	2014	2013
General Fund		
Manitoba Hydro - Electric Board Series 5A Promissory Note, 5.750%	-	40,000,000
Manitoba Hydro - Electric Board Series 5C-1 Promissory Note, due 12/31/2024, 3.723%	10,000,000	-
Manitoba Hydro - Electric Board Series 5C-2 Promissory Note, due 12/31/2029, 4.049%	10,000,000	-
Manitoba Hydro - Electric Board Series 5C-3 Promissory Note, due 12/31/2034, 4.245%	10,000,000	-
Manitoba Hydro - Electric Board Series 5C-4 Promissory Note, due 12/31/2039, 4.311%	10,000,000	-
	40,000,000	40,000,000
Community Development Fund		
Bank of Nova Scotia Senior Deposit Notes, 3.43%	-	202,244
Canadian Imperial Bank of Commerce Senior Deposit Notes, due 03/02/2015, 3.10%	100,275	101,829
GE Capital Canada Funding, due 6/8/2015, 4.24%	101,195	103,694
Bank of Montreal Fixed Rate Deposit Notes, due 08/02/2016, 2.96%	112,218	112,914
Province of Ontario Notes, 3.25%	-	101,480
Province of Ontario, due 03/08/2015, 4.50%	115,683	119,537
Province of Ontario Debenture, due 03/08/2018, 4.20%	216,934	216,244
City of Toronto Serial Debenture, 4.90%	-	102,881
Province of New Brunswick Sinking Fund Debentures, due 06/02/2020, 4.50%	169,621	164,642
Province of Quebec, due 12/01/2018, 4.50%	221,796	219,114
	1,037,722	1,444,679
	41,037,722	41,444,679

The cost of the portfolio investments at December 31, 2014 was \$40,982,798 (December 31, 2013 - \$41,382,798).



Nisichawayasihk Trust Office Financial Statements

December 31, 2014




Nisichawayasihk Trust Office

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For the year ended December 31, 2014

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Management's Responsibility

To the Members of Nisichawayasihk Cree Nation

The accompanying financial statements of Nisichawayasihk Trust Office are the responsibility of management and have been approved by Chief and Council.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions where objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the presentation of financial statements.

The Chief and Council of Nisichawayasihk Cree Nation are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfil these responsibilities by reviewing financial information prepared by management and discussing relevant matters with management and the external auditors. The Chief and Council are also responsible for recommending the appointment of the external auditors for Nisichawayasihk Trust Office.

MNP LLP is appointed by the Chief and Council to audit the financial statements and report directly to the Members of Nisichawayasihk Cree Nation, their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss the audit findings.

March 17, 2016



Director of
Operations



Independent Auditors' Report

To the Members 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, 2014, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, 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 Nisichawayasihk Trust Office as at December 31, 2014 and the results of its operations and accumulated surplus, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The corresponding figures as at December 31, 2013 and for the year then ended are unaudited.

Our audit opinion was conducted for the purposes of forming an opinion on the financial statements as a whole. The supplemental information presented in the attached Schedules 2 to 14 inclusive are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental information has been subjected only to auditing procedures applied in the audit of the basic financial statements taken as a whole.

Winnipeg, Manitoba

March 17, 2016

MNP LLP
Chartered Professional Accountants

Nisichawayasihk Trust Office Statement of Financial Position

As at December 31, 2014

	2014	2013 (Audited)
Financial assets		
Cash	2,797,972	1,561,574
Accounts and advances receivable	43,242	14,570
Short-term investments (Note 5)	100,707	100,455
Due from related entities (Note 5)	29,293	1,726,072
	2,971,216	3,502,671
Liabilities		
Accounts payable and accrued liabilities	358,527	219,053
Due to related entities (Note 7)	1,171,874	1,804,448
	1,530,398	2,023,501
Net financial assets	1,440,818	1,479,170
Non-financial assets		
Tangible capital assets (Schedule 1)	93,119	118,511
Accumulated surplus (Note 8)	1,333,937	1,539,061

Approved by Chief and Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Nisichawayasihk Trust Office Statement of Operations and Accumulated Surplus

For the year ended December 31, 2014

	2014 Budget	2014	2013 (Unaudited)
Revenue			
Nisichawayasihk Trust funding (Note 6)	2,800,000	2,800,000	3,056,216
Transfer from Taskinigahp Trust Office (Note 6)	1,493,848	1,493,848	690,670
Other revenue	-	492,501	271,921
Loan recoveries	-	32,179	44,956
Interest income	-	30,726	20,222
Equipment recoveries	-	20,064	14,482
	4,293,848	4,869,318	4,098,467
Expenses			
Implementation Agreement	735,000	726,495	436,801
Capital Projects	145,000	149,743	1,950
Economic Development	1,260,000	1,334,512	661,750
Education	40,000	40,000	140,000
Housing	-	-	200,000
Justice	475,000	475,000	420,331
Public Works	115,000	115,000	74,175
Resource and Land Use Planning	725,000	825,199	675,805
Social Development	595,748	1,009,250	682,693
Other Programs	153,100	153,200	166,199
Claims Program	50,000	45,063	43,056
Total expenditures (Note 9)	4,293,848	4,873,462	3,502,760
Annual surplus (deficit)	-	(4,144)	595,707
Accumulated surplus, beginning of year	1,538,081	1,538,081	942,374
Accumulated surplus, end of year	1,538,081	1,533,937	1,538,081

Nisichawayasihk Trust Office Statement of Change in Net Financial Assets

For the year ended December 31, 2014

	2014 Budget	2014	2013 (Unaudited)
Annual surplus (deficit)	-	(4,144)	595,707
Acquisition of tangible capital assets	-	-	(28,434)
Amortization of tangible capital assets	-	25,792	28,761
Increase in net financial assets	-	21,648	596,034
Net financial assets, beginning of year	1,419,170	1,419,170	823,136
Net financial assets, end of year	1,419,170	1,440,818	1,419,170

Nisichawayasihk Trust Office Statement of Cash Flows

For the year ended December 31, 2014

	2014	2013 <i>(Unaudited)</i>
Cash provided by (used for) the following activities		
Operating activities		
Cash provided by Nisichawayasihk Trust	4,078,113	1,778,103
Cash provided by Taskinigahp Trust Office	1,728,676	502,267
Cash provided by Nisichawayasihk Personal Care Home Inc.	200,000	-
Cash provided by other sources	516,072	334,423
Interest income	30,726	20,222
Cash used for program expenses	(5,416,937)	(3,229,625)
	1,136,650	(594,610)
Financing activities		
Cash used for short-term investments	(252)	(250)
Capital activities		
Acquisition of tangible capital assets	-	(28,434)
Increase (decrease) in cash	1,136,398	(623,294)
Cash, beginning of year	1,661,574	2,284,868
Cash, end of year	2,797,972	1,661,574



Nisichawayasihk Trust Office Notes to the Financial Statements

For the year ended December 31, 2014

1. Operations

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

These financial statements present the assets, liabilities, revenue, expenditures and surpluses of the Nisichawayasihk Trust Office only. As a result, these statements do not include all of the revenue and expenditures of the various programs it provides funding for.

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.

Cash and cash equivalents

Cash and cash equivalent includes balances with banks.

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 method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Office and other equipment	declining balance	20 %
Trailer improvements	declining balance	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

Nisichawayasihk Trust funding is recognized as it becomes receivable in accordance with the Community Approval Process. Transfers from Taskinighp 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.



Nisichawayasihk Trust Office Notes to the Financial Statements

For the year ended December 31, 2014

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 expenses during the reporting period.

Accounts and advances receivable and due from related entities 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 in the period in which they become known.

Financial Instruments

Amortized Cost:

The Trust Office has classified the following financial assets in the amortized cost category: unrestricted cash, 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.

Unrestricted cash, 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 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 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

The Trust Office receives a substantial amount of its annual funding from Nisichawayasihk 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 Nisichawayasihk Trust.



Nisichawayasihk Trust Office Notes to the Financial Statements

For the year ended December 31, 2014

4. 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 (\$2,750,000 for the year ended December 31, 2014). The funding of the Claims Fund has a first priority over other programs (funded \$50,000 for the year ended December 31, 2014).

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 Nisichawayasihk Trust. All of these amounts have been deposited in the Recreational Facilities and Programs sub-account of the Nisichawayasihk Trust.

The interest earned on the \$1,495,632 of capital is to be used to build and develop recreational facilities and to provide recreational programs to 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 Nisichawayasihk 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 Nisichawayasihk Trust and the Nisichawayasihk Trust Office) is maintained in the Claims Fund. Throughout the year it should be at a maximum balance of \$50,000. 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:

	2014	2013 (Unaudited)
Nisichawayasihk Trust	1,974	1,935
Nisichawayasihk Trust Office	7,869	2,646
	9,843	4,581

Nisichawayasihk Trust Office Notes to the Financial Statements

For the year ended December 31, 2014

5. Short-term investments

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

	2014	2013 (Unaudited)
G.I.C., renewed October 2014 and maturing January 2015, bearing interest of 0.55% per annum.	46,036	45,784
G.I.C., renewed October 2014 and maturing October 2015, bearing interest at 1.05% per annum.	54,671	54,671
	100,707	100,455

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

6. Due from related entities

	2014	2013 (Unaudited)
Nisichawayasihk Trust	-	1,278,113
Nisichawayasihk Personal Care Home Inc.	16,000	216,000
Taskinigahp Trust Office	13,295	231,959
	29,295	1,726,072

Amounts due from related parties are non-interest bearing and are unsecured with no fixed terms of repayment. The entities are related by virtue of common control by Chief and Council.

During the year, Nisichawayasihk Trust transferred \$2,800,000 (2013 - \$3,056,216) to Nisichawayasihk Trust Office to fund programs in accordance with the Community Approval Process.

During the year, Taskinigahp Trust Office transferred \$1,493,848 (2013 - \$690,670) to Nisichawayasihk Trust Office to fund programs in accordance with the Community Involvement Process.

During the year, Nisichawayasihk Trust Office transferred \$30,000 (2013 - nil) to Taskinigahp Trust Office to fund programs in accordance with the Community Approval Process.

7. Due to related entities

	2014	2013 (Unaudited)
Gilbert McDonald Arena	-	18,700
NCN Minor Hockey Committee	-	6,040
Nelson House Education Authority Inc.	220,200	180,200
Nelson House Medicine Lodge Inc.	25,000	25,000
Nisichawayasihk Cree Nation	540,171	1,149,170
Nisichawayasihk Cree Nation Housing Authority	378,000	378,000
Nisichawayasihk Cree Nation Human Resource Development Authority	-	98,838
Wuskwatim Implementation Office	8,500	8,500
	1,171,871	1,864,448

Amounts due from related parties are non-interest bearing and are unsecured with no fixed terms of repayment. The entities are related by virtue of common control by Chief and Council.

During the year, Nisichawayasihk Trust Office transferred \$1,970,000 (2013 - \$1,199,631) to related entities to fund programs in accordance with the Community Approval Process.

Nisichawayasihk Trust Office Notes to the Financial Statements

For the year ended December 31, 2014

8. Accumulated surplus

Accumulated surplus is comprised of the following:

	2014	2013 <i>(Unaudited)</i>
Accumulated surplus from operations	1,440,818	1,419,170
Equity in tangible capital assets	93,119	118,911
	1,533,937	1,538,081

9. Expenditures by object

	2014	2013 <i>(Unaudited)</i>
Transfers to related entities	1,970,000	1,199,631
Salaries, wages and benefits	745,761	698,268
Recreational programming and events	550,162	224,478
Purchases of non-capital goods, supplies and services	132,411	224,133
Subsidies and start-up loans to community members	233,783	200,624
Travel	219,700	145,307
Honoraria	132,880	134,125
Repairs and maintenance	150,481	130,534
Miscellaneous	242,014	110,564
Utilities, telephone and internet	96,869	92,400
Investment care and management fees	57,670	58,487
Advertising, promotion, donations and memberships	42,227	54,554
Professional, consulting, and support fees	143,478	40,675
Christmas hampers and gifts	-	40,052
Casual labour	62,113	38,677
Compensation for claims	30,436	29,226
Amortization	25,792	28,761
Meetings, training and education	30,894	27,581
Insurance	-	16,735
Interest and bank charges	6,791	7,948
	4,873,462	3,502,760

10. Comparative figures

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

Nisichawayasihk Trust Office
Schedule 1 - Tangible Capital Assets
For the year ended December 31, 2014

	Office and other equipment	Trailer improvements	Vehicles	2014	2013
(Unaudited)					
Cost					
Balance, beginning of year	228,019	30,509	282,368	540,896	512,462
Acquisition of tangible capital assets	-	-	-	-	28,434
Balance, end of year	228,019	30,509	282,368	540,896	540,896
Accumulated amortization					
Balance, beginning of year	180,844	10,649	230,492	421,985	393,224
Annual amortization	9,435	794	15,563	25,792	28,761
Balance, end of year	190,279	11,443	246,055	447,777	421,985
Net book value of tangible capital assets	37,740	19,066	36,313	93,119	118,911
2013 Net book value of tangible capital assets	47,175	19,860	51,876	118,911	



Nisichawayasihk Trust Office

Schedule 2 - Statement of Financial Position by Fund

As At December 31, 2014
(unaudited)

	Community Development Fund	Claims Fund	Investment and Heritage Fund	2014	2013
Financial assets					
Cash	2,766,071	31,901	-	2,797,972	1,661,574
Accounts and advances receivable	43,242	-	-	43,242	14,570
Short-term investments	100,707	-	-	100,707	100,455
Due between funds	24,032	(24,032)	-	-	-
Due from related entities	29,295	-	-	29,295	1,726,072
	2,963,347	7,869	-	2,971,216	3,502,671
Liabilities					
Accounts payable and accrued liabilities	358,527	-	-	358,527	225,093
Due to related entities	1,171,871	-	-	1,171,871	1,858,408
	1,530,398	-	-	1,530,398	2,083,501
Net financial assets	1,432,949	7,869	-	1,440,818	1,419,170
Non-financial assets					
Tangible capital assets	93,119	-	-	93,119	118,911
Accumulated surplus	1,526,068	7,869	-	1,533,937	1,538,081

Nisichawayasihk Trust Office

Schedule 3 - Statement of Operations and Accumulated Surplus by Fund

*For the year ended December 31, 2014
(unaudited)*

	Schedule	2014 Budget	Community Development Fund	Claims Fund	Investment and Heritage Fund	2014	2013
Revenue							
Nisichawayasihk Trust funding		2,800,000	2,750,000	50,000	-	2,800,000	3,056,216
Transfers from Taskinigahp Trust Office		1,493,848	1,493,848	-	-	1,493,848	690,670
Other revenue		-	492,501	-	-	492,501	271,921
Loan recoveries		-	32,179	-	-	32,179	44,956
Interest income		-	30,440	286	-	30,726	20,222
Equipment recoveries		-	20,064	-	-	20,064	14,482
		4,293,848	4,819,032	50,286	-	4,869,318	4,098,467
Expenses by program							
Implementation Agreement	4	735,000	726,495	-	-	726,495	436,801
Capital Projects	5	145,000	149,743	-	-	149,743	1,950
Economic Development	6	1,260,000	1,334,512	-	-	1,334,512	661,750
Education	7	40,000	40,000	-	-	40,000	140,000
Housing	8	-	-	-	-	-	200,000
Justice	9	475,000	475,000	-	-	475,000	420,331
Public Works	10	115,000	115,000	-	-	115,000	74,175
Resource and Land Use Planning	11	725,000	825,199	-	-	825,199	675,805
Social Development	12	595,748	1,009,250	-	-	1,009,250	682,693
Other Programs	13	153,100	153,200	-	-	153,200	166,199
Claims Program	14	50,000	-	45,063	-	45,063	43,056
		4,293,848	4,828,399	45,063	-	4,873,462	3,502,760
Annual surplus (deficit)		-	(9,367)	5,223	-	(4,144)	595,707
Accumulated surplus, beginning of year		1,538,081	1,535,435	2,646	-	1,538,081	942,374
Accumulated surplus, end of year		1,538,081	1,526,068	7,869	-	1,533,937	1,538,081



Nisichawayasihk Trust Office
Implementation Agreement
Schedule 4 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	<i>2014 Budget</i>	<i>2014 (Unaudited)</i>	<i>2013 (Unaudited)</i>
Revenue			
Nisichawayasihk Trust funding	705,000	705,000	618,229
Transfer from Taskinigahp Trust Office	30,000	30,000	30,000
Interest income	-	27,565	17,383
Other revenue	-	100	-
	735,000	762,665	665,612
Expenses			
Administration/Trust amalgamation	450,000	466,040	400,285
Arena O&M	55,000	55,000	55,000
Community approval process	85,000	100,991	69,281
Corporate trustee fees	70,000	59,290	59,987
Nelson House trustees	25,000	14,400	17,841
Personal Care Home	-	-	(200,000)
Professional services	50,000	30,774	34,407
	735,000	726,495	436,801
Annual surplus before transfers between programs	-	36,170	228,811
Transfers between programs			
Transfer from Economic Development	-	-	99,000
Annual surplus (deficit)	-	36,170	327,811

Nisichawayasihk Trust Office
Capital Projects
Schedule 5 - Schedule of Revenue and Expenses
For the year ended December 31, 2014

	<i>2014 Budget</i>	<i>2014 (Unaudited)</i>	<i>2013 (Unaudited)</i>
Revenue			
Nisichawayasihk Trust funding	145,000	145,000	10,000
Expenses			
Arena renewal project	40,000	40,000	-
Emergency equipment garage & storage yard	75,000	75,000	-
Skate board park	30,000	30,000	-
United Church renovations	-	4,743	1,950
	145,000	149,743	1,950
Annual surplus (deficit)	-	(4,743)	8,050

Nisichawayasihk Trust Office
Economic Development
Schedule 6 - Schedule of Revenue and Expenses
For the year ended December 31, 2014

	2014 <i>Budget</i>	2014 <i>(Unaudited)</i>	2013 <i>(Unaudited)</i>
Revenue			
Nisichawayasihk Trust funding	1,240,000	1,240,000	707,500
Other revenue	-	191,399	41,902
Transfer from Taskinigahp Trust Office	20,000	20,000	-
	1,260,000	1,451,399	749,402
Expenses			
Community development plan	20,000	-	-
Human resource officer	55,000	55,000	6,800
Human resource specialist	-	-	22,500
NCN Achimowin radio station	100,000	194,512	149,450
Off reserve assistance	20,000	20,000	20,000
Otohowin Gas Bar station II	-	-	(99,000)
Summer student employment	65,000	65,000	62,000
Wuskwatim equity	1,000,000	1,000,000	500,000
	1,260,000	1,334,512	661,750
Annual surplus before transfers between programs	-	116,887	87,652
Transfers between programs			
Transfer to Implementation Agreement	-	-	(99,000)
Annual surplus (deficit)	-	116,887	(11,348)

Nisichawayasihk Trust Office
Education
Schedule 7 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	2014 <i>Budget</i>	2014 <i>(Unaudited)</i>	2013 <i>(Unaudited)</i>
Revenue			
Nisichawayasihk Trust funding	40,000	40,000	140,000
Expenses			
Nutrition (breakfast/lunch) program	40,000	40,000	30,000
Post-secondary funding	-	-	60,000
Special education	-	-	50,000
	40,000	40,000	140,000
Annual surplus (deficit)	-	-	-



Nisichawayasihk Trust Office
Housing
Schedule 8 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	2014 Budget	2014 (Unaudited)	2013 (Unaudited)
Revenue			
Interest income	-	250	231
Nisichawayasihk Trust funding	-	-	200,000
	-	250	200,231
Expenses			
Housing equity fund	-	-	200,000
Annual surplus (deficit)	-	250	231

Nisichawayasihk Trust Office
Justice
Schedule 9 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	2014 Budget	2014 (Unaudited)	2013 (Unaudited)
Revenue			
Nisichawayasihk Trust funding	475,000	475,000	420,331
Expenses			
Fire & emergency services	275,000	275,000	355,431
NCN Cree court	75,000	75,000	-
NCN judicial system	125,000	125,000	64,900
	475,000	475,000	420,331
Annual surplus (deficit)	-	-	-

Nisichawayasihk Trust Office
Public Works
Schedule 10 - Schedule of Revenue and Expenses
For the year ended December 31, 2014

	2014 <i>Budget</i>	2014 <i>(Unaudited)</i>	2013 <i>(Unaudited)</i>
Revenue			
Nisichawayasihk Trust funding	115,000	115,000	82,000
Expenses			
Animal control	40,000	40,000	-
Community clean up	10,000	10,000	10,000
Construction of sewer boxes	17,000	17,000	-
Grave yard maintenance	-	-	10,000
New roof and siding of St. Patrick Church	-	-	2,175
Steel garbage bins	26,000	26,000	24,000
Tractor equipment	-	-	28,000
Water and sewer cameras	22,000	22,000	-
	115,000	115,000	74,175
Annual surplus (deficit)	-	-	7,825

Nisichawayasihk Trust Office
Resource and Land Use Planning
Schedule 11 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	2014 <i>Budget</i>	2014 <i>(Unaudited)</i>	2013 <i>(Unaudited)</i>
Revenue			
Transfer from Taskinigahp Trust Office	725,000	725,000	660,670
Other revenue	-	140,255	63,220
Loan recoveries	-	32,179	44,956
Equipment sales	-	20,064	14,482
	725,000	917,498	783,328
Expenses			
Country foods	200,000	198,058	185,035
Fisherman Association	125,000	149,149	152,771
Jack Moore elders traditional	200,000	208,946	172,920
NCN resource management	75,000	154,729	61,476
Trappers	125,000	114,317	103,603
	725,000	825,199	675,805
Annual surplus (deficit)	-	92,299	107,523



Nisichawayasihk Trust Office
Social Development
Schedule 12 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	2014 <i>Budget</i>	2014 <i>(Unaudited)</i>	2013 <i>(Unaudited)</i>
Revenue			
Transfer from Taskinigahp Trust Office	595,748	595,748	-
Other revenue	-	160,747	166,247
Interest income	-	2,625	2,287
Nisichawayasihk Trust funding	-	-	652,309
	595,748	759,120	820,843
Expenses			
Baseball field upgrade	-	-	508
FCWC elders	-	-	30,000
NCN Minor Hockey Association	-	3,522	7,581
North American Indigenous Games	-	16,377	875
Parks and recreation	535,748	918,499	459,626
Promoting wellness and community spirit	-	-	72,309
Rediscovery of families project	-	-	60,000
Youth resource centre	60,000	70,852	51,794
	595,748	1,009,250	682,693
Annual surplus (deficit)	-	(250,130)	138,150

Nisichawayasihk Trust Office
Other Programs
Schedule 13 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	2014 <i>Budget</i>	2014 <i>(Unaudited)</i>	2013 <i>(Unaudited)</i>
Revenue			
Transfer from Taskinigahp Trust Office	123,100	123,100	-
Nisichawayasihk Trust funding	30,000	30,000	175,847
Other revenue	-	-	552
	153,100	153,100	176,399
Expenses			
Christmas cheerboard	-	-	40,052
Elders subsidy (off reserve)	30,000	30,000	2,047
Elders subsidy (on reserve)	123,100	123,200	124,100
	153,100	153,200	166,199
Annual surplus (deficit)	-	(100)	10,200

Nisichawayasihk Trust Office
Claims Program
Schedule 14 - Statement of Revenue and Expenses
For the year ended December 31, 2014

	2014 Budget	2014 (Unaudited)	2013 (Unaudited)
Revenue			
Nisichawayasihk Trust funding	50,000	50,000	50,000
Interest income	-	286	321
	50,000	50,286	50,321
Expenses			
Claims	50,000	45,063	43,056
Annual surplus (deficit)	-	5,223	7,265





Taskinigahp Trust Financial Statements

December 31, 2014



Management's Responsibility

To the Members of Nisichawayasihk Cree Nation:

The accompanying financial statements of Taskingahp Trust are the responsibility of management and have been approved by the Trustees.

Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Trustees are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Trustees fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council of Nisichawayasihk Cree Nation and the Trustees are responsible for the appointment of the Trust's external auditors.

MNP LLP is appointed by the Chief and Council of Nisichawayasihk Cree Nation to audit the financial statements and report directly to the Members of Nisichawayasihk Cree Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, the Chief and Council, the Trustees and management to discuss their audit findings.

January 12, 2016

Director of
Operations



Independent Auditors' Report

To the Members of Nisichawayasihk Cree Nation:

We have audited the accompanying financial statements of Taskinigahp Trust, which comprise the statement of financial position as at December 31, 2014 and the statements of operations, remeasurement gains (losses), changes in accumulated surplus and net financial assets and cash flows for the year then ended 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 as at December 31, 2014 and the results of its operations, remeasurement gains (losses), changes in accumulated surplus and net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information presented in the attached schedules 1 to 3 inclusive is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplemental information has been subjected only to auditing procedures applied in the audit of the basic financial statements taken as a whole.

Winnipeg, Manitoba

January 12, 2016

MNP LLP

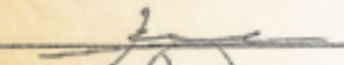
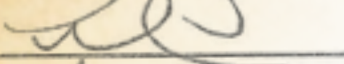
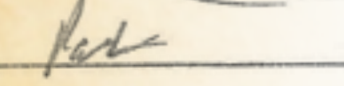
Chartered Professional Accountants



Taskinigahp Trust
Statement of Financial Position
As at December 31, 2014

	2014	2013
Financial assets		
Cash	99,652	55,102
Accounts receivable (Note 4)	1,713,201	476,128
Portfolio investments	3,724,435	4,417,934
	5,537,288	4,949,164
Liabilities		
Accounts payable and accrued liabilities	10,650	8,970
Due to Taskinigahp Trust Office (Note 5)	773,227	537,677
	783,877	546,647
Accumulated surplus and net financial assets (Note 6)	4,753,411	4,402,517

Approved by the Trustees

Trustee
Trustee
Trustee

Trustee
Trustee



Taskinigahp Trust Statement of Operations

For the year ended December 31, 2014

	2014 <i>Budget</i>	2014	2013
Revenue			
Annuity income	-	2,500,132	-
Dividend loan proceeds transferred from Nisichawayasihk Cree Nation	1,512,153	308,025	-
Interest income	118,868	118,868	120,766
Realized gains	197	197	8,593
Transmission benefits	352,032	352,032	310,019
Water power rental income	1,497,991	1,497,991	1,641,054
	3,481,241	4,777,245	2,080,432
Expenses			
Transfer to Taskinigahp Trust Office	4,400,000	4,400,000	1,635,889
Operating surplus (deficit)	(918,759)	377,245	444,543
Accumulated operating surplus, beginning of year	4,297,887	4,297,887	3,853,344
Accumulated operating surplus, end of year	3,379,128	4,675,132	4,297,887

Taskinigahp Trust Statement of Remeasurement Gains (Losses)

For the year ended December 31, 2014

	2014 <i>Budget</i>	2014	2013
Accumulated remeasurement gains, beginning of year	104,630	104,630	166,081
Unrealized gains (losses) on investments	-	(26,351)	(61,451)
Accumulated remeasurement gains, end of year	104,630	78,279	104,630



Taskinigahp Trust
Statement of Changes in Accumulated Surplus and Net Financial Assets

For the year ended December 31, 2014

	<i>2014</i> <i>Budget</i>	<i>2014</i>	<i>2013</i>
Accumulated operating surplus, beginning of year	4,297,887	4,297,887	3,853,344
Accumulated remeasurement gains, beginning of year	104,630	104,630	166,081
Accumulated surplus and net financial assets, beginning of year	4,402,517	4,402,517	4,019,425
Operating surplus (deficit)	(918,759)	377,245	444,543
Unrealized gains (losses) on investments	-	(26,351)	(61,451)
Accumulated surplus and net financial assets, end of year	3,483,758	4,753,411	4,402,517

Taskinigahp Trust
Statement of Cash Flows

For the year ended December 31, 2014

	<i>2014</i>	<i>2013</i>
Cash provided by (used for) the following activities		
Operating activities		
Cash from annuity income	1,204,128	-
Cash from dividend income	308,025	-
Cash from interest income	118,825	122,436
Cash from transmission benefits	352,032	310,019
Cash from water power rental income	1,556,965	1,684,927
Cash transfer to Taskinigahp Trust Office	(4,162,770)	(1,181,002)
	(622,795)	936,380
Investing activities		
Purchases of investments	(9,119,911)	(8,608,069)
Redemption of investments	9,787,256	7,634,656
	667,345	(973,413)
Increase (decrease) in cash resources	44,550	(37,033)
Cash resources, beginning of year	55,102	92,135
Cash resources, end of year	99,652	55,102



Taskinigahp Trust Notes to the Financial Statements

For the year ended December 31, 2014

1. Operations

The Taskinigahp Trust (the "Trust") was created on June 26, 2006.

Nisichawayasihk Cree Nation (via a wholly owned subsidiary corporation, 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 Wuskwatim Power Limited Partnership. The purpose of the 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), all dividends declared by Taskinigahp Power Corporation and annuity payments. 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 (\$1,500,000 in 2006 and \$4,200,000 in 2008) were paid to Taskinigahp Trust.

2. Significant accounting policies

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

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

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. Realized gains (losses) are recognized as investments mature or are sold. Annuity income, dividend income, transmission benefits and water power rental income are recognized as they become receivable under the terms of the applicable agreements within the Wuskwatim Project Development Agreement.

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 estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the period in which they become known.



Taskinigahp Trust
Notes to the Financial Statements
For the year ended December 31, 2014

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 liabilities in the amortized cost category: accounts payable and accrued liabilities and due to Taskinigahp Trust Office. 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 date.

Accounts payable and accrued liabilities and due to Taskinigahp Trust Office 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 its 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: portfolio investments. These assets 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 date.

Portfolio investments are subsequently measured at their fair value. Investments in equity instruments that do not have quoted market prices 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.



Taskinigahp Trust Notes to the Financial Statements

For the year ended December 31, 2014

3. 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 the 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;
- ii) 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 (\$402,608 of restricted capital existed at December 31, 2014).

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



Taskinigahp Trust
Notes to the Financial Statements
For the year ended December 31, 2014

3. 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.

4. Accounts receivable

	2014	2013
Accrued interest	18,817	18,774
Manitoba Hydro	1,296,004	-
Province of Manitoba	398,380	457,354
	<u>1,713,201</u>	<u>476,128</u>

5. Due to Taskinigahp Trust Office

During the year, Taskinigahp Trust transferred \$4,400,000 (2013 - \$1,635,889) to Taskinigahp Trust Office to fund programs in accordance with the Community Involvement Process. Amounts due to Taskinigahp Trust Office are unsecured, non-interest bearing and have no fixed terms of repayment. Taskinigahp Trust is related to Taskinigahp Trust Office by virtue of common control by the Chief and Council of Nisichawayasihk Cree Nation.

6. Accumulated surplus and net financial assets

	2014	2013
Accumulated operating surplus	4,675,132	4,297,887
Accumulated remeasurement gains	78,279	104,630
	<u>4,753,411</u>	<u>4,402,517</u>



Taskinigahp Trust

Notes to the Financial Statements

For the year ended December 31, 2014

7. Fair value of financial instruments

Financial instruments recorded at fair value in Taskinigahp Trust consist of: portfolio 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 of the Trust measured at fair value and classified as Level 1 include portfolio investments. The cost base of the portfolio investments at December 31, 2014 was \$3,646,156 (December 31, 2013 - \$4,313,304).

- 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 of the Trust 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 of the Trust measured at fair value classified as Level 3.

8. Nature and extent of risk arising from financial instruments

Market Risk:

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

Risk measurement:

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 to the Trustees of Taskinigahp Trust.

Objectives, policies and processes:

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

9. Subsequent event

In April 2015, Nisichawayasihk Cree Nation entered into a Second Supplemental Agreement with Manitoba Hydro that increased the total 2014 cash flow to Nisichawayasihk Cree Nation (which includes interest earned by Nisichawayasihk Trust on Manitoba Hydro bonds and water power rental income, dividend credit advances and annuity payments earned by the Taskinigahp Trust) from \$6 million to \$10 million. Shortly thereafter, as per the Agreement, Manitoba Hydro paid Nisichawayasihk Cree Nation \$3,742,730 in a dividend loan advance to top up the total 2014 cash flow to \$10 million and \$2.5 million for the entire 2015 annuity payment which were both assigned to Taskinigahp Trust.

Taskinigahp Trust
Schedule 1 - Statement of Financial Position by Fund
As at December 31, 2014
(Unaudited)

	Community Development Account	Resource Account General	Resource Account Savings	Claims Account	Seven Generations Account	Seven Generations Growth Account	2014	2013
Financial assets								
Cash	29,144	363	18,608	23,105	-	28,432	99,652	55,102
Accounts receivable	1,540,705	-	2,640	-	-	169,856	1,713,201	476,128
	1,569,849	363	21,248	23,105	-	198,288	1,812,853	531,230
Portfolio investments	2,906,570	-	398,722	-	-	419,143	3,724,435	4,417,934
	4,476,419	363	419,970	23,105	-	617,431	5,537,288	4,949,164
Liabilities								
Accounts payable	10,650	-	-	-	-	-	10,650	8,970
Due to Taskinigahp Trust Office	768,227	-	-	5,000	-	-	773,227	537,677
Due between funds	12,233	363	(15,692)	3,096	-	-	-	-
	791,110	363	(15,692)	8,096	-	-	783,877	546,647
Accumulated surplus and net financial assets	3,685,309	-	435,662	15,009	-	617,431	4,753,411	4,402,517



Taskinigahp Trust **Schedule 2 - Statement of Operations and Changes in Accumulated Surplus and Net Financial Assets by Fund**

For the year ended December 31, 2014
(Unaudited)

	Community Development Account	Resource Account General	Resource Account Savings	Claims Account	Seven Generations Account	Seven Generations Growth Account	2014	2013
Revenue								
Annuity income	2,250,119	-	-	-	250,013	-	2,500,132	-
Dividend income	308,026	-	-	-	-	-	308,026	-
Interest income	106,449	779	8,830	120	2,690	120,766	118,868	120,766
Realized gains	-	-	197	-	-	197	197	8,593
Transmission revenue	-	264,024	88,008	-	-	-	352,032	310,019
Water power rental income	1,348,192	-	-	-	149,799	1,641,054	1,497,991	1,641,054
	4,012,785	264,803	97,035	120	402,502	2,080,432	4,777,245	2,080,432
Expenses								
Transfer between funds	(26,531)	(378)	-	26,009	-	-	-	-
Transfer to Taskinigahp Trust Office	(4,120,575)	(264,425)	-	(15,000)	-	-	(4,400,000)	(1,635,889)
	(4,146,206)	(264,803)	-	11,009	-	-	(4,400,000)	(1,635,889)
Annual surplus (deficit) from operations	(133,421)	-	97,035	11,129	402,502	444,543	377,245	444,543
Accumulated surplus from operations, beginning of year	3,746,524	-	332,554	3,880	214,929	3,853,344	4,297,887	3,853,344
Accumulated surplus from operations, end of year	3,613,103	-	429,589	15,009	617,431	4,287,887	4,675,132	4,287,887
Accumulated remeasurement gains (losses), beginning of year	105,285	-	(635)	-	-	166,081	104,630	166,081
Unrealized gains (losses) on investments	(33,059)	-	6,708	-	-	(61,451)	(26,351)	(61,451)
Accumulated remeasurement gains, end of year	72,226	-	6,073	-	-	104,630	78,279	104,630
Accumulated surplus and net financial assets, end of year	3,685,309	-	435,662	15,009	617,431	4,763,411	4,763,411	4,402,517



Taskinigahp Trust

Schedule 3 - Statement of Portfolio Investments

As at December 31, 2014

(Unaudited)

	2014	2013
Community Development Account		
Treasury Bills:		
Canada Treasury Bill, 0.9%	-	1,097,800
Canada Treasury Bill, 0.9%	-	84,853
Canada Treasury Bill, 0.9% due 12/02/2015	283,421	-
	283,421	1,182,653
Provincial bonds:		
Province of Quebec, 4.5% due 1/12/2018	647,747	661,655
Corporate bonds:		
American Express Canada, 2.31% due 29/03/2018	298,260	290,864
Bank of Nova Scotia Deposit Note, 3.35%	-	508,710
Canadian Natural Resources, 2.60% due 03/12/2019	498,605	-
CIBC Deposit Note, 3.95% due 14/07/2017	600,432	603,123
Wells Fargo Financial Canada, 4.38% due 30/06/2015	578,105	593,456
	1,975,402	1,996,153
	2,906,570	3,840,461
Resource Account - General		
Treasury Bills:		
Canada Treasury Bill, 0.9%	-	106,786
Resource Account - Savings		
Treasury Bills:		
Canada Treasury Bill, 0.9%	-	83,820
Canada Treasury Bill, 0.9% due 12/02/2015	189,612	-
	189,612	83,820
Corporate bonds:		
American Express Canada, 2.31% due 29/03/2018	7,077	6,902
Bank of Nova Scotia Deposit Note, 3.35%	-	20,348
CIBC Deposit Note, 3.95% due 14/07/2017	8,427	8,465
HSBC Bank Canada, 2.938% due 14/01/2020	103,034	98,914
Hydro One Inc. Series 25, 3.2% due 13/01/2022	63,188	59,242
Royal Bank SNR Deposit Note, 4.71%	-	7,223
Wells Fargo Financial Canada, 4.38% due 30/06/2015	27,384	28,111
	209,110	229,205
	398,722	313,025
Seven Generations Growth		
Treasury Bills:		
Canada Treasury Bill, 0.9%	-	157,662
Canada Treasury Bill, 0.9% due 12/02/2015	419,143	-
	419,143	157,662
	3,724,435	4,417,934

The cost of the investments as December 31, 2014 was \$3,646,156 (2013 - \$4,313,304).



Taskinigahp Trust Office Financial Statements

December 31, 2014



Taskinigahp Trust Office Contents

For the year ended December 31, 2014

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Management's Responsibility

To the Members of Nisichawayasihk Cree Nation:

The accompanying financial statements of Taskinigahp Trust Office are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Chief and Council of Nisichawayasihk Cree Nation are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Chief and Council are also responsible for recommending the appointment of the external auditors for Taskinigahp Trust Office.

M&P LLP is appointed by the Chief and Council to audit the financial statements and report directly to the Members of Nisichawayasihk Cree Nation, their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

March 17, 2015

Director of
Operations



Independent Auditors' Report

To the Members 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, 2014, and the statements of operations and changes in accumulated surplus and net financial assets and cash flows for the year then ended, 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, 2014 and the results of its operations and changes in accumulated surplus and net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The corresponding figures as at December 31, 2013 and for the year then ended are unaudited.

Our audit opinion was conducted for the purposes of forming an opinion on the financial statements as a whole. The supplemental information presented in the attached Schedules 1 and 2 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental information has been subjected only to auditing procedures applied in the audit of the basic financial statements taken as a whole.

Winnipeg, Manitoba

March 17, 2016

MNP LLP

Chartered Professional Accountants

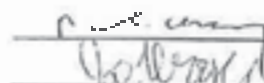
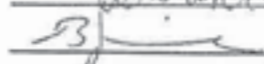



Taskinigahp Trust Office
Statement of Financial Position

As at December 31, 2014

	2014	2013 (Unaudited)
Financial assets		
Cash	1,095,313	281,823
Due from related entities (Note 5)	773,227	537,677
	1,868,540	799,500
Liabilities		
Accounts payable and accrued liabilities	115,196	18,759
Due to related entities (Note 5)	1,374,503	459,400
	1,489,699	478,159
Accumulated surplus and net financial assets	378,841	321,341

Approved by Chief and Council

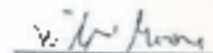
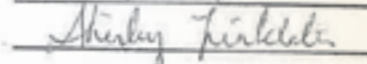
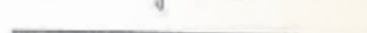




Chief

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor



Taskinigahp Trust Office
Statement of Operations and Changes in Accumulated Surplus and Net Financial Assets
For the year ended December 31, 2014

	<i>2014 Budget</i>	<i>2014</i>	<i>2013 (Unaudited)</i>
Revenue			
Taskinigahp Trust Funding	4,400,000	4,400,000	1,635,889
Transfers from Nisichawayasihk Trust Office	-	30,000	-
Interest and other revenue	-	11,996	3,214
	4,400,000	4,441,996	1,639,103
Expenditures			
Administration	6,000	2,396	3,540
Claims program	15,000	24,733	13,459
Audit fees	16,000	19,101	15,600
Corporate trustees	38,545	22,274	23,944
Community Involvement Process	30,000	30,000	30,000
Professional services	40,000	9,650	11,001
Nelson House trustees	22,400	25,805	22,382
Community development plan	20,000	20,000	-
Wuskwatim Implementation Office	753,207	753,207	-
Capital Projects	-	-	200,000
Economic development - Wuskwatim equity	1,000,000	1,000,000	-
Housing - NCN Housing	400,000	400,000	-
Education	440,000	440,000	399,090
Resource & Land	725,000	725,000	660,670
Social development	720,748	720,748	67,691
Elders subsidy	123,100	146,100	7,100
Christmas Cheerboard	50,000	45,482	-
	4,400,000	4,384,496	1,454,477
Annual surplus	-	57,500	184,626
Accumulated surplus and net financial assets, beginning of year	321,341	321,341	136,715
Accumulated surplus and net financial assets, end of year	321,341	378,841	321,341



Taskinigahp Trust Office Statement of Cash Flows

For the year ended December 31, 2014

	2014	2013 (Unaudited)
Cash provided by (used for) the following activities		
Operating activities		
Cash received from funding sources	4,194,450	1,182,022
Cash paid for program expenses	(3,372,962)	(1,032,249)
Interest received	11,996	3,213
	833,484	152,986
Increase in cash resources	833,484	152,986
Cash resources, beginning of year	261,829	108,843
Cash resources, end of year	1,095,313	261,829



Taskinigahp Trust Office

Notes to the Financial Statements

For the year ended December 31, 2014

1. Operations

The Taskinigahp Trust Office (the "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 Taskinigahp Trust funding. As a result, these financial 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:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

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. Transfers from Nisichawayasihk Trust Office are recognized when they become available in accordance with the Community Approval 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 expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the period in which they become known.

Financial Instruments

Amortized Cost:

The Trust Office has classified the following financial assets in the amortized cost category: cash 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 and due from related entities 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 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 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.



Taskinigahp Trust Office

Notes to the Financial Statements

For the year ended December 31, 2014

3. Economic dependence

The 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 its operations is dependent upon the continued financial commitments of the Taskinigahp Trust.

4. 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 (\$3,660,000 for the year ended December 31, 2014).

The funding of the Claims Fund has a first priority over other programs (funded \$15,000 for the year ended December 31, 2014).

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 (\$725,000 for the year ended December 31, 2014).

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 Taskinigahp Trust Office and at 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 Taskinigahp Trust.

Funds at December 31 consisted of the following:

	2014	2013 (Unaudited)
Taskinigahp Trust	15,009	3,880
Taskinigahp Trust Office	21,733	31,163
	36,742	35,043



Taskinigahp Trust Office

Notes to the Financial Statements

For the year ended December 31, 2014

5. Due from (to) related entities

	2014	2013 (Unaudited)
Due from related entities		
Taskinigahp Trust	773,227	537,677
Due to related entities		
Atoskiwin Training and Employment Centre	-	(135,691)
Gilbert McDonald Arena	-	(23,756)
Nelson House Education Authority Inc.	(208,000)	(68,000)
Nisichawayasihk Cree Nation Housing Authority	(400,000)	-
Nisichawayasihk Trust Office	(13,296)	(231,959)
Wuskwatim Implementation Office	(753,207)	-
	(1,374,503)	(459,406)

Amounts due from (to) related parties are non-interest bearing and are unsecured with no fixed terms of repayment. The entities are related by virtue of common control by Chief and Council.

During the year, the Taskinigahp Trust transferred \$4,400,000 (2013 - \$1,635,889) to Taskinigahp Trust Office to fund programs in accordance with the Community Involvement Process.

During the year, the Nisichawayasihk Trust Office transferred \$30,000 (2013 - nil) to Taskinigahp Trust Office to fund programs in accordance with the Community Approval Process.

During the year, the Taskinigahp Trust Office transferred \$4,087,055 (2013 - \$1,357,451) to assist in partially funding the programs of the following entities:

Atoskiwin Training and Employment Centre - \$300,000 (2013 - \$399,090)
 Gilbert McDonald Arena - nil (2013 - \$67,691)
 Nelson House Education Authority Inc. - \$140,000 (2013 - \$200,000)
 Nisichawayasihk Cree Nation - \$1,000,000 (2013 - nil)
 Nisichawayasihk Cree Nation Housing Authority - \$400,000 (2013 - nil)
 Nisichawayasihk Trust Office - \$1,493,848 (2013 - \$690,670)
 Wuskwatim Implementation Office - \$753,207 (2013 - nil)

6. Expenses by object

	2014	2013 (Unaudited)
Administration	405	4
Bank charges and interest	543	774
Christmas hampers and gifts	45,482	-
Compensation for claims	10,529	-
Investment management fees	22,274	23,944
NCN Trustee expenses	25,805	22,382
Off-reserve assistance	23,000	7,100
Professional fees	28,751	26,600
Salaries, wages and benefits	14,200	13,456
Transfers to related entities	4,087,055	1,357,451
Transfers to Nisichawayasihk Cree Nation Family and Community Wellness Centre Inc.	125,000	-
Travel	1,452	2,766
	4,384,496	1,454,477



Taskinigahp Trust Office

Schedule 1 -Statement of Financial Position by Fund

As At December 31, 2014

(Unaudited)

	Community Development Fund	Claims Fund	Resource Fund	2014	2013
Financial assets					
Cash	1,068,317	15,664	11,332	1,095,313	261,829
Due from related parties	728,227	5,000	40,000	773,227	537,677
	1,796,544	20,664	51,332	1,868,540	799,506
Liabilities					
Accounts payable and accrued liabilities	115,196	-	-	115,196	18,759
Due to related parties	1,375,572	(1,069)	-	1,374,503	459,406
Due between funds	(51,332)	-	51,332	-	-
	1,439,436	(1,069)	51,332	1,489,699	478,165
Accumulated surplus and net financial assets	357,108	21,733	-	378,841	321,341



Taskinigahp Trust Office
Schedule 2 -Statement of Operations, Accumulated Surplus and Net Financial Assets
by Fund
For the year ended December 31, 2014
(Unaudited)

	2014 Budget	Community Development Fund	Claims Fund	Resource Fund	2014	2013
Revenue						
Taskinigahp Trust funding	4,400,000	3,660,000	15,000	725,000	4,400,000	1,635,889
Transfers from Nisichawayasihk Trust Office	-	30,000	-	-	30,000	-
Interest and other	-	11,693	303	-	11,996	3,214
	4,400,000	3,701,693	15,303	725,000	4,441,996	1,639,103
Expenses						
Administrative costs	6,000	2,396	-	-	2,396	3,540
Claims program	15,000	-	24,733	-	24,733	13,459
Annual audit fees	16,000	19,101	-	-	19,101	15,600
Corporate trustee fees	38,545	22,274	-	-	22,274	23,944
Community Involvement Process	30,000	30,000	-	-	30,000	30,000
Professional services	40,000	9,650	-	-	9,650	11,001
Nelson House trustees	22,400	25,805	-	-	25,805	22,382
Community development plan	20,000	20,000	-	-	20,000	-
Wuskwatim Implementation Office	753,207	753,207	-	-	753,207	-
Capital projects - O.K. School roof	-	-	-	-	-	200,000
Economic development - Wuskwatim Equity	1,000,000	1,000,000	-	-	1,000,000	-
Housing - NCN Housing	400,000	400,000	-	-	400,000	-
Education:						
Student supports - Pe Ta Pun project	300,000	300,000	-	-	300,000	200,000
Post secondary funding	60,000	60,000	-	-	60,000	-
Special education program	80,000	80,000	-	-	80,000	-
ATEC operations and maintenance	-	-	-	-	-	199,090
Resource and land use:						
Trappers Association	125,000	-	-	125,000	125,000	125,000
Fisherman Association	125,000	-	-	125,000	125,000	125,000
Jack Moore elders traditional program	200,000	-	-	200,000	200,000	160,670
Country foods program	200,000	-	-	200,000	200,000	200,000
NCN resource management	75,000	-	-	75,000	75,000	50,000
Social development:						
Parks and recreation funding	535,748	535,748	-	-	535,748	-
FCWC elders program	50,000	50,000	-	-	50,000	-
NKO square dancers	15,000	15,000	-	-	15,000	-
Rediscoveries of families project	60,000	60,000	-	-	60,000	-
Youth initiative program	60,000	60,000	-	-	60,000	-
Promoting wellness and community spirit	-	-	-	-	-	67,691
Other programs:						
Elders Subsidy (on reserve)	123,100	123,100	-	-	123,100	-
Elders Subsidy (off reserve)	-	23,000	-	-	23,000	7,100
Christmas Cheerboard	50,000	45,482	-	-	45,482	-
	4,400,000	3,634,763	24,733	725,000	4,384,496	1,454,477
Annual surplus	-	66,930	(9,430)	-	57,500	184,626
Accumulated surplus and net financial assets, beginning of year	321,341	290,178	31,163	-	321,341	136,715
Accumulated surplus and net financial assets, end of year	321,341	357,108	21,733	-	378,841	321,341





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